



## **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

August 9, 2023 – 9:30 a.m.

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Chair Angela Ramirez Holmes called the meeting to order at 9:33 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

Michael Tognolini, Director, East Bay Municipal Utility District

#### **ALTERNATE DIRECTORS**

\*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

Ricardo Ortega, Alternate Director, Grassland Water District (by telephone)

\*Participated in place of absent Director

#### **ABSENT**

Ernesto Avila, Director, Contra Costa Water District

Dennis Herrera, Director, San Francisco Public Utilities Commission

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water Authority

**OTHERS PRESENT**

Taryn Ravazzini, Executive Director  
James Ciampa, Lagerlof, LLP, General Counsel  
Chuck Gardner, Program Manager, Hallmark Group  
Jessica Alwan, Program Manager, Hallmark Group  
Maddy Benner, Hallmark Group  
David Moore, Clean Energy Capital Securities, LLC  
Maureen Martin, Contra Costa Water District  
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 July 12, 2023 Board of Directors Meeting**

**1.2 Treasurer’s Report – Month Ended June 30, 2023**

Upon motion by Alternate Director Ritchie, seconded by Alternate Director Martinez, the Consent Calendar was approved by the following roll call vote:

**AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Rebecca Eisenberg, Director, Santa Clara Valley Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Antonio Martinez, Alternate Director, Contra Costa Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed with an 8-0 vote.

## **ACTION ITEMS**

### **2.1 ACWA Board Officers' Election for President and Vice President**

Executive Director Taryn Ravazzini provided background regarding the upcoming Association of California Water Agencies' election for President and Vice President. She stated the Board could authorize a vote for the suggested candidates for the President and Vice President positions, could authorize a vote for a different candidate or could abstain from voting.

Treasurer Sethy then moved, and Director Eisenberg seconded, that the Board authorize the Executive Director cast the Authority's vote for the ACWA preferred candidates, Cathy Green for ACWA President and Ernesto Avila for ACWA Vice President. The motion passed with 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  
Michael Tognolini, Director, East Bay Municipal Utility District  
Rebecca Eisenberg, Director, Santa Clara Valley Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Antonio Martinez, Alternate Director, Contra Costa Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed with an 8-0 vote.

## **DISCUSSION ITEMS**

### **3.1 Program Management Update**

- **Authority Auditor Services Procurement**
- **Agreement Schedule**
- **Construction Schedule**

Chuck Gardner, Program Manager with The Hallmark Group, presented a status update on the following program management items: (i) transition of administration from Contra Costa Water District (CCWD) to the Authority, including the transition of Board and committee meeting materials; (ii) business readiness, with the draft Request for Proposals (RFP) for Audit Services posted on August 4, August 25 response deadline and expected award at the September Board meeting, and the RFP for Bond Counsel services to be released in the coming weeks; (iii) project controls, including contract expenditure status, invoice processing and assumption of preparation of the Treasurer's Report; (iv) managing budget and schedule, with an updated construction schedule presented; (v) managing the Service Agreement development; and (vi) supporting communications, with preparation of the recent Press Release concerning the Bureau of Reclamation's additional \$10 million appropriation for the Project.

The Program Management team anticipates that regular updates to the Board will include status of the Project budget, schedule, contract authorizations, agreements, and additional topics, as needed.

Mr. Gardner stated that a \$44,000.00 reduction in the Clean Energy Capital invoice was negotiated. Mr. Gardner then reviewed the contract authorization matrix, which showed the current status of the Authority's existing and completed contracts, including amounts expended to date. Alternate Director Ritchie recommended changing the reference on the matrix from "Remaining Commitment" and Vice Chair Hansen suggested using "Remaining Contract Value" for that column. Director Eisenberg suggested the legal counsel line item have a definite number and General Counsel Ciampa suggested using the Fiscal Year 2024 budget figure moving forward. Chair Ramirez Holmes stated the remaining amount on the Khadam Consulting line item should be zero as that contract has been moved to the Program Management line item.

Mr. Gardner then reviewed the invoice review and approval procedure to be followed, which includes two reviews by the Program Management team and final review and approval by the Executive Director. Chair Ramirez Holmes clarified the process with respect to the Executive Director's invoices is different and noted General Counsel Ciampa and herself approve the Executive Director's invoices.

Mr. Gardner reviewed the current planning phase financing schedule and the various agreements into which the Authority must enter. With respect to the "Agreement Development Process," Chair Ramirez Holmes inquired about the delays for the various prerequisite agreements and stated the entity responsible for the agreement preparation should be listed on the schedule. She also expressed her frustration with the lack of progress on the CCWD Facilities Usage Agreement.

Director Tognolini stated it is important for the Contracts for Administration of Public Benefits (CAPBs) to be completed prior to the Service Agreement being completed so the members will know what impact the obligations under the CAPBs will have on members' expected Project benefits. Ms. Ravazzini responded the CAPBs will be developed in parallel with the Service Agreement. Secretary Wehr inquired about the status of the water rights petitions and Ms. Ravazzini stated the State Water Resources Control Board does not need to rule on those petitions prior to the Service Agreement being signed.

The revised construction schedule was then reviewed, and explanations for adjustments were provided. Discussion ensued with Maureen Martin and Chris Hentz of CCWD explaining the Division of Safety of Dams' requirement for the coffer dam in connection with the Reservoir Expansion. Mr. Hentz stated the coffer dam will isolate water upstream of the Los Vaqueros Dam to protect the work area during construction and also to provide stormwater protection. Chair Ramirez Holmes inquired about the status of the Project costs update. Mr. Gardner stated he hopes to have that information by the end of August. Vice Chair Hansen asked if the Transfer Bethany Pipeline costs will be separated and available in advance of other Project costs and Mr. Gardner stated that may be possible.

Director Eisenberg inquired whether CCWD had taken climate change and evaporation concerns into consideration in its design and planning. Ms. Martin explained CCWD is reviewing and updating data on an ongoing basis in connection with the design process. Ms. Martin also stated CCWD has determined an eight percent (8%) evaporation factor.

Mr. Gardner concluded by reviewing next steps for the Program Management team, including updating the baseline budget, assisting with the auditor selection recommendation, assisting with distribution of the Bond Counsel RFP, taking steps to streamline administrative activities, finalizing the Authority's cost report format and finalizing the Authority's progress and cost report for CCWD grant reimbursement.

Chair Ramirez Holmes asked for public comments from those present in the room and from those on the telephone. None were received.

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

Executive Director Ravazzini provided an overview of the Project's background under the Water Storage Investment Program (WSIP), which provides the funding under the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1). The Project has received \$477 million in funding under Proposition 1, which includes \$18 million in inflation boosts and reallocation. Ms. Ravazzini stated final award of these funds requires completion of two separate Contracts for Administration of Public Benefits (CAPB), one between the Authority and the California Department of Fish and Wildlife (CDFW) for ecosystem benefits and the other between the Authority and the Department of Water Resources (DWR) for emergency response and recreational benefits. The CAPBs will become an exhibit to the final Funding Agreement with the California Water Commission (CWC).

The Authority is currently coordinating with CDFW and DWR to develop a proposed schedule for negotiating and drafting the CAPBs. The content of those agreements is included in the Proposition 1 implementing regulations. Ms. Ravazzini stated there are seven WSIP projects and the project proponents have been meeting for numerous years to work on template agreements. The Harvest Water conjunctive use project in Sacramento was the first WSIP project to have its hearing with the CWC. Ms. Ravazzini expects negotiations on the CAPBs to start in the next few months, with the CAPBs to be presented to the CWC in March 2024.

Alternative Director Ritchie expressed concern about the cost effectiveness of the Project in light of the eight percent (8%) evaporation rate being applied to a drought and storage project. He also inquired about the length of the term for the required public benefits under the CAPBs. Ms. Ravazzini stated that term will be negotiated. Lastly, Alternate Director Ritchie asked about the consequences if the required benefits are not provided. Ms. Ravazzini stated the adaptive management plan to be included in the CAPB will address that issue. General Counsel Ciampa further responded that issue will be negotiated, and the state was flexible in the Harvest Water CAPB.

Vice Chair Hansen stated it is important for the Service Agreement to include issues relating to the CAPBs and the ramifications of not meeting the specified public benefit requirements. Treasurer Sethy would like the Authority to ensure the ecosystem benefits are measurable and tangible. He also inquired about a further inflation boost, as one was not provided in the state's Fiscal Year 2024 budget.

Chair Ramirez Holmes asked for public comments from those present in the room and from those on the telephone. None were received.

### **3.3 Approach to Interim Financing**

David Moore of Clean Energy Capital reviewed the options the Authority has with respect to interim financing, including a bank loan, medium-term notes or tax-exempt commercial paper. He explained each of those alternatives has different requirements. He stated the member agency finance staffs will be involved in the process of reviewing the options and providing input as to the preferred financing vehicle that will be brought to the Board for approval.

With respect to the engagement of Bond Counsel, that will be a competitive procurement and the selected Bond Counsel will report to the Authority's General Counsel. Also, the Finance Sub-Group will be further discussing whether the Authority will proceed with a Master Resolution to set forth the terms to apply to various financings of the Authority.

Treasurer Sethy suggested consulting with the Authority's bank, J.P. Morgan Chase, for input on the various financing options. Chair Ramirez Holmes stated her concern on the timing of the financing documents where costs are not known, and the allocation of costs is not certain. Mr. Moore stated the financing will be proceeding on a dual tract with the Service Agreement and if there is no Service Agreement, then the financing will not proceed.

Director Eisenberg stated it is important that the consequences of any breach or event of non-performance be identified and analyzed.

Mr. Moore then reviewed the interim financing milestones: (i) discussion of the preferred alternative at the September Finance Committee and action on the preferred alternative at the October Board meeting; (ii) appointment of the financial counterparty in November at the Finance Committee and Board action at the December Board meeting; and (iii) approval of the interim financing documents at the May Finance Committee meeting and June Board meeting.

Chair Ramirez Holmes asked for public comments from those present in the room and from those on the telephone. None were received.

### **FUTURE AGENDA ITEMS**

None.

### **REPORTS**

#### **4.1 Directors –**

Chair Ramirez Holmes apologized for the technical issues at the beginning of the meeting. She stated the Communications and Outreach Committee will be reviewing meeting technology options at its next meeting. Treasurer Sethy advised that Alameda County Water District unanimously approved a letter in support of the STREAM Act.

## 4.2 Executive Director

### 4.2.1 July Activities

### 4.2.2 Federal Relations Activities

Executive Director Ravazzini stated her written report is included in the meeting materials. She also reported on the \$10 million appropriation the Project received from the Bureau of Reclamation. She stated the third leadership workshop with the Bureau of Reclamation took place in late July and the engagement the regional leadership continues to go well. She stated she was invited to meet with representatives from the Bureau of Reclamation's Denver office on August 24 and scheduling coordination is ongoing. Also, members are continuing to proceed with approvals of the Multi-Party Cost Share Agreement Amendment No. 5.

Ms. Ravazzini introduced Sara Tucker of Natural Resource Results, LLC. Ms. Tucker advised the STREAM Act had a hearing in July and will be marked up in September. She stated \$134 million for storage projects is included in the pending appropriations bill. Also, a call was recently held with the members' federal lobbyists. Representative Harder's office was provided with amended language on his bill that CCWD and the Authority had agreed upon and the office accepted that language. Lastly, Ms. Tucker stated she is working on planning for the Authority's fall Washington, D.C. trip.

Ms. Ravazzini then concluded by reporting that to further enhance coordination with CCWD, she will be suggesting the Authority's executive team meet with CCWD's executive team on a monthly basis.

## 4.3 General Counsel

No report.

## 4.4 Committee Meeting Summaries

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

- Finance Committee Meeting Summary - July 11, 2023
- O&E Committee Meeting Summary – July 20, 2023
- Finance Committee Meeting Summary - July 27, 2023

The meeting was adjourned at 11:30 a.m.

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*Angela Ramirez Holmes*

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Angela Ramirez Holmes, Chair

ATTEST:

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*Ellen Wehr*

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Ellen Wehr, Secretary