



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY  
FINANCE COMMITTEE  
AGENDA  
Regular Meeting  
October 27, 2022 – 1:00 p.m.**

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**SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY**

Pursuant to the provisions of Government Code Section 54953(e), as amended by Assembly Bill 361, any Committee Member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Zoom link below without otherwise complying with the Brown Act's teleconference requirements.

**Please click the link below to join the webinar:**

**<https://lagerlof.zoom.us/j/81912208202?pwd=dG9hdGFyOWp6L1BERktwK0MyUHVRZz09>**

**Passcode: 484186**

**Or One tap mobile:**

**US: +16694449171,,81912208202#,,,\*484186#**

**or Telephone: 1-669-444-9171**

**Meeting ID: 819-1220-8202**

**Passcode: 484186**

Any member of the public wishing to make any comments to the Committee may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. Members of the public may also submit written comments to the Interim Clerk by 4:00 p.m. on the business day prior to the meeting for the Interim Clerk to read into the record (subject to three-minute limitation). The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making their comment. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

*NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in this Committee meeting, please contact the Authority's Interim Clerk at [rperea@lagerlof.com](mailto:rperea@lagerlof.com) by 4:00 p.m. on October 26, 2022 to inform the Authority of your needs and to determine if accommodation is feasible. Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Materials related to items on this Agenda are available for public review at: [www.losvaquerosjpa.com/board-meetings](http://www.losvaquerosjpa.com/board-meetings).*

## **CALL TO ORDER**

### **ROLL CALL OF COMMITTEE MEMBERS**

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

Paul Sethy – Vice Chair, Alameda County Water District

John Coleman – East Bay Municipal Utility District

Linda J. LeZotte – Santa Clara Valley Water District

### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

*Any member of the public wishing to address the Finance Committee regarding items not on the Agenda should do so at this time. The Committee welcomes your comments and requests that speakers present their remarks within established time limits and on issues that directly affect the Authority or are within the jurisdiction of the Authority.*

### **DISCUSSION ITEMS (may include action to recommend forwarding items to Board of Directors for adoption or approval)**

- 1.1 September 26, 2022 Finance Committee Meeting Summary**
- 1.2 Update on Amendment No. 4 to Multi-Party Cost Share Agreement**
- 1.3 Discussion of CCWD Facilities Usage Agreement**
- 1.4 Review of Plan of Finance**
- 1.5 Amendment of Purchasing Policy**
- 1.6 Draft Treasurer’s Report – Month Ended September 30, 2022**

### **FUTURE AGENDA ITEMS**

### **ADJOURNMENT**

**ITEM 1.1: SEPTEMBER 26, 2022 FINANCE COMMITTEE MEETING SUMMARY**

**RESPONSIBLE/LEAD STAFF MEMBER:**

James Ciampa, General Counsel

**DISCUSSION:**

Attached for the Committee's information is the summary prepared for the September 26, 2022 Finance Committee meeting.

**ALTERNATIVES:**

Any suggested revisions to the attached summary will be considered.

**FISCAL ANALYSIS:**

Not applicable

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Summary from September 26, 2022 Finance Committee meeting



## SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

September 26, 2022 – 10:00 a.m.

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Present at the meeting were Chair, Anthea Hansen; Vice Chair, Paul Sethy; and Committee member Linda J. LeZotte. Committee member John Coleman was absent.

**1.1 August 25, 2022 Finance Committee Meeting Summary.** The draft summary of the August 25, 2022 Finance Committee meeting was presented for the Committee’s information. General Counsel Jim Ciampa stated this summary was previously included in the materials at the September 14, 2022 Board of Directors’ meeting. No changes were made by the Committee.

**1.2 Review of Interim Funding Agreement.** The Finance Committee previously reviewed the draft Interim Funding Agreement (“IFA”) at its August 25 meeting and requested that an updated draft be presented at a subsequent Finance Committee meeting. Deputy Interim Administrator Maureen Martin gave a presentation regarding the IFA and issues that Members have identified with respect to the interplay and overlap of the IFA and Multi-Party Cost-Sharing Agreement Amendment No. 4. Based on the feedback from Members, staff is now recommending that the IFA be delayed and not go into effect until July 1, 2023 to cover FY 2024, with the Multi-Party Cost-Sharing Agreement Amendment No. 4 to be in effect through June 30, 2023. With that revision, the two agreements will not overlap, which will resolve Members’ concerns regarding potential confusion and duplicative obligations. Some drafting will need to be done to Amendment No. 4 to include the Authority as a new party to that agreement. The Committee concurred in the revised funding approach.

**1.3 Discussion of WIFIA Loan Credit Rating.** The Project’s financial advisor, David Moore of Clean Energy Capital, made a presentation regarding the necessary actions for the Authority to obtain the credit rating required by the U.S. Environmental Protection Agency (USEPA) for the contemplated WIFIA loan. That credit rating only needs to be investment grade and it is anticipated the Authority will easily obtain such a rating based on the credit ratings of its Members. Also, the credit rating has no impact on the interest rate the Authority would receive, which is predetermined under the WIFIA program. Mr. Moore then answered questions posed by members of the Committee and provided supplemental information to provide clarity.

**1.4 Draft Treasurer’s Report – Month Ended August 31, 2022.** The Draft Treasurer’s Report for August 2022 was presented by Interim Administrator Marguerite Patil. She

noted a typographical error on the date of the next Finance Committee meeting date, which should be October 27 and not September 27. Chair Hansen then requested that the acronym for San Luis & Delta-Mendota Water Authority be added to the list of acronyms.

**FUTURE AGENDA ITEMS:**

- Chair Hansen stated the recent meeting with USEPA in Washington, D.C. went very well and was very informative.
- Executive Director Taryn Ravazzini advised that USEPA was extremely pleased to meet members of the JPA, gave positive feedback on the Authority's WIFIA loan Letter of Interest (LOI) and complimented staff on their excellent work on the LOI.
- General Counsel Ciampa informed the Committee that the scheduled date of the November Finance Committee meeting is Thanksgiving Day. He will poll the Committee Members and staff to determine availability for a revised Committee meeting date.

The meeting adjourned at 11:00 a.m.

*James D. Ciampa*

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James D. Ciampa  
General Counsel

**ITEM 1.2: UPDATE ON AMENDMENT NO. 4 TO MULTI-PARTY COST SHARE AGREEMENT**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Maureen Martin, Deputy Interim Administrator

**DISCUSSION:**

The Finance Committee previously reviewed the draft Interim Funding Agreement at its August 25 meeting and requested that an updated draft be presented at a subsequent Finance Committee meeting. The revised draft Interim Funding Agreement, including Exhibits A and B, has been prepared and was provided to the Members' finance staffs on September 9 for their review and comments, which have been requested by September 30. Deputy Interim Administrator Maureen Martin will review the current draft version and exhibits with the Committee and obtain any feedback.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Draft Amendment No. 4 to Cost Share Agreement

**Amendment No. 4 to the  
Cost Share Agreement for  
Los Vaqueros Reservoir Expansion Project Planning**

The Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning between Contra Costa Water District (CCWD) and Alameda County Flood Control and Water Conservation District, Zone 7 (Zone 7); Alameda County Water District (ACWD); East Bay Municipal Utility District (EBMUD); Grassland Water District (GWD); San Francisco Public Utilities Commission (SFPUC); San Luis & Delta-Mendota Water Authority (SLDMWA); and Santa Clara Valley Water District (Valley Water) (collectively, “Local Agency Partners”), dated April 30, 2019 and amended on June 22, 2020, December 2, 2020, and November 1, 2021 (referred to hereafter as the “Agreement”), shall hereby be amended by this Amendment No.4. The Agreement, together with Amendment No. 1, No. 2, and No. 3, and this Amendment No. 4, may be referenced hereafter as the “Agreement as amended”.

**RECITALS**

WHEREAS, Contra Costa Water District and the Local Agency Partners (collectively, “Parties”) entered into the Agreement dated April 30, 2019, to provide for the cost-sharing of the funding requirements for the planning of the Los Vaqueros Reservoir Expansion Project (“Project”); and

WHEREAS, pursuant to Sections 5 and 17 of the Agreement, the Parties amended the Agreement on June 22, 2020, December 2, 2020, and November 1, 2021 which amendments, among other modifications, collectively extended the term of the Agreement to the earlier of (i) the completion of the work contemplated therein, (ii) until [the] Agreement is superseded by an interim funding agreement negotiated among the members of Los Vaqueros Reservoir Joint Powers Authority, or (iii) December 31, 2022, unless the term is further modified consistent with Section 17 of the Agreement; and

WHEREAS, on October 20, 2021, formation of the Los Vaqueros Reservoir Joint Powers Authority (the “JPA”) was completed and filed with the California Secretary of State; and

WHEREAS, on June 8, 2022 the JPA adopted the budget for fiscal year 2023 (July 1, 2022 to June 30, 2023); and

WHEREAS, the Parties have collectively paid over \$12,000,000 to date in addition to in-kind services to support work as provided in the Agreement; and

WHEREAS, Amendment No. 3 to this agreement funds work through December 31, 2022 and further amendment is needed to fund activities January 1, 2023 through June 30, 2023;

WHEREAS, at the time of this Amendment, the JPA does not have banking services in place and therefore must continue to rely on CCWD to provide those services; and

WHEREAS, the Parties wish to again amend the Agreement to: (1) further extend the term of the Agreement as provided for herein; (2) replace the Scope of Work and Budget for the activities funded by Amendment No. 3 with the revised Scope of Work and Budget for activities funded by this Amendment No. 4, attached and incorporated herein as Exhibits A-4 and B-4, respectively; and (3) amend the cost and payment terms of the Agreement as provided herein;

NOW, THEREFORE, the Parties agree that the above recitals are incorporated in and made part of the Agreement, and, pursuant to Section 17 of the Agreement, do hereby amend the Agreement as follows:

1. Section 1 (Purpose)

In addition to the purposes a through s, as provided for in the Agreement as amended, the following purpose shall be included:

- t) development of facility usage agreements under which CCWD and EBMUD are expected to convey Capacity Usage Rights in Project facilities to the JPA, which the JPA would then assign to such participating Local Agency Partners in the JPA under future service agreements.

As of the effective date of Amendment No. 4 to the Agreement, Purposes a, b, c, d, f, g, j, l, m, and o as provided for in the Agreement, have been achieved and do not require additional funding.

Work to achieve Purposes e, h, i, k, n, p, q, r, and s will be advanced under the Agreement as amended. Work completed by the Consultant Team and CCWD staff to achieve these purposes will be partially funded by this Amendment No. 4 to the Agreement.

A detailed revised Scope of Work and Budget for activities funded by this Amendment No. 4 are included in Exhibit A-4 and Exhibit B-4, respectively, which are attached hereto and incorporated herein as if fully set forth in this Amendment No. 4 to the Agreement.

2. Section 2 (Roles & Responsibilities)

In addition to the existing roles and responsibilities of the Parties as described in the Agreement, the following additional roles and responsibilities for certain Parties shall be included in the Agreement as amended.

2.1 Contra Costa Water District Responsibilities

- a-gg as described in the Agreement;
- hh) develop a facility usage agreement under which CCWD is expected to convey Capacity Usage Rights in Project facilities to the JPA.

2.2 East Bay Municipal Utility District Responsibilities

- a-s as described in the Agreement
- t) develop a facility usage agreement under which EBMUD is expected to convey Capacity Usage Rights in Project facilities to the JPA

2.9 Los Vaqueros Reservoir Joint Powers Authority Responsibilities



The JPA will complete the following tasks:

- a) Procure Program Management Consultant Team with agreed upon compensation.
- b) Procure banking and other financial services, including engagement of an outside auditor.
- c) Procure general liability and errors and omissions insurance and other insurance determined by the JPA Board of Directors to be necessary and appropriate.
- d) Draft and execute Service Agreements with its members, and other agreements provided for under the JPA's Joint Exercise of Powers Agreement or otherwise determined to be necessary.
- e) Pending an invitation from the U.S. Environmental Protection Agreement, apply for a WIFIA loan and undertake related activities in connection with that loan, including, but not limited to, obtaining required credit rating(s).
- f) Continue with the ongoing administration of the JPA, including, but not limited to, conducting all Board of Directors' and committee meetings.

3. Section 3 (Cost & Payment)

Section 3 shall be amended such that the following terms shall, as applicable, supersede the corresponding terms in the Agreement in their entirety.

The payment is intended to provide sufficient funding for advancing the completion of the additional Scope of Work as provided for in Exhibit A-4 and the Budget provided for in Exhibit B-4.

- a) Total costs to fund work hereunder are identified in Exhibit B-4. The CCWD and Local Agency Partners' collective total share of the cost, for work funded through this Amendment, shall not exceed \$7,658,000 ("Total Cost Share").
- b) Notwithstanding anything to the contrary in the Agreement as amended, CCWD and the Local Agency Partners, excluding GWD and the JPA, shall be responsible for providing the Total Cost Share in accordance with Exhibit B-4. In no event shall any Party's individual share of the Total Cost Share exceed \$1,094,000, excluding GWD and the JPA. Timing and quantity of payment for each Party shall not vary from what is put forth in Exhibit B-4 unless CCWD and the Local Agency Partners voluntarily agree to modifications pursuant to Sections 3(d)(iv) and 17 of the Agreement. The Total Cost Share described herein is exclusive of any joint defense or litigation cost share amounts which may be determined in a subsequent written agreement entered into pursuant to Section 9 of the Agreement.
- c) City and County of San Francisco – Specific Terms
  - i. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. The SFPUC's payments as a Local Agency Partner under the Agreement as amended are subject to and contingent upon the budget and fiscal provisions of the Charter of the City and County of San Francisco (City). Charges will accrue only after prior written authorization certified by the City's Controller, and the amount of the SFPUC's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability

or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind to City at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. As to the SFPUC only, this Section 3(c)(i) controls against any conflicting provision of the Agreement as amended.

- ii. **Guaranteed Maximum Costs.** The SFPUC’s payment obligation to CCWD cannot at any time exceed the amount certified by City’s Controller for the purpose and period stated in such certification. Absent an authorized Emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to CCWD under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 17 of this Agreement.
  - iii. **Prohibition on Use of Public Funds for Political Activity.** In performing work under this Agreement as amended, the Parties shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement as amended from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. The Parties are subject to the enforcement and penalty provisions in Chapter 12G.
- d) CCWD and the Local Agency Partners will split the Total Cost Share equally. CCWD will invoice each of the Local Agency Partners, and itself, for their individual shares of the Total Cost Share detailed in Exhibit B-4.
- (i) One invoice is anticipated according to the schedule below:
    - 1. January 3, 2023
  - (ii) Payment from the Local Agency Partners shall be remitted within sixty (60) days after invoice submittal.
  - (iii) Funds contributed by the Local Agency Partners shall be committed by CCWD and expended only for work required to further the purposes of this Agreement.

- (iv) If a sufficient number of Parties withdraw from the Agreement such that the Local Agency Partners' individual cost shares change substantially, or the individual cost shares approach or exceed the maximum financial responsibility for each Party (determined herein as \$1,094,000), each remaining Local Agency Partner, at its sole discretion consistent with Section 3(b) of this Agreement, shall determine whether to withdraw from the Agreement. CCWD and the Local Agency Partners who do not choose to withdraw will work together to develop an amendment that substantially conforms to this Agreement. If no mutually agreeable amendment can be developed, the remaining Parties will terminate this Agreement.
- (v) If a new Local Agency Partner is added, consistent with Section 12 of this Agreement, each subsequent invoice for each Local Agency Partner will be adjusted to reflect the cost share of the new partner and the total number of Local Agency Partners. The adjustments contemplated herein shall reflect any "catch-up" contribution required of the newly added Local Agency Partner in addition to the contributions to be made on a prospective basis. "Catch-up" contributions shall be calculated based on the then total value of the of the Local Agency Partners' individual monetary shares paid pursuant to the Agreement as amended prior to the date of the new member's signing of the Agreement.
- (vi) If funds remain after work under this Agreement is completed, each Local Agency Partner will determine whether its pro-rata share of the remaining funds shall be returned or contributed to future work consistent with Section 7 of this Agreement. Each Local Agency Partner shall advise CCWD of its determination within sixty (60) days of receiving notice from CCWD of the completion of the work, or the remaining funds shall automatically be contributed towards future work.
- (vii) In-kind services may include labor costs and overhead costs for staff who are providing in-kind services for Project activities under this Agreement, including but not limited to data collection, document review, communications, stakeholder outreach, management of third-party consultant contracts, and attending Project meetings. In-kind services will contribute toward the non-State funding match required by the Early Funding Agreement, as it may be amended from time to time. In-kind services, pursuant to Section 2.7(d) of this Agreement, are contributed at the discretion of each Local Agency Partner with no minimum or maximum in-kind contribution limits.

5. Section 5 (Term)

Section 5 shall be amended such that the following term shall modify the corresponding term in the Agreement as amended:

The Agreement as amended shall terminate on the earliest occurring of the following events: (i) completion of the work contemplated herein; or (ii) June 30, 2023, unless the Term is further modified consistent with Section 17 of this Agreement.

7. Section 11 (Federal Funding)

Section 11 shall be amended such that the following term shall supersede and replace the corresponding term in the Agreement in its entirety:

With support from the Local Agency Partners, CCWD is seeking up to 25% cost share in federal funding through the Water Infrastructure Improvements for the Nation (WIIN) Act, Bipartisan Infrastructure Legislation, or other federal legislation. CCWD has executed an Assistance Agreement for the provision of up to \$7.2 million in federal funding for pre-construction activities. If additional federal funding for the Project is appropriated by Congress, Reclamation would receive the requested funding and the funds would support ongoing work. A portion of the federal funds will be directly applied to the scope of work contained in Exhibit A-4. The federal funds will be credited towards any Non-Program Cost Share as required in the Early Funding Agreement as described in Section 10 of this Agreement.

Effective date of Amendment No. 4.

Amendment No. 4, including the financial contribution provisions herein, shall be effective as of the date of signature by CCWD and the JPA and that effective date shall apply retroactively to each subsequent Local Agency Partner signatory.

Except as amended by this Amendment No. 4, the Agreement as previously amended shall continue in full force and effect. This Amendment No. 4 may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute Amendment No. 4. The parties agree to the use of electronic, scanned, and facsimile signatures.

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Ed Stevenson, General Manager  
Alameda County Water District

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Date

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Stephen J. Welch, General Manager  
Contra Costa Water District

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Date

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Clifford C. Chan, General Manager  
East Bay Municipal Utility District

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Date

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Ric Ortega, General Manager  
Grassland Water District

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Date

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Taryn Ravazzini, Executive Director  
Los Vaqueros Reservoir Joint Powers Authority

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Date

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Dennis J. Herrera, General Manager  
San Francisco Public Utilities Commission

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Date

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Approved as to Form  
Deputy City Attorney, San Francisco

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Date

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Federico Barajas, Executive Director  
San Luis & Delta-Mendota Water Authority

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Date

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Rick L. Callender, Esq., Chief Executive Officer  
Santa Clara Valley Water District

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Date

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Valerie Pryor, General Manager  
Zone 7 Water Agency

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Date

## **Exhibit A-4**

### **Amendment No. 4 Scope of Work**

The following tasks describe the work efforts by Contra Costa Water District (CCWD), consultants for the Los Vaqueros Reservoir Expansion (LVE) Project, and the Local Agency Partners (as indicated) under this Amendment No. 4 to the Agreement. References to joint work efforts by Reclamation are described as appropriate, but are not intended to imply that Reclamation is a party to this Amendment. CCWD will be supported by the consultant and legal services team that are under contract to CCWD and managed by CCWD.

#### **Task 1 Project Management**

##### Task 1.1 Funding Agreement Administration

Administer the Early Funding Agreement executed by CCWD and the California Water Commission (CWC), including meeting reporting and invoicing requirements of the Early Funding Agreement, coordinating with CWC staff as needed to respond to questions and data requests, and managing cost commitments. Provide financial statements and other supporting documentation as requested by the CWC staff pertaining to the Early Funding Agreement.

Administer the Assistance Agreement executed by CCWD and Reclamation, including meeting reporting and invoicing requirements of the Assistance Agreement, and coordination with Reclamation staff as needed to respond to questions, data requests, or other inquiries.

Prepare quarterly progress reports detailing work completed in prior quarter in accordance with Water Storage Investment Program (WSIP) requirements, Cost Share MOA with Reclamation, and the Assistance Agreement with Reclamation. Progress reports will explain the status of the Project and will include the following information: summary of the work completed for the project during the reporting period; activities and milestones achieved; and accomplishments and any problems encountered in the performance of work.

Prepare monthly invoices meeting the invoice content terms of the Early Funding Agreement, the Cost Share MOA with Reclamation, and the Assistance Agreement, including relevant supporting documentation for submittal to the CWC and Reclamation. Coordinate with consultants and Local Agency Partners to prepare and submit sufficient backup documentation to support claimed costs.

#### **Deliverables:**

- Invoices and associated backup documentation
- Quarterly Progress Reports (for CWC and Reclamation)

### Task 1.2 Project Management Activities

This task includes project management activities performed by CCWD, Local Agency Partners, consultants, and other agencies related to, but not limited to, managing staff, invoicing, budgeting, scheduling, procuring consultants and technical services, reviewing submittals, holding meetings and conference calls, and coordinating and reporting project activities that are within the objectives of the Project and of this Agreement.

#### **Deliverables:**

- Summary updates on project management activities in Quarterly Progress Reports

### Task 1.3 Joint Powers Authority Formation

This task has been completed.

### Task 1.4 JPA Administration

CCWD will transition its responsibilities as the initial Administrator to the Executive Director, but will continue to oversee and manage any consultants of the Authority and will report to the Board until such time that the JPA has the capacity to administer such contracts and provide that oversight.

The JPA will competitively procure a Program Management Consultant Team, banking services, insurance, and other financial services, such as an auditor. The JPA will continue with necessary actions related to its administration, including conducting Board of Directors' and committee meetings. The JPA will take all actions necessary to procure a loan under the U.S. Environmental Protection Agency's (USEPA) WIFIA Loan program, which will include preparation of an application if the JPA is invited by the USEPA to apply and obtaining required credit rating(s), among other necessary tasks.

Legal counsel will work with the legal workgroup to develop all agreements that the JPA will enter into including but not limited to interim funding agreement, service agreements, state and federal funding agreements, contracts to procure services, contracts for administration of public benefits with CDFW and DWR, design and construction agreements with CCWD and EBMUD, usage agreements with CCWD and EBMUD, operations and maintenance agreements with CCWD and EBMUD.

#### **Deliverables:**

- Service agreements
- Continued funding through Multi-Party Cost Share Agreement amendments or Interim Funding Agreement
- WIFIA Loan Application
- Agreements between JPA and State/Federal Agencies
  - Contract for Administration of Public Benefits
- Agreements between the JPA and CCWD
  - Technical Services Agreement
  - Facility Usage Agreement
  - Design and construction agreement
- Agreements between the JPA and EBMUD

- Facility Usage Agreement
- Design and construction agreement

## **Task 2 Environmental Planning**

### Task 2.1 Modeling

Modeling tasks to support preparation of the Final Supplement to the Final EIS/EIR were completed previously. Develop new or modify existing modeling tools so that operations or limitations of various operational priorities can be evaluated in terms of benefits to partners. Refine the model to track terms and requirements of various water rights. Refine the Los Vaqueros daily operations model to accommodate partner operations, which may serve as a tracking tool in the future for permit reporting, billing, scheduling deliveries, etc.

#### **Deliverables:**

- Revised CalSim Model (ongoing)
- Summaries of modeling results (ongoing)

### Task 2.2 Public Outreach

Perform outreach activities to educate and inform the media, elected officials, CCWD ratepayers, communities in the Los Vaqueros area, environmental organizations, and regional and statewide interests about the purpose, objectives, and results of the technical studies.

Respond to routine stakeholder comments. Post responses as appropriate to the CCWD hosted project website at [ccwater.com](http://ccwater.com) and [losvaquerosjpa.com](http://losvaquerosjpa.com) or share with stakeholders in informal meetings.

A public meeting was previously held in Concord to support the CCWD Board of Directors' certification of the Final Supplement, approval of a project, and adoption of CEQA Findings and MMRP.

#### **Deliverables:**

- Stakeholder and public involvement program
- Documentation of outreach activities
- Public meeting(s) for Final Supplement to the Final EIS/EIR (completed)
- Public meetings to support Record of Decision if necessary

### Task 2.3 Environmental Document and Technical Studies

The U.S. Department of the Interior, Bureau of Reclamation, Region 10 – California-Great Basin (Reclamation) is the lead agency under the National Environmental Policy Act (NEPA) for preparation of the EIS and, in conjunction with CCWD, the lead agency under CEQA. Reclamation and CCWD previously prepared a joint Final EIS/EIR in March 2010 and CCWD completed construction of the first phase of reservoir expansion from 100,000 acre-feet (100 TAF) to 160 TAF in 2012. Reclamation and CCWD previously prepared a joint Supplement to the Final EIS/EIR document to support the second phase of reservoir expansion up to 275 TAF.



The development of the Supplement to the Final EIS/EIR, including the completion of the necessary technical studies in support of this effort culminating with issuance of the Supplement, were previously completed. The studies and data produced adhered to the federal planning and NEPA guidelines, CEQA guidelines, and WSIP guidance. Technical studies were conducted in accordance with the alternatives identified in the Draft Supplement.

If there are project changes, additional environmental surveys (i.e., aquatic resources, wildlife/botanical, etc.), documentation (i.e., CEQA/NEPA addendum/memo to file) and permitting effort (i.e., application/agreement amendments) may be required.

All agency meetings and technical workgroup meetings required to support the environmental document and studies are described in 0and Task 2.2.

*Task 2.3.1 Post-Draft Supplement Technical Studies and Surveys*

This task has been completed.

*Task 2.3.2 Transfer-Bethany Pipeline Alternative Location Evaluation*

This task has been completed.

*Task 2.3.3 Final Supplement to the Final EIS/EIR*

This task has been completed.

*Task 2.3.4 CEQA Findings and Mitigation Monitoring and Reporting Plan*

This task has been completed.

*Task 2.35 Record of Decision*

It is anticipated that Reclamation will issue a Record of Decision on the Project during the term of this Amendment. CCWD will provide support to Reclamation with any necessary reporting, public meetings, briefings, white papers, and/or presentations.

**Deliverables:**

- Record of Decision

Task 2.4 Regulatory Permitting

Prepare documentation of environmental regulatory compliance including the Clean Water Act (CWA) Section 404(b)(1), CWA Section 401, the Federal Endangered Species Act (Section 7), the California Endangered Species Act, Section 1602 of the California Fish and Game Code, the National Historic Preservation Act (NHPA Section 106), and the Fish and Wildlife Coordination Act (FWCA). When possible or beneficial, obtain amendments to existing permits and excess compensation land acquired/managed during the Phase 1 expansion. If not possible to amend existing permits, seek new permits. Coordinate with regulatory agencies to confirm when amendments will be appropriate. In support of this task, several key work efforts (described below) will be completed.

Conduct reconnaissance-level biological field surveys of any new project areas (if any) to identify the potential for the presence of sensitive biological resources. Conduct a desktop analysis including a database search of the California Natural Diversity Data Base (CNDDDB), California Native Plants Society's Inventory of Rare and Endangered Plants, USFWS species lists, and NMFS species lists in order to determine the potential occurrence of special-status plants, animals, and vegetation communities. Conduct site-specific biotic assessments to identify biological resources that are present or have a high likelihood to occur in the study area, and to assess the likely impacts associated with construction and/or long-term operations of the proposed project on biological resources. The results of the reconnaissance survey and analysis will be used to inform the regulatory permitting documents, and resource agency review.

Prepare the regulatory permit applications for the proposed project. Attend meetings with regulatory agencies. Develop supporting technical reports, as needed, to support preparation of proposed permit applications. Permit applications and supporting documents to be prepared in support of the project may include: Biological Assessment for Federal Endangered Species Act compliance and Magnuson Stevens Fisheries Conservation and Management Act compliance; Clean Water Act Section 404/Section 10 Individual Permit Application; Clean Water Act Section 401 Clean Water Act Water Quality Certification Application; California Fish and Game Code Section 1602 Streambed Alteration Agreement Application; Section 2081 California Endangered Species Act Incidental Take Permit Application; Fish and Wildlife Coordination Act Report; National Historic Preservation Act Section 106 compliance; and Aquatic Resources Delineation.

**Deliverables:**

- Rare plant surveys and report of results (completed)
- Wetland delineation and mapping, report of results (completed)
- Administrative Draft Supplement to the Final EIS/EIR (completed)
- Final Supplement to the Final EIS/EIR (completed)
- Draft CEQA Findings and MMRP (completed)
- Final CEQA Findings and MMRP (completed)
- Permit applications and supporting technical reports, as applicable (in progress)

**Task 2.5 Water Rights Permitting**

Coordinate with Reclamation, the Department of Water Resources (DWR), Local Agency Partners, and the State Water Resources Control Board (State Water Board) regarding changes to existing water rights. Prepare petitions for change for CCWD's water right permit and assist Reclamation, DWR, and Local Agency Partners with preparation of additional change petitions, as required. File petitions with the State Water Board, assist State Water Board staff with drafting orders and permit amendments as required, respond to any protests that may be filed and seek resolution of those protests, prepare for and participate in hearings as required.

**Deliverables:**

- Change petitions for CCWD's Los Vaqueros water right (in progress)
- Change petitions for Reclamation's water rights (in progress)

- Change petition(s) for DWR's water rights (in progress)
- Change petition(s) for Local Agency Partners' water rights, as required
- Agreement between EBMUD and CCWD for temporary source of water supply
- Agreement between SFPUC and CCWD for source of water supply

#### Task 2.6 Compensatory Mitigation

Identify potential mitigation lands as needed for Task 2.4. Determine preliminary appraisal value of potential mitigation lands. Acquire options to acquire mitigation lands with the concurrence of the Local Agency Partners.

#### **Deliverables:**

- Identification and preliminary appraisal of potential mitigation sites

#### Task 2.7 Final Award Hearing Requirements

A series of agreements will be needed to meet the final award hearing requirements of the California Water Commission. Progress on a number of these agreements will commence during the term of this amendment. The agreements necessary to proceed to the final award hearing may include but are not limited to: operations coordination agreements between CCWD and Reclamation and between CCWD and the Department of Water Resources; contracts for administration of public benefits between the JPA and DWR, and between the JPA and CDFW; a cost share agreement between CCWD and Reclamation for pre-construction activities; an agreement between CCWD and DWR for the tie-in of the Transfer-Bethany Pipeline to the California Aqueduct; a Backstop Water Service Agreement between CCWD and EBMUD (pending determination to proceed); an agreement between CCWD and the JPA for design and construction of Project facilities; an agreement between EBMUD and the JPA for design and construction of Project facilities.

#### **Deliverables:**

- Operations coordination agreement(s) between CCWD and Reclamation and between CCWD and DWR (in progress)
- Contracts for administration of public benefits between the JPA and CDFW, and between the JPA and DWR
- Cost-share agreement with Reclamation for pre-construction activities (completed)
- Agreement between CCWD and DWR for the tie-in of the Transfer-Bethany Pipeline to the California Aqueduct (in progress)
- MOU between CCWD and EBMUD (completed)
- Cost-share agreement between CCWD and Reclamation for construction activities
- Backstop Water Service Agreement between CCWD and EBMUD (pending determination to proceed)
- Agreement between CCWD and the JPA for the design and construction of Project facilities (in progress)
- Agreement between EBMUD and the JPA for the design and construction of Project facilities (in progress)

### **Task 3 Engineering Feasibility**

#### Task 3.1 Financial Evaluation

Perform a financial evaluation that will assess the costs and merits of the Project.

Clean Energy Capital will further develop a Microsoft Excel-based Proforma Financial Model for the Project that incorporates water pricing options and integration with the CalSim model; hold stakeholder meetings and workshops; collect and review stakeholder and local partner comments and inputs to the model; refine model as additional information arises that may affect the local agency partners, operations, water pricing, or other financial components of the Project. Clean Energy Capital will work directly with Local Agency Partners, as needed, to support each agency's understanding and familiarity with the financial evaluation.

Clean Energy Capital will also create a Plan of Finance describing the proposed financing structure and assumptions for financing the Project. The Plan of Finance will take into consideration appropriate debt structures, timing, impact on rates, budgeting, credit ratings, tax laws, availability of grants and other State and Federal funding, Local Agency Partners that may choose to pay upfront in-lieu of participating in JPA financing, and assessment of capital market conditions. Evaluate the funding capabilities of a JPA and associated contractual requirements for partners receiving and paying for services.

#### **Deliverables:**

- Updated Proforma Financial Model (ongoing)
- Further support for evaluation of Refined Usage Fees (completed)
- Plan of Finance

#### Task 3.2 Federal Feasibility Report

The Final Federal Feasibility Report was completed in 2020 and was submitted to Congress on August 11, 2020. The Secretary of the Interior and/or Congress may continue to evaluate federal participation in the Project throughout the term of this Amendment.

Additional work may be necessary to secure Congressional budget appropriations for construction activities. CCWD and Local Agency Partners will also provide support to Reclamation on any post-feasibility report requirements as needed.

#### **Deliverables:**

- Final Federal Feasibility Study (completed)
- Updated fact sheets for meetings with elected officials (in progress)
- Updated federal funding and budget requests (in progress)
- Post-feasibility report support (in progress)

## Task 3.3 Design

### *Task 3.3.1 Pumping Plant No. 1 Replacement*

Preliminary design technical evaluations were completed by CCWD as part of CCWD's Canal Replacement Project. Additional design development and evaluations must be completed in support of permitting and developing inter-agency agreements, including field work, site facility layouts, and development of electrical design sufficient for coordination with the Western Area Power Administration (WAPA).

#### **Deliverables:**

- Pumping Plant No. 1 Preliminary Design Report (completed)
- Conceptual Facility Layout Drawings (completed)
- Electrical System Improvements Conceptual Plans (completed)
- Geotechnical Investigation Report (completed)
- 30%, 60%, 90% and Final Plans, Specifications (in progress)
- 30% Construction cost estimates (completed)
- Final Design
- Agreement with WAPA

### *Task 3.3.2 Los Vaqueros Dam*

This task includes work efforts related to design of the Los Vaqueros Dam expansion to gain Division of Safety of Dams (DSOD) authorization to construct. Design-related tasks may include, but are not limited to, reporting, investigations, testing, analysis, and surveys; geotechnical investigations and reporting; stability and deformation analysis; design of earthquake ground motions and parameters, spillway, new high-level outlet, inlet/outlet tunnel modifications and dam instrumentation; constructability review, DSOD meetings and correspondence; and design of site restoration for the core borrow area. This task includes meetings with a Technical Review Board for independent review of the dam consultant's work in accordance with DSOD guidelines.

#### **Deliverables:**

- LV Dam Drawings and Specifications 50% (completed)
- LV Dam Drawings and Specifications 90% (completed)
- LV Cost Estimate/Schedule 50% (completed)
- Draft Basis of Design Report (completed)
- Geotechnical Data Report (completed)
- LV Dam Risk Assessment (completed)
- Dam dewatering plan (completed)
- Constructability Review Comments and Response Matrix (completed)
- LV Dam Drawings and Specifications 100%
- LV Cost Estimate/Schedule 100%

### *Task 3.3.3 Transfer-Bethany Pipeline*

Continue pipeline alignment evaluations resulting from continued coordination with local resource and transportation agencies. CCWD will work with Contra Costa County Public Works and the Contra Costa Transportation Authority and their ongoing regional transportation planning for the Vasco Road widening and the State Route 239 Connector and will evaluate alignment adjustments as needed. CCWD will work with resource agencies to evaluate implications of alignment modifications and construction methods and associated mitigation and land needs along the alignment south of Vasco road in support of coordination with the East Contra Costa Habitat Conservation Plan and the County. CCWD will coordinate with the Department of Water Resources to review and define design criteria and to develop designs of the turn-in to the California Aqueduct, and will review available geotechnical information and define pipeline corridor within State owned lands. A final pipeline alignment and land acquisition corridor will be defined. CCWD will prepare a geotechnical work plan and initial assessment of land acquisition needs.

Topographic survey will be completed with up-to-date aerial photography. CCWD will work with landowners and secure access rights to conduct field investigations, including geotechnical investigations, cathodic protection surveys and environmental surveys, as needed. Preliminary design of the pipeline and turn-in will be developed, including plan and profile drawings, hydraulic analysis, pipeline material evaluation, surge analysis and preparation of preliminary design construction schedule and cost estimate. A risk assessment will be conducted and a risk register developed that will be maintained through project implementation. Prepare plats and legal descriptions for temporary and permanent land acquisition, conduct property appraisals, initiate negotiations with landowners, and begin procurement of pipeline rights-of-way.

#### **Deliverables:**

- Alignment Adjustment Evaluations Tech Memo (completed)
- Transfer-Bethany Pipeline Design Criteria Tech Memo
- Transfer-Bethany Pipeline Preliminary Design Report
- Topographic Survey
- Geotechnical Work Plan
- Assessment of Pipeline Land Acquisition Needs (in progress)
- Draft and Final Geotechnical Data Report
- Title and Appraisal Reports

### *Task 3.3.4 Operation and Reliability Assessment*

This task has been completed.

### *Task 3.3.5 Recreation Facilities*

Plan and develop the conceptual designs for project recreational facilities (i.e., Marina Complex and replacement of Los Vaqueros Road, Service Road/Hiking Trail, Interpretative Center Expansion, Watershed Office Barn, ADA-compliant trail at the existing Mortero Wetland Complex, relocated fishing piers). Services specific to the development of the replacement of Los Vaqueros Road will include

development of initial plan and profile design of the roadway, including estimates of grading modifications, drainage, pavement and other elements to support a preliminary design construction cost estimate.

**Deliverables:**

- Conceptual plans and renderings (in progress)
- Preliminary basis of design report (in progress)
- Design & construction cost estimate (in progress)

*Task 3.3.6 Existing Facilities Inspections and Assessments*

Procure consulting services to conduct inspections and assessments of the existing Los Vaqueros Pipeline, the Transfer Pipeline, and the Contra Costa Canal between Pumping Plant No. 2 and Pumping Plant No. 4 to confirm condition, reliability, and capacity to operate consistent with the planned operations. Develop facility impact plans to coordinate CCWD operations, shutdowns and draining, as needed. Prepare inspection reports and recommend improvements, if needed.

**Deliverables:**

- Pipeline inspection firm procurement documents (completed)
- Pipeline Inspection (completed)
- Reports documenting conditions of facilities and potential future actions or improvements
- Geotechnical Investigation Work Plan

Task 3.4 Capital Project Management Support

CCWD will competitively procure a consultant to provide Capital Project Management Support Services to conduct a range of risk and technical project activities, including risk assessment and participation in the risk management team, schedule control and optimization, deliverable tracking, project controls and quality management, and resource and budget projections.

**Deliverables:**

- Risk Management Plan
- Implementation Phase Risk Assessment Report
- Evaluation of the need for alternative water supply during dam construction

**Exhibit B-4**  
**Budget and Cost**  
**Share**

The budget for Amendment No. 4 to the Agreement covers three major tasks: project management, environmental planning, and engineering feasibility. The total budget includes projected expenditures for legal and consulting services and CCWD labor. The total cost for the scope of work listed in Exhibit A-3 that is covered in this Amendment is \$13,250,000 as shown in Table 1.

**Table 1. Budget of Scope of Work**

	<b>Original MPA Budget</b>	<b>Amendment No. 2</b>	<b>Amendment No.3</b>	<b>Amendment No. 4</b>	<b>Total</b>
<b>Project Management</b>	\$1,090,600	\$2,302,400	\$1,460,200	\$1,768,000	\$6,621,200
<b>Environmental Planning</b>	\$3,777,400	\$5,368,967	\$4,816,429	\$4,462,000	\$18,424,796
<b>Engineering Feasibility</b>	\$6,755,400	\$10,161,300	\$13,467,940	\$6,306,000	\$36,690,640
<b>Contingency</b>		*	\$987,228	\$714,000	\$1,701,228
<b>Total</b>	\$11,623,400	\$17,832,667	\$20,731,798	\$13,250,000	\$63,437,864

\*\$300,000 was assumed as contingency in Amendment No. 2 but was included in the Project Management Task

The total cost to complete the scope of work is \$13,250,000 and will be paid through a combination of reimbursement from Reclamation, reimbursement from the California Water Commission (CWC), and contributions from CCWD and the Local Agency Partners. To calculate the amount owed by CCWD and the Local Agency Partners, the total cost is reduced by reimbursements from the CWC and Reclamation and the projected carryover of unspent funds from the Agreement as amended. The costs remaining after accounting for contributions from CWC, Reclamation, and carryover funding is \$7,658,000 as shown in Table 2. This is equal to the Total Cost share defined in Section 3(a) of the Agreement as amended and will be split equally among CCWD and the Local Agency Partners, excluding Grassland Water District and the JPA. One invoice is proposed over the term of the Agreement as amended for CCWD and each Local Agency Partner.

**Table 2. Cost to be Paid by CCWD and LAPs**

Net Costs for term covered by Amendment No. 4 to Multi-party Agreement (January 2023 - June 2023)	
	Amount
Total Projected Costs	\$13,250,000
less Reclamation reimbursement	-\$3,009,000
less projected carryover of unspent funds from Amendment No.3	-\$1,250,000
less projected CWC reimbursement	-\$1,333,000
Total Remaining Costs	\$7,658,000



Table 3 shows the invoice schedule and the total costs per agency. For purposes of calculating the amount to be invoiced, the “total number of agencies participating” is equal to the total number of parties signatory to this Amendment No. 4 (including CCWD) but excluding Grassland Water District and the JPA and further excluding any signatory party which has completed its withdrawal from the Agreement prior to the time for payment.

**Table 3. Cost per Agency and Invoice Schedule**

		<b>Invoice #1</b>
	<b>Total Cost Per Agency</b>	<b>January 2023</b>
7 Agencies Participate	<b>\$1,094,000</b>	<b>\$1,094,000</b>

**ITEM 1.3: DISCUSSION OF CCWD FACILITIES USAGE AGREEMENT**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

The JPA Agreement contemplates that the Authority will enter into a Facilities Usage Agreement with CCWD that would provide the Capacity Usage Rights to the Authority for its Members' use of CCWD's Project facilities. A presentation will be provided by CCWD Assistant General Manager Jeff Quimby on the concepts and issues to be included in that agreement.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Slide deck to be presented at the meeting.

**ITEM 1.4: REVIEW OF PLAN OF FINANCE**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

The Authority last week was informed that it was invited to submit an application for a loan under the U.S. Environmental Protection Agency' WIFIA Loan Program. The Committee will discuss the plan of finance that is currently contemplated and additional financial instruments that may be needed.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Slide deck to be presented at the meeting.

**ITEM 1.5: AMENDMENT OF PURCHASING POLICY**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

The Board of Directors adopted the Authority's Purchasing Policy at its February meeting. At the time that Purchasing Policy was adopted, it was acknowledged that it was essentially an interim policy to apply while the Authority was administered by the Interim Administrator and that revisions would be made once the Executive Director was engaged. With the engagement of the Executive Director, it is necessary to update the Purchasing Policy to provide the procurement authority to the Executive Director. The attached redlined version of the Purchasing Policy shows those changes and is presented for the Committee's review and discussion.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact dependent on purchases made

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Proposed revisions, as redlined, to Authority Purchasing Policy

## PURCHASING POLICY AND EXPENDITURE LIMITS

### PURPOSE

The purpose of this Policy is to establish a comprehensive set of purchasing policies for the Los Vaqueros Reservoir Joint Powers Authority (“Authority”) that will assure continuity and uniformity in its purchasing operations and provide guidelines for purchasing supplies and services.

#### 1. Policy

The Authority is committed to purchasing supplies, services and equipment in a fair, open and equitable manner that provides the best overall value to the Authority. Each person responsible for the procurement of goods and services for the Authority must follow these guidelines.

#### 2. Conflict of Interest

No Director, officer or staff member of the Authority shall participate in the process of purchasing any supplies, services and equipment, or participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- A Director, officer or staff member;
- Any member of his or her immediate family;
- His or her partner; or
- An organization that employs, or is about to employ, any of the above:

has a financial interest in the firm or organization selected for award of such a contract for supplies, services, or equipment. For purposes of this Policy, the definition of “financial interest” included in the Fair Political Practices Commission’s regulations is hereby incorporated by this reference.

No Director, officer or staff member of the Authority may accept, directly or indirectly, any gift, rebate, money, or anything else of value whatsoever from any person or entity if the gift, rebate, money or item of value is intended as a reward or inducement for conducting business, placing orders with, or otherwise using the Director’s, officer’s or staff member’s position to favor the contributor.

No Director, officer or staff member of the Authority shall aid or assist a vendor or bidder in securing a contract to furnish commodities, equipment or services, or, favor one vendor or bidder over another, or give or withhold information from any vendor or bidder not given or withheld from all other vendors or bidders, or willfully mislead any vendor or bidder in regards to an offer or bid specification, or knowingly certify to a greater level of service performed, or commodities or equipment furnished, than has respectively been performed or received. Any Director or Alternate Director who has had any communication or contact with a vendor or bidder who is

under consideration by the Authority for award of a contract shall disclose such communication or contact to the Board prior to the Board's consideration of the award of that contract.

### 3. General Provisions

The basic purchasing policy of the Authority is to obtain goods and services for its operations at the lowest possible overall cost, while ensuring such goods and/or services are of acceptable quality. This includes maintaining a purchasing system that ensures maximum use of fair and open competition and receipt of the best value for funds available, consistent with applicable laws and regulations. In the event of any conflict between this Policy and the Public Contract Code, the provisions of the Public Contract Code shall control. Purchasing responsibility and authority shall be delegated to a level consistent with good business practice and sound financial management policy.

The following apply to all purchases made by the Authority:

- A. No purchase will be approved or undertaken unless an appropriation has been established, either through the adopted annual budget or Board approval of additional appropriations. It is the responsibility of the ~~Executive Director Interim Administrator~~ to maintain control of budgets that have been designated as their responsibility.
- B. All purchases shall be of the quality deemed necessary to suit the intended purpose.
- C. Competitive bidding is established based on type of purchase and/or established dollar limits, as specified in Section 5, below. To the extent competitive bidding is required by this Policy, or, if in the discretion of the ~~Executive Director Interim Administrator~~ competitive bidding is deemed to serve the best interests of the Authority, the ~~Executive Director Interim Administrator~~ shall have the sole and exclusive authority to determine the manner in which the competitive bidding process shall be undertaken, with the objective that the bid process be fair and open to qualified bidders in order to obtain the best value for the Authority.
- D. Purchases shall not be split to avoid required procedures or established dollar limits. Purchases of like items or services should be considered on an annual basis.
- E. The Authority strives to integrate and balance environmental, equity, diversity and economic objectives into its decision-making, policies, programs and work practices regarding purchasing of goods and services. The Authority will consider making sustainable purchases where possible.
- F. The emergency purchase of goods is authorized as specified below.
- G. The ~~Executive Director Interim Administrator~~ shall report all expenditures over \$2,500.00 to the Board of Directors.

#### 4. Purchasing and Approval Authority

Purchasing authority is defined as the authority to make a purchase or enter into an agreement once all applicable purchasing procedures have been followed. The Board of Directors (“Board”) delegates purchasing and approval authority in certain amounts as specified in this Policy to the ~~Executive Director. Interim Administrator.~~ The ~~Executive Director Interim Administrator~~ may then delegate appropriate authority to staff as outlined in this Policy.

##### A. Contra Costa Water District (CCWD) Monthly Invoice

- i) The CCWD invoice for monies to be paid by the Authority for Administrator services and other support of the Los Vaqueros Reservoir Expansion Project, including as specified under the Multi-Party Cost Sharing Agreement, as amended, upon review by the Chair of the Board of Directors, will not be subject to the limitations below.

##### B. Expenditure Reimbursement Limitations

- i) Budgeted Routine Operating Expenditure Types or Items (routine budgeted expenditure types or items like utilities, materials, supplies, maintenance work, and regulatory fees and taxes previously reviewed by the Board in the budgeting process)
  - a) ~~Executive Director Interim Administrator~~ or their respective designee may approve the full amount without additional approval but to be included in the financial reporting of the Authority to the Board.
  - b) Internally, CCWD will limit designated authority to conform to its purchasing policy
- ii) Non-Routine Operating Expenses or items not previously reviewed by the Board in the budgeting process
  - a) ~~Interim Administrator Executive Director~~ or designee limit up to \$50,000
  - b) Board at \$50,000 or above
- iii) Professional Services Contracts or amendments to Professional Services Contracts previously approved by the Board
  - a) ~~Executive Director Interim Administrator or~~ designee limit up to \$50,000
  - b) Board at \$50,000 or above
- iv) Emergency Expenditures – an emergency purchase is an immediate and serious need for supplies or services that cannot be met through normal procurement methods, the lack of which would seriously threaten the functioning of the Authority, the preservation or

protection of property or the health or safety of any person. Written justification for any emergency procurement shall be prepared within one working day after the procurement.

- a) Executive Director ~~Interim Administrator~~ may approve emergency expenditures that exceed the delegated authority of \$50,000, which must be justified and communicated in writing as soon as practicable to the Board for its approval and ratification by at least a four-fifths (4/5ths) vote within seven (7) days of the action or at the Board's next regularly scheduled meeting if that meeting will occur within 14 days after the action.
  
- v) Public Works Contracts, Capital Acquisitions, or Other Capital Expenditures within the scope of a previously approved project by the Board
  - a) Executive Director ~~Interim Administrator~~ or designee limit up to \$50,000
  - b) Board at \$50,000 or above
  
- vi) Funding Amendments to Capital or Non-Capital Projects and Public Works Contracts, Capital Acquisitions, or other Capital Expenditures not within the scope of a previously approved project by the Board
  - a) Executive Director ~~Interim Administrator~~ or designee limit up to \$25,000
  - b) Board at \$25,000 or above
  - c) Any such expenditures by the Executive Director ~~Interim Administrator~~ would be reported to the Board at the next available meeting.
  
- vii) Change Orders on Projects Previously Approved by the Board:
  - a) The Executive Director ~~Interim Administrator~~ or designee, shall have authority to approve any Change Order on a project previously approved by the Board so long as: (a) the total contract amount, including any contingency funding, with such Change Order amount and any prior Change Orders, does not exceed one hundred ten percent (110%) of the total contract amount previously approved by the Board; or (b) the amount of that individual Change Order does not exceed \$50,000.00; provided, however, that a Change Order shall not be approved without the Board's approval if that Change Order would result in the specific project exceeding its approved budget.



- b) Board approval is required for any Change Order on a project it has previously approved if: (a) that Change Order will result in the specific project exceeding its approved budget; (b) the Change Order will result in the total contract amount, including any contingency funding, with such Change Order amount and any prior Change Orders, exceeding one hundred ten percent (110%) of the total contract amount previously approved by the Board; or (c) the amount of that individual Change Order exceeds \$50,000.00.

## 5. Purchasing Procedures

Purchases of goods, materials, supplies, equipment, maintenance, repair, operations and construction services shall be made utilizing the procedures specified in this section, based upon the expected dollar amount of the purchase or contract. ~~For so long as Contra Costa Water District serves as the Authority's Administrator, these procedures shall be applied in accordance with its purchasing policies and procedures.~~ The Executive Director ~~Interim Administrator~~ shall follow these procedures.

**A. Procurements of \$2,000 or less:** The purchasing staff member shall ensure the Authority's best interests are protected, but no formal procurement process is required. ~~Such purchases shall be made in accordance with the Interim Administrator's procedures.~~ Procurements in this category must be approved and authorized by the Executive Director. ~~Interim Administrator.~~

**B. Procurements between \$2,001 and \$5,000 (excluding taxes and freight):** A minimum of two competitive quotes shall be received, which may be in writing, by internet or by telephone, and the procurement shall be awarded to the lowest responsible respondent. Documentation of the quotes received shall be included with any purchase requisition as part of the procurement process. Procurements in this category must be approved and authorized by the Executive Director. ~~Interim Administrator.~~

**C. Procurements between \$5,001 and \$10,000 (excluding taxes and freight):** A minimum of three competitive quotes shall be received, which may be in writing, by internet or by telephone and the procurement shall be awarded to the lowest responsible respondent. Documentation of the quotes received shall be included with any purchase requisition as part of the procurement process. Where appropriate, such procurements shall include written scopes of work, a project schedule or timeline, appropriate insurance and indemnification and standard Authority terms and conditions. Procurements in this category must be approved and authorized by the Executive Director. ~~Interim Administrator.~~

**D. Procurements between \$10,001 and \$20,000 (excluding taxes and freight):** A minimum of three informal bids shall be obtained by advertisement, in the Authority's discretion, in a periodical, newspaper, on-line bid publishing site or Authority website. Any such bids shall be written specifically for the Authority and not be obtained via an internet website or by telephone. Bids must be submitted in sealed envelopes and the sole basis of award is the lowest responsive responsible bidder. Such procurements shall include written scopes of work, technical specifications and/or drawings (if applicable), a project schedule or timeline, appropriate insurance

and indemnification and standard Authority terms and conditions. Payment and/or faithful performance bonds and contractor safety training shall be required if applicable based on the nature of the procurement. Procurements in this category must be approved and authorized by the Executive Director. ~~Interim Administrator.~~

**E. Procurements between \$20,001 and \$100,000 (excluding taxes and freight):** A formal invitation to bid process will be followed to obtain the lowest responsive, responsible bidder or price. Invitations to bid are publicly advertised, with bids submitted in sealed envelopes with a formal public bid opening. The Authority shall determine the appropriate means to advertise the invitation bid, including in a periodical, newspaper, on-line bid publishing site and/or Authority website. Formal bid documents shall include written scopes of work, technical specifications and/or drawings (if applicable), standard details, a project schedule or timeline, appropriate insurance and indemnification and standard Authority terms and conditions. If applicable, the bid package should also include contractor licensing, payment and/or faithful performance bonds and contractor safety training requirements. Procurements in this category must be approved and authorized by the Executive Director. ~~Interim Administrator.~~

**F. Procurements over \$100,000 (excluding taxes and freight):** A formal invitation to bid process will be followed to obtain the lowest responsive, responsible bidder or price. Invitations to bid are publicly advertised, with bids submitted in sealed envelopes with a formal public bid opening. The Authority shall determine the appropriate means to advertise the invitation bid, including in a periodical, newspaper, on-line bid publishing site and/or Authority website. Procurements in this category must be approved and authorized by the Authority's Board of Directors. Contracts of more than \$100,000 shall include the following:

1. -Scope of work in sufficient detail to clearly define the specific service or deliverable to be provided;
2. Schedule for start and completion of work;
3. Responsibilities of the respective parties under the contract;
4. All Authority insurance and indemnification provisions;
5. Prevailing wage rate requirements under the contract;
6. Subcontractor or assignability of the contract;
7. Defined cost or contract value with progress payments, if applicable;
8. All other relevant or necessary information;
9. A project/contract file will be maintained by the appropriate staff for the necessary documentation; and
10. Changes to the contract, including scope of work or price, shall be in writing and approved as specified in this policy

## 6. Sole Source Purchases

**A. Definition:** Sole source purchases are utilized where no secondary or additional source is reasonably available, which precludes the use of a competitive process. Sole source procurement means that a specific brand or trade name is specified in an invitation to bid that

may not be substituted with another brand or trade name. Sole source purchases are normally utilized when a specific good, material or equipment is available from only one supplier under the prevailing circumstances. The ~~Executive Director Interim Administrator~~ may make sole source procurements, including, but not limited to, the following circumstances:

1. Where compatibility of equipment, accessories or replacement parts is the paramount consideration;
2. Where public utility services are to be procured;
3. Where a sole supplier's item is needed for trial use or testing;
4. Where a used item is offered at a bargain price and subject to prior sale; or
5. Where a cooperative purchasing agreement has been developed with another public agency or cooperative that utilized a competitive selection process and has recognized government pricing.

**B. Documentation:** Any sole source procurement must be justified in writing, in the form of justification memo, in advance of the purchase and must be approved in writing by the ~~Executive Director Interim Administrator~~.

**C. Reporting:** Any staff member who desires to award a sole source procurement must provide the ~~Executive Director Interim Administrator~~ with the sole source justification memo. Any sole source procurement that exceeds the ~~Executive Director's Interim Administrator's~~ delegated authority must be authorized by the Board of Directors.

#### Expenditure Limitations and Purchase Authority Matrix

	<del>Interim Administrator</del> <del>Executive Director</del> or Designee	Board
Non-Routine Operating Expenses or Items not previously reviewed by the Board	Up to \$50,000	\$50,000 or above
Professional services contracts or amendments to professional service contracts previously approved by the Board	Up to \$50,000	\$50,000 or above
Public works contracts, capital acquisitions, or other capital expenses within the scope of a previously approved project by the Board	Up to \$50,000	\$50,000 or above
Amendments to capital or non-capital projects, public works contracts, capital acquisitions, or other capital expenses not within the scope of a previously approved project by the Board	Up to \$25,000	\$25,000 or above

<p>Change Order on a project previously approved by the Board</p>	<p>Up to \$50,000 (see Section (vii) of Policy for limitations)</p>	<p>\$50,000 or above (see Section (vii) of Policy for conditions)</p>
<p>CCWD monthly invoice</p>	<p>Not subject to the above limitations</p>	
<p>Budgeted routine operating expenditure types or Items (i.e., utilities, materials, supplies, maintenance work, and regulatory fees and taxes previously reviewed by the Board during the budgeting process)</p>	<p><del>Interim Administrator</del> <u>Executive Director</u> or designee for the full amount without additional review. <u>As applicable,</u> internally CCWD will limit designated authority to up to \$5,000 at its manager level.</p>	

**ITEM 1.6: DRAFT TREASURER’S REPORT – MONTH ENDED SEPTEMBER 30, 2022**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

The draft Treasurer’s Report for September 2022 will be presented for the Committee’s review and discussion.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

None

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Draft Treasurer’s Report for Month Ended September 30, 2022




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October 20, 2022

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### UPCOMING ACTIVITIES

October 27 at 1:00 – Finance Committee Meeting via Zoom

October 31 at 2:00 p.m. – Finance workgroup meeting on Draft Term Sheet on LVE Project Operations via Zoom

November 16 at 2:30 – Finance Committee Meeting via Zoom

Finance Committee Members:

Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

John Coleman, EBMUD

Linda LeZotte, SCVWD

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### ACRONYM KEY

ACWD – Alameda County Water District

CCWD – Contra Costa Water District

CWC – California Water Commission

EBMUD – East Bay Municipal Utility District

LAP – Local Agency Partners

MPA – Multi-party Cost Share Agreement

SCVWD – Santa Clara Valley Water District (Valley Water)

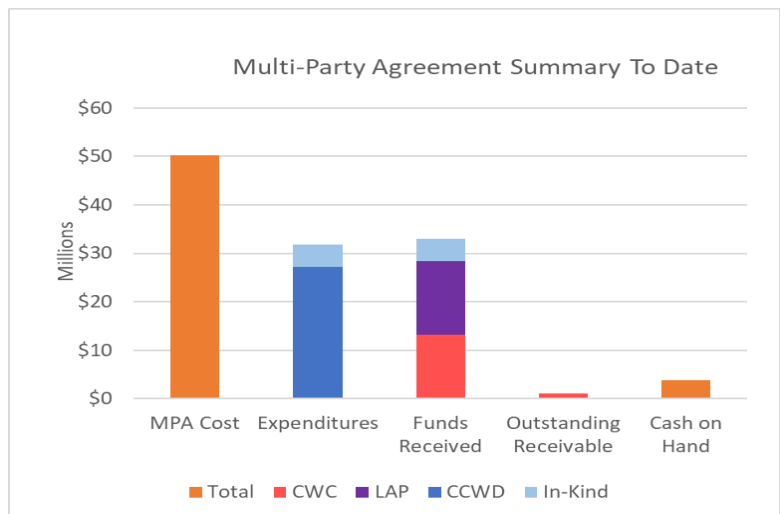
WIFIA LOI – Water Infrastructure Finance and Innovation Act Letter of Interest

## DRAFT TREASURER’S MONTHLY REPORT

### MULTI-PARTY AGREEMENT STATUS

Amendment No. 3 to the Multi-party Cost Share Agreement (MPA) was executed on November 1, 2021 and the second invoice of \$448,560 per agency was sent out in July 2022 and payments have been received by all Local Agency Partners (LAPs).

The following chart provides an overview of the MPA expenditures through September 30, 2022. The in-kind services, funds received, outstanding receivable, and cash on hand are shown through September 30, 2022. All LAPs remain in good standing and the Project cash on hand remains positive.



### MPA Summary to Date:

MPA Cost: \$50,187,865 (total through Amendment No. 3)

#### Expenditures:

CCWD: \$27,281,028 (includes consultants and legal services)

LAP: \$4,586,953 (in-kind services)

Total: \$31,867,981

#### Funds Received:

CWC: \$13,211,826

LAP: \$15,194,842 (cash contributions)

LAP: \$4,586,953 (in-kind services)

Total: \$32,993,621

#### Outstanding Receivable:

CWC: \$1,107,462

LAP: \$0

Cash on Hand: \$3,740,644

## **FEDERAL FUNDING STATUS**

A total of \$82 million was allocated to the Project in the Bipartisan Infrastructure Law FY22 Spend Plan. Previous awards of Federal funding during FY21 and FY22 include \$10 million in pre-construction funding and \$54 million in construction funding. An assistance agreement has been executed with Reclamation for a total of \$7.2 million in federal funding for permitting, design, and other pre-construction activities and the initial invoice has been submitted.

Future Federal funding requests include the remainder of the requested federal share of 21 percent of the total project cost (approximately \$67 million). Some portion of the federal funding share may be available in the upcoming appropriations under the Water Infrastructure Improvements for the Nation (WIIN) Act.

## **STATE FUNDING STATUS**

The Project qualified for funding under the Water Storage Investment Program and received an adjusted Maximum Conditional Eligibility Determination of \$477,558,343 from the California Water Commission (CWC) on March 16, 2022. This amount reflects an additional inflation adjustment of 1.5 percent and an increase in over \$7 million from the previous award.

The Early Funding Agreement with the CWC provides for a cost share of 50 percent of eligible costs through December 31, 2022. An amendment was approved by the CWC on May 18, 2022 to extend the agreement through December 31, 2023 and include \$927,917 in additional early funding that is now available as a result of the inflation adjustments to the total award amount. The summary below reflects the current Early Funding Agreement. The Total Budget and other budget status information will be updated following execution of the amendment.

### **Early Funding Agreement Summary to Date:**

Total Budget:	\$45,900,000
Total Program Funding:	\$22,950,000 (50 percent cost share)
Total Billed To Date:	\$28,638,578 (62% spent to date)
Total Amount Remaining:	\$17,261,422
Total Retention To Date:	\$561,726
Outstanding Invoices:	\$545,736

The logo for the Los Vaqueros Reservoir Expansion Project. It features the words "LOS VAQUEROS" in blue, "RESERVOIR" in green, "EXPANSION" in green, and "PROJECT" in green, stacked vertically. To the right of the text is a stylized graphic of a reservoir dam or structure, composed of several horizontal rectangular blocks in shades of blue and green, arranged in a stepped, triangular shape.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

**Los Vaqueros Reservoir  
Joint Powers Authority  
Finance Committee  
Agenda Item 1.3**

**Discussion of CCWD Facilities Usage Agreement  
October 27, 2022**



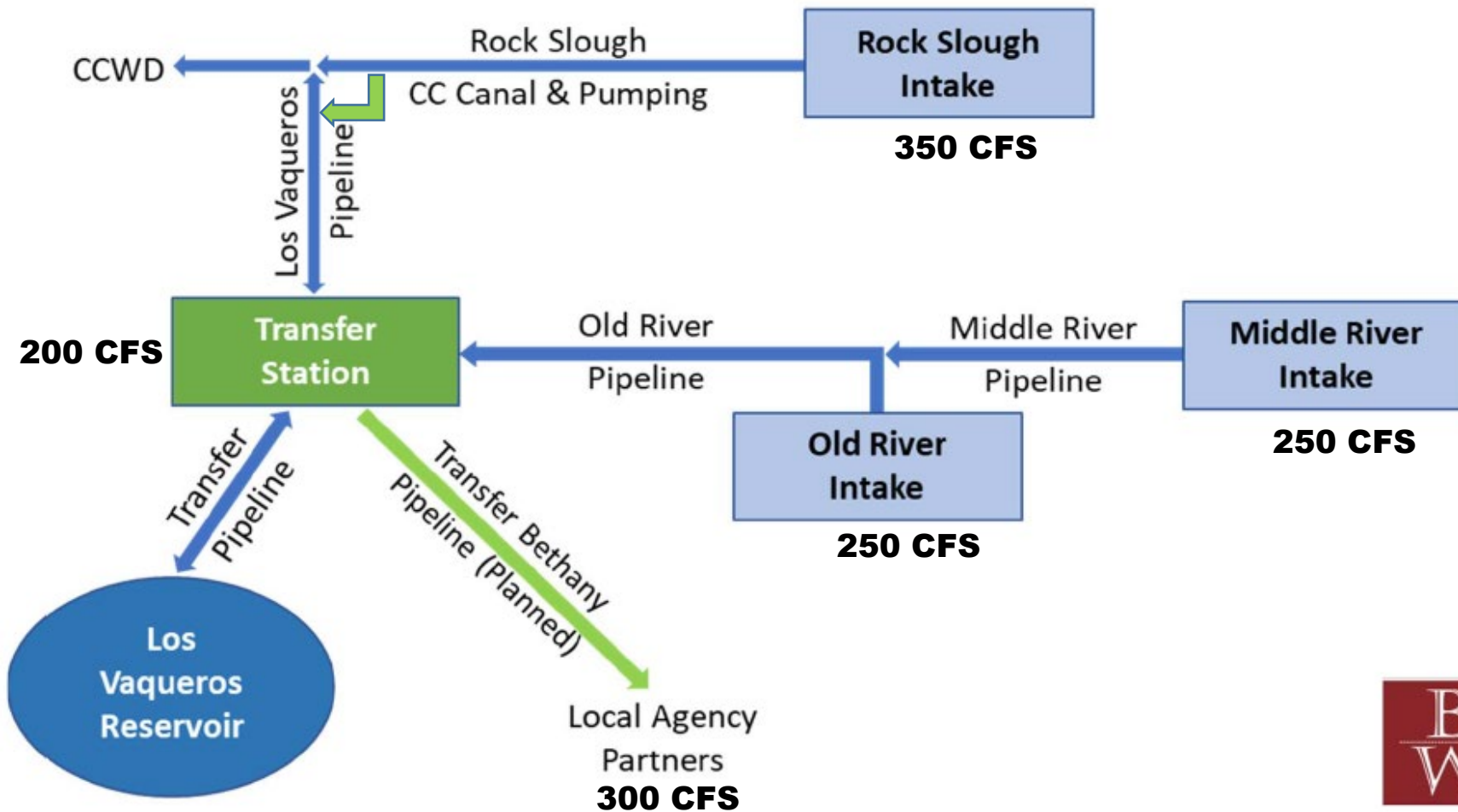
# Agenda

- Background
- Current Draft CCWD Usage Fees
  - Conveyance
  - Storage
- Next Steps

# Background

- CCWD Board Principles which condition their support for the Los Vaqueros Reservoir Expansion Project include:
  6. *CCWD continues as owner and manager of the Los Vaqueros Watershed;*
  7. *CCWD maintains control over recreation in the Los Vaqueros Watershed;*
  8. *CCWD continues as operator of the Los Vaqueros Reservoir system;*
  9. *CCWD will be reimbursed for the value of the existing Los Vaqueros Project assets shared, replaced, rendered unusable, or lost with the expansion project*
- Usage fees seek to balance equitable compensation, CCWD retained ownership, and overall cost competitiveness
  - Capital (original cost, renewal/replacement)
  - O&M (power, fixed costs)
  - Over \$1B current value of existing CCWD assets

# Conveyance Facilities/Pathways



# Usage Fee Review History

- Original Usage Fees (two separate components)
  - Capacity Rental – based on debt service interest
  - Renewal/Replacement (“R/R”) – based on annual depreciation
- Third-Party Review Alternative Revisions
  - Conveyance: Single charge based on present value of facilities
  - Storage: Fixed payment for JPA’s share of costs for land and shared foundational facilities; pro-rata share of total capacity
- Framework established based on additional comments from partners
  - Letter of intent executed 2021 regarding usage fees

# CONVEYANCE



# Conveyance (Intakes and Transmission)

## Conveyance (capital)

- Capacity reimbursement included in usage fee
  - Represents cost share for original facilities and proportional R/R
  - Not conveying ownership or fixed capacity right; commitment to utilize surplus capacity
  - CCWD needs remain the priority
  - Usage fee only paid when facilities are used
- CCWD responsible for all capital R/R on existing CCWD facilities
  - No JPA contribution beyond usage fee

# Conveyance

## Conveyance (capital)

$$\text{Conveyance Usage Fee, \$/AF} = \frac{\text{Facility Value, \$}}{(\text{Useful Life, YRS}) * (\text{Water Deliveries, AF/YR})}$$

*Facility Value:* Present value of the stream of debt service payments escalated or discounted into current dollars

*Useful Life:* Estimate of the number of years an asset can provide benefits. Value represents the average of all components within a given facility.

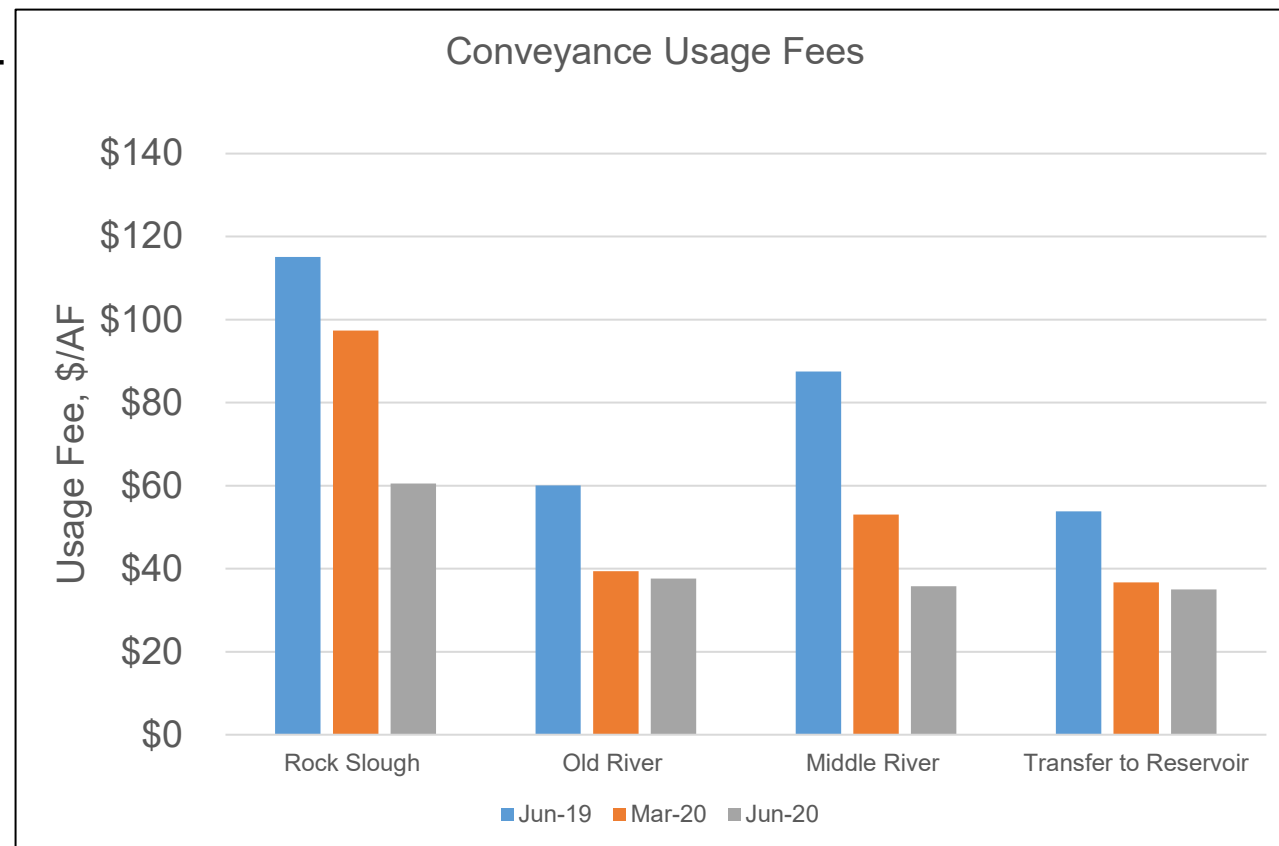
*Water Deliveries:* Amount of total water delivered from the system including all beneficiaries.

# Conveyance

## Conveyance (capital)

### • Key Changes

- Change to single capital component
- Removal of grant funds
- Use of actual debt interest and issuance costs
- Partial escalation on future usage fees





# Conveyance

## Conveyance (capital)

Delivery Pathway	June 2019 (Original) Version, \$/AF	March 2020 Version, \$/AF	Current Version*, \$/AF	Facilities Used
Rock Slough	\$115.05	\$97.36	\$60.50	Rock Slough Intake/Fish Screen; Pumping Plants No. 2, 3, and 4; Contra Costa Canal; and Los Vaqueros Pipeline
Old River	\$60.09	\$39.40	\$37.59	Old River Intake and Old River Pipeline
Middle River	\$87.46	\$53.04	\$35.81	Middle River Intake, Middle River Pipeline, and Old River Pipeline
Transfer to Reservoir	\$53.80	\$36.71	\$35.03	Transfer Pump Station, Transfer Reservoir, Transfer Pipeline

\* Values shown in 2020 dollars. It is anticipated JPA would pay single conveyance rate based on weighted average.

# Conveyance

## Conveyance (O&M)

- Fixed O&M charges are currently allocated in Pro Forma based on historical deliveries
- Variable O&M costs (power) passed on directly to JPA
  - Power ranges from \$25/AF to \$70/AF depending on facility/path

# Storage



# Storage Usage Fee

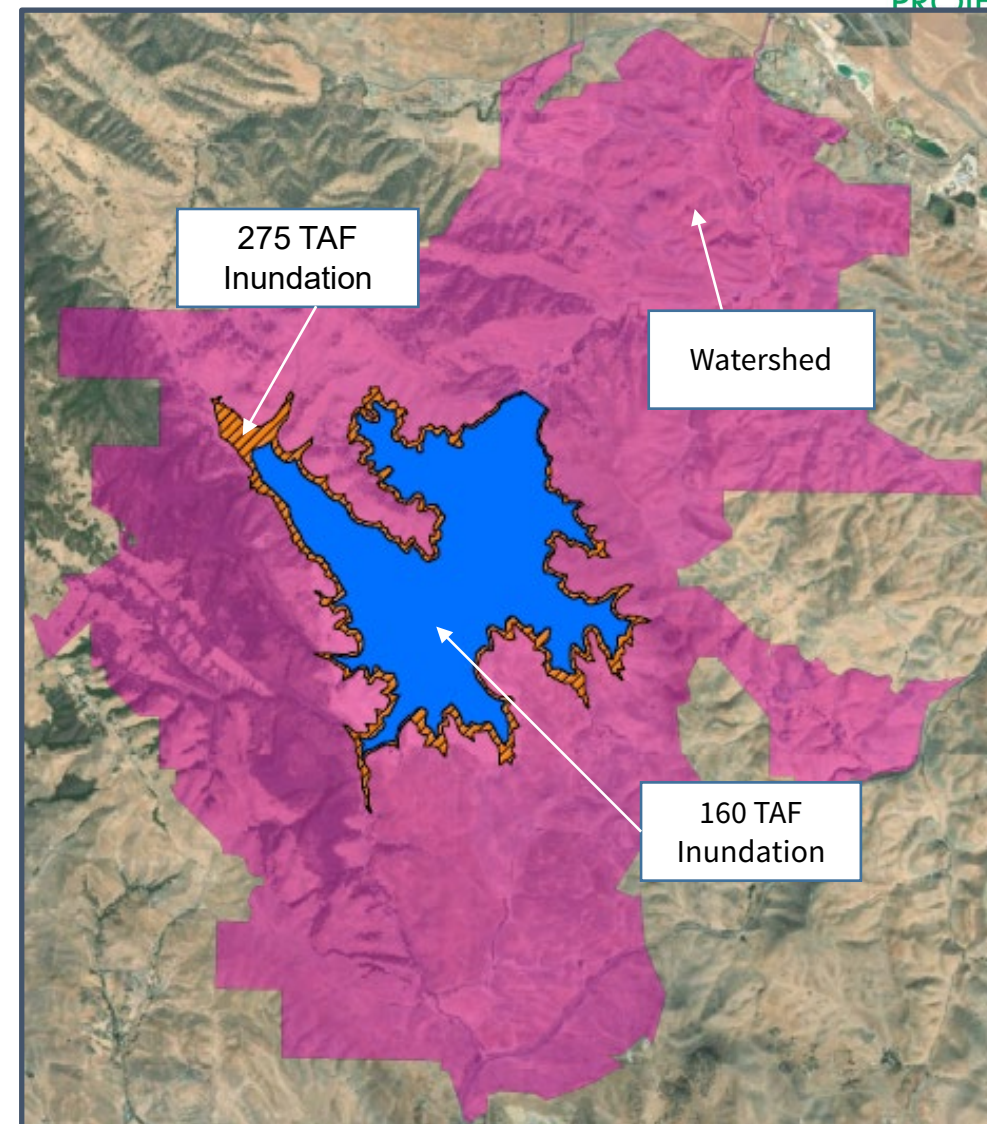
## Storage

- Approach is similar to valuing a land right with fixed payment for JPA's share of costs for land and shared foundational facilities
- Cost recovery for shared assets based on a pro-rata share of total capacity of the expanded reservoir 115 TAF/275 TAF, or 41.8%
  - Present value of debt service X JPA allocation
  - Two step process
    - Land value (storage and watershed)
    - Facility value

# Storage Usage Fee

## Storage – Land Valuation

- 160 TAF Inundation Area
  - 1,916 acres
  - Shared – Capacity (41.8% JPA)
- 275 TAF Inundation Area (incr.)
  - 585 acres
  - Shared – Modified capacity (70.9% JPA)
- Watershed (remaining)
  - 16,787 acres
  - Shared – Capacity (41.8% JPA)



# Storage Usage Fee

## Storage – Land Valuation (continued)

- Present value of land for JPA use is estimated at \$70 million
- Usage fee proposed as fixed payment of \$2.7M year (50 yrs, 3%), ending after year 50
- JPA would have exclusive land right to store water
- Determined assuming 90% of full value to reflect CCWD retention of ownership. Similar discount factor used for exclusive easements.
- Land value based on CCWD cost results in below market valuation

# Storage Usage Fee

## Storage – Facility Valuation

- Subtracting cost of facilities that only benefit CCWD
  - Original LV Project
  - 60 TAF Expansion
- Shared facilities allocated 41.8% JPA
- Depreciated value: \$153.9M
  - Future R/R of shared dam facility included in pro forma

### CCWD Only – 0% to JPA

- Existing dam material/placement
- Recreation
- Mitigation
- Replaced in-kind

### Shared Facilities – 41.8% to JPA

- Foundation/abutment
- Drainage
- Spillway
- Inlet/Outlet structures
- Vasco Road relocation
- Utilities

# Storage Usage Fee

## Storage Usage Fee

Facilities	Annual Usage Fee	Term
Dam Facilities (\$153.9M Depreciated Value)	\$1.5M/YR	Estimated useful life
Land (\$70M)	\$2.7M/YR	50 years
Total, \$	\$4.2M/YR	

- Proposed usage fee of \$4.2/YR includes value of facilities and land
- Storage fee would not escalate and has fixed term



# Facilities Usage Agreement

## Additional Terms

- O&M cost true-up
- Re-opener triggers
- Periodic review
- Operational commitments
- Others?

# Next Steps

- LAP Counter Proposal
- Facilities Usage Agreement – Spring 2023

**Jeff Quimby**

**[jquimby@ccwater.com](mailto:jquimby@ccwater.com)**

**(925) 688-8310**



Los Vaqueros Reservoir JPA  
Finance Committee Meeting  
Agenda Item 1.4 - Plan of Finance Overview

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October 27, 2022

# JPA Plan of Finance<sup>1</sup>

## Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
BIL Funding (Secured)	82,000	6.0%
Additional Fed. Appropriations	78,544	5.7%
Total	<u>1,376,670</u>	

## Uses of Funds (\$000s)

Devel. and Constr. Costs	1,245,375
Capital Project Fund Reserve	47,573
Debt Service Reserve Fund	39,995
Financing Costs	19,115
JPA Admin Cost (Pre-Operations)	18,534
Admin and Op. Fund Reserve	3,731
Interest on LAP Contributions	2,347
Total	<u>1,376,670</u>

<sup>1</sup>Illustrative amounts are taken from the “WIFIA Letter of Interest” version of proforma model, adjusted for the recently-secured Bipartisan Infrastructure Law (BIL) funding

# JPA Sources of Funds – Federal Funding

Funding Source	Background	Funding Status	Next Steps
<b>WIFIA Loan</b>	Water Infrastructure Finance and Innovation Act (WIFIA) Loan program administered by the Environmental Protection Agency (EPA)	LVE Project was invited to apply for \$675 million low-interest rate loan	<ul style="list-style-type: none"> <li>- Secure an Indicative Credit Rating</li> <li>- Submit Loan Application</li> </ul>
<b>WIIN Act Funding</b>	Federal funding administered by the Bureau under the Water Infrastructure Improvements for the Nation Act	LVE Project has secured \$64 million in funding to date. LVE team working for additional appropriations from Congress	<ul style="list-style-type: none"> <li>- Work with Reclamation to develop key permits and agreements</li> </ul>
<b>BIL Grant Funding</b>	Federal program established in 2021 by the Bipartisan Infrastructure Law, administered by U.S. Dept. of the Interior	LVE Project was awarded an \$82 million in funding on October 17, 2022	<ul style="list-style-type: none"> <li>- Work with Reclamation to develop key permits and agreements</li> </ul>

# JPA Sources of Funds – State Funding

Funding Source	Background	Funding Status	Next Steps
<b>WSIP Funding</b>	Water Storage Investment Program (WSIP) program administered by the California Water Commission. Also known as Prop 1 funding	LVE Project was awarded \$459 million in 2018 (adjusted to \$477 million in 2021), contingent on certain requirements	<ul style="list-style-type: none"> <li>- Complete permits</li> <li>- Execute Contracts for Administration of Public Benefit</li> </ul>
<b>Balance of Funding</b>	<p>Approximately \$78.5 of remaining funding requirements:</p> <ul style="list-style-type: none"> <li>• Amount of remaining funding requirements will depend on multiple factors, including finalization of the construction budget</li> <li>• The amount is expected to be provided by WIIN Act funding, however the JPA cannot guarantee that additional Federal allocations will be received</li> <li>• Funding alternatives include:               <ul style="list-style-type: none"> <li>• WIIN Act funding, as described above</li> <li>• Upfront cash contributions from the Members</li> <li>• Water Revenue Bonds issued by the JPA</li> </ul> </li> </ul>		

# JPA Plan of Finance – Reserve Accounts

## Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
BIL Funding (Secured)	82,000	6.0%
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## Uses of Funds (\$000s)

Devel. and Constr. Costs	1,245,375
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JPA Admin Cost (Pre-Operations)	18,534
Admin and Op. Fund Reserve	3,731
Interest on LAP Contributions	2,347
Total	<u>1,376,670</u>

## Anticipated Reserve Accounts

- **Capital Project Fund Reserve (\$47.6M)**
  - 17% (2 months) of annual capital budget
  - Temporary reserve that provides sufficient working capital for authorized capital expenditures
- **Debt Service Reserve Fund (\$40.0M)**
  - One year of maximum debt service
  - Permanent reserve to mitigate risk of non-payment of debt service obligations
- **Admin/Operating Fund Reserve (\$3.7M)**
  - 17% (2 months) of annual operating budget
  - Permanent reserve that provides sufficient liquidity as working capital to fund administrative and operating expenses

<sup>1</sup>Illustrative amounts are taken from the “WIFIA Letter of Interest” version of proforma model, adjusted for the recently-secured Bipartisan Infrastructure Law (BIL) funding

# Interim Financing Options

- **Multiparty Agreement** - provides for shared funding of JPA administration and LVE development expenses
  - Currently active (Amendment #4) and anticipated to run until the Service Agreements are executed or other permanent sources of JPA revenues are in place
  - JPA's primary interim funding source at this time
  
- Other Interim Financing Options:
  1. **Bank Credit Facility**
  2. **Commercial Paper or Bond Anticipation Notes**
    - These options would require a repayment commitment from the JPA, backed by the Members
    - Prior to Service Agreement execution, these Interim Financing options would require the Board to adopt specific repayment provisions
    - The cost effectiveness of these Interim Financing options after Service Agreement execution will be evaluated and presented to the Finance Committee