



LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY

MINUTES

Regular Meeting of the Board of Directors

June 14, 2023 – 9:30 a.m.

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway, Livermore, CA 94551

CALL TO ORDER – Chair Angela Ramirez Holmes called the meeting to order at 9:30 a.m.

*NOTE: Chair Ramirez Holmes announced that Alternate Director Richard Santos is participating telephonically.

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
Rebecca Eisenberg, Director, Santa Clara Valley Water District

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District
*Jeff Quimby, Alternate Director, Contra Costa Water District
Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water
Richard Santos, Alternate Director, Santa Clara Valley Water District
Sandy Figuers, Alternate Director, Zone 7 Water Agency

*participated in place of absent Director; Alternate Director Quimby acted in place of Director Avila, who was absent.

ABSENT

Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District

Dennis Herrera, Director, San Francisco Public Utilities Commission
Lesla 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

STAFF PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel
Marguerite Patil, Contra Costa Water District
Maureen Martin, Contra Costa Water District
William Lockwood, Clean Energy Capital Securities, LLC
Chuck Gardner, Hallmark Group, Program Manager
Jessica Alwan, Hallmark Group, Deputy Program Manager
Maddy Benner, Hallmark Group, Project Coordinator
Ibrahim Khadam, Khadam Consulting, Agreements Manager
MJ Brown, RGS, Assistant Board Clerk

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

CONSENT CALENDAR

1.1 Approval of Amended Minutes from May 19, 2023 Board of Directors Meeting

1.2 Treasurer’s Report – Month Ended April 30, 2023

Chair Ramirez Holmes requested Item 1.1 be pulled and heard under separate motion.

Upon motion by Director Eisenberg, seconded by Secretary Wehr, the Consent Calendar consisting of Item 1.2, was approved by the following roll call vote:

AYES: Angela Ramirez Holmes, Chair, Zone 7 Water Agency
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Ellen Wehr, Secretary, Grassland Water District
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

Chair Ramirez Holmes requested changes to the minutes on Item 1.1 of the agenda to reflect the following correction: (1) that Vice Chair Hansen requested Item 1.1 be pulled and heard under the separate motion.

Upon motion by Secretary Wehr, seconded by Director Eisenberg, Item 1.1 of the Consent Calendar, as amended, was approved by the following roll call vote:

AYES: Angela Ramirez Holmes, Chair, Zone 7 Water Agency
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Ellen Wehr, Secretary, Grassland Water District
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

ACTION ITEMS

2.1 Approval of Fiscal Year 2022 Audit Report

Executive Director Taryn Ravazzini stated the Authority's Board of Directors engaged Maze and Associates to conduct the Authority's Audit for Fiscal Year 2022 and she introduced Whitney Crockett, partner with Maze and Associates who presented the audit report.

Ms. Crockett presented the Authority's audit report, noting the auditor's opinion for Fiscal Year 2022 was clean or unmodified. Ms. Crockett further described the audit scope, and presented the Memorandum of Internal Control and required communications of which there were no issues.

Chair Ramirez Holmes noted that page 24 of the Independent Auditor's Report referred to management's discussion and analysis, but that discussion and analysis was not included in the Audit Report. Ms. Crockett stated it is not required for the basic financial statements to include that management discussion and analysis but that is required by the Governmental Accounting Standards Board and that is something they simply need to note in their opinion.

Alternate Director Wunderlich noted the management discussion and analysis may have been omitted due to the lack of activity that would ordinarily be presented in a management discussion and analysis. Chair Ramirez Holmes requested the addition of a statement noting that the management discussion and analysis is not provided as part of the audit. Executive Director Ravazzini stated she will further review this item and return to the Board with any necessary supplemental information.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Ms. Crockett stated omission of the management discussion analysis does not affect their audit opinion because it is considered supplementary information.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, the Fiscal Year 2022 Audit Report 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
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.2 Approval of Amendment to Extend Contract with Lagerlof, LLP for General Counsel Services

Executive Director Ravazzini summarized the action to amend the existing Authority contract for legal services with Lagerlof, LLP, which has been engaged since the inception of the Authority, with Jim Ciampa serving as the Authority's general counsel. This item would extend the existing contract through June 30, 2024, with no other changes.

Vice Chair Hansen asked if the service rates have increased since 2021 and whether any increases are anticipated between now and June 2024. General Counsel Ciampa, stated there has not been any rate increases since the inception of the agreement and no increases are proposed during Fiscal Year 2024.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Upon motion by Director Eisenberg, seconded by Treasurer Sethy, the Amendment to Extend Contract with Lagerlof, LLP for General Counsel Services, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.3 Approval of Amendment to Extend Contract with Clean Energy Capital Securities, LLC for Financial Consulting Services, Revise Scope of Work, and Increase Budget Authority for those Services

Executive Director Ravazzini reported the Authority's existing contract with Clean Energy Capital Securities, LLC ("Clean Energy Capital") for financial consulting services will expire on June 30, 2023. The proposed draft contract amendment would extend the contract through June 30, 2024, would provide a revised scope of work to better accommodate anticipated work in this upcoming fiscal year and would include additional budget authorization related to the services Clean Energy Capital would provide.

The proposed amendment was brought to the Finance Committee at its May 25 meeting, and it was determined by the Committee that Clean Energy Capital is uniquely qualified to provide continuing financial advisory services for FY 2024.

Executive Director Ravazzini noted that within the last week, two issues have come to light related to Clean Energy Capital's work for the Authority. First, an outstanding invoice from services rendered between late August and December 2022, prior to the start of Clean Energy Capital's contract with the JPA is estimated at \$136,000.

Second, from January to June of 2023, the JPA anticipates out-of-scope work may exceed the not-to-exceed amount of the contract by approximately \$147,000. This out-of-scope work includes additional services Clean Energy Capital rendered for service agreement management and subgroup leadership roles, procuring banking services, and managing the RFP process for accounting services.

Executive Director Ravazzini noted management will implement the following safeguards, which have been added to the proposed contract amendment if the Board approves that amendment:

1. Including a provision that services for which an invoice is submitted more than 60 days after the date the services are rendered will not be compensated;
2. Requiring written authorization to add scope or increase funds;
3. Requiring notice when the contract has \$50,000 remaining; and
4. Requiring payment progress payment reports when those invoices are submitted, which is not reflected in the amendment but will be part of the invoice process.

The JPA has undertaken a significant amount of work over the last several months and appreciates Clean Energy Capital providing support. Because there was uncertainty anticipated during the budget development process, potential overages can be covered under existing contingency in the FY 2023 budget. The JPA can close out the FY 2023 under budget and without impacts to the Multi-Party Agreement Amendment No. 5.

Executive Director Ravazzini noted the following options for the Board:

1. The Board could approve the contract, as amended, and shown in the contract included in the packet. This is solely for extending the contract for one year for FY 2024. A downside to that is it does not cover the outstanding invoice amounts, which total approximately \$283,000 for work that has already been completed;
2. The Board could take no action and refer the matter to the Finance Committee. The Finance Committee has not received this new information on the unpaid invoices. The Finance Committee could review the proposed amendment considering the new expenditures and determine next steps and direction to staff as to a recommendation to be brought to the Board at the July meeting; or
3. Opt-out of retaining Clean Energy Capital for FY 2024 and go forward with a competitive RFP for these financial services. The Board and Finance Committee have recognized the need for financial consultant support, so pursuing a consultant, whether it is Clean Energy Capital or not, is a recommendation of staff.

Vice Chair Hansen noted the unpaid invoice cost is an additional 50% of the total contract and she questioned how that additional work was overlooked. She then mentioned an inconsistency in the term provision of the draft amendment.

General Counsel Ciampa stated there was a mix up of versions of the amendment, and the provision setting forth the term will be revised to read, "The term of this agreement shall terminate on June 30, 2024. Consultant shall complete all services covered by this agreement no later than June 30, 2024." A formatting issue at the end of the document will also be corrected in the final version of the amendment.

Vice Chair Hansen recommended adding a requirement for invoicing every 30 days and also noted that in the scope of work set forth on page 61 of the Board packet, under Section B, Compensation Structure, a Task 9 is listed, but Task 9 is not included in the scope. Executive Director Ravazzini said Task 9 was merged into Task 8 so staff will make that correction to delete the reference to Task 9.

Vice Chair Hansen referred to Tasks 1 and 5 relating to the Water Infrastructure Finance and Innovation Act ("WIFIA") not being proposed to be budgeted at this time, but scope 5 includes a task that says, "Finalize and execute WIFIA agreement." Executive Director Ravazzini agreed with that revision and stated the scope of work will be adjusted to delete that task for FY 2024.

Director Eisenberg stated it would be helpful to include a monthly cap on the amount the Authority is to pay each month and that the consultant cannot exceed that amount without prior written approval, including by email. She also requested a venue provision be added in the amendment.

Treasurer Sethy noted that although it is disappointing these issues with invoices showing up late have arisen, it does not mean Clean Energy Capital did not do the work and he stated they have performed exceptionally well in performing their duties for the Authority. He is pleased that in working through these issues, Clean Energy Capital will tighten up their invoicing for the continuing year of this contract.

Secretary Wehr asked who is leading the further development of the service agreements, including the working groups that might not be directly related to financial matters but are rather negotiations over the allocation of storage and conveyance. Executive Director Ravazzini stated that with the onboarding of the Program Manager, Clean Energy Capital will be pulled back from leading on service agreement development, once the transition is completed.

Chair Ramirez Holmes confirmed the contract for the unpaid invoice dating from August 2022 was with CCWD. She asked if the Authority approved that contract, and Executive Director Ravazzini said the contract was already in existence with CCWD. Chair Ramirez Holmes said she assumes in both cases there was a clause in the contract that said any additional work outside the scope would need a written agreement. General Counsel Ciampa confirmed that. Chair Ramirez Holmes asked if the Authority amended the Authority's contract for additional services. Executive Director Ravazzini said staff did not come before the Board and amend the contract, nor did she amend the contract. Chair Ramirez Holmes asked and confirmed both contracts had a not-to-exceed-amount.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Chair Ramirez Holmes said as an elected Director and as Chair of the Authority, she has a fiduciary responsibility for financial oversight. She has concerns with the Authority covering a contract made by the CCWD Board of Directors where the Authority had no oversight and, thus, she is unsure why payment is the Authority's responsibility.

With respect to the Authority's contract, she commented that any additional work outside of the agreed scope needs to be undertaken through a signed agreement and there was no signed agreement for that additional work. She questioned how Clean Energy Capital could proceed with that out-of-scope work to the magnitude of \$147,000, with no signed agreement and expect that invoice to be paid.

Chair Ramirez Holmes is further concerned these matters are not transparent and the fact the problem has occurred twice in six months in an amount over \$300,000 is a red flag. She expressed her serious concerns, not with the work provided but with the business side, due to the fact Clean Energy Capital was doing work outside the scope and beyond the not-to-exceed amount.

Chair Ramirez Holmes suggested the Authority go out for a competitive bid to see if there are other consultants that can provide the necessary services. She is also open to sending this matter back to the Finance Committee to study and bring back in July. She noted she tallied the four changes made verbally to this contract at this meeting and stated it is not acceptable to vote on a contract with that many changes.

Director Eisenberg said one path forward is to negotiate with Clean Energy Capital. She thinks they do good work, and questioned if CCWD has some responsibility for the 2022 invoice amount.

Chair Ramirez Holmes emphasized that the action before the Authority is renewing the contract. She was not sure they have enough information today to make decisions on the outstanding issues; however, the Board can refer the item to the Finance Committee.

Director Eisenberg requested refinement of the language regarding invoicing and payments and thinks both matters should be continued before approval of the amendment.

Treasurer Sethy shared the sentiments of the Chair as to the circumstances of what happened but would like the Board to be pragmatic. He suggested having the Executive Director resolve the situation with CCWD through either reimbursing them or paying directly. Otherwise, it may not be until August that the Authority will have another contract in place for the necessary services and that would result in a gap in those services, so he would encourage the Board to approve the amendment.

Vice Chair Hansen asked Executive Director Ravazzini if she sees any other options for resolving the issue of the two invoices, and said she wished they had a version of the contract amendment without so many edits. Executive Director Ravazzini appreciated the understanding of the requested corrections. When looking at the fact there is an outstanding invoice for a contract with CCWD, ultimately that payment would come back to the Authority in some way. Something to consider is potentially backdating the commencement of the Authority's contract from December 5 to August 25 in order to cover the outstanding invoice that related to the CCWD contract with Clean Energy Capital.

Chair Ramirez Holmes understood the consensus of the Board is to approve the contract amendment and suggested this item return to the Board on the Consent Calendar at the July 12 meeting in a cleaned-up version, and the two invoice issues be sent to the Finance Committee with the actual contracts and ask them to return to the Board with a recommendation to be considered at the July 12 meeting.

Chair Ramirez Holmes recommended that the Finance Committee provide the Board with a matrix of all contracts each month, what the contract amount was, how much has been expended, and what the not to exceed amount is.

Alternative Director Wunderlich said to the extent the Finance Committee recommends some level of payment of the two invoices, he asked and confirmed this would be handled as a separate item from the contract item.

Upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, to table the Clean Energy Capital contract amendment to the July Board meeting to be agendaized on Consent with revisions to reflect Board comments; to send the invoice issues to the Finance Committee with the complete contracts included and with the suggestion to return those matters to the Board for action, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.4 Approval of Amendments to Independent Contractor Agreement with T. Ravazzini Consulting, LLC for Executive Director Services

General Counsel Ciampa stated that at the April Board meeting the Board conducted the Executive Director's performance evaluation and the Board directed the Chair to meet with the Executive Director to discuss potential amendments to the independent contractor agreement with respect to the Executive Director's compensation. That meeting took place, and the recommendation is to increase the cap on the number of hours both for the base monthly amount, and for the cap for additional hours that could be worked by six hours in each of those situations. The staff report reflects those increases and respective caps as noted in the amendment.

Vice Chair Hansen asked for clarification between the monthly rates mentioned in the amendment and in the staff report. In the amendment, it states "Effective April 1st the monthly rate is \$31,175." She asked if this is not changing until July 1st. General Counsel Ciampa clarified this would be retroactive to April 1, 2023, so the \$31,175 takes into consideration is the increase of the 6 hours of the additional cap.

Vice Chair Hansen asked and confirmed Executive Director Ravazzini bills the JPA monthly and was amenable to changing the language in the contract to indicate she will bill the JPA monthly.

Chair Ramirez Holmes added that the JPA has not received invoices yet for April and May because Executive Director Ravazzini has been holding them because they would be retroactively adjusted based on the contract when they met.

General Counsel Ciampa commented that the contract does currently provide for monthly invoicing.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, approval of amendments to Independent Contractor Agreement with T. Ravazzini Consulting, LLC for Executive Director Services, 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

Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.5 Approval of Agreement with Eide Bailly, LLP for Accounting and Financial Management Services

Executive Director Ravazzini reported she is pleased to hit a major milestone for the Authority as it furthers the transition of financial and administrative support from CCWD to the Authority.

Staff conducted an RFP for accounting services and received two responsive proposals and held interviews. The preferred candidate and the one that best fits the Authority's needs is Eide Bailly, LLP. Nick Rosas from Eide Bailly stated their offices are in Sacramento, and he was available to answer any questions.

Vice Chair Hansen confirmed Eide Bailly would invoice every 30 days. Mr. Rosas added they have procedures to initiate communication if a majority of the contract budget has been expended.

Vice Chair Hansen proposed amending Item 3 in the contract from saying "Consultant shall, at convenient intervals not more than frequently than monthly, submit itemized statements" to "Consultant shall submit itemized statements every 30 days."

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Upon motion by Treasurer Sethy, seconded by Director Eisenberg, agreement with Eide Bailly, LLP for Accounting and Financial Management Services, as amended, to revise Item 3 from "Consultant shall, at convenient intervals not more frequently than monthly, submit itemized statements..." to "Consultant shall submit itemized statements every 30 days...", 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.6 Adoption of Resolution No. 6-23-01 Approving Fiscal Year 2024 Budget

Executive Director Ravazzini presented the final version of the Authority’s Fiscal Year 2024 Budget, memorialized in Resolution No. 6-23-01 included in the Board packet.

At the request of Directors, the following details have been added:

- Details added to Table 2 in the Budget on page 107 of the packet. This includes External Affairs/Agency Negotiation Support services. Details have been added to clarify estimates of CCWD’s labor by facility, and CCWD uses of funds regarding labor charges to the Project.
- The Multi-Party Agreement Amendment No. 5 budget is aligned with the FY 2024 Budget. The Board has discretion over use of contingency for any expenditure over the Executive Director’s authority of \$50,000. The Finance Committee and Board previously had discussions about contingency, and the conservative approach of the Board has a contingency adjustment, increasing it from 10% to 17% for FY 2024 in lieu of funding reserves.
- There are two minor typos in the Budget Book which include a missing period on page 105 of the packet and a correction on page 102 correcting a “FY 2023” reference to be a “FY 2024” under the “FEDERAL FUNDING” paragraph.

Chair Ramirez Holmes thanked staff for their work on the budget. She asked and confirmed with Finance staff the additional allocation from the federal government is not included, which staff explained is due to timing of receipt of funds and the fiscal year.

Vice Chair Hansen asked that the word “become” on page 110 in the “Capital” paragraph, second sentence, be changed to “becomes.” She also referred to page 98 of the Budget Book and asked staff to make the two instances of construction work be made to read consistent and suggested adding the word “summer” on page 98.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, adoption of Resolution No. 6-23-01 Approving Fiscal Year 2024 Budget, as amended, was approved by the following roll call vote:

AYES: Angela Ramirez Holmes, Chair, Zone 7 Water Agency
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.7 Approval of Amendment No. 5 to Multi-Party Cost Share Agreement

General Counsel Ciampa summarized the proposed Amendment No. 5 to the Multi-Party Cost Share Agreement, which has been discussed amongst the Board, Finance Committee, and Members and final revisions have been incorporated into this version. Primary changes are to extend the term, changes in roles and responsibilities of parties, namely CCWD and the Authority, updated scope of work relative to those changes in roles and responsibilities, changes in the financial component where the intent is that once the Service Agreement is in place, it will supersede the amended Multi-Party Agreement.

Role modifications reflect the financial transition from CCWD to the Authority. In connection with that, CCWD would be transferring a large portion of Fund 60 that it holds of approximately \$1,425,000 which would come to the Authority to be held for Authority expenses.

The amendment reflects \$8,673,000 to be paid by members, excluding Grassland Water District. This works out to \$1,239,000 per Member. Those amounts would be invoiced by the Authority: one invoice in September 2023 and the other in January 2024. There would be payments totaling \$5,826,000 to be paid to CCWD for the services it renders. Those payments would be made in November 2023 and March 2024.

The amendment was finalized on June 2, 2023, and has been distributed to the Members for their review. This amendment, like Amendment No. 4, is retroactive, meaning the amendment will go into place when approved by both the Authority and CCWD and will be retroactive to when the member agencies approve it, assuming the Board takes action.

Chair Ramirez Holmes asked and confirmed there were no questions from the Board.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Upon motion by Vice Chair Hansen, seconded by Director Eisenberg, Amendment No. 5 to Multi-Party Cost Share Agreement, was approved by the following roll call vote:

AYES: Angela Ramirez Holmes, Chair, Zone 7 Water Agency
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.8 Consideration of Designation of Voting Representative for Association of California Water Agencies 2024-25 Election

Executive Director Ravazzini reported on her attendance at the Association of California Water Agencies (ACWA) Board of Directors' meeting on June 2, 2023, where they voted to approve the Authority as a new member. ACWA will be conducting the election for its President and Vice President for the 2024/25 term in the coming months. All ACWA members must designate a voting representative for the upcoming election and if the designation form is not submitted by June 16th the default provision would apply and the agency's General Manager or Executive Director would be deemed to be the agency's voting representative.

Chair Ramirez Holmes called for public comment. There were no comments made and she closed public comment.

Chair Ramirez Holmes recommended the Board designate the Executive Director as its voting representative.

Upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, Designation of Executive Director Ravazzini as Voting Representative for Association of California Water Agencies 2024-25 Election, 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
 Rebecca Eisenberg, Director, Santa Clara Valley Water District
 Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

DISCUSSION ITEMS

3.1 Federal Relations Update

Executive Director Ravazzini introduced Ibrahim Khadam of Khadam Consulting, to provide an initial update and report on federal issues, and Garrett Durst and Sara Tucker with Natural Resource Results will be adding to the federal relations report.

Mr. Khadam described the engagement since 2020 with the U.S. Bureau of Reclamation (Reclamation) on behalf of the Los Vaqueros Reservoir Expansion Project developing the federal feasibility study, work on getting details into the framework, and trying to ensure the Reclamation has a clear understanding of the outstanding Project issues and how to resolve them.

Mr. Khadam then provided a comprehensive presentation on the issue of federal benefits, Reclamation involvement, and questions regarding, 1) Delta surplus, 2) water rights concerning excess flows; 3) amendment needed for Reclamation water rights; 4) identifying Reclamation rules and the need for a contractual mechanism to move the water supplies through CCWD facilities, power use, how to pay for the O&M, and 5) that once water gets delivered from the Project into the California Aqueduct, another set of agreements is needed with DWR for use of their facilities to move these supplies.

He reported much recent progress has been made due to engagement from the Bureau of Reclamation Commissioner, the Regional Director, and staff, and they are hopeful they can get all issues resolved by the end of summer.

Mr. Khadam reported on the work being done towards a partnership agreement called the Benefits and Obligation Agreement, which is anticipated to be signed by March 2024. Right now, they are starting the process with Reclamation to request delegated authority from the Commissioner for the Region Office to start negotiating on those agreements.

Through productive leadership meetings, the team has gained consensus on how to proceed with the Record of Decision and the federal permits process in order to meet the schedule for the California Water Commission's final award hearing. Significant challenges were noted as related to the aquatic resources component under the federal Endangered Species Act (ESA) due to Reclamation's re-consultation of the CVP/SWP Long Term Operations. He further noted they have gained support from Reclamation and commitment from both staff and leadership to prioritize the Project.

Executive Director Ravazzini said the Authority's federal advocates, Natural Resource Results' Sara Tucker and Garrett Durst, are on the line to present an update on their efforts.

Ms. Tucker gave a brief summary of the meeting they had with Bureau of Reclamation Commissioner Camille Touton on June 1. She said there is a strong commitment to work closely to resolve some of the outstanding issues, and a commitment from the Commissioner's staff to continue working to secure ESA coverage for the Project's operations.

Mr. Durst then spoke about details on their outreach and advocacy with congressional representatives, their monthly check-in call with Members who have federal lobbyists, and coordination of efforts in their communications to Congress and federal agencies.

He described Senator Feinstein's circulation of a draft bill she calls "The STREAM Act" (Support to Rehydrate the Environment, Agriculture and Municipalities Act) which proposes to authorize \$750 million for surface and groundwater storage projects. The STREAM Act would allow the Project to possibly receive additional funds under the existing WIIN Act storage account rules. The bill creates a new process for funding storage projects and language in the bill allows projects that have received WIIN Act or infrastructure law dollars to be eligible to participate in the \$750 million of funding without being subject to the new rules under that bill. Further activities on that bill will take place throughout the summer.

Mr. Durst noted several members of Congress, led by Congressman Harder, requested a briefing from Commissioner Touton on the status and progress being made on the Los Vaqueros Expansion Project. They reached out to Congressman Harder's office and communicated the Authority's briefing with Commissioner Touton at her request. Mr. Durst described legislative language proposed by Congressman Harder which was geared to expedite Reclamation to issue a Record of Decision faster. He described this language as concerning and unnecessary given the progress recently made with Reclamation and their potential reaction to the language, and further noted conversations with and among Congressman Harder, Commissioner Touton, and Congressman Huffman to propose removing the language.

Treasurer Sethy requested confirmation that the Authority already had access to WIIN money. Mr. Durst confirmed and noted the Project has received funding under both the WIIN Act and the Bipartisan Infrastructure Law (i.e., the Infrastructure Investment and Jobs Act). Chair Ramirez Holmes clarified the Authority is 100% behind Congressman Harder's intent, but recognized the proposed legislative language would not be helpful in light of the progress being made with the Bureau of Reclamation.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors

Chair Ramirez Holmes reported on her attendance to the May 20 25th Anniversary of the Los Vaqueros Reservoir. On June 1, she met with Commissioner Touton and the JPA team. Regarding the ad-hoc committee that was appointed regarding the Facilities Usage Agreement with CCWD, she has made the appointments to that committee, consisting of Director Tognolini, Alternate Director Wunderlich, and herself. The initial committee meeting will be scheduled once additional materials are received.

Vice Chair Hansen reported that in her role as Vice Chair she has been participating on behalf of the Authority at the leadership meetings with Reclamation and emphasized the progress made.

4.2 Executive Director

Executive Director Ravazzini noted the following updates included in her written report:

- Provided an update presentation on the Project in coordination with Alternate Director Gutierrez at the Westlands Water District Board meeting.
- Facilitated an introductory meeting with Chase Hurley, Interim General Manager of Panoche Water District, to provide overview of the Project.
- She introduced Chuck Gardner, President of Hallmark Group and the Authority's Program Manager, who said he looks forward to working with staff and the Board.

- The Authority is moving forward with transitioning banking services and opening an account with J.P. Morgan Chase.

4.3 General Counsel

General Counsel Ciampa stated last month Treasurer Sethy brought an issue to his attention regarding the filing of the JPA Agreement with various county local agency formation commissions (LAFCOs). He stated when the JPA was formed, the Authority did not file the JPA Agreement with the county LAFCOs because it does not provide “municipal services.” However, in reviewing the pertinent statutes, one consequence of not filing the JPA Agreement if required would be a potential problem in issuing financing. Thus, to avoid any such financing issues, he has proceeded to file the JPA Agreement with the various county LAFCOs.

4.4 Board Policy and Action Calendar

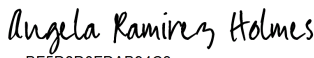
None.

4.5 Committee Meeting Summaries

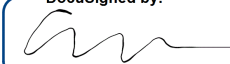
None.

ADJOURNMENT

The meeting was adjourned at 11:45 a.m.

DocuSigned by:

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Angela Ramirez Holmes, Chair

ATTEST:

DocuSigned by:

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Ellen Wehr, Secretary