



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

July 12, 2023 – 9:30 a.m.

Chair Angela Ramirez Holmes called the meeting to order at 9:31 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

Rebecca Eisenberg, Director, Santa Clara Valley Water District (joined the meeting at 9:50 a.m.)

Michael Tognolini, Director, East Bay Municipal Utility District

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District

*Antonio Martinez, Alternate Director, Contra Costa Water District

Richard Santos, Alternate Director, Santa Clara Valley Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

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

*Participated in place of absent Director

ABSENT

Ernesto Avila, Director, Contra Costa Water District

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
Garret Durst, Natural Resource Results, LLC
Rosemarie Perea, Board Clerk (by telephone)
MJ Brown, Assistant Board Clerk

Numerous others were present in person and by telephone.

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

CONSENT CALENDAR

The Consent Calendar consisted of the following items:

- 1.1 Approval of Minutes from June 14, 2023 Board of Directors Meeting**
- 1.2 Treasurer’s Report – Month Ended May 31, 2023**
- 1.3 Approval of Amendment to Standard Services Agreement with Clean Energy Capital Securities, LLC for FY 2024**

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

Upon motion by Alternate Director Santos, seconded by Secretary Wehr, the Consent Calendar consisting of items 1.2 and 1.3, 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, Alternate Director, Contra Costa Water District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Richard Santos, Alternate Director, Santa Clara Valley Water District

NOES: None

ABSENT: None

ABSTAIN: Michael Tognolini, Director, East Bay Municipal Utility District

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

Chair Holmes requested a change to the June 14, 2023 Board meeting minutes, included as Item 1.1, to include a reference throughout the minutes to reflect that the call for public comments

includes requests for public comments by those participating by telephone and not just those “seen” by the Chair in person at the meeting.

Upon motion by Chair Angela Ramirez Holmes, seconded by Vice Chair Hansen, Item 1.1 of the Consent Calendar was approved, as revised, 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
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Richard Santos, Alternate Director, Santa Clara Valley Water District

NOES: None

ABSENT: None

ABSTAIN: Michael Tognolini, Director, East Bay Municipal Utility District
Antonio Martinez, Alternate Director, Contra Costa Water District

The motion passed with a 6-0 vote, with Director Tognolini and Alternate Director Martinez abstaining.

ACTION ITEMS

2.1 Adoption of Resolution No. 7-23-01 Establishing Audit Policy

Executive Director Taryn Ravazzini advised that in connection with the Board of Directors’ action to engage the Authority’s auditor for the 2022 Fiscal Year audit, the Board discussed establishing an Audit Policy for future years. General Counsel Ciampa prepared the draft Audit Policy, which was reviewed by the Finance Committee at its July 11 meeting. That meeting resulted in three changes to the draft Policy that was presented, which Mr. Ciampa had distributed in advance of this Board of Directors’ meeting, with those changes redlined. Mr. Ciampa then reviewed those changes with the Board.

Executive Director Ravazzini advised that a Request for Proposal for the appointment of an auditor will be completed sometime in August.

Alternate Director Figuers asked for clarification of the word “efficiency” in Section B(1) of the draft Policy and was advised that would be left to the discretion of the auditor to make suggestions in connection with its review of the Authority’s operations.

Alternate Director Ritchie asked that Resolution 7-23-01 be revised to reflect that the Board’s action is to adopt the Audit Policy with the revisions being made to the Policy.

Chair Ramirez Holmes asked that a reference stating that the Management and Discussion Analysis will be included in the auditor’s scope of work. After further discussion, the Board reached consensus to add a requirement that the audit will comply with all Governmental Accounting Standards Board (GASB) requirements. Chair Ramirez Holmes also requested that

Exhibit A include a reference to “Title 2 - California Code of Regulations” so it is clear that exhibit is a statement of those state regulations.

The Board discussed whether the waiting period for an auditor who has served for five years should be one year, as the Finance Committee recommended, or five years. The Board reached consensus to have a one-year waiting period.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

After discussion and upon motion by Director Eisenberg, seconded by Alternate Director Ritchie, Resolution No. 7-23-01 adopting the Authority’s Audit Policy in the form presented and with the revisions discussed, 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, Alternate Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: None

ABSENT: None

ABSTAIN: None

The Resolution was approved unanimously with an 8-0 vote.

2.2 Consideration and Possible Action on Clean Energy Securities, LLC Invoices and/or Possible Further Amendment to Standard Services Agreement

Executive Director Ravazzini provided the Board with a summary of the outstanding invoices from Clean Energy Capital Securities, LLC (“Clean Energy Capital”), as was discussed at the June 14 Board of Directors’ meeting. Those invoices relate to two issues:

The first issue relates to services Clean Energy Capital has provided to the Authority that are beyond Clean Energy Capital’s agreed upon scope of work in its contract with the Authority. Those services were directed by the Executive Director since early 2023 to assist with leadership support and membership coordination concerning the Service Agreement development and key financial transition services, including work with the auditor for the Fiscal Year 2022 audit, banking services procurement, and development and coordination of the accounting and financial management services request for proposals and evaluation process. On April 5, 2023, Clean Energy Capital requested an amendment for out-of-scope services to add \$211,561 to the not-to-exceed amount of its contract with the Authority. A written amendment was not provided. On June 9, 2023, Clean Energy Capital invoiced the Authority for May services in the amount of \$66,687.23 which exceeded the not-to-exceed contract amount by \$54,624.75. Clean Energy Capital has also

provided its invoice for June services and the total contract overage amount is \$124,536 for services performed through June 30, 2023, the end of the 2023 Fiscal Year.

The second issue relates to an unpaid invoice from Clean Energy Capital to Contra Costa Water District (CCWD) in the amount of \$136,776.60 for services rendered to the Authority from August 25, 2022 to December 4, 2022, while CCWD retained management of the Clean Energy Capital contract for Project services. The Authority entered into its contract with Clean Energy Capital on December 5, 2022, at which time the Authority directly began management of Clean Energy Capital's work. The invoiced amount for the subject work exceeded the not-to-exceed amount of Clean Energy Capital's contract with CCWD by \$136,776.60.

Executive Director Ravazzini stated the Finance Committee considered this matter at its meeting on July 11 and approved a recommendation to the Board of Directors to authorize payment from Fiscal Year 2023 contingency amounts to Clean Energy Capital for services rendered in the following manner: (i) to make the start date of the Authority's contract with Clean Energy Capital retroactive to August 25, 2022, (ii) to direct staff to negotiate a reduction in cost with Clean Energy Capital for the overages, which may or may not result in a reduction of those amounts, and (iii) to increase the Authority's contract amount with Clean Energy Capital to cover the negotiated amount. Executive Director Ravazzini stated there are contingency funds available in the Fiscal Year 2023 budget to cover those overage amounts.

Chair Ramirez Holmes stated she is opposed to any amendments to the Clean Energy Capital agreement. She stated Clean Energy Capital should have insisted on having an amendment in place before performing that extent of work and the CCWD issue relates to a contract with CCWD to which the Authority is not a party. She believes CCWD needs to address and act upon that issue.

Director Eisenberg noted the importance of maintaining the relationship with Clean Energy Capital and that the negotiation to occur needs to be a three-party negotiation among the Authority, CCWD and Clean Energy Capital.

Director Tognolini noted that if the Authority ends up paying under the CCWD issue, the Authority needs to be included in the negotiations. Treasurer Sethy noted this matter needs to be looked at globally in that CCWD was acting on behalf of the Authority. He feels the Board should approve complete payment of overages. Director Eisenberg would like Clean Energy Capital to offer at least a 10% discount.

Chair Ramirez Holmes noted the Authority is a public agency and it and its contractors are held to a higher standard. Chair Ramirez Holmes then called for public comments in the room or on the phone. None were received.

Vice Chair Hansen moved, and Treasurer Sethy seconded, that the Authority makes its contract with Clean Energy Capital retroactive to August 25, 2022, negotiate with Clean Energy Capital for a reduction for both overages which may or may not result in a reduction, and to amend the Authority's agreement with Clean Energy Capital to reflect the agreed upon revised contract amount. The Board of Directors voted as follows:

AYES: 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, Alternate Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: Angela Ramirez Holmes, Chair, Zone 7 Water Agency

ABSENT: None

ABSTAIN: None

The motion passed with a 7-1 vote.

2.3 Support of Senator Feinstein’s STREAM Act (S. 2162)

Executive Director Ravazzini stated this item provides the Board of Directors with an opportunity to take a position in support of the Support to Rehydrate the Environment, Agriculture and Municipalities Act, known as the STREAM Act (S. 2162), authored by Senator Feinstein and co-authored by Senator Kelly (D-AZ) and Senator Sinema (D-AZ). Broadly speaking, the legislation authorizes funding for surface and groundwater storage, water recycling, desalination, and ecosystem restoration. Many California water agencies have endorsed the bill.

Specifically, the bill would authorize an additional \$750 million for surface and groundwater storage projects and is written in a way that would give the Los Vaqueros Reservoir Expansion project (the “Project”) access to that funding without additional procedural requirements, as projects that have received Infrastructure Investment and Jobs Act storage funding, such as the Project, are grandfathered into the new storage funding mechanism.

The STREAM Act also allows non-federal storage projects to use a portion of storage funding to cover the operations, maintenance, and replacement costs associated with public benefits that have been funded by a state, such as the Project’s public benefits that have received Proposition 1 funding.

Garrett Durst, the Authority’s federal relations representative with Natural Resource Results, LLC, reviewed the STREAM Act in more detail, with an emphasis on the advantage the Project has in receiving additional funding in light of its prior receipt of federal funding, and the benefit of receiving funding to cover operations and maintenance expenses. He stated the STREAM Act is scheduled for a July 19 legislative hearing.

Director Eisenberg stated the Sierra Club supports portions of the Act. She also asked whether the bill is in its final form. Mr. Durst responded that the bill may be amended at various points throughout the legislative process.

Director Tognolini stated his district has postponed action on the Act until its August 8 Board meeting and inquired if the Authority could delay its action. Mr. Durst stated there would still be value if the support letter is deferred. Treasurer Sethy noted that although his agency has not yet considered the Act, he is fully supportive of it.

Alternate Director Martinez stated CCWD took a support position. He believes support of legislation should be left to the individual member agencies and the Authority does not need to take a position on the STREAM Act.

Secretary Wehr expressed her district's support of the Act and stated Senator Feinstein has been a strong supporter of the Project for many years. She also emphasized the tremendous benefit of receiving federal funding for operations and maintenance and delivery costs, which are directly applicable to the Project. She stated she has had contact with several environmental organizations who understand the Authority's position if it supported the Act.

Alternate Director Ritchie advised that his agency supports the Act and suggests going forward with support of the Act as the Act would be a benefit to the Authority.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

Secretary Wehr moved, and Director Eisenberg seconded, that the Authority support Senator Feinstein's STREAM Act (S. 2162). The motion was approved by the following 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, Alternate Director, Contra Costa Water District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: None

ABSENT: None

ABSTAIN: Michael Tognolini, Director, East Bay Municipal Utility District

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

2.4 Consideration and Possible Approval of Resolution No. 7-23-02 In Appreciation of Service of Marguerite Patil

Executive Director Ravazzini noted that Marguerite Patil has been instrumental in advancing the Los Vaqueros Reservoir Expansion Project over many years through her work at Contra Costa Water District. Those efforts include her tremendous work in guiding the formation of the Authority and serving as its initial Administrator. Ms. Patil will be retiring at the end of this month and this resolution recognizes Ms. Patil's numerous years of dedication to the Project and, most recently, to the Authority. Executive Director Ravazzini then read the resolution stating the Authority's appreciation for Ms. Patil's efforts and wishing her well in her retirement.

Each of the Directors then complimented Ms. Patil on her years of service and dedication to the Project and expressed their best wishes for her in her retirement.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

Upon motion by Director Ritchie, seconded by Director Eisenberg, Resolution No. 7-23-02 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, Alternate Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District
- NOES:** None
ABSENT: None
ABSTAIN: None

The motion passed unanimously with an 8-0 vote.

DISCUSSION ITEMS

3.1 Program Management Update

Chuck Gardner, Program Manager with the Hallmark Group, presented a status update on the transition of administration activities from CCWD to the Authority, as well as ongoing program management activities, Authority contract authorizations and next steps. He reviewed the actions the Program Management team has taken with respect to project controls, managing budget and schedule, Service Agreement development and communications support. He also reviewed the newly created contract matrix, which shows total contract amounts, amounts expended and contract amounts remaining. That matrix will be further refined and will be presented to the Board each month.

Treasurer Sethy requested that at least quarterly the Board be provided with copies of invoices the Authority has paid.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

3.2 California Water Commission (CWC) Water Storage Investment Program (WSIP) Process and Contract for Administration of Public Benefits (CAPB) Update

In the interest of time, upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, this item was tabled to the August 9 Board meeting, and the motion to table was unanimously approved as follows:

- 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

Jonathan Wunderlich, Alternate Director, Alameda County Water District
Antonio Martinez, Alternate Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: None
ABSENT: None
ABSTAIN: None

The motion passed unanimously with an 8-0 vote.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors

Alternate Director Ritchie reported that San Francisco PUC just released its Alternative Water Supply document in late June, which incorporates the Los Vaqueros Reservoir Expansion Project. He referred members to the San Francisco PUC website to review that document.

4.2 Executive Director

Executive Director Ravazzini provided a written report included in the meeting materials, including a federal relations update. She also reported the California Water Commission has approved the funding award for the Harvest Water Project, a conjunctive-use project in Sacramento. The Harvest Water Project is the first project in the Water Storage Investment Program (WSIP) to complete the Proposition 1 requirements and appear before the Commission for a final award hearing. The Los Vaqueros Reservoir Expansion Project is the next WSIP project to be considered by the Water Commission.

4.3 - General Counsel

General Counsel Ciampa clarified that with respect to preparation of the Service Agreement and related document drafting, CCWD and East Bay Municipal Utility District will take the lead in drafting the Design and Construction, Facilities Usage and Operations and Maintenance Agreements for their respective facilities. He also reminded committee members to respond to requests to confirm the location from which they will be participating by Zoom or telephone in committee meetings to ensure all members are able to participate in those meetings.

4.4 Board Policy and Action Calendar

Chair Ramirez Holmes stated the updated Board Policy and Action Calendar was included in the meeting materials for the Board's information.

4.5 Committee Meeting Summaries

The following committee Meeting Summaries were included for the Board's review:

- O&E Committee Meeting Summary - June 15, 2023
- Communications Committee Meeting Summary - June 28, 2023

The meeting was adjourned at 11:37 a.m.

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Angela Ramirez Holmes

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Angela Ramirez Holmes, Chair

ATTEST:

DocuSigned by:

Ellen Wehr

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Ellen Wehr, Secretary