



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

### **MINUTES**

Regular Meeting of the Board of Directors

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway, Livermore, CA 94551

December 13, 2023 – 9:30 a.m.

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

**PLEDGE OF ALLEGIANCE** – led by Chair Angela Ramirez Holmes

#### **ROLL CALL OF DIRECTORS**

Angela Ramirez Holmes, Chair, Zone 7 Water Agency

Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority

Ellen Wehr, Secretary, Grassland Water District

Paul Sethy, Treasurer, Alameda County Water District

Antonio Martinez, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District

Rebecca Eisenberg, Director, Santa Clara Valley Water District

#### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

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

Richard Santos, Alternate Director, Santa Clara Valley Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

\*Participated in place of absent Director

#### **ABSENT**

Dennis Herrera, Director, San Francisco Public Utilities Commission

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Ricardo Ortega, Alternate Director, Grassland Water District

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

**OTHERS PRESENT**

Taryn Ravazzini, Executive Director  
James Ciampa, Lagerlof, LLP, General Counsel  
Chuck Gardner, Program Manager, Hallmark Group  
Jessica Alwan, Program Manager, Hallmark Group  
Maddy Benner, Hallmark Group  
David Moore, Clean Energy Capital (by telephone)  
Rosemarie Perea, Board Clerk (by telephone)  
M. J. Brown, Assistant Board Clerk

Numerous others were present in person, via Zoom and by telephone.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

Chair Ramirez Holmes called for public comments on non-agenda items. None were received.

**CONSENT CALENDAR**

The Consent Calendar consisted of the following items:

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

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

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

- AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Rebecca Eisenberg, Director, Santa Clara Valley Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
- NOES:** None
- ABSENT:** None
- ABSTAIN:** None

The motion passed with an 8-0 vote.

**ACTION ITEMS**

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

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

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

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

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

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

Upon motion by Director Martinez, seconded by Director Tognolini, the proposed Amendments to Conflict of Interest Code, were approved by the following roll call vote:

- AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Rebecca Eisenberg, Director, Santa Clara Valley Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
- NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

The motion passed with an 8-0 vote.

## **DISCUSSION ITEMS**

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

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

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

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

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

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from Directors. Treasurer Sethy suggested going over the Plan of Finance in detail at some point. He supports moving forward with the Plan presented by Mr. Moore and his team.

### **3.2 Program Management Update**

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

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

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

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

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

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from Directors. Director Tognolini inquired about the possible reduction of the CCWD burn rate. Mr. Gardner stated he had not received definitive information from CCWD on the possible reduction but hoped to have that information in the coming week or two. Director Tognolini also asked about the status of the CCWD Facilities Usage Agreement's usage fee methodology, which remains an open issue. Mr. Gardner stated more will be known on the Facilities Usage Agreement negotiating process after the December 19 DCA meeting. Director Tognolini also expressed his concern about ceasing work on the Service Agreement for the time being and General Counsel Ciampa stated that is a temporary pause until Ibrahim Khadam's work on Project capacity issues is more refined. Mr. Ciampa stated he expected work on the Service Agreement resume in January.

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

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

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

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

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

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

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

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

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

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

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

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from Directors. Director Tognolini, Chair Ramirez Holmes and Alternate Director Ritchie stated their appreciation for the Legal Work Group's efforts and felt the process General Counsel Ciampa outlined is the right path. Vice Chair Hansen urged continued discussions and felt the Authority needs to continue to have the ability to engage in advocacy. Director Martinez stated he had sent a letter to the Executive

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

## **FUTURE AGENDA ITEMS**

None.

## **REPORTS**

### **4.1 Directors.**

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

### **4.2 Executive Director**

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

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

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

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

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

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

### **4.3 General Counsel**

General Counsel Ciampa wished the Board and staff Happy Holidays.

**4.4 Committee Meeting Summaries**

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

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

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

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*Angela Ramirez Holmes*  
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Angela Ramirez Holmes, Chair

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Ellen Wehr, Secretary