



LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY AGENDA

Regular Meeting of the Board of Directors
June 14, 2023 – 9:30 a.m.

To be held at:
ZONE 7 WATER AGENCY
100 North Canyons Parkway
Livermore, CA 94551
Call-In Number: (888) 363-4734, Access Code 9187242

Directors and Alternate Directors Participating Telephonically:
Alternate Director Richard Santos – 3580 Sierra Road, San Jose, California 95132

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Authority's Clerk at rperea@lagerlof.com. Notification at least 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

Members of the public may submit written comments to the Clerk by 4:00 p.m. on the day prior to the meeting for the 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. Materials related to items on this Agenda are available for public review at: www.losvaquerosjpa.com/board-meetings. Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

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
Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Dennis Herrera, Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District
TBD, Director – Ex Officio - Department of Water Resources

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District
Jeff Quimby, Alternate Director, Contra Costa Water District
Lesa McIntosh, Alternate Director, East Bay Municipal Utility District
Ricardo Ortega, Alternate Director, Grassland Water District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water Authority
Richard Santos, Alternate Director, Santa Clara Valley Water District
Sandy Figuers, Alternate Director, Zone 7 Water Agency
TBD, Alternate Director – Ex Officio, Department of Water Resources

PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Board of Directors regarding items not on the Agenda should do so at this time. The Board 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.

CONSENT CALENDAR

- 1.1 Approval of Minutes from May 19, 2023 Board of Directors Meeting**
- 1.2 Treasurer's Report – Month Ended April 30, 2023**

ACTION ITEMS

- 2.1 Approval of Fiscal Year 2022 Audit Report**
- 2.2 Approval of Amendment to Extend Contract with Lagerlof, LLP for General Counsel Services**
- 2.3 Approval of Amendment to Extend Contract with Clean Energy Capital Securities, LLC for Financial Consulting Services, Revise Scope of Work and Increase Budget Authority for those Services**

- 2.4 Approval of Amendments to Independent Contractor Agreement with T. Ravazzini Consulting LLC for Executive Director Services**
- 2.5 Approval of Agreement with Eide Bailly LLP for Accounting and Financial Management Services**
- 2.6 Adoption of Resolution No. 6-23-01 Approving Fiscal Year 2024 Budget**
- 2.7 Approval of Amendment No. 5 to Multi-Party Cost Share Agreement**
- 2.8 Consideration of Designation of Voting Representative for Association of California Water Agencies 2024-25 Election**

DISCUSSION ITEMS

- 3.1 Federal Relations Update**

FUTURE AGENDA ITEMS

REPORTS

- 4.1 Directors**
- 4.2 Executive Director**
- 4.3 General Counsel**
- 4.4 Board Policy and Action Calendar**
- 4.5 Committee Meeting Summaries**

ADJOURNMENT

CONSENT CALENDAR

ITEM 1.1: APPROVAL OF MINUTES FROM MAY 19, 2023 BOARD OF DIRECTORS MEETING

RESPONSIBLE/LEAD STAFF MEMBER:

James Ciampa, General Counsel

RECOMMENDATION:

That the Authority's Board of Directors approve the attached minutes from the May 19, 2023 Board of Directors meeting.

DISCUSSION:

The Assistant Clerk, General Counsel and Executive Director have prepared the attached draft minutes from the May 19, 2023 Board of Directors meeting.

ALTERNATIVES:

Any suggested revisions to the draft May 19, 2023 Board meeting minutes will be considered.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Draft minutes from May 19, 2023 Board of Directors meeting



LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY

MINUTES

Regular Meeting of the Board of Directors

May 19, 2023 – 10:00 a.m.

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway Livermore, CA 94551

CALL TO ORDER – Chair Angela Ramirez Holmes called the meeting to order at 10:00 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

Ernesto Avila, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District

Rebecca Eisenberg, Director, Santa Clara Valley Water District (arrived at 10:17 a.m.)

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District (departed at 11:40 a.m.)

Antonio Martinez, Alternate Director, Contra Costa Water District (departed at 12:02 p.m.)

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

*Richard Santos, Alternate Director, Santa Clara Valley Water District (by phone)

Sandy Figuers, Alternate Director, Zone 7 Water Agency

*participated in place of absent Director; Alternate Director Santos acted in place of Director Eisenberg until her arrival

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

STAFF PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel
Marguerite Patil, Contra Costa Water District
Maureen Martin, Contra Costa Water District
David Moore, Clean Energy Capital Securities, LLC
Norma I. Alley, MMC, Assistant Board Clerk

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

CONSENT CALENDAR

1.1 Approval of Minutes from April 12, 2023, Board of Directors Meeting

1.2 Treasurer's Report – Month Ended February 28, 2023

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

Upon motion by Alternate Director Santos, seconded by Director Avila, the Consent Calendar consisting of Item 1.2, was approved by the following roll call vote:

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

The motion passed with an 8-0 vote.

With respect to Item 1.1, the following changes to the April 12, 2023 Board meeting minutes were requested: (1) Page 10 of the packet: Discussion Item 3.1 – in the first paragraph, revise to reflect that “Marguerite Patil of Contra Costa Water District reported development of the Authority’s Fiscal Year 2024 Budget is continuing” and delete the remainder of that paragraph; (2) Page 10 of the packet: Discussion Item 3.1 – in the last line of the fifth paragraph, insert “funds” after “carryover”; (3) Page 11 of the packet: Discussion Item 3.2 – in the second paragraph, change “August 14” to “April 14”; and (4) Page 11 of the packet: Discussion Item 3.2 – in the fourth paragraph, in the second line change “done to date” to “provided to date.”

Upon motion by Vice Chair Hansen, seconded by Director Tognolini, the Consent Calendar consisting of Item 1.1, as amended, was approved by the following roll call vote:

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

NOES: None

The motion passed with an 8-0 vote.

ACTION ITEMS

2.1 Approval of Contract with the Hallmark Group for Program Management Services

Executive Director Taryn Ravazzini reviewed the process used to solicit and evaluate proposals for the program management services the Authority requires. She stated two firms submitted proposals: the Hallmark Group and Woodard & Curran. The Executive Director, along with a panel made up of member agency staff members, interviewed both proposing entities and their key personnel. Upon conclusion of that interview and evaluation process, the panel unanimously recommended proceeding with the Hallmark Group.

Jessica Alwan of the Hallmark Group then provided information regarding her firm and the comprehensive team that will provide the program management services for the Authority. She also reviewed the Hallmark Group's experience on comparable projects.

Executive Director Ravazzini stated she has worked with the Hallmark Group to refine the scope of work for the services and to reduce the cost. She also stated the Hallmark Group agreed not to include any markup on services provided by Khadam Consulting, Inc., as its contract with the Authority will terminate and future services from Khadam Consulting, Inc. will be provided under the Authority's contract with the Hallmark Group.

Treasurer Sethy inquired if the Hallmark Group provided any services to the Delta Conveyance Project Authority. Ms. Alwan responded the Hallmark Group provided environmental services early in the project, before the joint powers authority was formed and has not provided additional services on that project.

Alternate Director Ritchie stated this is an expensive item and expressed his concern about "cost creep." He stated the need to ensure the Authority obtains real value for the monies spent.

Director Avila asked if there is a breakdown of the hourly and overhead rates for this contract to monitor and track costs expended for each of the tasks, including key assumptions regarding allocation of time and costs to the various tasks. Executive Director Ravazzini responded that a breakdown was provided with the firm's proposal, along with the key assumptions and explanations regarding the tasks reflected in the scope of work.

Upon motion by Treasurer Sethy, seconded by Director Eisenberg, the contract with the Hallmark Group for program management services in the form presented 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
 Ernesto Avila, Director, Contra Costa Water District
 Michael Tognolini, Director, East Bay Municipal Utility District
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
 Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: None

The motion passed with an 8-0 vote.

2.2 Approval of Contract for Federal Relations Consultant

Executive Director Ravazzini reviewed the background of the Authority's current federal relations consultant contract, which expired on May 15. She stated positive progress has been made with the Bureau of Reclamation regional staff. She then summarized the expedited procurement process directed by the Communications and Outreach Committee. That process included soliciting proposals from eight qualified firms with a six-day response period. Three proposals were received, and a review team made up of representatives from five Authority members reviewed those proposals and unanimously agreed that Natural Resource Results LLC and Water and Power Law Group PC would best serve the Authority's federal relations needs. The review team concurred that this would be a one-year contract that should be evaluated well in advance of the expiration date. The contract amount is \$15,000 per month, with a total not-to-exceed \$10,000 for expenses over the contract term.

Director Ritchie asked how this contract relates to the work being done by Khadam Consulting, Inc. and whether those entities' services are complementary or duplicative. Executive Director Ravazzini clarified that Khadam Consulting's work is more technical and staff oriented, while the Natural Resource Results team is more policy and management oriented. She believes the respective services are very complementary and not duplicative.

Secretary Wehr acknowledged Natural Resource Results and Water and Power Law Group have a great level of expertise and much progress with the Bureau of Reclamation has been made over the past month.

Director Tognolini stated it is imperative that the consultant coordinate with the members' consultants and staffs to ensure coordinated strategies. He also stated the need for monthly reports on federal relations developments. Executive Director Ravazzini acknowledged the need for coordination among the Authority and the members on these issues and emphasized the need for members to communicate with the Authority so reciprocal coordination occurs.

Director Tognolini expressed discomfort with the process undertaken for this item, particularly with the short amount of time responding firms were given to respond with a proposal. However, he agreed that the selected firm will provide the services the Authority needs at this time.

Director Avila agreed with the concerns raised regarding the process that was undertaken, especially where these services are of such great importance. He stated he did not think the process was adequate here in light of that importance. He further emphasized the need to avoid ambiguity and misunderstandings and emphasized the need for coordination among the Authority and the members. He asked General Counsel Ciampa if the Authority's Bylaws allowed the Communications and Outreach Committee to direct the expedited process that occurred here. General Counsel Ciampa responded that this is a contract for professional services that could have been awarded on a sole source basis without any competitive process under the Authority's procurement policy and applicable law.

Chair Ramirez Holmes discussed the ongoing coordination the Authority has undertaken with Contra Costa Water District on these federal relations issues and stated CCWD's staff is present at the meetings that are regularly happening with the Bureau of Reclamation and the Authority and CCWD have been sharing their respective talking points for those meetings.

Upon motion by Alternate Director Ritchie, seconded by Director Eisenberg, the Board approved the Authority's contract with Natural Resource Results LLC and Water and Power Law Group, PC for a one-year term in the form presented 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
 Ernesto Avila, Director, Contra Costa Water District
 Michael Tognolini, Director, East Bay Municipal Utility District
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
 Rebecca Eisenberg, Director, Santa Clara Valley Water District

NOES: None

The motion passed with an 8-0 vote.

2.3 Adoption of Resolution No. 5-23-01 Authorizing Submission of Water Infrastructure Finance and Innovation Act (WIFIA) Loan Application

Executive Director Ravazzini stated this item is to authorize the Authority staff to proceed with preparing and submitting the Water Infrastructure Finance and Innovation Act ("WIFIA") loan application to the U.S. Environmental Protection Agency. She introduced David Moore of Clean Energy Capital, the Authority's financial advisor, to further discuss the related issues.

Mr. Moore stated the Authority had recently received its indicative credit rating from Standard & Poor's, which is confidential but has been shared with members' general managers and distributed by General Counsel Ciampa to the Board members on a confidential basis. That credit rating is a very positive development. If this item is approved, staff will continue to prepare the WIFIA loan application, which is expected to be submitted within the next few months.

Treasurer Sethy asked whether the credit rating obtained has any impact on the interest rate the Authority would receive for the WIFIA loan. Mr. Moore stated the WIFIA loan program sets the interest rate in relation to the U.S. treasury rate regardless of credit rating.

Director Eisenberg expressed appreciation for obtaining the credit rating. She also expressed concern regarding the deferral of interest, which can significantly increase the total payback on the loan. She stated the WIFIA loan is good to have as a backup, but she would prefer to obtain additional grant funding.

Upon motion by Vice Chair Hansen, seconded by Director Eisenberg, the Board adopted Resolution No. 5-23-01 authorizing the submission of a loan application under the Water Infrastructure Finance and Innovation Act, 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
 Ernesto Avila, Director, Contra Costa Water District
 Michael Tognolini, Director, East Bay Municipal Utility District
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
 Rebecca Eisenberg, Director, Santa Clara Valley Water District
NOES: None

The motion passed with an 8-0 vote.

2.4 Approval of Creation of Ad Hoc Committee on CCWD Facilities Usage Agreement

Executive Director Ravazzini updated the Board on the current status of discussions with Contra Costa Water District staff on the development of the Facilities Usage Agreement with CCWD. She stated that issue has advanced to the point where it is now appropriate to create a Board committee to consider the CCWD Facilities Usage Agreement issues, similar to the approach taken with the CCWD Design and Construction Agreement. Under the Authority's Bylaws, the Board must approve the creation of that ad hoc committee. No questions or comments were received from the Board members.

Upon motion by Director Sethy, seconded by Director Eisenberg, the creation of an ad hoc committee on the Contra Costa Water District Facilities Usage Agreement was approved by the following roll call vote:

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

NOES: None
ABSTAIN: Ernesto Avila, Director, Contra Costa Water District

The motion passed with a 7-0-1 vote, with Director Avila abstaining.

2.5 Approval of Membership in Association of California Water Agencies

Executive Director Ravazzini stated she has further investigated the cost of the Authority becoming a member of the Association of California Water Agencies (“ACWA”). The first-year prorated dues for 2023 would be \$198.75. Discounted dues for the second year of membership would be \$397.50 and full dues would apply to the third and subsequent years. The Communications and Outreach Committee recommended approval of the Authority’s membership in ACWA.

Vice Chair Hansen mentioned that the Authority’s ACWA dues would significantly increase once the Authority is fully operating and incurring ongoing operating costs. Director Eisenberg commented on the importance of the relationships that can be furthered through membership in ACWA.

Treasurer Sethy inquired about the Authority being able to obtain its insurance through ACWA-JPIA. Executive Director Ravazzini and General Counsel Ciampa replied the Authority attempted on several occasions to obtain its insurance through ACWA-JPIA, but ACWA-JPIA declined to provide a responsive quote.

Upon motion by Alternate Director Ritchie, seconded by Director Eisenberg, the Authority’s membership in the Association of California Water Agencies 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
Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Rebecca Eisenberg, Director, Santa Clara Valley Water District
NOES: None

The motion passed with an 8-0 vote.

DISCUSSION ITEMS

3.1 Service Agreement Approach and Schedule Update

Executive Director Ravazzini provided a PowerPoint presentation that reviewed recent developments regarding the schedule for preparing the Service Agreement and related Project agreements. She stated she had reviewed this item with the members’ general managers at the ACWA Spring Conference. The feedback previously received was that the original schedule,

which listed the California Water Commission final award hearing to take place in October 2023, was not feasible. Information was obtained from the members regarding their needs with respect to the consideration of the various agreements and based on that information the schedule has been revised to aim for a June 2024 final award hearing, with the Service Agreement being completed and executed by April 2024. The California Water Commission will be informed of this change at the Commission's June 21, 2023 meeting.

Alternative Director Ritchie noted the revised schedule is still challenging, but he believes it is achievable. Treasurer Sethy expressed a concern regarding the current oversubscription of storage capacity and the impact of any cutbacks on the business cases the members must make to support participation in the Project. Ibrahim Khadam addressed that concern and stated he is continuing to work with the members on a collaborative and mutually beneficial solution.

3.2 Financial Transition Update

David Moore of Clean Energy Capital reviewed the upcoming actions concerning the Fiscal Year 2022 audit report, the status of the accounting services request for proposals, the banking services procurement effort, the Fiscal Year 2023 audit request for proposals and the transfer of the CCWD Fund 60 to the Authority by June 30, 2023.

Chair Ramirez Holmes inquired if the 2022 Fiscal Year audit report would be presented to the Finance Committee at its May meeting and Executive Director Ravazzini confirmed it would be presented to the Finance Committee at that meeting.

3.3 FY 24 Budget Update, Draft FY 24 Budget Book and Multi-Party Cost Share Agreement Amendment No. 5

Maureen Martin of Contra Costa Water District reviewed the revised draft Budget Book that sets forth the Authority's 2024 Fiscal Year Budget. She stated CCWD is working on potentially receiving up to \$800,000 in additional federal funding that would reduce the members' respective payments for Fiscal Year 2024. She stated under the current figures, a total of \$8,673,000 is payable by the members, which equals \$1,239,000 per member, as Grassland Water District does not make financial contributions to the Authority. The draft budget calls for two payments of \$2,913,000 to be made to Contra Costa Water District for staff costs and consultant expenses. One payment would be due on November 1, 2023 and the other would be due on March 9, 2024.

Director Avila requested a further breakdown of the use of funds set forth in Table 2 of the Budget Book to be included in the final version.

Director Tognolini stated he believes the Project is at a critical point in relation to the budget and the financial transition from CCWD to the Authority. He wants to ensure transparency and accountability on these financial issues. He further requested additional information regarding the payments to CCWD. Ms. Martin responded that CCWD manages the payments that have been made to date and has extensive documentation that supports the monies paid which are available for review at any time.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors

- **Report from CCWD Design and Construction Agreement Ad Hoc Committee**

Alternate Director Ritchie referred to the written report in the Board packet regarding the actions of the Ad Hoc Committee. Chair Ramirez Holmes asked how long the committee will continue to meet and asked for the committee to promptly complete its work. Executive Director Ravazzini anticipated several more months for the committee to continue its work and stated she would prepare a timeline for that work.

Director Avila stated the CCWD Los Vaqueros Reservoir 25th Anniversary open house is this Saturday, May 20, from 10 a.m. to 2:00 p.m.

Treasurer Sethy stated Alameda County Water District is celebrating its 109th anniversary this week.

Director Tognolini stated East Bay Municipal Utility District's centennial celebration will also take place on May 20 from 11:00 a.m. to 4:00 p.m. and will include a beer garden with a local brewery that uses EBMUD water in its product.

Treasurer Sethy asked for a review of the Transfer Bethany Pipeline status and review of its capacity. He stated it would be helpful if capacity issues could be converted from cubic feet per second (cfs) to acre-feet, as that would allow for clearer communication on those technical issues.

Alternate Director Ritchie stated San Francisco is celebrating the 100th anniversary of the O'Shaughnessy Dam.

Chair Ramirez Holmes said the Authority's open house at the ACWA Spring Conference was very well attended and thanked everyone that worked on and attended that event.

4.2 Executive Director

Executive Director Taryn Ravazzini highlighted her written staff report that was included in the meeting materials. She added that the members' general managers were all supportive of the revised Service Agreement schedule discussed earlier in the meeting.

4.3 General Counsel

General Counsel Ciampa had to depart the meeting early and had no report.

4.4 Board Policy and Action Calendar

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

4.5 Committee Meeting Summaries

Summaries from the April 26, 2023 Communications and Outreach Committee meeting and the April 27, 2023 Finance Committee meeting were provided for the Board's information.

ADJOURNMENT

The meeting was adjourned at 12:44 p.m.

Angela Ramirez Holmes, Chair

ATTEST:

Ellen Wehr, Secretary

ITEM 1.2: TREASURER’S REPORT – MONTH ENDED APRIL 30, 2023

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

Staff has prepared the Treasurer’s Report for April 2023. This report was reviewed and deemed approved by the Finance Committee at its May 25 meeting.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

None

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Treasurer’s Report for Month Ended April 30, 2023



JUNE 14, 2023

Upcoming Activities

June 22 at 1:00 p.m. – Finance Committee Meeting via Zoom

June (TBD) – Finance workgroup and subgroup meetings (Draft Term sheet and Service Agreement Development)

Finance Committee Members:

Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

Rebecca Eisenberg, SCVWD

Michael Tognolini, EBMUD

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)

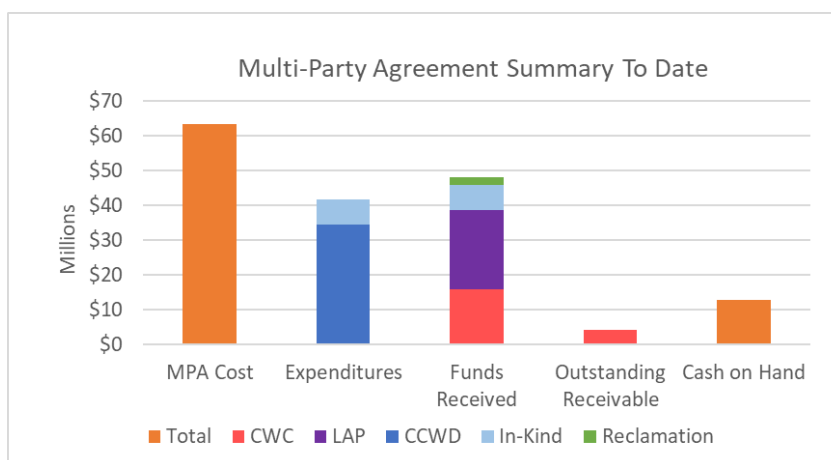
SLDMWA – San Luis & Delta-Mendota Water Authority

TREASURER'S MONTHLY REPORT

MULTI-PARTY AGREEMENT STATUS

Amendment No. 4 to the Multi-party Cost Share Agreement (MPA) was previously executed and payment of \$1,094,00 per agency has been received by all JPA Member agencies. Amendment No. 5 has been reviewed by Member agency staff and is being presented for approval by the JPA at the June 14 Board meeting.

The following chart provides an overview of the MPA expenditures through April 30, 2023 in addition to in-kind services, funds received, outstanding receivable, and cash on hand. All LAPs remain in good standing and the Project cash on hand remains positive.



MPA Summary to Date:

MPA Cost: \$63,437,864 (total through Amendment No. 4)

Expenditures:

CCWD: \$34,497,171 (includes consultants and legal services)

In-kind: \$7,130,607 (LAPs and Reclamation)

Total: \$41,627,778

Funds Received:

CWC: \$15,803,119

Reclamation: \$2,420,227

LAP: \$22,853,077 (cash contributions)

In-kind: \$7,130,607 (LAPs and Reclamation)

Total: \$48,207,030

Outstanding Receivable:

CWC: \$4,130,567

Reclamation: \$0

LAP: \$0

Cash on Hand: \$12,875,908

FEDERAL FUNDING STATUS

A total of \$82 million was allocated to the Project in the Bipartisan Infrastructure Law FY22 Spend Plan and Reclamation recommended \$18 million of Water Infrastructure Improvements for the Nation (WIIN) Act to be allocated in FY23. Previous awards of Federal funding during FY21 and FY22 include \$10 million in pre-construction funding and \$54 million in construction funding. CCWD executed an assistance agreement with Reclamation for a total of \$7.2 million in federal funding for permitting, design, and other pre-construction activities and Reclamation has paid the first two invoices. Staff are working with Reclamation to explore a potential amendment to allocate approximately \$800,000 in additional pre-construction funding.

Future Federal funding requests include the remainder of the requested federal share of 21 percent of the total project cost (approximately \$49 million).

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 during pre-construction. An amendment was executed in November 2022 that extends the agreement through December 31, 2023 and included \$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 Total Budget and other budget status information of the amended Early Funding Agreement.

Early Funding Agreement Summary to Date:

Total Budget:	\$47,755,834
Total Program Funding:	\$23,877,917 (50 percent cost share)
Total Billed To Date:	\$39,977,079 (84% spent to date)
Total Amount Remaining:	\$7,778,755
Total Retention To Date:	\$44,327
Outstanding Invoices:	\$4,130,567

ACTION ITEMS

ITEM 2.1: APPROVAL OF FISCAL YEAR 2022 AUDIT REPORT

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

The Authority's Board of Directors engaged Maze & Associates to conduct the Authority's audit for Fiscal Year 2022. Under applicable law, the audit report must be filed with the State Controller's Office within 12 months after the end of the period being audited, i.e., by June 30, 2023.

Maze & Associates completed the draft Fiscal Year 2022 audit report, which was presented to the Finance Committee at its May 25 meeting and recommended for approval by the Board of Directors. That audit report presents a "clean" opinion. The final version of the report is attached for the Board's consideration and approval. Whitney Crocket, Audit Partner at Maze & Associates, will review the audit report with the Board and will be available to answer any questions.

ALTERNATIVES:

The Board could request revisions to the report, if necessary.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Fiscal Year 2022 Audit Report documents

LOS VAQUEROS RESERVOIR

JOINT POWERS AUTHORITY

BASIC FINANCIAL STATEMENTS

June 30, 2022

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**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY
BASIC FINANCIAL STATEMENTS
For The Year Ended June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Los Vaqueros Reservoir Joint Powers Authority
Concord, California

Opinion

We have audited the accompanying financial statements of the Los Vaqueros Reservoir Joint Powers Authority (Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management's for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

Required Supplementary Information

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The Authority has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Mazze & Associates

Pleasant Hill, California
May 25, 2023

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS

Cash

\$ -

Total Assets

-

NET POSITION

Unrestricted

-

Total Net Position

\$ -

See accompanying notes to financial statements.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

PROGRAM OPERATING REVENUES:	
CCWD (Member Contribution)	\$ 94,235
Total program operating expenses	<u>94,235</u>
PROGRAM OPERATING EXPENSES:	
Contractual Services	<u>94,235</u>
Total program operating expenses	<u>94,235</u>
PROGRAM OPERATING INCOME (LOSS)	-
Changes in Net Position	<u>-</u>
Total Net Position - Beginning	<u>-</u>
Total Net Position - Ending	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from member contributions	\$ 94,235
Payments for operations	<u>(94,235)</u>

Net cash provided by operating activities	<u>-</u>
---	----------

Net change in cash and cash equivalents	-
---	---

Cash and investments at beginning of period	<u>-</u>
---	----------

Cash and investments at end of period	<u><u>\$ -</u></u>
---------------------------------------	--------------------

Reconciliation of operating income/(loss) to net cash provided
by operating activities:

Operating income (loss)	<u>\$ -</u>
-------------------------	-------------

Net cash provided by operating activities	<u><u>\$ -</u></u>
---	--------------------

See accompanying notes to financial statements.

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**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

Notes to Financial Statements

June 30, 2022

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
--

A. Description of Reporting Entity

The Los Vaqueros Reservoir Joint Powers Authority (Authority) was formed in October 2021 to provide governance of the Phase 2 Los Vaqueros Reservoir Expansion Project (Project). The main purposes of the Authority are to ensure sufficient stable funding for the Project, including local cost shares, and to ensure that costs are reasonable, and that cost allocations are equitable and transparent.

The governing board (Board) of the Authority is composed of one representative from each of the following member entities to be appointed by the governing board for each entity:

- Alameda County Water District
- Contra Costa Water District
- East Bay Municipal Utility District
- Grassland Water District
- San Francisco Public Utilities Commission
- San Luis & Delta-Mendota Water Authority
- Santa Clara Valley Water District
- Zone 7 Water Agency

B. Basis of Accounting

The accompanying financial statements report the financial position of the Authority in accordance with accounting standards generally accepted in the United States of America. As the Authority is a governmental entity, the preparation of its financial statements is governed by the pronouncements of the Governmental Accounting Standards Board (GASB).

The Authority, as a proprietary enterprise, is accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Statement of Net Position– The statement of net position is designed to display the financial position of the Authority. The Authority's fund equity is reported as net position, which is the excess of all of the Authority's assets over all its liabilities. Net Position is divided into three captions under GASB Statement 34. These captions apply only to Net Position and are described below:

Net investment in capital assets, describes the Authority's capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

Notes to Financial Statements

June 30, 2022

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
--

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and fees charged for the provision of future water resources.

Unrestricted describes the portion of Net Position which is not restricted to use.

Statement of Revenues, Expenses, and Changes in Net Position – The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. Revenues are reported by major source. This statement distinguishes between operating and nonoperating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

C. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. *Capital Assets*

The additions to capital assets are capitalized at historical cost. Cost includes material, direct labor and fringe benefits, transportation, and such indirect items as engineering, supervision, and interest on borrowed funds during construction, net of interest earned on unspent construction proceeds. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

E. *Cash and Cash Equivalents*

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

Notes to Financial Statements

June 30, 2022

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
--

F. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

G. Budgets and Budgetary Accounting

The Authority follows these procedures in establishing the budgetary data.

- Prior to the end of the fiscal year, a proposed operating budget is submitted to the Board of Directors for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted through adoption of a motion.
- Formal budgetary integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
- Expenditures may not exceed appropriations at the fund level. Additional appropriations or interfund transfers must be approved by the Board.

LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY

Notes to Financial Statements

June 30, 2022

NOTE 2 – RELATED PARTY TRANSACTIONS

In November 2021, Contra Costa Water District (CCWD) was appointed as the interim administrator. The Authority does not have employees. CCWD provides professional services as well as administrative services. CCWD provides certain treasury management and accounting services including conducting all cash transactions.

NOTE 3 – COMMITMENTS AND CONTINGENT LIABILITIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of legal counsel there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.

NOTE 4 – SUBSEQUENT EVENTS

In September 2022, the Authority approved an independent contractor agreement for Executive Director services.

In the 2023 fiscal year, the Authority has also entered into contracts with Clean Energy Capital for financial advisory services, Khadam Consulting, Inc. for technical services, Lagerlof, LLP for general counsel services, RGS for assistant clerk services, Smith Policy Group, LLC for logistical support, Natural Resource Results LLC and Water and Power Law Group, LLC for federal governmental relations work and Standard & Poor's for an indicative credit rating. The Authority is in the process of finalizing a contract with the Hallmark Group for program management services and anticipates filing an application in the coming months with the United States Environmental Protection Agency for loan funding under the Water Infrastructure Finance and Innovation Act.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2022**

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**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2022

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MEMORANDUM ON INTERNAL CONTROL

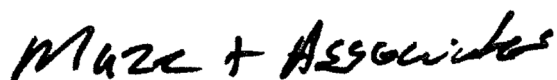
To the Board of Directors of
Los Vaqueros Reservoir Joint Powers Authority
Concord, California

In planning and performing our audit of the basic financial statements of the Los Vaqueros Reservoir Joint Powers Authority (Authority), as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the organization, and agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze + Associates'.

Pleasant Hill, California
May 25, 2023

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REQUIRED COMMUNICATIONS

To the Board of Directors of
Los Vaqueros Reservoir Joint Powers Authority
Concord, California

We have audited the basic financial statements of the Los Vaqueros Reservoir Joint Powers Authority (Authority) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Accounting Policies - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

Unusual Transactions, Controversial or Emerging Areas - We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Disclosures - The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not propose any audit adjustments that, in our judgment, could have a significant effect, either individually or in the aggregate, on the Authority's financial reporting process.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated May 25, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
May 25, 2023

ITEM 2.2: APPROVAL OF AMENDMENT TO EXTEND CONTRACT WITH LAGERLOF, LLP FOR GENERAL COUNSEL SERVICES

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Board of Directors approve the attached amendment to extend the Authority's contract with Lagerlof, LLP for general counsel services.

DISCUSSION:

Since its inception, the Authority has engaged Lagerlof, LLP and Jim Ciampa to serve as the Authority's General Counsel. At its September 14, 2022 meeting, the Board of Directors extended the contract with Lagerlof, LLP to run through June 30, 2023. With that date approaching, it is necessary to extend that contract for another year, through June 30, 2024. No other changes to the contract are being proposed.

The contract with Lagerlof, LLP is terminable on thirty (30) days' notice in the event the Board desires to end the agreement prior to the proposed June 30, 2024 termination date.

ALTERNATIVES:

The Board of Directors could choose to extend the contract with Lagerlof, LLP for a shorter period and proceed with a Request for Proposal process to potentially engage new general counsel, or could extend the contract for a longer period.

FISCAL ANALYSIS:

Estimate for general counsel services for Fiscal Year 2024 is \$300,000.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Original contract with Lagerlof, LLP; Draft amendment to extend term



November 10, 2021

Board of Directors
Los Vaqueros Reservoir Joint Powers Authority

Re: Legal Services as Interim General Counsel

On behalf of Lagerlof, LLP, thank you for the opportunity to render legal services as Interim General Counsel for the Los Vaqueros Reservoir Joint Powers Authority (the "Authority"). This letter will serve to record our mutual understanding of the terms and conditions of our representation.

1. Our fees for the legal work we will undertake will be calculated and billed monthly at our public agency hourly rate, which is currently \$335.00. In addition, we will be engaging the Authority's Interim Clerk through our office, at a rate of \$130.00 per hour. We bill our time and the Interim Clerk's time in one-tenth of an hour increments. Our rate applies to all time spent as Interim General Counsel for the Authority, including, but not limited to, meetings, office and telephone conferences, emails, letters, negotiations, research, preparing, analyzing and reviewing documents, waiting and travel time.
2. Our hourly rates are generally increased from time-to-time to accommodate rising firm costs. Advance notice of at least thirty (30) days of any such increase will be provided.
3. Our fees are inclusive of certain expenses incurred in connection with our internal costs, such as postage, document reproduction, telephone charges and local mileage while away from our office on our client's local business. In other words, we do not charge separately for those specified costs. However, the client shall be responsible for, and we shall not be required to advance, payment of all other expenses, including without limitation, government and other filing fees, service fees, consultant and outside technical support fees, travel expenses and Zoom account upgrade necessary to accommodate the Authority's expected meeting participation. We will not incur any major expenses in excess of \$200.00 without your approval.



4. It is our policy to bill monthly and to require payment of our bills promptly, within 30 days of presentation. We will send our full invoice to the Authority's Chair for review and approval and will provide the Interim Administrator with an invoice summary in connection with payment to be processed under the terms of the Multi-Party Agreement. A service and late charge equivalent to 1% per month may be levied upon any past due and outstanding account and late payments. If any invoice is not paid promptly, or if any conflict arises between the client and this firm as to the conduct of this matter, it is understood that we have the right to withdraw. In such circumstances, you agree to promptly secure new counsel of your own selection to represent you and to cooperate fully in the substitution of the new counsel as your counsel of record in this matter.
5. The term of this letter agreement shall be effective from November 10, 2021, and continue through December 31, 2022, subject to earlier termination. Notwithstanding the foregoing, you have the right to terminate our services at any time upon at least thirty (30) days' written notice. We also have the right to terminate our services to you upon at least thirty (30) days' written notice or in the event you fail to pay in full the monthly invoices as submitted, to cooperate on a reasonable request, or in the event we determine in our reasonable discretion that to continue services to you would be unethical, impractical or improper.
6. We believe in staying in contact with our clients to ensure that the legal work we do proceeds as smoothly as possible and that our billings are accurate and understandable. Should there be any questions about our work or billing please do not hesitate to contact me.
7. The amount of the attorneys' fees and expenses which may be incurred in representing a client's interests cannot always be predicted. In that connection, we must advise that we cannot make any representations limiting the amount of fees and expenses that you will be charged by our firm in representing you.
8. The Firm shall maintain at all times during the term of this agreement (unless earlier terminated) the following policies of insurance:
 - a. Business liability insurance with a limit of no less than One Million (\$1,000,000.00) Dollars with the Authority named as an "additional insured" and the Firm shall provide to the Authority a certificate of such insurance which identifies the Authority as an "additional insured";
 - b. Professional liability/legal malpractice insurance with a limit of no less than Two Million Dollars (\$2,000,000.00); and



c. Workers' compensation insurance as required by the State of California for any employees of the Firm.

Such insurance shall not be cancelled, limited or non-renewed until after thirty (30) days written notice to the Authority. Any insurance maintained by the Authority shall be excess to that maintained by the Firm.

9. The professional services provided by the Firm under this agreement are personal to the Firm, and the Firm shall not assign any work to be performed under this agreement without the Authority's written consent.
10. The Firm is an independent contractor retained by the Authority for the performance of the services contemplated by this agreement. Neither the Firm or any of its employees shall be considered employees of the Authority.
11. Upon termination of this agreement, the Firm shall keep and retain a copy of its files produced or created in the course of the services provided by the Firm under this agreement for a period of four (4) years or, in the alternative, deliver such files to the Authority for its retention. Such files may be maintained electronically. Such files shall be made available to the Authority during reasonable business hours during the term of this agreement.
12. Pursuant to the Gramm-Leach-Bliley Act, Public Law Number 106-102, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial information, 16 Code of Federal Regulations Part 313, law firms are required to provide written notices to certain clients regarding disclosure of non-public personal information. As your attorneys, we collect non-public information about you from you and, with your authorization, from third parties such as accountants, financial advisors, insurance agents, banking institutions, and other advisors. We do not disclose any non-public personal information about our clients or former clients to anyone except as authorized by that client. If we are authorized by you, we may disclose non-public personal information to unrelated third parties. Such unrelated third parties would include accountants, financial advisors, insurance agents, or government authorities in connection with any tax returns prepared by us or tax planning. We restrict access to non-public personal information about you to those employees of our law firm who need to know the information in order to provide legal services to you. We maintain physical, electronic, and procedural safeguards that comply with Federal Regulations and our rules of ethics to guard your non-public personal information.
13. While the foregoing federal laws and regulations establish rules and disclosure requirements, they do not limit the attorney-client privilege or the confidentiality rules for information provided to attorneys. The privilege and confidentiality rules are governed by



state law, the rules imposed on attorneys under state law and our ethics standards. In circumstances where applicable federal laws might allow disclosure, we will continue to follow the stricter non-disclosure rules of attorney-client privilege and client confidentiality.

14. In performing the services contemplated by this agreement the Firm will comply with all applicable laws and regulations.
15. Except for any change in the hourly rate specified in Section 1 above which may be modified as set forth in Section 2 above, this agreement may be modified or amended by the parties only by a written modification or amendment signed by the parties.

Thank you for your consideration of this letter agreement. If this letter agreement meets with your approval, please indicate your acceptance by dating and signing this original and returning it by email or otherwise.

Very truly yours,

LAGERLOF, LLP

James D. Ciampa

THE AUTHORITY UNDERSTANDS AND ACCEPTS THE TERMS OF THIS LETTER AGREEMENT.

LOS VAQUEROS RESERVOIR JOINT POWERS
AUTHORITY

Dated: Nov 23, 2021

By: 
Angela Ramirez Holmes (Nov 23, 2021 21:06 PST)
Chair, Board of Directors

AMENDMENT TO LEGAL SERVICES CONTRACT

This Amendment to Legal Services Contract is entered into this 14th day of June, 2023 by and between the Los Vaqueros Reservoir Joint Powers Authority, a joint exercise of powers agency (the “Authority”), and Lagerlof, LLP, a California limited liability partnership (“Legal Counsel”), with respect to the following:

RECITALS

- A. The Authority and Legal Counsel entered into a letter agreement dated November 10, 2021 (the “Agreement”) under which the Authority engaged Legal Counsel to serve as the Authority’s “Interim General Counsel” through December 31, 2022.
- B. The Agreement was amended on September 14, 2022 to, among other things, extend the termination date of the Agreement to June 30, 2023.
- C. The Authority and Legal Counsel now desire to amend the Agreement as specified below.

NOW, THEREFORE, for good and valuable consideration, the Authority and Legal Counsel agree as follows:

- 1. Section 5 of the Agreement is amended to change the termination date of the Agreement from June 30, 2023 to June 30, 2024.
- 2. Except as amended by Section 1, above, the Agreement shall remain unchanged and continue in full force and effect.

Los Vaqueros Reservoir
Joint Powers Authority

Lagerlof, LLP

By _____
Taryn Ravazzini, Executive Director

By _____
James D. Ciampa, Partner

ITEM 2.3: APPROVAL OF AMENDMENT TO EXTEND CONTRACT WITH CLEAN ENERGY CAPITAL SECURITIES, LLC FOR FINANCIAL CONSULTING SERVICES, REVISE SCOPE OF WORK AND INCREASE BUDGET AUTHORITY FOR THOSE SERVICES

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Board of Directors approve 1) the attached amendment to the Authority’s contract with Clean Energy Capital Securities, LLC (“Clean Energy Capital”), 2) to extend the term through June 30, 2024, 3) to revise the payment provisions as reflected, 4) to revise the scope of work and 5) to increase the contract amount.

DISCUSSION:

Clean Energy Capital has been providing financial consulting services to the Project through Contra Costa Water District (“CCWD”) for many years. At the November 9, 2022 Authority Board of Directors’ meeting, the Authority engaged Clean Energy Capital to provide financial advisory services to the Authority for the remainder of the 2023 Fiscal Year. The agreement with Clean Energy Capital was fully executed on December 5, 2022 and took effect that day.

This item would approve various changes to the Authority’s agreement with Clean Energy Capital. It seeks approval for an extension to the Authority’s agreement with Clean Energy Capital for the 2024 Fiscal Year, through June 30, 2024, and would provide a revised scope of work and additional budget authorization related to those services for that fiscal year.

Clean Energy Capital has done tremendous work in addressing financial issues on the Project, as well as in preparing the term sheet for the Service Agreement, developing various Service Agreement work groups and leading the negotiating teams for the Service Agreement. Clean Energy Capital also played a significant role in obtaining the indicative credit rating for the Authority in connection with the anticipated WIFIA Loan and in procuring accounting and financial services and banking services. Moving into Fiscal Year 2024, Clean Energy Capital is expected to play a large role in the WIFIA Loan and bridge financing processes, while continuing to provide advisory services in the development of the Service Agreement.

Given Clean Energy Capital’s experience in working on the Project and understanding the Authority’s and respective Members’ needs, it is uniquely qualified to provide the financial advisory services for Fiscal Year 2024. Staff is bringing this item before the Board to maintain these professional services and the proposed scope of work, including the concept of transaction (“success”) fees to minimize budget impacts. Those transaction fees relate to the WIFIA loan and bridge financing, which will not close in the 2024 Fiscal Year. Thus, those transaction fees will be addressed in a subsequent agreement.

The foregoing aspects of this item were considered by the Finance Committee at its May 25, 2023 meeting, which recommends continuing with Clean Energy Capital under the proposed amendments to extend the contract term through June 30, 2024, revise the scope of work as presented and increase the budget authorization amount, including the future use of success fees, to address the Fiscal Year 2024 services.

Subsequent to the May 25 Finance Committee meeting, staff learned of two issues related to Clean Energy Capital's work on behalf of the Authority. As reported to the Finance Committee, Clean Energy Capital has been providing additional out-of-scope work as directed by staff since early 2023. That work included leadership services and membership coordination concerning the Service Agreement development and key financial transition services, including work with the auditor for the Fiscal Year 2022 audit, banking services procurement and development and coordination of the accounting and financial management services request for proposals and evaluation process. Staff anticipates the cost of that work to be approximately \$147,000. Upon receipt and review of the invoice(s) for those services, staff will bring the matter back to the Board for further direction. Due to planning conservatively for this type of uncertainty, the Authority has sufficient funds in contingency for FY23 and would not have a cash impact on the Multi-Party Cost Share Agreement Amendment No. 5.

Additionally, Authority staff recently became aware of an unpaid invoice from Clean Energy Capital in the amount of \$136,000 for services rendered to the Authority from August 25, 2022 to December 4, 2022. At that time, CCWD transferred the direction of Clean Energy Capital's work over to the Authority. Although the Authority was directing Clean Energy Capital's work, that work was still under contract to CCWD. In December, the Authority entered into its contract with Clean Energy Capital. The work performed under the CCWD contract after the Authority began directing the work totaled the above-referenced \$136,000. Staff is informing the Board of this cost to ensure awareness of this sum being owed to Clean Energy Capital for the services it provided. Regardless of whether CCWD or the Authority pays the subject amount, the money can be paid from the same source of Authority funds.

ALTERNATIVES:

The Board could require that these professional services be acquired competitively, but that is not required by law or under the Authority's Purchasing Policy.

FISCAL ANALYSIS:

The contract amount not to exceed \$482,515.00 has been included in the Authority's Fiscal Year 2024 Budget.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Original contract with Clean Energy Capital; Draft amendment to contract

LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
Standard Services Agreement

THIS AGREEMENT for services is between Los Vaqueros Reservoir Joint Powers Authority ("JPA") and Clean Energy Capital Securities, LLC, a California limited liability company (the "Consultant"). Consultant's address is 207 Santa Rosa Avenue, Sausalito, California 94965, telephone 415-710-1350. Consultant's taxpayer's identification number is: 27-1758258.

1. The Agreement. JPA and Consultant agree that Consultant shall provide financial consulting services for the JPA and shall perform those services on the terms and conditions set forth herein. The specific scope of services, and any special performance conditions are defined in Attachment A - Scope of Work.

The following document is attached hereto and is a part of this Agreement:

Attachment A - Scope of Work / Project Schedule / Project Fees

This Agreement, including said attachment, constitutes the entire agreement between the parties and supersedes any prior proposals, representations, or understandings. This Agreement may be modified only by a written amendment signed by each party.

2. Time of Performance. Consultant is authorized to commence performance of this Agreement upon its execution by the JPA. Consultant shall complete all services covered by this Agreement no later than June 30, 2023, unless this date is extended by the JPA in writing. At the JPA's discretion, the JPA may extend the term of the Agreement.

3. Payment. Consultant shall at convenient intervals not more frequent than monthly submit itemized statements of services performed at the rates and charges in Attachment A. If invoices are submitted on a monthly basis, they must be submitted by the tenth (10th) day of the month for services rendered in the prior month. The JPA shall pay for work satisfactorily performed within thirty (30) days after receipt of a statement. Without the prior written approval of the JPA, the total amount payable by JPA for Consultant's services pursuant to this Agreement shall not exceed \$390,995.00 for services rendered through June 30, 2023.

4. Consultant an Independent Contractor. Consultant shall perform the consulting services under the Agreement as an independent contractor and not as an employee of the JPA. Consultant shall be wholly responsible for the methods of performance and shall provide and use its own tools and equipment in performing those consulting services. The JPA shall have no right to supervise or control Consultant's performance but shall have the right to observe it to ensure compliance with the requirements of this Agreement. Consultant maintains its own business office, complies with all applicable business license laws, customarily engages in an independently established business the purposes of which is to perform services of the same nature as that involved in the work performed hereunder, can contract with other businesses to provide the same or similar services, maintains a clientele without restrictions from the JPA and advertises and holds itself out to the public as available to provide the same or similar services as those required hereunder. Consultant shall work closely with the JPA in performing the services.

5. Insurance.

A. Without in any way limiting Consultant's liability pursuant to the "Indemnification" section of this Agreement, Consultant must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

(1) Workers' Compensation, in not less than statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence, \$2,000,000 aggregate, for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable; and

(4) Professional liability insurance, applicable to Consultant's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

B. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to:

(1) Name as Additional Insureds, the JPA, its members and their respective directors, officers, agents, employees, and volunteers.

(2) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

C. Regarding Workers' Compensation, Consultant hereby agrees to waive its rights to subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the JPA for all work performed by the Consultant, its employees, agents and subcontractors.

D. All policies shall provide thirty days' advance written notice to the JPA of reduction or nonrenewal of coverage or cancellation of coverage for any reason.

E. Should any of the required insurance be provided under a claims-made form, Consultant shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of four years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

F. Before commencing any work under this Agreement, Consultant shall furnish to the JPA certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to the

JPA, in form evidencing all coverage set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

G. Approval of the insurance by the JPA shall not relieve or decrease the liability of Consultant hereunder.

H. If a subcontractor will be used to complete any portion of this agreement, the Consultant shall ensure that the subcontractor obtains all necessary insurance, which shall name the JPA, and its respective directors, officers, agents and employees and the Consultant as Additional Insureds.

6. [intentionally omitted]

7. Abandonment by Consultant. In the event the Consultant ceases performing services under this Agreement or otherwise abandons the project prior to completing all of the services described in this Agreement, Consultant shall, without delay, deliver to the JPA all materials and records prepared or obtained in the performance of this Agreement, and shall be paid for the reasonable value of the services performed up to the time of cessation or abandonment, less a deduction for any damages or additional expenses which the JPA incurs as a result of such cessation or abandonment, such as expenses associated with obtaining substitute services.

8. Records and Documents. Upon request, and at no additional charge, Consultant shall deliver to the JPA all records, data, and reports prepared or obtained in the performance of the Agreement, which shall become and remain the property of the JPA. This includes, but is not limited to, all materials and records of a finished nature that are prepared or obtained in the performance of this Agreement, and all materials of a preliminary nature, such as computations and other data prepared or obtained in the performance of this Agreement.

9. Right to Audit. Consultant shall permit the JPA and its authorized representatives to examine, re-examine, make excerpts, transcribe and copy Consultant's books, documents, papers, materials, payrolls, records, accounts, computer disks, tapes and any and all data relevant to the Agreement at any reasonable time upon at least seventy-two (72) hours' prior written notice within three years after final payment under the Agreement. Consultant shall also permit the JPA and its authorized representatives to audit and verify statements, invoices, or bills submitted by Consultant pursuant to the Agreement. Consultant shall provide such assistance as may be reasonably required in the course of such examination and audit.

10. Compliance with Laws and Regulations. In performing this Agreement, Consultant shall comply with all applicable laws, statutes, ordinances, rules and regulations whether federal, state or local in origin. Consultant shall not allow its employees and/or agents to discriminate, harass, or allow harassment, retaliation, or abusive conduct by or against any person or persons. Immediate and appropriate corrective action by the JPA, up to and including termination of this Agreement, will be implemented as warranted for any and all such reported misconduct.

11. Standard of Care; Breach, Error, and Omission. In the event that Consultant fails to perform any of the services described in this Agreement or otherwise breaches this Agreement, JPA shall have the right to pursue all remedies provided by law or equity, including termination of this Agreement in accordance with Section 17, below. Consultant shall exercise the same degree of care, skill, and diligence in the performance of the Agreement as would be exercised by a reasonable professional performing similar work under similar circumstances, and shall, at no cost to JPA, re-perform services which fail to satisfy this standard of care. In addition, any costs incurred by the JPA (including but not limited to additional administrative costs, to the

extent that such costs are recoverable under California law) and used to correct deficiencies caused by the Consultant's errors and omissions shall be borne solely by the Consultant. The JPA is relying upon the Consultant's qualifications concerning the services furnished under this agreement, and therefore the fact that the JPA has accepted or approved the Consultant's work shall in no way relieve the Consultant of these responsibilities.

12. [intentionally omitted]

13. Indemnification. If an action is filed or claim is filed in which it is claimed or alleged that any damages, injuries, or deaths arose out of, pertained to, or related to negligent acts, errors or omissions, recklessness, or willful misconduct of Consultant (or any person or organization for whom Consultant is legally liable), in the performance of the services for the JPA, Consultant agrees, at its own expense, to defend JPA and its Directors, officers, employees, and agents; provided, however, that no settlement of a claim shall be made without the consent of the JPA.

To the extent permitted by law, Consultant shall indemnify the JPA, its members and their respective directors, officers, employees, and agents from any and against all claims, demands, costs, including reasonable attorney's fees, and liability for any damages, injuries, or deaths arising directly or indirectly from, or connected with, the services provided under this Agreement and due to, or claimed or alleged to be due to, negligence, recklessness, or willful misconduct of Consultant (or any person or organization for whom Consultant is legally liable). Consultant will reimburse the JPA for any expenditures, including reasonable attorney's fees, Jthe PA may make by reason of such matters and, if requested by the JPA, will defend any such suits at the sole cost and expense of Consultant.

To the extent permitted by law, Consultant shall also indemnify the JPA, its members and their respective Directors, officers, employees, and agents, against any and all claims, demands, costs and expenses at law or in equity including reasonable attorney's fees, and liability, suffered or incurred on account of, or that may at any time arise out of, or are in any way connected with, any breach by Consultant, or its employees, agents, subconsultants, or subcontractors, of the obligations, covenants, or any other provisions of this Agreement.

This Section shall survive any expiration or termination of this Agreement.

14. Confidentiality. Consultant shall treat any information it may come to have relating to the Agreement with confidence, revealing information to third parties only with prior written approval of JPA.

15. Assignment. The Agreement shall not be assignable or transferable in whole or in part by Consultant, whether voluntarily, by operation of law, or otherwise; provided, however, that Consultant with the prior written consent of the JPA may subcontract that portion of the services for which Consultant does not have the facilities to perform so long as Consultant receives written approval from the JPA of the qualifications of the subcontractor or sub-consultant qualifications prior to execution of this Agreement. Any other purported assignment, transfer, or subcontracting shall be void. Nothing in the Agreement shall be construed to give any right or benefit to anyone other than JPA and Consultant.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

17. Termination. JPA may terminate this Agreement at any time by thirty (30) days prior written notice to Consultant. Either party may terminate this Agreement upon written notice if the other party has breached the Agreement and such breach is not remedied within at least fifteen (15) days after written notice

of that breach is provided to the breaching party, or if such breach is not capable of being remedied within that fifteen (15) day period, the breaching party fails to commence and diligently pursue that remedy within that fifteen (15) day period. Upon termination, the JPA shall pay Consultant for all amounts due for services rendered up to the date of termination.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year written below.

Los Vaqueros Reservoir Joint Powers Authority

By: *Taryn Ravazzini* Date: Dec 5, 2022
Taryn Ravazzini (Dec 5, 2022 12:46 HST)
Name: Taryn Ravazzini
Title: Executive Director

CONSULTANT: Clean Energy Capital Securities, LLC

By: *David M. Moore* Date: Dec 20, 2022
David M. Moore (Dec 20, 2022 14:56 PST)
Name: David M. Moore
Title: Managing Director, CEO

APPROVED AS TO FORM:

James Ciampa
James Ciampa (Dec 5, 2022 14:07 PST)
JPA Legal Counsel

**Consulting Services Agreement
Between Los Vaqueros Reservoir Joint Powers Authority (“JPA”) and
Clean Energy Capital Securities, LLC (“Consultant”)**

Scope of Work / Project Schedule / Project Fees

A. Scope of Work

Clean Energy Capital shall complete the following tasks, which may be performed concurrently:

1. Credit rating
 - Run procurement process to select rating agency(s) for indicative and final rating(s)
 - Prepare and submit materials and presentations
 - Organize meetings and follow-up
 - Coordinate input from Member agencies
 - Prepare and submit final ratings package
2. WIFIA loan
 - Support preparation and submittal of loan application
 - Support loan documentation and negotiation
 - Coordinate input from Member agencies
 - Facilitate financial closing
 - Provide financial modeling to the EPA
3. Proforma financial model
 - Maintain and update proforma financial model
 - Model cost allocation alternatives
 - Model implementation of WIFIA funding, WSIP and WINN Act funding, and Member cash contributions
 - Coordinate input from Member agencies
 - Provide scenario analysis
4. Service Agreements
 - Support negotiation of commercial terms for service agreement
 - Develop contract schedules
 - Integrate contract terms with proforma financial model
5. JPA Credit Facility
 - Perform cost benefit analysis
 - Present results and recommendations
 - Procure facility, negotiate terms and implement as appropriate

6. Workshops

- Develop materials for financial workshops
- Administer and lead financial workshops

7. Member Agency support

- Provide customized financial modeling and analysis to Members
- Review, revise, present results

8. Provide such other services as are reasonably requested by the JPA and its Members

B. Project Schedule

The following fee table shows our estimated scope of service for FY2023. FY2024 services will be awarded under separate contract.

C. Project Fees

Clean Energy Capital shall endeavour to complete the tasks described in this scope of work, payable based on actual hours/expenses incurred. Our estimated total compensation and proposed not-to-exceed amount is set forth in the following Fee Table.

Fee Table - FY2023 (Through June 30, 2023)

Task No.	Task Description	Project Lead	Vice President	Associate	Combined
1	Credit Rating				
	Total Estimated Hours	40	60	20	
	Billing	\$17,400.00	\$21,900.00	\$5,500.00	\$44,800.00
2	WIFIA Loan				
	Total Estimated Hours	60	40	20	
	Billing	\$26,100.00	\$14,600.00	\$5,500.00	\$46,200.00
3	Proforma Financial Model				
	Total Estimated Hours	40	120	0	
	Billing	\$17,400.00	\$43,800.00	\$0.00	\$61,200.00
4	Service Agreements				
	Total Estimated Hours	80	20	0	
	Billing	\$34,800.00	\$7,300.00	\$0.00	\$42,100.00
5	JPA Credit Facility				
	Total Estimated Hours	10	20	20	
	Billing	\$4,350.00	\$7,300.00	\$5,500.00	\$17,150.00
6	Finance Workshops				
	Total Estimated Hours	60	80	0	
	Billing	\$26,100.00	\$29,200.00	\$0.00	\$55,300.00
7	Member Agency Support				
	Total Estimated Hours	40	60	0	
	Billing	\$17,400.00	\$21,900.00	\$0.00	\$39,300.00
8	Meetings / calls				
	Total Estimated Hours	40	20	0	
	Billing	\$17,400.00	\$7,300.00	\$0.00	\$24,700.00
9	Other services				
	Total Estimated Hours	0	0	0	
	Billing	\$0.00	\$0.00	\$0.00	\$0.00
10	Scheduling and Project Management				
	Total Estimated Hours	40	20	0	
	Billing	\$17,400.00	\$7,300.00	\$0.00	\$24,700.00
	Total				\$355,450.00
	Contingency Added for Not-to-Exceed Amount				
	Percentage				10%
	Amount				\$35,545.00
	Not-to-Exceed Amount for Amendment				\$390,995.00

The above Fee Table provides an estimate of the level of effort required to complete each task and Clean Energy Capital may shift hours among tasks and personnel as circumstances change during the engagement. If hours incurred are less than anticipated, then the savings shall be passed on to client.

Any additional work beyond the services described herein are optional services that will only be performed at client's request. Optional services will be billed on a time and materials basis.

We propose the hourly rate schedule set forth below, which provides for a 3% annual escalation of our rates from the amounts set in our 2018 Standard Services Agreement with CCWD.

Hourly Rate Schedule

<i>Consultant</i>	<i>Rate</i>
Project Lead (David Moore)	\$435/Hour
Director/Vice President (Will Lockwood, Saravleen Singh)	\$365/Hour
Associate (Amanda Hanson, Jordan Decker)	\$275/Hour
Analyst (TBD)	\$235/Hour

AMENDMENT TO STANDARD SERVICES AGREEMENT

This Amendment to Standard Services Agreement is entered into this 14th day of June, 2023 by and between the Los Vaqueros Reservoir Joint Powers Authority, a joint exercise of powers agency (the “Authority”), and Clean Energy Capital Securities, LLC (“Consultant”), with respect to the following:

RECITALS

- A. The Authority and Consultant entered into an agreement effective as of December 5, 2022 (the “Agreement”) under which the Authority engaged Consultant to provide the Authority with financial consulting services as described in Attachment A to the Agreement.
- B. Section 2 of the Agreement sets forth the time of performance of the Agreement, which will terminate on June 30, 2023.
- C. The Authority and Consultant now desire to amend the Agreement as specified below.

NOW, THEREFORE, for good and valuable consideration, the Authority and Consultant agree as follows:

- 1. Section 2 of the Agreement is deleted in its entirety and is replaced as follows:
“2. Time of Performance - Term. The term of this Agreement shall terminate on June 30, 2024. Consultant is authorized to commence performance of this Agreement upon that commencement date and shall complete all services covered by this Agreement no later than June 30, 2023, unless this date is extended by the JPA in writing. At the JPA’s discretion, the JPA may extend the term of the Agreement.”
- 2. Section 3 of the Agreement is deleted in its entirety and is replaced as follows:
“3. Payment. Consultant shall at least every sixty (60) days, but not more frequently than monthly, submit itemized statements of services performed at the rates and charges in Attachment A. If invoices are submitted on a monthly basis, they must be submitted by the tenth (10th) day of the month for services rendered in the prior month. Consultant shall not be entitled to payment for any services that are provided more than sixty (60) days prior to the date of invoice. The JPA shall pay for work satisfactorily performed within thirty (30) days after receipt of a statement. Without the prior written approval of the JPA, the total amount payable by JPA for Consultant’s services pursuant to this Agreement shall not exceed \$482,515.00 for services rendered through June 30, 2024. Consultant shall notify the JPA’s Executive Director in writing when Consultant’s remaining balance of the foregoing authorized contract amount falls below \$50,000.”
- 3. Attachment A to the Agreement is deleted in its entirety and is replaced by Attachment attached to this Amendment.

4. Except as amended by Sections 1, 2 and 3, above, the Agreement shall remain unchanged and continue in full force and effect.

Los Vaqueros Reservoir
Joint Powers Authority

Clean Energy Capital Securities, LLC

By _____
Taryn Ravazzini, Executive Director

By _____
David Moore, Managing Director, CEO

Exhibit A

Fiscal Year 2024 Scope of Work / Project Schedule / Project Fees

A. Scope of Work

Clean Energy Capital shall complete and/or support the JPA in completing the following tasks, which may be performed concurrently:

1. Credit rating
 - Secure final credit rating
 - Prepare and submit materials and presentations
 - Organize meetings and follow-up
 - Coordinate input from Member agencies
2. Service Agreement
 - Develop Service Agreement Termsheet v3, incorporate Member comments
 - Support Service Agreement contract development
 - Coordinate, prepare materials for, and lead ongoing Finance Workgroup and Sub-Group meetings
 - Prepare briefings and presentations for JPA Board and Committees and General Managers
 - Develop key schedules to Service Agreement
 - Integrate contract terms with proforma financial model
3. Develop Financial Schedules and Contract Administrative Memoranda (or functional equivalent) as described in the Service Agreement Termsheet Version 2, including the following:
 - Plan of Finance
 - Exercise of Self-Funding Option by Member(s)
 - Public Benefits O&M Tracking Account
 - Application of Member-Funded Development Costs
 - Organize meetings and follow-up
 - Coordinate input from Member agencies
4. Proforma financial model
 - Maintain and update proforma financial model
 - Model cost allocation alternatives
 - Model implementation of WIFIA funding, WSIP and WIIN Act funding, and Member cash contributions
 - Coordinate input from Member agencies
 - Provide scenario analysis
5. WIFIA loan
 - Finalize/submit/follow up Application
 - Finalize and execute Term Sheet
 - Finalize and execute WIFIA Loan Agreement

- Provide financial modeling to the EPA
 - Coordinate input from Member agencies
 - Prepare briefings and presentations for JPA Board and Committees and General Managers
 - Facilitate financial closing
6. Interim Financing Agreement
- Develop implementation plan
 - Conduct competitive solicitation of lenders/providers
 - Negotiate and finalize loan documentation
 - Coordinate input from Member agencies
 - Prepare briefings and presentations for JPA Board and Committees and General Managers
 - Facilitate financial closing
7. Provide financial review of Key Project Agreements and Termsheets
- Public Benefits contracts
 - CCWD Agreements
 - EBMUD Agreements
 - Coordinate input from Member agencies
8. JPA Financial Advising and Other Services As Needed
- Provide advisory services on financial activities of the JPA as needed
 - Assist in supervising the JPA's financial administrative activities and providing independent review and quality control
 - Prepare and participant in briefings and presentations for JPA Board and Committees and General Managers
 - Provide such other services as are reasonably requested by the JPA and its Members

B. Compensation Structure

- Hourly Rate for As-Requested Services. Tasks 2, 3, 4, 7, 8, and 9 will be performed on as-requested basis at the hourly rates, and subject to the not-to-exceed limitations set forth herein.
- Transaction Fees. Tasks 1 and 5 (relating to WIFIA Loan) and Task 6 (relating to the Interim Financing) will be compensated through success-based transaction fees, payable upon WIFIA Loan closing and Interim Financing closing, respectively. The specific compensation levels for these transaction fees will be based on comparable municipal advisory compensation agreements, as accepted by the JPA and Clean Energy Capital and as set forth through separate agreement. Such financial closings and transaction fees are not currently scheduled for payment in Fiscal Year 2024.

C. Project Fees

Clean Energy Capital shall endeavour to complete the tasks described in this scope of work, reflective of actual hours incurred. Our estimated total compensation and proposed not-to-exceed amount is set forth in the following Fee Tables.

Fee Table - Fiscal Year 2024

Task No.	Task Description	Project Lead	Vice President	Vice President (Reduced Rate)	Combined
1	Credit Rating Total Estimated Hours Billing	Not Applicable			Compensation provided via WIFIA Transaction Fee
2	Service Agreement Total Estimated Hours Billing	170 \$73,950.00	55 \$20,075.00	0 \$0.00	\$94,025.00
3	Financial Schedules for Service Agmt Total Estimated Hours Billing	150 \$65,250.00	90 \$32,850.00	0 \$0.00	\$98,100.00
4	Proforma Modeling Total Estimated Hours Billing	150 \$65,250.00	300 \$109,500.00	0 \$0.00	\$174,750.00
5	WIFIA Loan Total Estimated Hours Billing	Not Applicable			Compensation provided via WIFIA Transaction Fee
6	Interim Financing Agreement Total Estimated Hours Billing	Not Applicable			Compensation provided via IFA Transaction Fee
7	Key Project Agreements Total Estimated Hours Billing	80 \$34,800.00	0 \$0.00	0 \$0.00	\$34,800.00
8	JPA Financial Oversight Total Estimated Hours Billing	85 \$36,975.00	0 \$0.00	0 \$0.00	\$36,975.00
9	Other services Total Estimated Hours Billing	0 \$0.00	0 \$0.00	0 \$0.00	\$0.00
Total					\$438,650.00
Contingency Added for Not-to-Exceed Amount					
Percentage					10%
Amount					\$43,865.00
Not-to-Exceed Amount for Amendment					\$482,515.00

The above Fee Tables provide an estimate of the level of effort required to complete each task and Clean Energy Capital may shift hours among tasks and personnel as circumstances change during the engagement. If hours incurred are less than anticipated, then the savings shall be passed on to client.

Any additional work beyond the services described herein are optional services that will only be performed at client's request. Optional services will be billed on a time and materials basis.

We propose to continue our current hourly rate schedule set forth below, as set forth below.

Hourly Rate Schedule

<i>Consultant</i>	<i>Rate</i>
Project Lead (David Moore)	\$435/Hour
Director/Vice President (Will Lockwood, Saravleen Singh)	\$365/Hour
Associate (Amanda Hanson, Jordan Decker)	\$275/Hour
Analyst (TBD)	\$235/Hour

ITEM 2.4: APPROVAL OF AMENDMENTS TO INDEPENDENT CONTRACTOR AGREEMENT WITH T. RAVAZZINI CONSULTING LLC FOR EXECUTIVE DIRECTOR SERVICES

RESPONSIBLE/LEAD STAFF MEMBER:

James Ciampa, General Counsel

RECOMMENDATION:

That the Authority's Board of Directors approve the amendments to the Independent Contractor Agreement with T. Ravazzini Consulting LLC to increase the monthly compensation by one percent (1%) to reflect the CPI increase provided under the contract; increase the number of compensable base hours per month by six hours, from 139 hours to 145 hours; and increase the number of additional hours per month that may be compensated by six hours, from 24 additional hours to 30 additional hours.

DISCUSSION:

The Authority approved the agreement with T. Ravazzini Consulting to perform Executive Director services (the "Agreement") at the September 14, 2022 Board of Directors' meeting. That agreement runs through June 30, 2025. The compensation provisions of the Agreement are set forth in Section 3. Those provisions provide for a base monthly compensation amount of \$29,885 for up to 139 hours per month and then up to 24 hours per month are subject to additional compensation at the rate of \$215 per hour.

In addition, Section 3(a)(iii) provides for an annual cost-of-living increase as determined by the Consumer Price Index – Professional and Business Services for the Sacramento/Roseville/Arden-Arcade area ("CPI"). For the first partial year of the Agreement, the cost-of-living increase is determined by the CPI percentage increase from September 2022 through April 2023. The CPI for September 2022 was 149.7 and for April 2023 was 151.2. That increase calculates to a 1.002% increase over that period. Thus, the monthly base compensation amount will automatically increase under the Agreement, effective as of July 1, 2023, to \$30,184 and the hourly rate of \$215 will increase to \$217.15.

At the April 12 Board meeting, the Board conducted the Executive Director's initial performance evaluation. The Board Chair was to subsequently meet with the Executive Director to discuss possible adjustments to the Executive Director's compensation. Based on those discussions, the proposed adjustments are to increase the number of hours to be compensated in the monthly base pay amount by six hours per month, from 139 to 145, and to increase the cap on additional compensation by six hours per month, from 24 to 30. The Executive Director has worked an average of 58.5 hours per month over the existing 24 hour cap (for the six months where the cap was exceeded) and believes the proposed increases are justified. In addition, those increases would be applied retroactively to April 1, 2023 (the current monthly and hourly rates will remain in effect for April, May and June).

The proposed increases have been factored into the 2024 Fiscal Year budget.

ALTERNATIVES:

The increases in the base compensation hours and monthly cap are at the Board’s discretion. The CPI increase is required under the contract.

FISCAL ANALYSIS:

For the remainder of the 2023 Fiscal Year, the retroactive and prospective adjustments would total \$7,740 (\$1,720 per month (\$215 per hour x 12 additional compensable hours x 3 months)), assuming the Executive Director works to the cap each month. With the increased monthly and hourly rates for the 2024 Fiscal Year, the increased compensable hours would total \$31,269.60 (\$217.15 per hour x 12 additional compensable hours x 12 months). With the increased hourly rate to \$217.15 and increased compensable hours, the total increase to the contract amount is \$35,475.00.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Original Independent Contractor Agreement; Draft amendment to Independent Contractor Agreement

LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
INDEPENDENT CONTRACTOR AGREEMENT

Executive Director

This Independent Contractor Agreement (“Agreement”) is by and between the Los Vaqueros Reservoir Joint Powers Authority (“Authority”), with its principal place of business at 1331 Concord Avenue, Concord, CA 94520, and T. Ravazzini Consulting, or assignee (“Contractor”), with its principal place of business as on file with the Authority. The Authority and Contractor may individually be referred to as a “Party” or collectively referred to as “Parties.”

RECITALS

a. The Authority was formed to proceed with Phase 2 of the expansion of the Los Vaqueros Reservoir by expanding the storage capacity of that reservoir to 275,000 acre-feet, to expand related conveyance facilities, to construct new conveyance facilities and to undertake related activities (collectively, the “Project”);

b. The Project has been identified by the State of California and federal government as a key component of California’s integrated water management and supports the state’s co-equal policy to improve water management and restore the ecological health for beneficial uses of the Sacramento-San Joaquin Delta;

c. The Authority desires to obtain professional consulting services from an entity to serve as the Authority’s Executive Director and, as a result, desires to engage Contractor to provide the professional services described herein (the “Services”) in fulfillment of the Project; and

d. Contractor is customarily engaged as an independent business to provide services similar to the Services herein, is qualified to provide the Services and desires to provide the Services subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the provisions set forth in this Agreement, the Authority and Contractor agree as follows:

AGREEMENT

ARTICLE 1: TERM OF AGREEMENT

a. This Agreement shall become effective on September 14, 2022 (“EffectiveDate”), and shall remain in full force and effect until June 30, 2025, or until the earlier termination of this Agreement in the manner provided for herein (the “Term”). As needed during the term of this

Agreement and in conjunction with Contractor's performance review under subdivision (v) of Section 3(a), below, the Parties will review the terms of the Agreement to identify whether any amendments to the Agreement are warranted based on the status of the Project, the nature of the Services and Contractor's performance of the Services as provided through that date. If the Parties identify any warranted amendments, they will, in good faith, negotiate an amendment to this Agreement.

- b. The Term may be extended upon terms mutually agreed upon by the Parties. If either Party desires to extend the Term of this Agreement, then that interest should be expressed to the other Party with sufficient time to allow for negotiation of that extension and approval by the Authority's Board of Directors.
- c. Either Party may terminate this Agreement at any time without cause, by giving at least sixty (60) days' written notice of the termination to the other Party. In the event notice of termination is given by the Authority, then, in the sole and absolute discretion of the Contractor, the Contractor may immediately cease providing all Services under this Agreement and require the Authority to pay the Contractor within 15 days of the termination notice all compensation that would be due to the Contractor for the 60 day period until this Agreement terminates; provided, however, that Contractor will reasonably cooperate with the Authority in transitioning performance of the Services.
- d. The Authority may terminate this Agreement for cause at any time prior to expiration of the Term upon written notice to the Contractor. "For cause" means only if the Contractor commits any material act of dishonesty, discloses confidential information, is guilty of gross carelessness or misconduct, unjustifiably neglects its duties under this Agreement, commits any material breach of the terms of this Agreement or acts in any way that has a direct, substantial, and adverse effect on the Authority's reputation. If the Authority terminates this Agreement for cause, then the Authority shall only be liable to compensate Contractor for Services provided up to the date of Contractor's receipt of the Authority's notice of termination, which, to be effective, must include the full amount of that compensation.

ARTICLE 2: SCOPE OF SERVICES

- a. Under the policy direction of the Authority's Board of Directors, Contractor will serve as the chief executive of the Authority to implement Board policy. While working with the Board of Directors and the Authority's members and their respective staffs, the Contractor will execute administrative policies and be responsible and accountable for technical, administrative and policy level tasks in furtherance of the Project. Contractor will provide overall executive direction of various functions, including financial administration, budgeting, drafting agendas and staff reports for Board meetings, assisting with Board committee meetings, overseeing various consultants for legal and technical work and advocating before local, state and federal governmental agencies and executive and legislative leaders. Contractor will be involved with

issues relating to California water policy and laws, the California Environmental Quality Act, and National Environmental Policy Act and existing local, state and federal water supply projects.

- b. In addition to the overall executive direction described in subdivision (a), the Services listed below illustrate the Services the Authority expects the Contractor to either perform itself, or delegate to any Authority consultants or contractors under the supervision of the Contractor. In addition, Contractor may utilize and coordinate with Members' staffs to assist in performing the Services, including through a Member's in-kind services provided for under other Authority agreements, and the Authority will use its best efforts to ensure such Members' staffs are available to provide such assistance. However, the list is not exhaustive and additional responsibilities may be assigned by the Board upon the written agreement of the Contractor and any agreed adjustment in compensation under this Agreement. Services include:
- i. Interpret and ensure compliance with all Authority policies and procedures, standards of quality and safety, and all applicable local, state, and federal laws and regulations;
 - ii. Within a broad framework established by the Board, directs the establishment of overall strategic plans, long-term goals, and objectives for the agency;
 - iii. Coordinates Project activities and Project scheduling, with input from Authority members' applicable staffs;
 - iv. Meets with Authority member representatives and attorneys and the Authority's general counsel to develop plans and strategies to resolve contractual and legal issues;
 - v. Keeps the Board informed of Authority activities and of laws, issues, or problems that may affect the Authority and its members;
 - vi. Requests policy and related actions from the Board;
 - vii. Directs the preparation of meeting materials and, unless excused by acknowledgment of the Chair of the Board of Directors (the "Chair"), attends all Board meetings (some meetings may be held virtually or by other teleconference or video conference technology);
 - viii. Performs or oversees the monitoring and evaluation of legislation, trends, and issues affecting the water industry, and directs the formulation of appropriate responses;
 - ix. At the Board's direction, manages governmental relations (both internal and conducted by outside consultants) including, but not limited to, discussions and meetings with federal, state and local officials;
 - x. Directs, reviews, and approves special studies, reports, and significant correspondence;
 - xi. Coordinates the development and management of the Authority's annual budget;
 - xii. In accordance with Authority policies, reviews and approves expenditures and deposits, and manages investments of excess revenue and reserve funds;
 - xiii. Implements risk management policies and manages insurance programs;
 - xiv. Directs the initiation and execution of consulting and contract service agreements;

- xv. Receives and responds to inquiries, concerns, and complaints regarding the Project and the Authority's policies, programs, and activities; and
- xvi. Performs general administrative services as required, including, but not limited to, attending and conducting meetings, preparing reports and correspondence, compiling data for reports, reviewing professional literature, entering computer data and preparing spreadsheets, etc.

The Parties will review the Services after the first six (6) months that this Agreement is in effect to determine if any adjustments are necessary and, if so, any corresponding adjustments to the Contractor's compensation.

- c. Contractor will determine the method, details, and means of performing the Services and otherwise upholding its obligations under this Agreement, subject to oversight by the Board of Directors. Unless specifically requested by Authority in the case of a meeting, Contractor shall be generally available to the Authority but is not required to perform the Services during a fixed period of time.
- d. Contractor shall provide supplies necessary to perform the Services. However, to support the Contractor's performance of (i) office management functions, (ii) administrative and support functions, and (iii) technical functions, the Authority shall use its best efforts to make available to the Contractor Members' staffs, as well as other consultants retained by the Authority, who will provide those functions at the direction of the Contractor. Contractor is not required to perform any of the Services at any particular physical location, but from time to time, and upon approval of such member, may perform the Services at the office of an Authority member.
- e. Nothing contained in this Agreement shall limit the ability of Contractor to perform the same or similar duties to the Services for any other authority, entity, or organization (each a "Third Party Client") other than Authority. Contractor will not perform services for a Third Party Client if they unreasonably interfere with Contractor's performance of the Services provided to the Authority under this Agreement or create a conflict of interest for Contractor. If Contractor believes that rendering any services to a Third Party Client may create a conflict of interest for Contractor, Contractor will consult with the Authority's legal counsel to determine appropriate future actions regarding that matter. Consistent with the foregoing, Contractor shall not advocate for other clients in a manner that would result in the communication of any position in any public forum that is contrary to the Authority's interest.
- f. Contractor shall perform the Services in a manner consistent with that degree of skill and care ordinarily exercised by practicing professionals performing similar services in California, relating to a project site comparable to the Project and under the same or similar circumstances and conditions as those concerning the Project.

ARTICLE 3: COMPENSATION

- a. Method of Payment: The Authority shall pay Contractor for its Services and project-related business travel and expenses in accordance with the following:
 - i. Compensation for Services: Subject to subdivision (ii), below, the Authority shall compensate Contractor for performance of the Services at a rate of \$29,885 per month; provided that for Services rendered at the beginning or end of the term of this Agreement for any portion of a month, rather than for the full month, the monthly compensation will be prorated based on the number of days for which this Agreement was in effect in that month. Contractor understands and acknowledges that it shall receive no other compensation for the services provided under this Agreement, including, but not limited to, vacation benefits and insurance for health, disability, or other risks.
 - ii. Additional Compensation: In addition to the compensation provided under subdivision (i), above, Contractor may earn additional compensation at the rate of \$215 per hour for up to twenty-four (24) hours per month that Contractor works in excess of one hundred thirty-nine (139) hours in any month. Contractor must log those additional hours, together with the description of the Services performed in the attachment to its monthly invoice to be submitted to the Authority in the form attached hereto as Exhibit A.
 - iii. Cost of Living Adjustments. The amounts payable under subdivisions (i) and (ii), above, are subject to annual increases, to be effective July 1 of each year, based on the percentage increase in the Consumer Price Index – Professional and Business Services for the Sacramento/Roseville/Arden-Arcade area based on the April to April year-over-year increase in that index; provided that for the adjustment to take effect July 1, 2023, the increase shall be based on the percentage increase from September 2022 through April 2023. The provision of adjustments under this subdivision is separate from and does not preclude any other adjustments to Contractor’s compensation that may be approved under this Agreement.
 - iv. Project-Related Business Travel & Expenses: On a monthly basis, Contractor may invoice the Authority for the authorized costs of business travel and other expenses that Contractor incurs in its performance of the Services. Such authorized travel that is eligible for reimbursement includes mileage reimbursement at the applicable Internal Revenue Service reimbursement rate for travel to Authority members or otherwise on Authority-related business. Contractor may attend conferences on behalf of the Authority but must obtain prior approval from the Board of Directors for any conference expenses that exceed two thousand dollars (\$2,000.00), including conference registration fees, travel expenses, food and lodging. All such business and travel expenses must include a description of the business justification for the expense and must be substantiated with receipts that will be submitted with Contractor’s monthly invoice as specified below.

- v. Performance Review: The Authority will evaluate Contractor's performance under this Agreement at an annual review. The first such review will occur on or before April 30, 2023 and then each annual review will take place in the month of March or April in each subsequent year for so long as this Agreement remains in effect. As part of the annual review the Authority will consider an adjustment of Contractor's compensation for Services, as the Authority determines appropriate.
 - vi. Quarterly Reviews: The Authority, acting through its Chair, and the Contractor will meet on at least a quarterly basis to determine Project milestones for Contractor to achieve in the upcoming three-month period.
- b. Payment Process: Contractor shall invoice the Authority for Services performed, including any additional compensation and reimbursable expenses incurred on a monthly basis by submitting an invoice in the form attached hereto as Exhibit A. Due to the need for the Authority to track expenditures as required by its grant funding, Contractor must categorize all hours worked based on the nature of the task, as specified in Exhibit A. Invoices shall be sent electronically to the Authority's Administrator and/or the Contra Costa Water District as required for reimbursement by the California Water Commission and the Bureau of Reclamation by the 15th of the month for the previous month's services. The Chair shall review each invoice for approval and either approve or disapprove the subject invoice, in whole or in part. The amounts the Chair approves will be reported as part of the Authority's Treasurer's Report at the next regular monthly Board of Directors meeting following receipt of the Contractor's invoice. Any approved portion of the Contractor's invoice shall be paid to Contractor within 15 days. The Authority may reduce its payment of an invoice by the amount deemed by the Chair to be disapproved until any such disputed item is resolved between Authority and Contractor. However, the Authority must notify and, in good faith, negotiate a resolution of the dispute with the Contractor within 15 days of the Chair's decision to disapprove the subject item.

ARTICLE 4: STATUS & WORK

- a. Status as Independent Contractor: Contractor will act as an independent contractor of the Authority in the performance of the Services under this Agreement. Contractor will set its own hours and maintain its own business office. Contractor may provide services to other clients provided such services do not unreasonably interfere with Contractor's obligations under this Agreement. Contractor will comply with all applicable business license law and will continue to engage as an independently established business and maintain a clientele without restrictions from the Authority, except as otherwise expressly stated herein. The Contractor will be responsible for the payment of all applicable federal, state, and local taxes arising out of or related to Contractor's Services for the Authority. Contractor further agrees to defend, indemnify, and hold the Authority harmless as to any claims or causes of action related to the payment of any federal, state, and local taxes for which Contractor is responsible. Nothing contained in this Agreement shall constitute or be deemed to create between the Authority and

Contractor the relationship of employer/employee, it being expressly understood and agreed that the only relationship between Contractor and Authority created herein shall be that of an independent contractor. Without limiting the foregoing, Contractor is not entitled to any rights or benefits typically afforded to employees, including disability or unemployment insurance, workers compensation, medical or life insurance, paid vacation, paid holidays, paid personal leave or any other employment benefit that are usually provided to employees. Contractor will not be responsible for any adverse actions taken by Federal or state authorities related to Contractor's classification as an independent contractor under this Agreement, which the Authority shall defend against at its sole cost and expense.

- b. Subcontracting: Contractor shall not employ independent consultants, associates, or subcontractors to assist in the performance of Contractor's duties hereunder without the prior written consent of the Authority. As to any such subcontract to which Authority has not granted its express prior written consent, the Authority will not have any obligation to recognize, accept, compensate for, or otherwise assume any responsibility for it or for any work performed pursuant to it.

ARTICLE 5: FORCE MAJEURE

Neither Party to this Agreement shall be liable for its failure to perform its obligations hereunder due to events beyond its reasonable control, including, but not limited to, strikes, riots, wars, fire, earthquakes, acts of God and/or unusual acts of nature, acts in compliance with any law, regulation or order (whether valid or invalid) of the United States of America or any state thereof or any other domestic or foreign governmental body or instrument thereof having jurisdiction in the matter. Delay occasioned thereby shall not be considered a breach of this Agreement.

ARTICLE 6: INDEMNITY

- a. Contractor Indemnification: Contractor shall indemnify and hold the Authority and its officers, directors, employees and agents harmless from and against any claim, cause of action, loss or liability to the extent arising out of or related to any negligent acts or omissions, or willful misconduct, of the Contractor in performing the Services.
- b. Authority Indemnification: Authority shall indemnify and hold Contractor and its officers, directors, employees and agents harmless from and against any claim, cause of action, loss or liability to the extent arising out of or related to (a) acts or omissions of the Authority, and (b) acts or omissions of the Contractor in performing the Services. This indemnification will not apply, however, to the extent any claim, cause of action, loss or liability results from the Contractor's negligence, willful misconduct or breach of this Agreement.

ARTICLE 7: INSURANCE

a. Contractor is solely responsible for procuring its own insurance for liability, health, medical, disability, business interruption, unemployment, automobile, or other obligations or risks. No worker's compensation insurance has been or will be maintained for Contractor by the Authority.

b. Contractor must maintain the following insurance:

- i. Commercial General Liability (CGL) Insurance: Commercial General Liability Insurance, including coverage for bodily injury and property damage liability arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury and liability assumed under an insured contract. That CGL policy must have coverage limits of at least \$1,000,000 per occurrence and \$1,000,000 general aggregate limit.

With respect to the Services performed by Contractor, Contractor's Commercial General Liability policy shall be primary to similar insurance of the Authority and shall waive subrogation against Authority.

The Authority, and its directors, officers, and authorized agents shall be added as an additional insured by additional insured coverage endorsements CG 2010 04 13 and CG 2037 04 13, or equivalent additional insured coverage endorsements, on Contractor's Commercial General Liability insurance policy.

- ii. Commercial Automobile Liability Insurance: Contractor agrees to maintain Business Automobile liability insurance during the term of this Agreement, with a limit for property damage and bodily injury of \$1,000,000 per occurrence and \$1,000,000 general aggregate limit, together with an equivalent rider for hired and non-owned automobiles.
- iii. Workers Compensation Insurance: If applicable, Contractor shall maintain Workers Compensation Insurance, including Employer's Liability, at a minimum limit acceptable to the Parties for all persons whom Contractor may employ in performing the Services. Such insurance shall be in strict accordance with the requirements of the most current and applicable Workers Compensation Insurance Laws in effect from time to time. Contractor shall furnish to Authority confirmation of Contractor's experience modification rate, which the Authority may request from time to time.

c. Such policies shall, as applicable, contain or be endorsed with the provision that coverage shall not be cancelled by the insurance company in coverage without thirty (30) days prior written notice to the Authority.

ARTICLE 8: CONFIDENTIALITY AND PROPRIETARY INFORMATION; WORK PRODUCT

- a. Confidentiality: Contractor acknowledges that it will be necessary for the Authority at times to disclose certain confidential and proprietary information (the "Confidential Information") to Contractor in order for Contractor to perform the Services under this Agreement. Contractor acknowledges that disclosure to a third party or misuse of this Confidential Information would irreparably harm the Authority. Accordingly, Contractor will not disclose or use, either during or after the term of this Agreement, any Confidential Information of the Authority without the Authority's prior written permission except to the extent necessary to perform Services on the Authority's behalf. The Authority acknowledges that as a public agency it is subject to the California Public Records Act (the "Act"). The Authority and the Contractor (on behalf of the Authority) are therefore required to disclose any information deemed to be a public record upon request as provided in the Act. Therefore, notwithstanding any other provision of this Agreement, the Contractor shall not be in breach of this Agreement because it discloses any Confidential Information in response to a request made under the Act.
- b. Work Product: The Parties acknowledge and agree that any work product ("Work Product") Contractor creates as part of the Services provided under this Agreement (including without limitation all notes, reports, documentation, drawings, computer programs, inventions, creations, works, devices, models, work-in-progress and deliverables) shall be considered a "work made for hire" within the meaning of 17 U.S.C. § 101 of the U.S. Copyright Act, and therefore the copyright to such work product shall be owned exclusively by the Authority. Furthermore, Contractor hereby assigns all right, title and interest, including all copyrights, patents, and any other intellectual property rights, in and to the work product Contractor creates for the Authority under this Agreement, to the Authority.
- c. Return of Confidential Information: Upon expiration or earlier termination of this Agreement, Contractor shall turn over to the Authority all Confidential Information and Work Product in Contractor's possession within ten (10) business days of the date of expiration or termination.
- d. Non-Interference: For the period of one (1) year after expiration or termination of this Agreement for any reason, Contractor shall not interfere with any relationship between the Authority and any of its members, employees, consultants, agents, representatives or suppliers by persuading, enticing, or attempting to persuade or entice any such member, employee, consultant, agent, representative, or supplier to disengage from the Project.

ARTICLE 9: MISCELLANEOUS

- a. No Legal Services. The Authority acknowledges that the Contractor is an attorney-at-law licensed to practice in the State of California. However, the Contractor is not providing legal services to the Authority under this Agreement or otherwise, and there will not be deemed to exist at any time any relationship of attorney and client between the Contractor and the Authority. No portion of the Services may be interpreted to include the Contractor's provision

of legal advice or legal review of Authority actions or agreements. The Authority shall rely solely on its general or special counsel for legal advice and representation without any reliance on the Contractor for legal review of that advice and representation, which is not part of the Services.

- b. Governing Law: This Agreement shall be governed by the laws of the State of California.
- c. Amendment: This Agreement shall not be amended except by written agreement signed by both Parties.
- d. Successors and Assigns: This Agreement and the covenants and conditions contained herein shall apply and be binding upon and inure to the benefit of the permitted administrators, executors, legal representatives, assignees, successors, agents and heirs of each Party hereto.
- e. Assignments: This Agreement is not assignable by Contractor without the consent of the Authority, which consent the Authority may grant or withhold for any or no reason in its sole discretion; provided, however that Contractor may assign this Agreement without the Authority's consent to a business entity controlled by Taryn Ravazzini that may be established to render the Services hereunder. Any other such purported assignment without prior written consent by the Authority shall be null and void. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge either Party from any obligation under this Agreement.
- f. No Third-Party Beneficiaries: Except for rights of indemnitees specifically referenced in this Agreement, no provision of this Agreement is intended to create or grant claims or rights of action against Authority for the benefit of any third parties.
- g. Integration: This Agreement is intended to be the final, complete, and exclusive statement of the terms of Contractor's terms of service to the Authority. This Agreement supersedes all other prior or contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the Services of Contractor to the Authority, and it may not be contradicted by evidence or any prior or contemporaneous statements or agreements. To the extent the practices, policies, or procedures of the Authority, now or in the future, apply to Contractor and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.
- h. Waiver: A waiver by either the Authority or Contractor of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- i. Severability: If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be and remain valid, binding and enforceable to the fullest extent permitted by law.

- j. Notices: Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid and addressed as provided for in the opening paragraph of this Agreement, and are deemed given on the date they are provided (in the event of personal delivery or delivery by courier) or three (3) business days after being postmarked (in the event of mail delivery).
- k. Representation by Attorney: The Parties expressly represent and warrant that they have had the opportunity to receive, and/or have received independent legal advice from their respective attorneys with respect to the advisability and effect of entering into this Agreement.
- l. Attorney's Fees: In the event of an arbitration or other legal proceeding for breach of this Agreement, or otherwise arising out of or related to this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees, expert fees, and costs incurred in such arbitration or proceeding.
- m. Captions: Any paragraph captions are for reference only and shall not be considered in construing this Agreement.
- n. Authority to Enter: The Parties each warrant and represent that they each have the authority to enter into this Agreement, and that the signatories below are authorized to sign this Agreement on behalf of the Parties.
- o. Counterparts; Electronic Signatures: This Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement. Any signature hereto may be transmitted electronically, including by e-mail, PDF, DocuSign or other electronic means, and any such electronically transmitted signature shall be as valid as an original signature.

**LOS VAQUEROS RESERVOIR
JOINT POWERS AUTHORITY**

T. RAVAZZINI CONSULTING

By: Angela Ramirez Holmes
Angela Ramirez Holmes (Sep 29, 2022 17:00 PDT)
Angela Ramirez Holmes, Chair
Date: Sep 29, 2022

By: Taryn Ravazzini
Taryn Ravazzini (Oct 4, 2022 13:37 PDT)
Taryn E. Ravazzini
Date: Oct 4, 2022

EXHIBIT A

[T. Ravazzini Consulting]

BILL TO:

Los Vaqueros Reservoir
Joint Powers Authority
1331 Concord Avenue
Concord, CA 94520

Invoice No.:

Invoice Date:

INVOICE

Billing Period from _____, 2022 to _____, 2022

**Los Vaqueros Reservoir Joint Powers Authority
SUMMARY OF JOB CHARGES**

ITEM	DESCRIPTION	TOTAL
1	Monthly Retainer	
2	Additional Compensation [if applicable] (see attachment)	
	Labor Subtotal	
3	Project-related business/travel expenses (see attachment)	
4		
5		
6		
Subtotal		
Past Due		
Balance Due Upon Receipt		

Signature_____

Taryn E. Ravazzini
T. Ravazzini Consulting

For payments by mail make check payable to:

Attachment to Invoice – October 1 – 31, 2022

Allocation of Monthly Fee Hours

Task	Previous FY23 to Date	Monthly Total \$	Total FY23 to Date
Task 1 - Project Management			
Task 2 - Environmental Planning			
Task 3 - Engineering Feasibility			
TOTAL			

***Board meeting services are considered as Project Management**

Description of Additional Compensation:

Date	Task Category	Description of Services	Number of Hours	Total \$
		TOTAL		

Business/Travel Expenses

Date	Description	Expense Amount	No. of Miles	Mileage Rate*	Mileage Amount	Total = Expense Amt. & Mileage Amt.
				\$.625		
					TOTAL:	

*Based on current IRS Mileage Reimbursement Rate

AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT

This Amendment to Independent Contractor Agreement is entered into this 14th day of June, 2023 by and between the Los Vaqueros Reservoir Joint Powers Authority, a joint exercise of powers agency (the “Authority”), and T. Ravazzini Consulting, LLC (“Executive Director”), with respect to the following:

RECITALS

- A. The Authority and Executive Director entered into an agreement effective as of September 14, 2022 (the “Agreement”) under which the Authority engaged Executive Director to serve as the Authority’s Executive Director.
- B. The Authority and Executive Director now desire to amend the Agreement as specified below.

NOW, THEREFORE, for good and valuable consideration, the Authority and Executive Director agree as follows:

- 1. Effective as of April 1, 2023, Section 3(a)(i) and (ii) of the Agreement are amended to read as follows, with the deleted terms stricken and added words underlined:

“i. Compensation for Services: Subject to subdivision (ii), below, the Authority shall compensate Contractor for performance of the Services at a rate of ~~\$29,885~~ \$31,175.00 per month; provided that for Services rendered at the beginning or end of the term of this Agreement for any portion of a month, rather than for the full month, the monthly compensation will be prorated based on the number of days for which this Agreement was in effect in that month. Contractor understands and acknowledges that it shall receive no other compensation for the services provided under this Agreement, including, but not limited to, vacation benefits and insurance for health, disability, or other risks.

“ii. Additional Compensation: In addition to the compensation provided under subdivision (i), above, Contractor may earn additional compensation at the rate of \$215 per hour for up to ~~twenty-four (24)~~ thirty (30) hours per month that Contractor works in excess of ~~one hundred thirty-nine (139)~~ one hundred forty-five (145) hours in any month. Contractor must log those additional hours, together with the description of the Services performed in the attachment to its monthly invoice to be submitted to the Authority in the form attached hereto as Exhibit A.”

- 2. Effective as of July 1, 2023, Sections 3(a)(i) and (ii) of the Agreement are amended to read as follows, with the deleted terms stricken and added words underlined, with the changes under Paragraph 1, above, incorporated:

“i. Compensation for Services: Subject to subdivision (ii), below, the Authority shall compensate Contractor for performance of the Services at a rate of ~~\$29,885~~ \$31,486.75 per month; provided that for Services rendered at the beginning or end of the term of this Agreement for any portion of a month, rather than for the full month, the monthly compensation will be prorated based on the number of

days for which this Agreement was in effect in that month. Contractor understands and acknowledges that it shall receive no other compensation for the services provided under this Agreement, including, but not limited to, vacation benefits and insurance for health, disability, or other risks.

“ii. Additional Compensation: In addition to the compensation provided under subdivision (i), above, Contractor may earn additional compensation at the rate of ~~\$215~~ \$217.15 per hour for up to thirty (30) hours per month that Contractor works in excess of one hundred forty-five (145) hours in any month. Contractor must log those additional hours, together with the description of the Services performed in the attachment to its monthly invoice to be submitted to the Authority in the form attached hereto as Exhibit A.”

3. Except as amended by Sections 1 and 2, above, the Agreement shall remain unchanged and continue in full force and effect.

Los Vaqueros Reservoir
Joint Powers Authority

T. Ravazzini Consulting, LLC

By _____
Angela Ramirez Holmes, Chair

By _____
Taryn Ravazzini, Managing Member

ITEM 2.5: **APPROVAL OF AGREEMENT WITH EIDE BAILLY LLP FOR ACCOUNTING AND FINANCIAL MANAGEMENT SERVICES**

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Authority’s Board of Directors approve the agreement with Eide Bailly LLP to provide accounting and financial management services to the Authority.

DISCUSSION:

As part of the transition of the Authority’s financial management from Contra Costa Water District to the Authority, it is necessary for the Authority to engage an accounting firm to provide accounting and financial management services. In early April, the Authority distributed a request for proposals to potentially qualified accounting firms and received two proposals, one from Eide Bailly and one from Clifton Larson Allen.

A review panel consisting of finance staff from the member agencies has reviewed the two proposals and has interviewed both responding firms. Based on the proposals submitted and interviews conducted, the review panel recommends the Authority engage Eide Bailly LLP to provide the required accounting and financial management services.

The Finance Committee reviewed this matter at its May 25 meeting and was agreeable with deferring to the review panel’s recommendation.

ALTERNATIVES:

The Board could opt to select the other submitting firm or could request further proposals be solicited, although such further solicitation very likely would not allow the Authority to meet the June 30 timeline for the financial transition from CCWD.

FISCAL ANALYSIS:

Not to exceed amount of \$98,000.00 for the 2024 Fiscal Year.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Standard Services Agreement with Eide Bailly LLP

**AGREEMENT FOR PROFESSIONAL SERVICES
LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
Standard Services Agreement – Accounting Services**

THIS AGREEMENT FOR PROFESSIONAL Services is between Los Vaqueros Reservoir Joint Powers Authority (“JPA”) and Eide Bailly LLP (the "Consultant"). Consultant’s address is 2151 River Plaza Drive, #308, Sacramento, California 95833. Consultant’s taxpayer’s identification number is: 45-0250958.

1. The Agreement; Changes. JPA and Consultant agree that Consultant shall provide accounting and financial management services to the JPA and shall perform those services on the terms and conditions set forth herein. The specific scope of services (the “Services”) is defined in Attachment A - Scope of Work.

The following documents are attached hereto and is a part of this Agreement:

Attachment A – Scope of Work
Attachment B – Accounting Fees

This Agreement, including said attachments, constitutes the entire agreement between the parties and supersedes any prior proposals, representations, or understandings. This Agreement may be modified only by a written amendment signed by each party and tasks other than those specifically described herein shall not be performed without prior written approval of the JPA.

If the JPA requires changes in the tasks or scope of work shown in Attachment A or additional work not specified therein, then the JPA will prepare a written change order. If Consultant believes work or materials are required outside the tasks or scope of work described in Attachment A, it shall submit a written request for a change order to the JPA. A change order must be approved and signed by the JPA’s Executive Director, in accordance with JPA policy, and Consultant before Consultant performs any work outside the scope of work shown in Attachment A. The JPA will not have any responsibility to compensate Consultant for such work without an approved and signed change order. If the change order will result in an increase in the contract amount, then the change order must specify the change in the agreed upon amount for the particular revised Services to be provided.

2. Time of Performance. Consultant is authorized to commence performance of this Agreement upon its execution by the JPA. Unless earlier terminated as set forth herein, this Agreement shall expire and terminate on June 30, 2025, unless this date is extended by the JPA in writing. At the JPA’s discretion, the JPA may extend the term of the Agreement. Consultant shall give its full attention and supervision to the fulfillment of the provisions of this Agreement by its employees and any subconsultant and shall be responsible for the timely performance of the Services required by this Agreement.

3. Payment. Only those Services, materials, administrative, overhead and travel expenses specifically listed in Attachment B will be charged and paid. No other costs will be paid. Consultant agrees not to invoice the JPA for any administrative expenses, overhead or travel time in connection with the Services, unless agreed upon and listed in Attachment B. Consultant shall at convenient intervals not more frequent than monthly submit itemized statements of Services performed at the rates and charges set forth in Attachment B. If invoices are submitted on a monthly basis, they must be submitted

by the tenth (10th) day of the month for Services rendered in the prior month. The JPA shall pay for work performed in accordance with professional standards within thirty (30) days after receipt of a statement. Without the prior written approval of the JPA, the total amount payable by JPA for Consultant's services pursuant to this Agreement shall not exceed \$98,000.00 for Services rendered through June 30, 2024, and the parties shall cooperate in establishing the contract amount and related budget for the July 1, 2024 through June 30, 2025 fiscal year. Consultant shall keep records of all Services and costs billed pursuant to this Agreement for at least a period of seven (7) years after completion of the Services and shall make them available for review and audit if requested by the JPA.

4. Consultant an Independent Contractor. Consultant shall perform the Services under the Agreement as an independent contractor and not as an employee of the JPA. Consultant shall be wholly responsible for the methods of performance and shall furnish, at Consultant's own expense, all labor, materials, equipment and transportation necessary for the successful completion of the Services. The JPA shall have no right to supervise or control Consultant's performance but shall have the right to observe it to ensure compliance with the requirements of this Agreement and Consultant will coordinate various aspects of the Services with the JPA's Executive Director in light of the nature of the project. Consultant maintains its own business office, complies with all applicable business license laws, customarily engages in an independently established business the purposes of which is to perform services of the same nature as that involved in the work performed hereunder, can contract with other businesses to provide the same or similar services, maintains a clientele without restrictions from the JPA and advertises and holds itself out to the public as available to provide the same or similar services as those required hereunder. Consultant shall work closely with the JPA in performing the Services.

Consultant shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance that Consultant, as an independent contractor, is responsible for paying under federal, state or local law. Consultant is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including, but not limited to, enrollment in CalPERS. Consultant is not eligible to receive overtime, vacation or paid sick leave. Consultant shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of JPA.

Consultant represents and warrants that in the process of hiring Consultant's employees who participate in the performance of Services, Consultant conducts such lawful screening of those employees (including, but not limited to, background checks and Megan's Law reviews) as are appropriate and standard for employees who provide Services of the type contemplated by this Agreement.

5. Insurance.

A. Without in any way limiting Consultant's liability pursuant to the "Indemnification" section of this Agreement, Consultant must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverage:

(1) Workers' Compensation, in not less than statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence, \$2,000,000 aggregate, for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Non-Owned and Hired auto coverage, as applicable; and

(4) Professional liability insurance, applicable to Consultant's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement. Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A-: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this Agreement. In the event the Consultant employs sub-Consultants as part of the Services covered by this Agreement, Consultant shall be responsible for requiring and confirming that each sub-Consultant meets the minimum insurance requirements specified herein.

B. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to:

(1) Name as Additional Insureds, the JPA, its members and their respective directors, officers, agents, employees, and volunteers. Consultant will file with JPA, before beginning to provide the Services, ACORD certificates of insurance, or other certificates of insurance satisfactory to JPA, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; requiring 30 days (10 days for nonpayment of premium) notice of cancellation to JPA. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against the JPA, and its members, directors, officers, agents, attorneys, consultants or volunteers. Any insurance pool coverage, or self-insurance maintained by the JPA shall be excess of the Consultant's insurance and shall not contribute to it.

(2) The general liability coverage shall give JPA, and its members, directors, officers, agents, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the Consultant employs a sub-consultant as part of the work covered by the Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein, including naming the JPA, and its members, directors, officers, agents, attorneys, consultants and volunteers and the Consultant as Additional Insureds.

(3) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

C. Regarding Workers' Compensation, Consultant hereby agrees to waive its rights to subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

D. Should any of the required insurance be provided under a claims-made form, Consultant shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of four years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

E. Before commencing any work under this Agreement, Consultant shall furnish to the JPA certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to the JPA, in form evidencing all coverage set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

F. Approval of the insurance by the JPA shall not relieve or decrease the liability of Consultant hereunder.

6. Abandonment by Consultant. In the event the Consultant ceases performing Services under this Agreement or otherwise abandons the project prior to completing all of the Services described in this Agreement, Consultant shall, without delay, deliver to the JPA all materials and records prepared by Consultant specifically for and required to be delivered to JPA pursuant to the terms hereof, or obtained by Consultant specifically for and required to be delivered to JPA in the performance of this Agreement, and shall be paid for the reasonable value of the Services performed up to the time of cessation or abandonment, less a deduction for any damages or additional expenses which the JPA incurs as a result of such cessation or abandonment, such as expenses associated with obtaining substitute services.

7. Records and Documents. Upon request, and at no additional charge, Consultant shall deliver to the JPA all records, data, and reports prepared by Consultant specifically for and required to be delivered to JPA pursuant to the terms hereof or obtained by Consultant specifically for and required to be delivered to JPA in the performance of the Agreement, which shall become and remain the property of the JPA. This includes, but is not limited to, all materials and records of a finished nature that are prepared or obtained in the performance of this Agreement, and all materials of a preliminary nature, such as computations and other data prepared or obtained in the performance of this Agreement. To the extent that Consultant utilizes any of its property (including, without limitation, any hardware or software of Consultant or any proprietary or confidential information of Consultant or any trade secrets of Consultant) in performing Services hereunder, such property shall remain the property of Consultant, and the JPA shall acquire no right or interest in such property.

Consultant hereby assigns to JPA for no additional consideration, all of Consultant's intellectual property rights, including, but not limited to, copyrights, in all deliverables and other works prepared by the Consultant specifically for JPA and required to be delivered under this Agreement. Consultant shall, and shall cause its employees and agents to, promptly sign and deliver any documents and take any actions that JPA reasonably requests to establish and perfect the rights assigned to JPA under this provision.

8. Right to Audit. Consultant shall permit the JPA and its authorized representatives to examine, re-examine, make excerpts, transcribe and copy Consultant's books, documents, papers, materials, payrolls, records, accounts, computer disks, tapes and any and all data relevant to the Agreement at any reasonable time upon at least seventy-two (72) hours' prior written notice within three (3) years after final payment under the Agreement. Consultant shall also permit the JPA and its authorized

representatives to audit and verify statements, invoices, or bills submitted by Consultant pursuant to the Agreement. Consultant shall provide such assistance as may be reasonably required in the course of such examination and audit.

9. Compliance with Laws and Regulations. In performing this Agreement, Consultant shall comply with all applicable laws, statutes, ordinances, rules and regulations whether federal, state or local in origin. Consultant shall not allow its employees and/or agents to discriminate, harass, or allow harassment, retaliation, or abusive conduct by or against any person or persons in violation of applicable federal, state or local law. Immediate and appropriate corrective action by the JPA, up to and including termination of this Agreement, will be implemented as warranted for any and all such reported misconduct.

10. Standard of Care; Breach, Error, and Omission. In the event that Consultant fails to perform any of the Services described in this Agreement or otherwise breaches this Agreement, the JPA shall have the right to pursue all remedies provided by law or equity, including termination of this Agreement in accordance with Section 16, below. Consultant shall exercise the same degree of care, skill, and diligence in the performance of the Agreement as would be exercised by a reasonable professional performing similar work under similar circumstances, and shall, at no cost to JPA, re-perform Services which fail to satisfy this standard of care. In addition, any costs incurred by the JPA (including but not limited to additional administrative costs, to the extent that such costs are recoverable under California law) and used to correct deficiencies caused by the Consultant's errors and omissions shall be borne solely by the Consultant. The JPA is relying upon the Consultant's qualifications concerning the Services furnished under this Agreement, and therefore the fact that the JPA has accepted or approved the Consultant's work shall in no way relieve the Consultant of these responsibilities.

11. Permits and Licenses. Consultant shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its Services, all at the sole cost of Consultant. None of the items referenced in this section shall be reimbursable to Consultant under the Agreement. Consultant shall comply with any and all applicable local, state, and federal regulations and statutes, including Cal/OSHA requirements.

12. Indemnification. To the fullest extent permitted by applicable law, Consultant shall indemnify, defend (subject to subparagraph H, below) and hold harmless JPA, and its members, directors, officers, consultants and authorized volunteers, and each of them from and against:

A. When the law establishes a professional standard of care for the Consultant's services, all claims and demands of all persons that arise out of, pertain to, or relate to the Consultant's negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the Services. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the Services hereunder and shall not tender such claims to JPA, nor to its members, directors, officers, employees, or authorized volunteers, for defense or indemnity.

B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Consultant.

C. Any and all losses, expenses, damages (including damages to the work itself),

attorney's fees incurred by counsel of the JPA's choice and other costs, including all costs of defense (subject to subparagraph H, below), which any of them may incur with respect to the failure, neglect, or refusal of Consultant to faithfully perform the Services and all of the Consultant's obligations under the Agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by counsel of the JPA's choice, incurred by the indemnified parties in any lawsuit to which they are a party.

D. To the extent permitted by law, Consultant shall also indemnify the JPA, its members and their respective directors, officers, employees, and agents, against any and all claims, demands, costs and expenses at law or in equity including reasonable attorney's fees, and liability, suffered or incurred on account of, or that may at any time arise out of, or are in any way connected with, any breach by Consultant, or its employees, agents, sub-consultants, or subcontractors, of the obligations, covenants, or any other provisions of this Agreement.

E. Subject to subparagraph H, below, Consultant shall immediately defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted by any third party against JPA, or its members, directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to JPA, as applicable, and shall not tender such claims to JPA, nor to its members, directors, officers, agents, or authorized volunteers.

F. Consultant shall promptly pay and satisfy any judgment, award or decree that may be rendered against the JPA, or its members, directors, officers, agents, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

G. Consultant shall immediately reimburse JPA, or its members, directors, officers, agents, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

H. Notwithstanding any provision of this Section 12 to the contrary, Consultant shall have no obligation to defend the JPA in connection with any claims arising from Consultant's actual or alleged errors or omissions in the performance of professional services under this Agreement.

I. Consultant's obligation to indemnify shall survive the termination or completion of this agreement for the full period of time allowed by law and shall not be restricted to insurance proceeds, if any, received by the JPA, or its members, directors, officers, agents, or authorized volunteers.

13. Confidentiality. Consultant shall treat any information it may come to have relating to the Agreement with confidence, revealing information to third parties only with prior written approval of JPA or as required by law or applicable professional standards. Consultant understands that all documents, records, reports, data, or other materials (collectively, "Materials") provided by the JPA to Consultant pursuant to the Agreement, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to Consultant and that are utilized or produced by Consultant pursuant to the Agreement may be considered confidential for all purposes, except to the extent disclosure may be required by law, including the California Public Records Act.

Consultant shall be responsible for protecting the confidentiality and maintaining the security of all Materials and records in its possession that have been provided by the JPA. Consultant understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by the JPA. Consultant agrees not to make use of such Materials for any purpose not related to the

performance of the Services. Consultant shall not make written or oral disclosures thereof, other than as necessary for its performance of the Services hereunder, without the JPA's prior written approval. Disclosure of confidential Materials shall not be made to any individual, agency, or organization except as provided for in this Agreement or as provided for by law or applicable professional standards.

All confidential Materials saved or stored by Consultant in an electronic form shall be protected by adequate security measures to ensure that such confidential Materials are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the Agreement.

14. Assignment; No Third Party Rights. The Agreement shall not be assignable or transferable in whole or in part by Consultant, whether voluntarily, by operation of law, or otherwise without the JPA's prior written consent. Any other purported assignment, transfer, or subcontracting shall be void. Nothing in the Agreement shall be construed to give any right or benefit to anyone other than JPA and Consultant.

15. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Contra Costa County, California.

16. Termination. JPA may terminate this Agreement at any time by thirty (30) days prior written notice to Consultant. Either party may terminate this Agreement upon written notice if the other party has breached the Agreement and such breach is not remedied within at least fifteen (15) days after written notice of that breach is provided to the breaching party, or if such breach is not capable of being remedied within that fifteen (15) day period, the breaching party fails to commence and diligently pursue that remedy within that fifteen (15) day period. Upon termination, the JPA shall pay Consultant for all amounts due for services rendered up to the date of termination. In the event of termination: (1) all work product prepared by or in the custody of Consultant made specifically for JPA and required to be delivered under this Agreement shall be promptly delivered to the JPA; (2) the JPA shall pay Consultant all payments due under this Agreement at the effective date of termination; (3) Consultant shall promptly submit a final invoice to the JPA, which shall include any and all non-cancelable obligations owed by Consultant at the time of termination, (4) neither Consultant nor the JPA waives any claim of any nature whatsoever against the other for any breach of this Agreement; (5) the JPA may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute; and (6) the JPA and Consultant agree to exert their best efforts to expeditiously resolve any dispute between them.

17. Equal Opportunity. The JPA is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, the JPA prohibits unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, gender identity, gender expression, reproductive health decisions, sex, sexual orientation, veteran status, age or any other protected status under federal or state law by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the JPA. Appropriate corrective action

will be taken against all offenders, up to and including immediate discharge or termination of this Agreement. During, and in conjunction with, the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status, national origin, physical or mental disability, ancestry, medical condition, pregnancy or childbirth, gender, gender identity, gender expression, reproductive health decisions, sex, sexual orientation, veteran status or any other protected class under applicable law.

18. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses and reasonable attorney's fees incurred therein by the prevailing party (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

19. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. This Agreement may be executed by signatures transmitted by facsimile or electronic means (including by PDF) and any such facsimile or electronically transmitted signature shall be deemed as valid as an original, "wet" signature.

[Signature page follows]

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement as of the day and year written below.

Los Vaqueros Reservoir Joint Powers Authority

By: _____
Name: Taryn Ravazzini
Title: Executive Director

Date: _____, 2023

Consultant: **Eide Bailly LLP**

By: _____
Name:
Title:

Date: _____, 2023

APPROVED AS TO FORM:

JPA Legal Counsel

ATTACHMENT A
Agreement for Professional Services
Between Los Vaqueros Reservoir Joint Powers Authority (“JPA”) and
Eide Bailly LLP (“Consultant”)

SCOPE OF WORK

Task 1: General Financial Transition Services

We will meet with management to determine what has been completed and what they see needs to be completed. Still, We will begin with performing the day-to-day tasks that management have identified as wanting to transition to the firm. These tasks include periodic allocations, reconciliations, reporting, formulating budgets or evaluation the budget from a point in time, assisting the development of a financial forecast, and others. While taking over these activities, we will evaluate the entity as a whole to assist in defining any additional tasks that were not discussed or foreseen.

Other items to identify, including setting up a chart of accounts, identifying whether monies held by the Authority will be pooled with funds from another organization or held in a separate bank account and where that bank account will reside.

Task 2: Program Controls and Reporting &

Task 3: Funding Agreement Administration Support

Based on the objectives that have been established, we will utilize tools such as Tableau, Alteryx, Microsoft Excel or other software to prepare monthly accounting summary data for the Authority. Additionally, the firm will utilize the monthly bank reconciliations to assist in the preparation of the Treasurer’s report. We will prepare these summaries with sufficient detail as to be utilized by external agencies, if needed.

Task 4: Accounting Services

We know that a well-functioning government is based on sound principles and policies as dictated by the governing board. We will work with management and the board of directors to develop policies and procedures to be used to carry out the financial activities of the JPA. We have a fairly robust database of sample policies, such as procurement and treasury policies that we can utilize on behalf of the JPA.

As noted above under Task 1, we will also continue with the monthly reconciliations. We will also have staff available to process accounts payable, invoicing, and other receipting on behalf of the agency. We can utilize various services to assist, including identifying any software that the Authority would like to use or utilizing bill.com. We will also assist management in developing a request for proposal for audit services to conduct an annual audit of the financial statements and the Federal Single Audit. We have extensive experience in preparing financial statements, including management’s discussions and analysis, prepared in accordance with generally accepted accounting principles.

Task 5: Supplemental Services

For the State Controller’s reports, we can utilize templates that have been developed to streamline the process of reporting. Additionally, based on the transactions of the agency, we have a group that can process any tax documents such as vendor reporting (1099).

ATTACHMENT B

Agreement for Professional Services between Los Vaqueros Reservoir Joint Powers Authority (“JPA”) and Eide Bailly LLP (“Consultant”)

ACCOUNTING FEES

This Agreement contemplates services provided on a time and materials/hourly rate basis, not to exceed a total contract amount of \$98,000.00 for services rendered through June 30, 2024. Consultant’s current hourly rates are:

Partner:	\$325.00
Manager:	\$250.00
Senior Associate:	\$180.00
Associate:	\$150.00
Staff:	\$ 90.00

The rates listed above are inclusive of all out-of-pocket expenses and Consultant will not bill for expenses such as travel time, mileage and meals or other direct costs. After the completion of the first year of services provided, Consultant may increase the hourly rates upon at least thirty (30) days’ written notice to the Authority.

ITEM 2.6: ADOPTION OF RESOLUTION NO. 6-23-01 APPROVING FISCAL YEAR 2024 BUDGET

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Authority's Board of Directors adopt Resolution No. 6-23-01 to approve the Authority's Fiscal Year 2024 budget, including the waiver of the Authority's reserve policy requirement for that fiscal year.

DISCUSSION:

The Los Vaqueros Reservoir Joint Exercise of Powers Agreement (JPA Agreement) requires that the Board of Directors adopt a budget prior to the start of each Fiscal Year, to include, at this stage of the Authority's existence, components to fund the Authority's administrative and operational costs.

In prior Board of Directors' meetings, the Board was provided an overview of the Budget development process for the Fiscal Year 2024 Budget ("FY24", for the period of July 1, 2023 through June 30, 2024). The revised version of the FY24 Budget was presented to the Finance Committee at its May 25, 2023 meeting. The Finance Committee approved the Budget in the form presented at that meeting, with several format changes and with the understanding that further refinements would be made. That draft presented total uses of funds of \$19,073,000, with \$8,673,000 to be contributed by the Authority's members through Amendment No. 5 to the Multi-Party Cost Share Agreement (Item 2.7 to be considered at this meeting).

The draft FY24 Budget does not include any funding of reserves, as discussions among the members' staffs and management demonstrated a unanimous desire not to make reserve contributions because no construction is anticipated in FY24. In lieu of funding reserves, the contingency amount for services was increased from 10% to 17%. However, because the Authority's Reserve Policy requires reserves to be held, the decision not to fund reserves will require a waiver of that policy requirement, which is included in the attached resolution.

This item will provide the Board of Directors with further details on the final version of the FY24 Budget and allow the Directors and Alternate Directors to provide final input regarding the FY24 Budget.

ALTERNATIVES:

Board comments and possible revisions will be considered.

FISCAL ANALYSIS:

Fiscal impact will vary based upon the approved FY24 Budget

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Resolution 6-23-01 and attached FY 24 Budget Book

RESOLUTION NO. 6-23-01
RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS VAQUEROS
RESERVOIR JOINT POWERS AUTHORITY APPROVING
FISCAL YEAR 2024 BUDGET

WHEREAS, Section 7.2 of the Los Vaqueros Reservoir Joint Exercise of Powers Agreement requires the Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority (the “Authority”) to annually adopt a budget prior to the start of each fiscal year; and

WHEREAS, Authority staff has prepared for the fiscal year commencing on July 1, 2023 and ending June 30, 2024 a Budget that sets forth guidelines for expending Authority funds for that fiscal year; and

WHEREAS, the Authority’s Finance Committee has reviewed and considered the draft Authority Budget for the 2024 fiscal year (the “FY24 Budget), which sets forth total budgeted expenditures of approximately \$19.073 million; and

WHEREAS, the FY 24 Budget does not include the funding of reserves, which has been recommended by the Authority’s members’ staffs and management; and

WHEREAS, the Authority’s Board of Directors has reviewed the draft FY24 Budget and determined that it is in the best interest of the Authority that said Budget be approved.

NOW THEREFORE, the Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority hereby resolves and approves the Budget for the Authority’s 2024 fiscal year, as set forth in the FY24 Budget Report attached and presented at this meeting; and waives the requirements set forth in Resolution No. 6-22-03 to fund the Authority’s Administrative and Operating Fund Reserve and Capital Projects Fund Reserve for that fiscal year.

PASSED AND ADOPTED by the Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority this 14th day of June, 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Angela Ramirez Holmes, Chair

Attest:

Ellen Wehr, Secretary

Los Vaqueros Reservoir Joint Powers Authority



FY24 Budget

(July 1, 2023 – June 30, 2024)

Adopted June 14, 2023



Background Information

The Los Vaqueros Reservoir Joint Powers Authority (JPA) was formed in October 2021 to provide governance of the Phase 2 Los Vaqueros Reservoir Expansion Project (Project). The eight agencies which make up the JPA include: Alameda County Water District, Contra Costa Water District, East Bay Municipal Utility District, Grassland Water District, San Francisco Public Utilities Commission, San Luis & Delta-Mendota Water Authority, Santa Clara Valley Water District, and Zone 7 Water Agency. The main purposes of the JPA are to ensure sufficient stable funding for the Project, including local cost shares, and to ensure that costs are reasonable, and that cost allocations are equitable and transparent.

THE PROJECT

The Project will enhance Bay Area and Central Valley water supply reliability, develop water supplies for wildlife refuges, and improve water quality while protecting Delta fisheries and providing additional Delta ecosystem benefits. Figure 1 shows a map of the Project location and benefits. When completed, it will increase the Los Vaqueros Reservoir's capacity from 160,000 acre-feet to 275,000 acre-feet and add new and modified conveyance facilities to provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits. Figure 2 shows a schematic of existing, modified, and new facilities that comprise the Project.

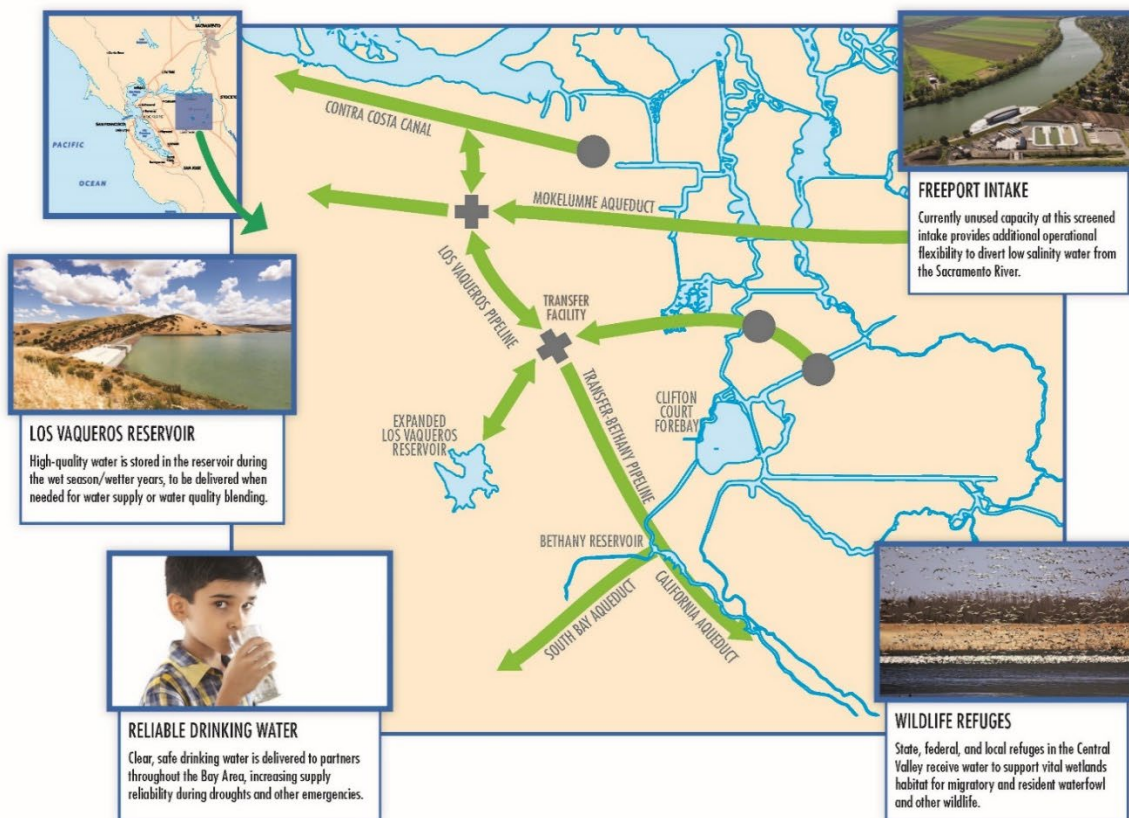
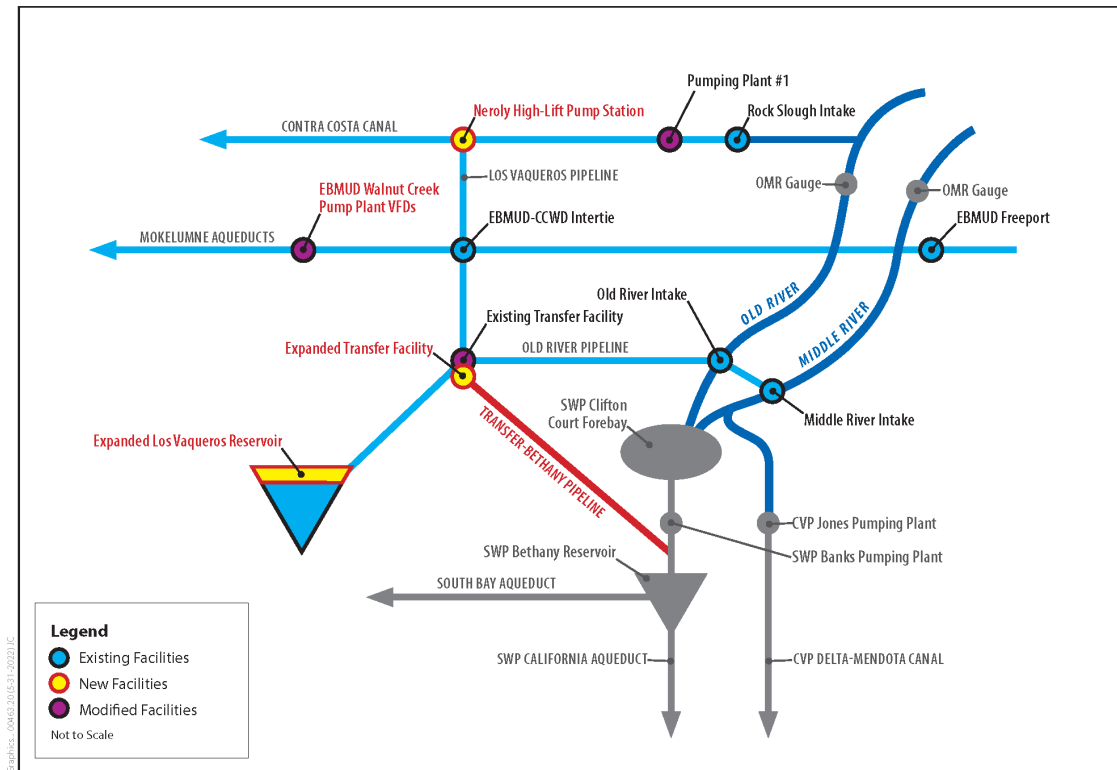


Figure 1 Location of Phase 2 Los Vaqueros Reservoir Expansion Project and Benefits

In FY23 the JPA hired Taryn Ravazzini as the Executive Director. In FY24 Contra Costa Water District (CCWD) will transition out of its role as the Interim Administrator to the JPA as more services are procured in FY24 by the JPA. CCWD will continue to provide technical services to the JPA as required and specified in Amendment No. 5 to Multiparty Agreement.



Existing, Modified and New Facilities of Los Vaqueros Reservoir Expansion Project

Figure 2 Schematic of Phase 2 Los Vaqueros Reservoir Expansion Project Facilities

Activities currently underway include permitting, facilities design, and agreement development, while also pursuing additional funding for the Project. The Project has been conditionally awarded approximately \$477 million of Proposition 1 funds from the California Water Commission and received a total of \$164 million in federal appropriations to date. The remainder of the project costs will be covered by additional federal funding, JPA Member contributions, and financing. Construction may begin as early as calendar year 2024, pending necessary reviews, approvals, and funding, and is anticipated to continue through 2030. Additional information is available at losvaquerosjpa.com.

The Board Members, officers, contractors, and anticipated contractors to the JPA (JPA services) are summarized below.

Board Members

Alameda County Water District Director

Paul Sethy, Treasurer

Alternate Director

Jonathan Wunderlich

East Bay Municipal Utility District Director

Mike Tognolini

Alternate Director

Lesa McIntosh

San Francisco Public Utilities Commission

Director

Dennis Herrera

Alternate Director

Steve Ritchie

Valley Water

Director

Rebecca Eisenberg

Alternate Director

Richard Santos

Contra Costa Water District Director

Ernesto Avila

Alternate Director

Antonio Martinez

Grassland Water District Director

Ellen Wehr, Secretary

Alternate Director

Ricardo Ortega

San Luis & Delta-Mendota Water Authority

Director

Anthea Hansen, Vice Chair
(Del Puerto Water District)

Alternate Director

Jose Gutierrez
(Westlands Water District)

Zone 7 Water Agency

Director

Angela Ramirez Holmes, Chair

Alternate Director

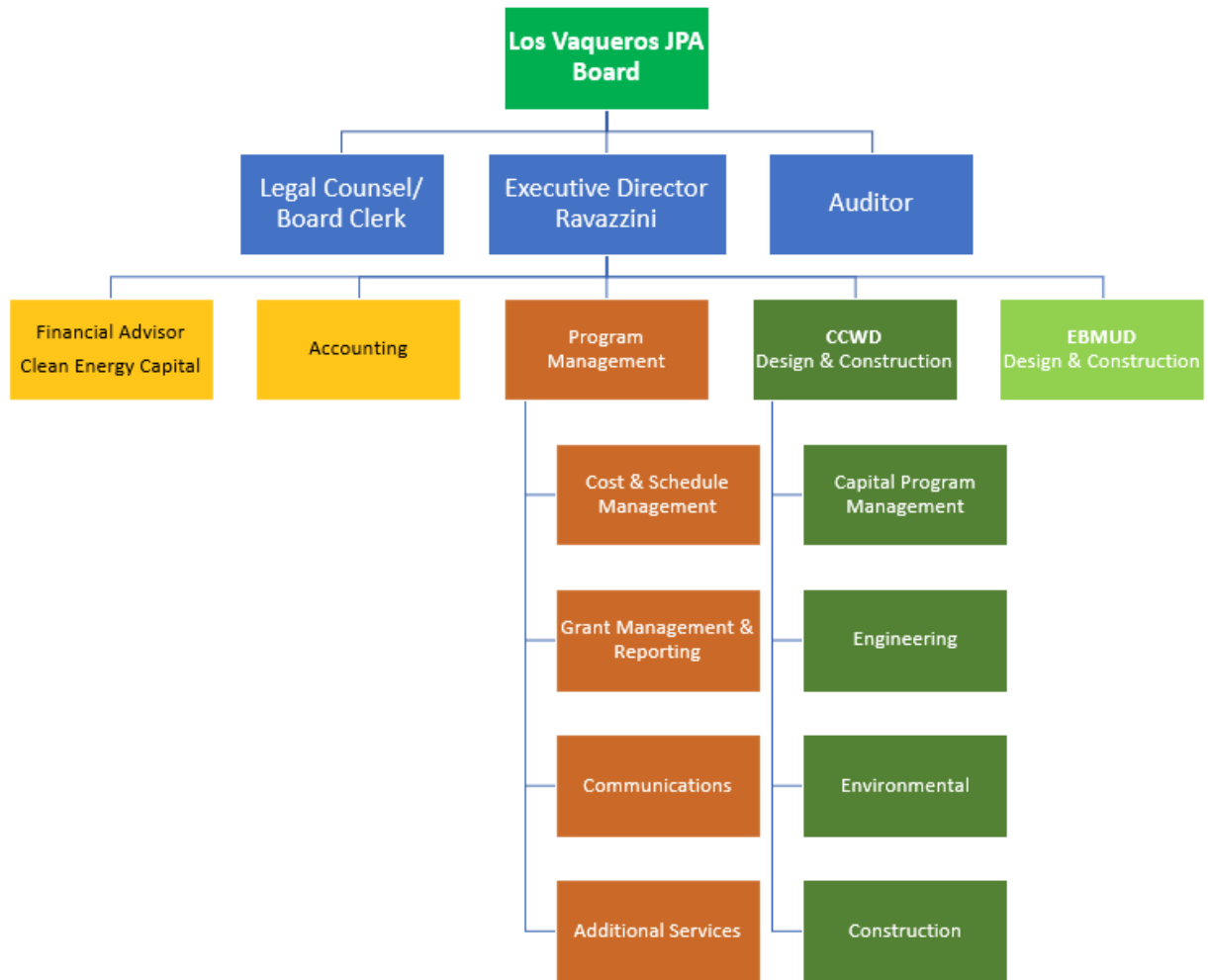
Sandy Figuers

Department of Water Resources

Ex-Officio

Department of Water Resources (DWR) is anticipated to appoint a non-voting member, pursuant to Water Code Section 79759(b)).

Organizational Chart



JPA Administration

Taryn Ravazzini – Executive Director

Jim Ciampa – General Counsel

Rose Perea – Clerk to the Board

Key Milestones

In FY23, in its first full fiscal year, the JPA achieved many significant milestones. The key accomplishments are listed below:

- Strengthened foundational governance structure of the JPA by adopting necessary fiscal and administrative policies and procedures
- Contracted with Executive Director Taryn Ravazzini
- Retained Jim Ciampa as General Counsel and Rosemarie Perea as Board Clerk, previously had served as Interim General Counsel and Interim Board Clerk
- Retained Clean Energy Capital as financial advisors to the JPA
- Retained S&P to provide an indicative credit rating for the JPA
- Competitively procured Program Management Consultant
- Procured banking and other financial services
- Procured insurance
- Transitioned administration services from CCWD to the JPA
- Convened regular monthly JPA Board meetings as well as Finance, Communications and Outreach, and Engineering and Operations Committees
- Convened workshops with Reclamation to evaluate federal investment and benefits
- Developed and strengthened relationships with legislative representatives in Washington D.C. and in Sacramento.

During FY24 the following additional milestones are anticipated:

- Complete permitting of the Project
- Execute Contracts for Administration of Public Benefits
- Execute a Design and Construction Agreement with CCWD
- Execute a Facility Usage Agreement with CCWD and EBMUD
- Execute a Service Agreement between the JPA and its Members
- Apply for a Water Infrastructure Finance and Innovation Act (WIFIA) Loan
- Hold the California Water Commission (CWC) final funding award hearing

Source of Funds

Funding for the Project comes from a variety of sources and is managed by the JPA and CCWD. Approximately \$19.073 million of state, federal, and local funding is expected in FY24, including \$6.300 million carryover from FY23. This total excludes construction funding, which, if construction proceeds, will require a revision and supplement to this budget. Table 1 below shows a summary of the sources of funds. Figure 3 shows the relative contribution of the various sources of funds anticipated in FY24.

STATE FUNDING

The Project is qualified for up to \$477.5 million of state funding through the Water Storage Investment Program administered by the California Water Commission (CWC). In 2018, CCWD executed an Early Funding Agreement with the CWC that provides for a state cost share of 50 percent of eligible costs, up to a maximum of \$23.9 million through December 31, 2023. It is anticipated that the remainder of \$2.0 million remaining from the Early Funding Agreement will be provided by the CWC in FY24. The non-state cost share is provided by federal and local funding. The CWC is invoiced monthly, and payments are in arrears. CCWD will collect state funds until the term of the Early Funding Agreement expires.

FEDERAL FUNDING

Although over \$164.0 million has been appropriated by Congress for construction of the Project, it is assumed that only funding for pre-construction activities will be available in FY24. In 2022, CCWD executed an Assistance Agreement with Reclamation to fund a portion of pre-construction activities. The Assistance Agreement provides for a federal cost share of 24 percent of eligible costs through December 31, 2023. The budget of the Assistance Agreement is approximately \$30.0 million, including \$7.2 million in Reclamation cost share (24%) and \$22.8 million in non-Federal cost share (76%). Non-Federal cost share is provided by state and local funding. Reclamation is invoiced quarterly, and payments are in arrears. It is anticipated that approximately \$2.1 million will be provided by Reclamation in FY23. CCWD will collect federal funds in FY24 until the term of the Assistance Agreement expires, or until such a time that the JPA enters into a new Assistance Agreement with Reclamation.

JPA DEBT FINANCE

The JPA anticipates applying for a Water Infrastructure Finance and Innovation Act (WIFIA) loan in FY24 for up to \$675 million; if the application is accepted, it is anticipated that the loan could close in FY24, after JPA members enter into the required Service Agreements. This budget does not assume that WIFIA will be available in FY24 to ensure sufficient local funding is collected. If the WIFIA loan closes and is drawn down in FY24, it could replace some or all of the local source of funds.

LOCAL FUNDING

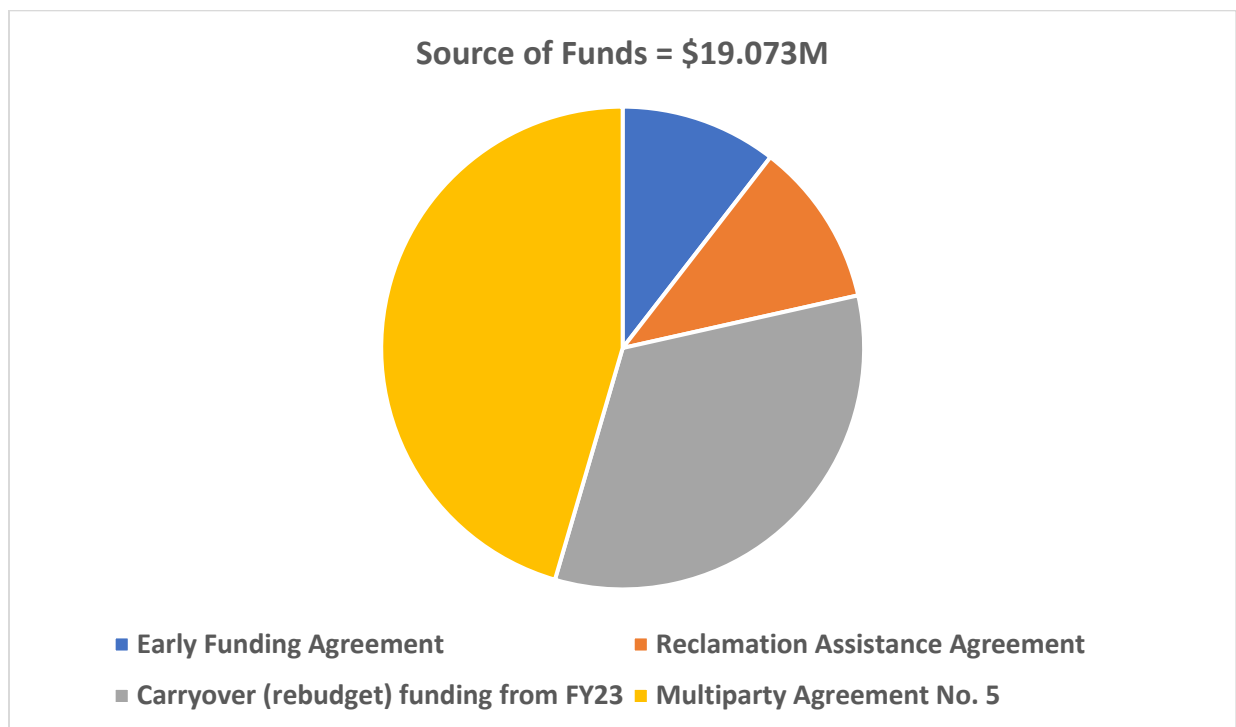
The JPA Members have been contributing funds to the Project since 2017 through a series of local cost share agreements between CCWD and other JPA Members. The Multiparty Cost Share Agreement was executed in 2019 and has been amended multiple times. Amendment No. 5 is in the process of being executed and the scope of work and budget align with the FY24 budget included here. It is anticipated that JPA Members will collectively contribute \$8.673 million in FY24. JPA Members will be invoiced in September 2023 and January 2024. The timing of the invoices is intended to allow for flexibility for JPA members, other than CCWD, to authorize execution of Amendment No. 5 of the Multiparty Agreement. JPA will remit payment to CCWD for work performed by CCWD in November 2023 and March 2024.

RE-BUDGET CARRYOVER FROM FY23

A portion of funds that have been collected by CCWD for the Project in the previous fiscal years from state, federal, and local sources remain unspent, due to conservative budgeting and typical ramping-up of project activities. The unspent funding collected for the Project will be re-budgeted into FY24. Approximately \$6.3 million is anticipated to be re-budgeted. CCWD will transfer \$1.425 million within 10 days of the effective date of Amendment No.5 to the Multiparty Agreement so that the JPA can pay its contractors until such time that they receive payment from members. The JPA will remit \$5.826 million to CCWD split into two equal payments in November 2023 and March 2024.

Table 1 Source of Funds in FY24 (values in dollars)

	CCWD	JPA	Total
State	\$2,000,000	\$0	\$2,000,000
Federal	\$2,100,000	\$0	\$2,100,000
Local	\$0	\$8,673,000	\$8,673,000
Carryover from FY23	\$6,300,000	\$0	\$6,300,000
Total	\$10,400,000	\$8,673,000	\$19,073,000

**Figure 3 – Source of Funds in FY24 (values in millions of dollars)**

Use of Funds

Approximately \$19.073 million in expenditures are expected in FY24. The use of funds includes services procured by the JPA (JPA Services), services procured and managed by CCWD (CCWD Services), CCWD Labor, and contingency. Table 2 below shows a summary of the use of funds. Figure 4 below shows the relative contribution of the various use of funds anticipated in FY24.

JPA SERVICES

In FY24, the JPA will continue the existing services procured in FY23 and seek new services. Expenditures for management services include the Executive Director and Program Management consultants. Expenditures for administration services include clerk to the board, and expenses associated with in-person meetings. Expenditures for financial services include financial advisor, fees associated with the WIFIA loan application, accounting, banking, and auditor. Expenditures for external affairs includes state and federal government relations. The JPA may select new contracts and service providers in FY24. Expenditures for legal include general counsel, bond counsel, and other specialized counsel to review service agreements and WIFIA loan agreements. Development and execution of the Service Agreement to finalize the allocation of Project benefits and costs to the JPA Members is also anticipated in FY24. The JPA anticipates applying for a WIFIA loan in FY24 for up to \$675 million. Total expenditures in FY24 for JPA services are anticipated to be \$3.651 million.

CCWD SERVICES AND LABOR

CCWD is responsible for the planning, permitting, design and construction of all facilities built and operated by CCWD described in Exhibit B of the JPA Agreement. CCWD has and will continue to hire consultants and staff to advance the Project, consistent with CCWD's procurement and hiring process. Permit applications have been submitted, and it is anticipated that permits will be issued in FY24. Design will continue to advance for the dam raise, Pumping Plant No. 1 Replacement and Transfer-Bethany Pipeline in FY24. It is anticipated that dam design will be completed in early FY24. CCWD will continue to use CCWD's legal counsel to review

key permits and contracts held by CCWD (i.e., CEQA, permits, water rights, etc.). It is anticipated that \$9.144 million will be expended on CCWD Services in FY24, excluding possible construction costs.

The budget for CCWD staff managing services, conducting technical work, and advancing the Project in FY24 is \$4.102 million. CCWD employees direct bill hours to the Project and to the extent appropriate, bill time to specific facilities. Labor budgets by facility are estimates and actual expenditures will depend on time specifically billed to the facilities. Taxes, benefits, and indirect costs are applied to direct billed hours.

CONTINGENCY

A contingency amount of \$2.176 million is included in the budget for FY24. This represents approximately 17 percent of CCWD's services and JPA services. Contingency will be used to address changes to the Project while continuing to meet key milestones and could be applied to JPA Services, CCWD Services, or CCWD Labor.

RESERVES

Capital Project Fund Reserve

The purpose of the Capital Project Fund Reserve is to provide sufficient working capital for authorized capital expenditures in the upcoming year. Given that construction is not anticipated in FY24, the Board may consider waiving compliance with this policy in FY24 and defer funding the reserves until FY25 when construction is anticipated.

Table 2 Use of Funds in FY24 (values in dollars)

	FY 24
JPA Services	
Management	\$1,706,000
Administration	\$250,000
Financial	\$720,000
External Affairs/Agency Negotiation Support	
Government Affairs: State (AWCA, CWC support)	\$40,000
Government Affairs: Federal	\$180,000
Agency Facilitation & Agreement Development Support	\$250,000
Legal	\$505,000
<i>Subtotal</i>	\$3,651,000
CCWD Services	
Management	\$75,000
Environmental Planning	
Dam Raise	\$790,400
Transfer Bethany Pipeline	\$364,800
Pumping Plant No.1	\$60,800
Program (not facility specific)	\$230,333
Design	
Dam Raise	\$534,000
Transfer Bethany Pipeline	\$2,200,000
Pumping Plant No.1	\$1,200,000
Program (not facility specific)	\$2,245,000
Construction	\$0
Legal	\$860,000
Fees	\$584,000
<i>Subtotal</i>	\$9,144,333
CCWD Labor	
Management	\$203,000
Environmental Planning	
Dam Raise	\$86,300
Transfer Bethany Pipeline	\$86,280
Pumping Plant No.1	\$86,280
Program (not facility specific)	\$1,467,000
Design	
Dam Raise	\$340,800
Transfer Bethany Pipeline	\$535,500
Pumping Plant No.1	\$340,800
Program (not facility specific)	\$956,500
<i>Subtotal</i>	\$4,102,460
Contingency	\$2,175,207
Total	\$19,073,000

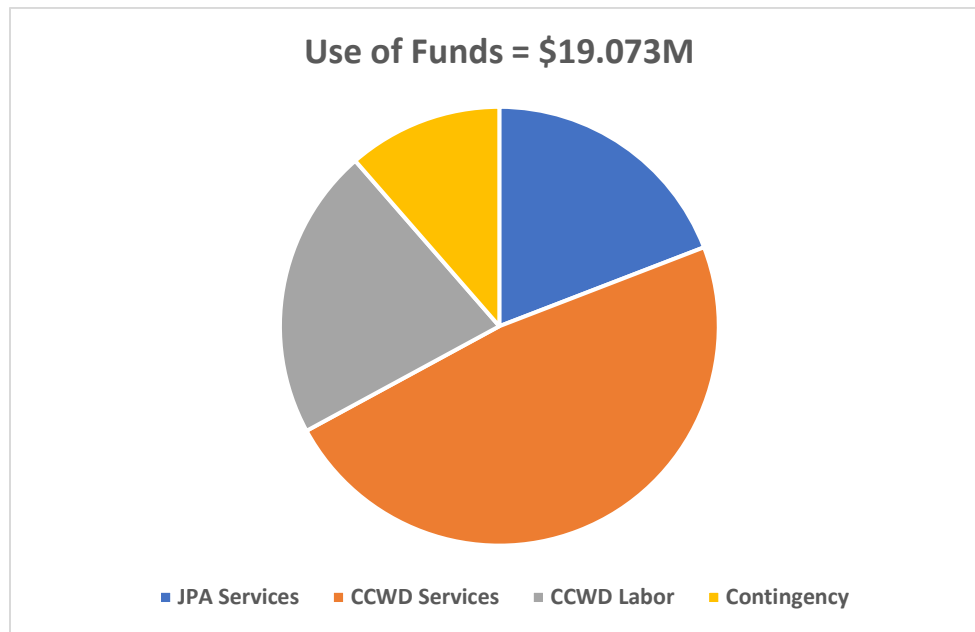


Figure 4 - Use of Funds in FY24 (values in millions of dollars)

Figure 5 shows the preliminary schedule of the major activities in FY24.

Los Vaqueros Reservoir Joint Powers Authority Preliminary Timeline of Major Activities

CWC Award Hearing

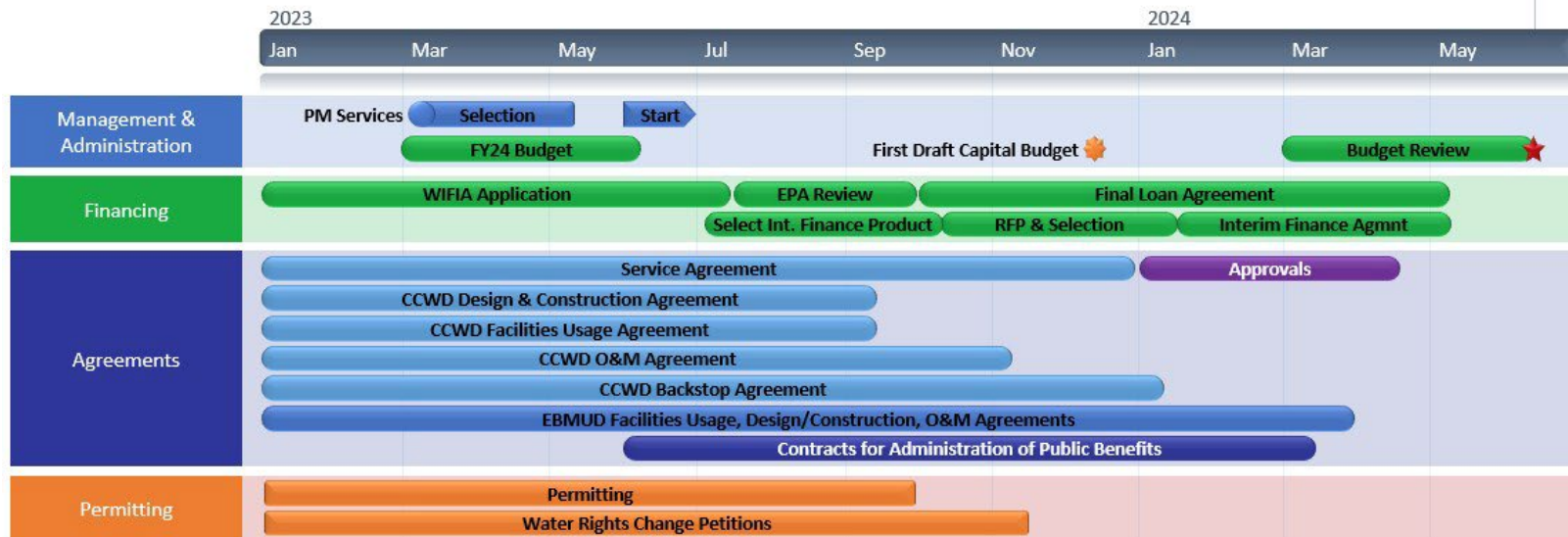


Figure 5 Preliminary Schedule of FY24 Activities of the Phase 2 Los Vaqueros Reservoir Expansion Project

Capital

All the costs for development of the Project are currently identified as capital costs through FY24. Project development expenditures will be categorized as capital until the Project become operational. It is anticipated that the development phase will continue through FY24. Construction is expected to begin as early as the summer of calendar year 2024 and likely to begin by FY25. Partial operation of the Project is not expected to commence until 2027 at the earliest. Until such time that the Project becomes operational, all development and construction expenses, and JPA administrative services are considered capital expenditures. Table 3 below summarizes the capital budget in FY24.

Table 3 Capital Budget (values in millions of dollars)

	CCWD	JPA	Total
Services	\$9.144	\$3.651	\$12.795
Labor	\$4.102	\$0	\$4.102
Contingency	\$1.555	\$0.621	\$2.176
Total	\$14.801	\$4.272	\$19.073

Operating

It is anticipated that the development phase will continue through FY24. Construction is expected to begin in FY25. Partial operation of the Project is not expected to commence until 2027 at the earliest. Until such time that the Project becomes operational and begins to deliver water to JPA Members, expenses will be capitalized and there will be no operating expenses of the JPA.

ITEM 2.7: APPROVAL OF AMENDMENT NO. 5 TO MULTI-PARTY COST SHARE AGREEMENT

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Board of Directors approval Amendment No. 5 to the Multi-Party Cost Share Agreement to provide funding for the Authority through June 30, 2024.

DISCUSSION:

The Board of Directors previously approved Amendment No. 4 to the Multi-Party Cost Share Agreement at its November 9, 2022 meeting. Amendment No. 4 provides interim funding for the Authority through June 30, 2023. Given the revised schedule for the Service Agreement and related Project agreements discussed at the May 19 Board meeting, a new amendment is needed to provide funding to the Authority for the July 1, 2023 through June 30, 2024 fiscal year, in accordance with FY 24 Budget considered under the preceding item.

Amendment No. 5 to the Multi-Party Cost Share Agreement has been discussed among the members' staffs and the version presented today incorporates various requested revisions discussed over the past months. Amendment No. 5 must be approved and executed by the Authority and Contra Costa Water District before June 30, 2023, with execution by the other members to follow.

ALTERNATIVES:

No practical alternative exists at this time.

FISCAL ANALYSIS:

Members' respective cost share amounts are set forth in Amendment No. 5 at \$1,239,000 per Member (not including Grassland Water District and the Authority).

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Amendment No. 5 to Multi-Party Cost Share Agreement

**Amendment No. 5 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); 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, “JPA Members”) and the Los Vaqueros Reservoir Joint Powers Authority (JPA)¹, dated April 30, 2019, and amended by Amendments Nos. 1, No. 2, No. 3, and No. 4, dated June 22, 2020, December 2, 2020, November 1, 2021, and December 27, 2022, respectively (referred to hereafter as the “Agreement”), shall hereby be amended by this amendment (“Amendment No. 5”). The Agreement, together with Amendment No. 1, No. 2, No. 3, No. 4, and this Amendment No. 5, may be referenced hereafter as the “Agreement as amended.”

RECITALS

WHEREAS, the Los Vaqueros Reservoir Joint Powers Authority and the JPA Members (collectively, “Parties”) entered into the Agreement 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, November 1, 2021, and December 27, 2022, which amendments, among other modifications, collectively extended the term of the Agreement to the earlier of (i) the completion of the work contemplated therein, or (ii) June 30, 2023, unless the term is further modified consistent with Section 17 of the Agreement.

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. 4 with the revised Scope of Work and Budget for activities funded by this Amendment No. 5, attached and incorporated herein as Exhibits A-5 and B-5, respectively; (3) amend the cost and payment terms of the Agreement as provided herein; (4) supersede and functionally replace the Administrative Agreement, dated January 11, 2022, between CCWD and the JPA which provided for CCWD to serve as initial administrator of the JPA per Amendment No. 3; and (5) include an additional purpose in Section 1 of the Agreement and additional roles and responsibilities of certain Parties of Section 2 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 The JPA was added as a party to the Cost Share Agreement in Amendment No. 4 and was not a party to the original Agreement or Amendment Nos. 1 through 3. The JPA shall be subject to the terms of the Agreement, as previously amended and amended under this Amendment No. 5, as if it were a party to the original Agreement.

1. Section 1 (Purpose)

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

- u) Complete the transition of JPA administration and financial management from CCWD to the JPA.
- v) Fund JPA work pursuant to the Agreement as amended, consistent with the adopted Fiscal Year 2024 JPA budget.

As of the effective date of Amendment No. 5 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, s, t, u, and v will be advanced under the Agreement as amended. Work completed by the Consultant Team, the JPA, and CCWD staff to achieve these purposes will be partially funded by this Amendment No. 5 to the Agreement.

A detailed revised Scope of Work and Budget for activities funded by this Amendment No. 5 are included in Exhibit A-5 and Exhibit B-5, respectively, which are attached hereto and incorporated herein as if fully set forth in this Amendment No. 5 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

As of the effective date of Amendment No. 5, CCWD Responsibilities b, e, g, j, k, s, u, and x, out of CCWD responsibilities a-hh, as provided for in the Agreement, have been achieved and do not require additional funding.

CCWD Responsibility aa shall be amended and replaced in its entirety with the following:

- aa) will inspect the Transfer Pipeline and conduct a hydraulic evaluation of the Contra Costa Canal between Pumping Plant No. 2 and No. 4 as required in support of the design of Pumping Plant No. 1.

CCWD Responsibilities shall be amended to include the following additional responsibilities:

- ii) assist, as needed, the JPA in the preparation of a loan application for submittal to the U.S. Environmental Protection Agency (U.S. EPA) as allowed for under the Water Infrastructure Finance and Innovation Act (WIFIA).

- jj) continue to assist the JPA with negotiating the contracts for administration of public benefits with California Department of Water Resources (DWR) and California Department of Fish and Wildlife (CDFW).
- kk) provide presentations and technical information to support JPA Board and committee meetings, as needed.
- ll) support the JPA's preparation for meetings with elected officials, project stakeholders, media, and others and participate in these meetings and events, as requested by the JPA, acting through its Executive Director or their designee, to achieve the common Project objectives of CCWD and the JPA. Collaborate and coordinate in a timely manner with the JPA on outreach and messaging, including through the sharing of CCWD materials used in CCWD communications on the Project. CCWD and the JPA will coordinate at the appropriate management level to ensure clear and consistent messaging, particularly with respect to state and federal elected officials.
- mm) transition hosting of the JPA website and public communications support to the JPA.
- nn) upon request, provide technical support of JPA agreement development with state and federal agencies as appropriate.
- oo) compile monthly progress reports, in such format and to include such information as is mutually agreed upon by CCWD and JPA to enable the JPA, acting through its Executive Director or their designee, to ensure substantiation of CCWD's costs, for work performed by CCWD and CCWD's consultants and submit such reports to the JPA to support the draft and final monthly JPA Treasurer's Reports and other financial reports prepared by the JPA.
- pp) prepare Fiscal Year 2023 year-end financial statements, including final summary of contingency use and carryover funding available for FY24, and submit to the JPA to support Fiscal Year 2023 audit.
- qq) provide assistance to the JPA as required to complete full implementation of the Financial Transition Plan, by September 1, 2023.
- rr) upon request, assist the JPA with negotiating a final funding agreement with California Water Commission, and a construction funding agreement with Bureau of Reclamation.

2.9 Los Vaqueros Reservoir Joint Powers Authority Responsibilities

JPA Responsibilities a-f as described in Amendment No. 4 to the Agreement shall remain unmodified and the following additional responsibilities shall be included in the Agreement as amended:

- g) negotiate and execute the contracts for administration of public benefits with California Department of Water Resources (DWR) and California Department of Fish and Wildlife (CDFW).

- h) negotiate and execute a final funding agreement with California Water Commission.
- i) negotiate a construction funding agreement with Bureau of Reclamation.
- j) negotiate, for and on behalf of all JPA Members, all agreements with and between the EBMUD and CCWD that are required under this Agreement as amended and the JPA Agreement, including, but not limited to, the Service Agreement.
- k) coordinate and collaborate with CCWD in the negotiations over items (g) and (j).
- l) prepare for and participate in meetings with elected officials, project stakeholders, media, and others as appropriate.
- m) collaborate and coordinate in a timely manner with CCWD on outreach and messaging, including the sharing of JPA materials used in JPA communications on the Project. JPA and CCWD will coordinate at the appropriate management level to ensure clear and consistent messaging, particularly with respect to state and federal elected officials.
- n) host and maintain the JPA website.
- o) develop public information such as Project factsheets, presentation slides, and other materials as required.
- p) administer state and federal agreements as required to advance development of the Project.
- q) manage the consultant team procured and funded by the JPA.
- r) prepare draft and final monthly JPA Treasurer's Reports.
- s) review and provide input on monthly progress reports for work performed by CCWD and CCWD's consultants.
- t) develop policies and procedures for accounting and project controls.

3. Section 3 (Cost & Payment)

Section 3 shall be amended such that the following terms 3(a) through 3(d) inclusive shall supersede and replace Section 3, as amended in Amendment No. 4, in its 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-5 and the Budget provided for in Exhibit B-5. As provided for in Exhibits A-5 and B-5, CCWD's labor and services represent approximately 75 percent of the total scope of work and budget associated with this Amendment No. 5.

- a) Total costs to fund work hereunder are identified in Exhibit B-5. The JPA Members' collective total share of the cost, for work funded through this Amendment No.5, shall not exceed \$8,673,000 ("Total Cost Share").

- b) Notwithstanding anything to the contrary in the Agreement as amended, the JPA Members, excluding GWD, shall be responsible for providing the Total Cost Share in accordance with Exhibit B-5. In no event shall any Party's individual share of the Total Cost Share exceed \$1,239,000, excluding GWD. Timing and quantity of payment for each Party shall not vary from what is set forth in Exhibit B-5 unless the Parties voluntarily agree to modifications pursuant to Sections 3(d)(vi) 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. CCWD will cooperate with any reasonable request from the JPA, acting through its Executive Director or their designee, for review of cost information that supports amounts to be paid to CCWD under the Agreement, as amended.
- 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 JPA Member 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. The SFPUC's financial obligations under 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, the SFPUC's financial obligations under 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 the JPA 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 the JPA under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and, if necessary, 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 recipient of City funds 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 recipient of City funds is subject to the enforcement and penalty provisions in Chapter 12G.

- d) The JPA Members, excluding GWD, will split the Total Cost Share equally. The JPA will invoice each of the JPA Members for their individual shares of the Total Cost Share detailed in Exhibit B-5.
- (i) The JPA will issue two invoices to JPA Members according to the schedule below:
 - 1. September 1, 2023
 - 2. January 5, 2024
- (ii) Payment from the JPA Members shall be remitted within sixty (60) days after invoice submittal.
- (iii) Funds contributed by the JPA Members shall be committed by the JPA and expended only for work required to further the purposes of the Agreement as amended.
- (iv) By electronic transfer, CCWD will, within 10 days of the effective date of this Agreement as amended, transfer \$1,425,000 to the JPA to support contracts administered by the JPA.
- (v) The JPA will submit two progress payments of \$2,913,000 each to CCWD to fund CCWD staff and CCWD managed contracts according to schedule below:
 - 1. November 1, 2023
 - 2. March 9, 2024
- (vi) If one or more JPA Members withdraw from the Agreement such that the JPA Members' individual cost shares change substantially, or the individual cost shares exceed the maximum financial responsibility for each JPA Member (determined herein as \$1,239,000), each remaining JPA Member, at its sole discretion consistent with Section 3(b) of this Agreement, shall determine whether to withdraw from the Agreement. The JPA Members who do not choose to withdraw will work together within the JPA to develop an amendment that substantially conforms to this Agreement. If no mutually agreeable amendment can be developed, the remaining JPA Members will terminate this Agreement.
- (vii) If a new JPA Member is added, consistent with Section 12 of this Agreement, each subsequent invoice for each JPA Member will be adjusted to reflect the cost share of the new JPA Member and the total number of JPA Members. The adjustments contemplated herein shall reflect any "catch-up" contribution required of the newly added JPA Member 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 JPA Members' individual monetary shares paid pursuant to the Agreement as amended prior to the date of the new JPA Member's signing of the Agreement.
- (viii) If funds remain after work under this Agreement as amended is completed, each JPA Member will determine whether its pro-rata share of the remaining funds shall be returned or contributed to future work consistent with Section 7 of the Agreement. Each JPA Member shall advise the JPA of its determination within sixty (60) days of receiving notice from the

JPA of the completion of the work, or the remaining funds shall automatically be contributed towards future work.

- (ix) 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 JPA Member with no minimum or maximum in-kind contribution limits.
- (x) A portion of the funding provided to CCWD includes contingency funding as shown in Exhibit C-5. CCWD and the JPA will notify each other whenever contingency funds are used. CCWD and the JPA will manage their funds, including contingencies, consistent with their respective board policies. Interagency transfers of contingency may be required depending on the needs of CCWD and the JPA.
- (xi) CCWD will contribute \$294,000 of in-kind services.

4. 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, 2024, unless the Term is further modified consistent with Section 17 of this Agreement.

Effective date of Amendment No. 5.

Amendment No. 5, including the financial contribution provisions herein, shall be effective as of the date of signature by CCWD and the JPA, but no earlier than July 1, 2023, and that effective date shall apply retroactively to each subsequent party signatory.

Except as amended by this Amendment No. 5, the Agreement as previously amended shall continue in full force and effect. This Amendment is not intended to have any precedential or preemptive effect on any subsequent agreement between CCWD and the JPA. This Amendment No. 5 may be executed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute Amendment No. 5. The parties agree to the use of electronic signatures.

[Signature Page on Next Page]

Ed Stevenson, General Manager Alameda County Water District	Date
Rachel Murphy, General Manager Contra Costa Water District	Date
Clifford C. Chan, General Manager East Bay Municipal Utility District	Date
Ric Ortega, General Manager Grassland Water District	Date
Taryn Ravazzini, Executive Director Los Vaqueros Reservoir Joint Powers Authority	Date
Dennis J. Herrera, General Manager San Francisco Public Utilities Commission	Date
Approved as to Form Deputy City Attorney, San Francisco	Date
Federico Barajas, Executive Director San Luis & Delta-Mendota Water Authority	Date
Rick L. Callender, Esq., Chief Executive Officer Santa Clara Valley Water District	Date
Valerie Pryor, General Manager Zone 7 Water Agency	Date

Exhibit A-5
Amendment No. 5 Scope of Work²

The following tasks describe the work efforts by Contra Costa Water District (CCWD), the JPA, and the JPA Members under the Amendment No. 5 to the Agreement for the purpose of advancing the Phase 2 Los Vaqueros Reservoir Expansion (LVE) Project. CCWD is the lead agency for permitting, water rights, and design of CCWD constructed and operated facilities for the LVE Project as defined in the JPA Agreement. CCWD will be supported by the consultant and legal services team that are under contract to CCWD and managed by CCWD, and the JPA will be supported by consultants under contract to the JPA and managed by the JPA, acting through its Executive Director or their designee. References to joint work efforts by Reclamation are described as appropriate but are not intended to imply that Reclamation is a party to the Agreement as amended.

Task 1 Project Management

Task 1.1 Funding Agreement Administration

CCWD will continue to 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. The Early Funding Agreement will terminate December 31, 2023.

CCWD will continue to 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. The Assistance Agreement will terminate December 31, 2023.

CCWD will compile and submit to the JPA monthly progress reports concerning work performed by CCWD, including documentation substantiating such work and work performed by CCWD's consultants. CCWD will provide financial statements and other supporting documentation as requested by the JPA, acting through its Executive Director or their designee.

The JPA will be responsible for administering any subsequent state and federal funding agreements.

Deliverables:

- ☐ Progress reports and associated backup documentation
- ☐ Monthly & Quarterly Progress Reports (for CWC and Reclamation)
- ☐

² See Exhibit C-5 for a breakdown of the use of funds budgeted for JPA services, CCWD services, and CCWD labor with respect to the scope of work covered by Amendment No. 5.

Task 1.2 Project Management Activities

This task includes project management activities performed by CCWD, the JPA and its Members, 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 Monthly Progress Reports

Task 1.3 Joint Powers Authority Formation

This task has been completed.

Task 1.4 JPA Administration

CCWD has transitioned its responsibilities as the Interim Administrator of the JPA to the JPA Executive Director pursuant to the Agreement as amended. The JPA will continue with necessary actions related to its administration, including conducting Board of Directors' and committee meetings and procurement of professional and other services as described herein. The JPA was invited to apply for a loan under the U.S. EPA WIFIA Loan program, and the JPA will take all actions necessary to procure that loan, which will include preparation and submittal of an application, and obtaining required credit rating(s), among other necessary tasks.

The JPA will host and maintain the JPA website and will be responsible for development of all public communications related to the Project.

The JPA will work with the JPA Members to develop all agreements that the JPA will enter into including but not limited to Interim Funding Agreement (if required), Service Agreement between the JPA and the JPA Members, 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, facilities usage agreements with CCWD and EBMUD, operations and maintenance agreements with CCWD and EBMUD.

Deliverables:

- Service Agreement
- Continued funding through Multi-Party Cost Share Agreement amendments
- WIFIA Loan Application
- JPA Website hosting and maintenance
- Public information materials
- Agreements between JPA and State/Federal Agencies
 - Contract for Administration of Public Benefits
 - Construction Funding Agreement with Reclamation
 - Final Funding Agreement with CWC
- Agreements between the JPA and CCWD
 - Facilities Usage Agreement

- Design and Construction Agreement
- Operations and Maintenance Agreement
- Agreements between the JPA and EBMUD
 - Facilities Usage Agreement
 - Design and Construction Agreement
 - Operations and Maintenance Agreement

Task 2 Environmental Planning

Task 2.1 Modeling

CCWD will develop new or modify existing modeling tools to support the JPA in establishing operational priorities and the allocation of facility capacity and anticipated benefits to JPA Members for incorporation into the Service Agreement. Refine the model to track terms and requirements of various water rights and permits. Refine the Los Vaqueros daily operations model to accommodate JPA 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

CCWD will provide technical assistance to support the JPA's outreach activities to educate and inform the media, elected officials, JPA Member ratepayers, communities in the Los Vaqueros area, environmental organizations, and regional and statewide interests about the purpose, objectives, and results of the technical studies. CCWD and the JPA will continue to coordinate at the appropriate management level to ensure clear and consistent messaging, particularly with respect to state and federal elected officials. JPA will, at least monthly, provide to JPA Members information regarding outreach activities planned to occur over the following 4-6 weeks for information and to allow JPA Members to coordinate such activities in advance. JPA, acting through its Executive Director or their designee, and CCWD will, on at least a monthly basis, meet to coordinate and collaborate on key messages for planned/upcoming outreach activities.

CCWD will continue to post materials to the CCWD hosted project website at ccwater.com. The JPA will be responsible for posting materials to the JPA website and responsible for responding to inquiries received through the website at losvaquerosjpa.com.

Deliverables:

- Stakeholder and public involvement program (ongoing)
- Documentation of outreach activities (as required)

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 and certification of the Supplement, pursuant to CCWD Resolution 21-006, by CCWD as the lead agency. 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 proposed, these changes would need to adhere to the CCWD Board Principles and conditions of CCWD Resolutions 03-24, 03-25, and 04-11, as applicable, and may require additional environmental surveys (i.e., aquatic resources, wildlife/botanical, etc.), documentation (i.e., CEQA/NEPA addendum/memo to file/further action by CCWD as lead agency), and permitting efforts (i.e., application/agreement amendments).

All agency meetings and technical workgroup meetings required to support the environmental document and studies are described in Task 1.2 and Task 2.2.

(2.3.1) Post-Draft Supplement Technical Studies and Surveys

This task has been completed.

(2.3.2) Transfer-Bethany Pipeline Alternative Location Evaluation

This task has been completed.

(2.3.3) Final Supplement to the Final EIS/EIR

This task has been completed.

(2.3.4) CEQA Findings and Mitigation Monitoring and Reporting Plan

This task has been completed.

(2.3.5) Record of Decision

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

Deliverables:

- ☐ Record of Decision

Task 2.4 Regulatory Permitting

CCWD is the permit holder and will 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.

CCWD and its consultant and legal team will 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 (CNDDB), 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.

CCWD and its consultant and legal team will prepare the regulatory permit applications for the proposed project. Attend meetings with regulatory agencies. Where pertinent to the Project's needs, CCWD will include a JPA representative in such meetings. 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

CCWD will coordinate with Reclamation, the Department of Water Resources (DWR), JPA Members, and the State Water Resources Control Board (State Water Board) regarding changes to existing water rights. CCWD and its consultant and legal team will prepare necessary petitions for change for CCWD's water rights permits and will assist Reclamation, DWR, and JPA Members (as requested) with preparation of additional change petitions, as required and appropriate. CCWD and its consultant and

legal team will file necessary CCWD water rights 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.

CCWD will continue to assist SPFUC to secure a new source of water to store in the Project.

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 other water rights, as required

Task 2.6 Compensatory Mitigation

CCWD will 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 JPA.

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 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; an agreement between CCWD or the JPA 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 EBMUD's determination to proceed with such an agreement); 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)
- ☐ Cost-share agreement with Reclamation for pre-construction activities (completed)
- ☐ Agreement between JPA or CCWD and DWR for the tie-in of the Transfer-Bethany Pipeline to the California Aqueduct (in progress)
- ☐ MOU between CCWD and EBMUD for Backstop Water Agreement study (completed)
- ☐ Backstop Water Service Agreement between CCWD, EBMUD, and JPA (pending EBMUD's determination to proceed with such an agreement)

Task 3 Engineering Feasibility

Task 3.1 Financial Evaluation

The JPA will perform a financial evaluation that will assess the costs and merits of the Project; will further develop the 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 operations, water pricing, or other financial components of the Project. The JPA will work directly with JPA Members, as needed, to support each agency's understanding and familiarity with the financial evaluation.

The JPA 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, JPA Members 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 (in progress)

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. CCWD, with the support of and input from the JPA, acting through its Executive Director or their designee, and JPA Members, will continue to be the lead with securing Reclamation approvals for federal permits and operational agreements.

Additional work may be necessary to secure Congressional budget appropriations for construction activities. CCWD and the JPA, acting through its Executive Director or their designee, will also provide support to Reclamation on any post- feasibility report requirements as needed. The JPA, in collaboration and coordination with CCWD, will be the lead in negotiating a federal construction funding agreement with Reclamation and other related agreements with Reclamation as necessary.

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

(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 by CCWD 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 (in progress)
- ☐ Agreement with WAPA

(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%

(3.3.3) Transfer-Bethany Pipeline

CCWD will 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 (in progress)
- ☐ 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

(3.3.4) Operation and Reliability Assessment

This task has been completed.

(3.3.5) Recreation Facilities

This task has been completed.

(3.3.6) Existing Facilities Inspections and Assessments

This task has been completed.

Task 3.4 Capital Project Management Support

CCWD has competitively procured 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. CCWD will work in coordination with the JPA and the JPA's Program Management consultant to provide updates on ongoing activities led by CCWD for overall LVE Project progress tracking. Those updates may be included in the monthly progress reports described under Task 1.1, above.

Deliverables:

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

Exhibit B-5
Budget and Cost Share

The budget for Amendment No. 5 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-5 that is covered under this Amendment No.5 is \$19,073,000, as shown in Table 1 below.

Table 1. Budget of Scope of Work

	Original MPA Budget	Amendment No. 2	Amendment No.3	Amendment No. 4	Amendment No. 5	Total
Project Management	\$1,090,600	\$2,302,400	\$1,460,200	\$1,768,000	\$5,374,000 ³	\$11,995,200
Environmental Planning	\$3,777,400	\$5,368,967	\$4,816,429	\$4,462,000	\$3,171,000	\$21,595,796
Engineering Feasibility	\$6,755,400	\$10,161,300	\$13,467,940	\$6,306,000	\$8,352,000	\$45,042,640
Contingency		*	\$987,228	\$714,000	\$2,176,000	\$3887,228
Total	\$11,623,400	\$17,832,667	\$20,731,798	\$13,250,000	\$19,073,000	\$82,510,865

*\$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 \$19,073,000 and will be paid through a combination of reimbursement from Reclamation, reimbursement from the California Water Commission (CWC), and contributions from the JPA Members. To calculate the amount owed by JPA Members, 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 \$8,673,000 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 JPA Members, excluding Grassland Water District and the JPA. Two invoices are proposed over the term of the Agreement as amended for JPA Members.

Table 2. Cost to be Paid by JPA Members, excluding GWD

Net Costs for term covered by Amendment No. 5 to Multi-party Agreement (July 2023 – June 2024)	
	Amount
Total Projected Costs	\$19,073,000
less Reclamation reimbursement	-\$2,100,000
less projected carryover of unspent funds from Amendment No. 4	-\$6,300,000
less projected CWC reimbursement	-\$2,000,000
Total Remaining Costs	\$8,673,000

³ See again Exhibit C-5 for a breakdown of the use of funds budgeted for JPA services, CCWD services, and CCWD labor for the scope of work covered by Amendment No. 5.

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 the Amendment No. 5 (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 for JPA Members

		Invoice #1	Invoice #2
	Total Cost Per Agency	September 2023	January 2024
7 Agencies Participate	\$1,239,000	\$619,500	\$619,500

Table 4 shows the timing and amount of payment from the JPA to CCWD for CCWD’s labor and services managed by CCWD. The total payment was calculated as the remainder of funding required to fund CCWD’s services and labor after considering state, federal, and carryover funding at CCWD. Two progress payments to CCWD are required after the JPA collects funds from the JPA Members.

Table 4. JPA Progress Payments to CCWD

	Payment #1	Payment #2
Total FY24 Payment to CCWD	November 1, 2023	March 9, 2024
\$5,826,000	2,913,000	2,913,000

Exhibit C-5
Project Budget Including CCWD/JPA Transfers and Use of Funds

	<u>CCWD</u>	<u>JPA</u>	<u>Total</u>
A. Sources of Funds			
State	\$2,000,000	\$0	\$2,000,000
Federal	\$2,100,000	\$0	\$2,100,000
Local	\$0	\$8,673,000	\$8,673,000
Carryover from FY23	\$6,300,000	\$0	\$6,300,000
Total	\$10,400,000	\$8,673,000	\$19,073,000
B. InterAgency Transfers			
CCWD Transfer to JPA (Fund 60 Transfer)	-\$1,425,000	\$1,425,000	\$0
JPA Progress Payments to CCWD	\$5,826,000	-\$5,826,000	\$0
Total	\$4,401,000	-\$4,401,000	\$0
C. Sources of Funds adjusted for InterAgency Transfers	\$14,801,000	\$4,272,000	\$19,073,000
D. Uses of Funds			
JPA Services	\$0	\$3,651,000	\$3,651,000
CCWD Services	\$9,144,000	\$0	\$9,144,000
JPA and CCWD Services Contingency	17% \$1,555,000	\$621,000	\$2,176,000
CCWD Labor	\$4,102,000	\$0	\$4,102,000
Total	\$14,801,000	\$4,272,000	\$19,073,000

**ITEM 2.8: CONSIDERATION OF DESIGNATION OF VOTING REPRESENTATIVE
FOR ASSOCIATION OF CALIFORNIA WATER AGENCIES 2024-25
ELECTION**

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

That the Board of Directors take action in its discretion with respect to designating a voting representative for purposes of the 2024-25 election term for the Association of California Water Agencies.

DISCUSSION:

At its May 19 meeting, the Board approved the Authority becoming a member of the Association of California Water Agencies (“ACWA”). On June 2, the ACWA Board of Directors voted to approve the Authority as a new member. ACWA will be conducting the election for its President and Vice President for the 2024-25 term in the coming months. Each ACWA member must designate its voting representative by June 16. If an agency fails to designate a voting representative, its general manager (in the Authority’s case, the Executive Director) will by default be deemed to be the agency voting representative. This action is to simply designate the Authority’s voting representative and not to make any vote in the election.

ALTERNATIVES:

If the Board does not act to designate a voting representative, the Executive Director will by default be deemed to be the Authority’s voting representative.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

ACWA Election materials

ACWA has launched two separate but concurrent election processes for the 2024-'25 term: the board officers' election for President and Vice President and the region board elections. **In order to vote for the board officers, each member agency must designate one voting representative by June 16.** To designate your agency's one voter, submit this Authorized Voting Representative Form by the June deadline. If you do not designate a representative to vote by the deadline, your agency's General Manager will be the authorized voter by default. Authorized voters will receive an electronic ballot on July 17. For more information about ACWA's elections, visit www.acwa.com/elections.

The person designated below will cast our agency's vote for the election of ACWA's President and Vice President for the 2024-'25 term in the upcoming election.

Member Agency's Name		Agency's Phone No.
Authorized Voting Representative's Name	Authorized Voting Representative's Email	Authorized Voting Representative's Phone No.

Our member agency would like to cast a paper ballot by U.S. mail instead of voting electronically.
Please provide the mailing address below only if you are voting by mail.

Mailing Address	City, State and Zip
-----------------	---------------------

Print Name of Member Agency's Authorized Signatory

X

Authorized Signatory Signature

Date

SUBMIT YOUR FORM

To: Donna Pangborn, Senior Clerk of the Board
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Mail: 980 9th Street, Suite 1000, Sacramento, CA 95814

**SUBMISSION DEADLINE
JUNE 16, 2023**

DISCUSSION ITEM

ITEM 3.1: FEDERAL RELATIONS UPDATE

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

The Authority, U.S. Bureau of Reclamation (Reclamation), and Contra Costa Water District (CCWD) have been working closely together to advance several Federal agreements, approvals, and permits required to initiate Project constructions. Our technical teams have been working collaboratively, with active engagement from the Region's leadership, to navigate complex technical, policy, and legal questions related to Federal participation in this State-led Project. Leadership workshops hosted by California Great Basin Regional Director Ernest Conant and Reclamation executive staff have been held with the Authority and CCWD teams, the first on April 14 and second on May 23, 2023. These workshops have been very productive and have helped to strengthen the working relationship between Project leadership and our federal partners. Additionally, the Authority received a direct request for a briefing on the status of LVE from Reclamation Commissioner Camille Touton, which was conducted on June 1, 2023, and well-received.

Authority Board members have expressed interest in having more in-depth discussions on the coordinated work with Reclamation and other federal relations activities. Authority consultants Natural Resource Results, Water and Power Law Group, and Khadam Consulting have provided the attached written reports to provide status updates on these activities.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

None

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Written briefing to Bureau of Reclamation Commissioner Touton; Written Reports from NRR/WPLG and Khadam Consulting

Los Vaqueros Reservoir Expansion Project Phase 2 Federal Agreements, Approvals, and Permits for Project Construction

The Los Vaqueros Reservoir Expansion Project Phase 2 (LVE2 or Project) aims to develop water supplies for environmental water management, increase water supply reliability for water providers within the San Francisco Bay Area and Central Valley Project south of the Sacramento-San Joaquin Delta. The Final Federal Feasibility Report was transmitted to Congress on August 11, 2020. The Final Supplement to the Final Environmental Impact Statement/Final Environmental Impact Report was also released in August 2020. Since 2020, Congress has appropriated \$164 million to date, a small portion to advance pre-construction activities, and the remaining for Project construction activities including design & engineering, permitting, and operations agreements. The Project has been conditionally awarded \$477 million by the State of California for public benefits. The Final award hearing for State funding, currently anticipated in June 2024, is predicated on some of these Federal agreements and permits.

Reclamation California Great Basin Region, Los Vaqueros Reservoir Joint Powers Authority (JPA), and Contra Costa Water District (CCWD) have been actively engaged to advance several Federal agreements, approvals, and permits required to initiate Project constructions. Our technical teams have been working collaboratively, with active engagement from the Region's leadership, to navigate complex technical, policy, and legal questions related to Federal participation in this State-led Project:

1) **Federal benefits:**

- a) Increased delivery of Incremental Level 4 water supplies for CVPIA wildlife refuges in the San Joaquin Valley (quantity, timing, and scheduling of deliveries; conveyance agreements through Project and other non-Federal facilities; contractual mechanism for delivery under Reclamation's water rights). (Prerequisite for State funding).
- b) Increased delivery of SOD CVP water supplies, aka "CVP operational flexibility" (quantity, timing, and scheduling of deliveries; conveyance agreements through Project facilities; allocating new supplies to participating SOD CVP contractors; form of Federal participation and funding). (Prerequisite for JPA service agreements; and therefore, State funding).

2) **WIIN 4007 Agreement**, aka "benefits and obligations agreement" (confirm the Federal benefits and cost-share in the Project; principles of operations agreements; roles and responsibilities during construction and operations). (Prerequisite for State funding)

3) **Water rights change petitions** – Reclamation and CCWD are coordinating to submit water right change applications to the State of California for both Reclamation and CCWD water rights by November 2023.

4) **Record of Decision (ROD) and Federal Permitting:**

- a) Confirmation from Reclamation that no additional NEPA analysis is necessary to make a determination on Ops-flex.
- b) Reclamation and CCWD are coordinating the pursuit of federal construction permits for terrestrial and cultural resources (expected to be issued the summer of 2023). (Prerequisite for the ROD)
- c) Federal permits for aquatic resources (operations) require Endangered Species Act consultations are currently on hold pending the conclusion of consultations for CVP long-term operations (expected summer 2024). (Prerequisite for the ROD)
- d) The ROD, which is a prerequisite for release of federal funds and final construction approvals, is pending the issuance of Federal permits for Project construction and operations (4.a and 4.b). (Maybe a prerequisite for State funding).

Of great interest to the JPA is taking advantage of the unique window of opportunity with aligned State and Federal political will to get the Project to construction. We are committed to working collaboratively with Reclamation to address the remaining critical items to get the Project over the finish line.

To: Board of Directors, *Los Vaqueros Reservoir Joint Powers Authority*
From: Natural Resource Results and Water and Power Law Group
RE: Board Report – May 2023

Coordination JPA Member Agency Lobbyists

In an effort to maximize coordination among project proponents, the NRR/WPLG team has reached out to the federal lobbyists that represent individual JPA members to begin holding monthly coordination calls. The purpose of these calls will be to ensure consistent messaging as everyone engages with the Hill and the Administration as well as to keep participant lobbyists up to speed regarding NRR/WPLG engagement with federal officials. Our first coordination meeting is set for Thursday June 15th.

Congressman Harder Legislation

In the process of briefing Congressman Harder's staff about the JPA's meeting with Commissioner Touton (they reached out today asking for an update), we were informed that Harder's office has been working to draft some language that would go into a water bill the Congressman is preparing, directing Reclamation to complete the LVE ROD. Harder's requested our feedback on the two options below.

1. SEC. 9. RECORD OF DECISION.

As soon as practicable after the date of the enactment of this Act, in compliance with all environmental and other applicable laws, the Secretary of the Interior shall publish the Record of Decision related to the second draft of the Biological Assessment for Los Vaqueros Reservoir Expansion Phase II, dated July 28, 2021.

2. SEC. 9. RECORD OF DECISION.

As soon as practicable after the date of the enactment of this Act, in compliance with all environmental and other applicable laws, the Secretary of the Interior shall publish the Record of Decision related to the Los Vaqueros Reservoir Expansion Investigation Final Feasibility Report, dated February 2020.

We have informed Congressman Harder's office that the JPA very much appreciates the Congressman's support for the project and his willingness to include language specific to the project in his bill. However, at this point we feel that we are making good progress with Reclamation and don't want to jeopardize that, so we don't believe this language is needed at this time.

Briefing with Commissioner Touton

On June 1st, the NRR/WPLG team and the JPA did a virtual meeting with Commissioner Touton to provide her with an update on the project in advance of a briefing that the Commissioner gave to Members of Congress.

Attendees

Reclamation: Camille Calimlim Touton, Ernest Conant, Richard Welsh, Ankur Bhattacharya, David Palumbo, Mathew Maucieri, John Harrison, Kristin White

LVR JPA: Angela Ramirez Holmes, Taryn Ravazzini, John Bezdek, Ibrahim Khadam; Sara Tucker

Meeting Summary

- Ms. Holmes and Ms. Ravazzini provided introductory remarks expressing appreciation to Reclamation for its ongoing support and commitment to the Project. They specifically highlighted the active engagement and involvement of Reclamation regional leadership.
- The Commissioner asked if the JPA knows the reason for the congressional briefing request. Mr. Bezdek speculated that it may be related to the congressional letter sent to Reclamation on behalf of LVE Project, and that the congressional members may be looking for progress update.
- Mr. Bezdek led the briefing on the status of (1) Federal benefits (increased IL4 deliveries and CVP Op flexibility), (2) benefits and obligations agreement, (3) Water rights change petitions, and (4) Record of Decision (ROD) and Federal permitting. Refer to attached briefing paper for details.
- Mr. Bezdek highlighted that Reclamation, CCWD, and the JPA staff have been working collaboratively and made significant progress on items (1) through (3). To meet the requirements for the State Final Award Hearing, the ROD and associated permits are of critical importance. He highlighted the potential for Reclamation to rely on the existing biological opinions to confirm that Project operations are within the diversion limits contemplated by the biological opinions.
- Regarding Op Flex, the Commissioner reiterated Reclamation's position that they hope to see broader benefits to the CVP from the Projects.
- Mr. Welch concurred with Mr. Bezdek that Reclamation and CCWD staff are exploring a potential path forward for securing ESA coverage for Project operations under the existing biological opinions.

Debt Limit

On Saturday June 3rd, President Biden signed the Fiscal Responsibility Act into law which raised the nation's borrowing limit, put in place spending caps for the federal government for the next

two years and included several permitting reform provisions. A summary of the provisions is highlighted below:

1. Requires an Environmental Impact Statement (EIS) to be completed in two years and an Environmental Assessment (EA) to be completed in one year, with potential for litigation from “project proponents” if the deadline is missed.
2. Requires that an EA be no more than 75 pages and EIS be no more than 150 pages or 300 pages for highly complex projects.
3. Allows any federal agency to adopt a categorical exclusion (CE) used by another federal agency.
4. Shortens the statute of limitations on NEPA lawsuits from 6 to 2 years and requires plaintiffs to have submitted comments identifying all environmental issues related to their legal claim during the environmental review process or else they don’t have standing to sue.
5. Codify the “One Federal Decision” that was put in place under the Trump Administration and then rescinded by Biden.
6. Allows a federal agency, under certain conditions, to rely on an analysis included in a programmatic environmental document in a subsequent environmental document for related actions.
7. No environmental documentation required for CEs.

STREAM Act

Senator Feinstein is circulating a discussion draft of a bill that she introduced in the 117th Congress, the Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM Act). A section-by-section of the legislation is attached to this report.

Of note for the JPA are a couple of provisions:

1. The bill would authorize an additional \$750 million for surface and groundwater storage projects and is written in a way that would give LVE access to that funding without jumping through any additional hoops (projects that received IIJA storage funding are grandfathered into the new storage funding mechanism).
2. The STREAM Act also allows non-federal storage projects to use a portion of storage funding to cover the operations, maintenance, and replacement costs associated with public benefits that have been funded by a Reclamation state.

Section-by-Section Analysis of “STREAM Act”

Draft, May 2023

- Section 1, Short Title; Table of Contents, indicates that this Act may be cited as the “Support To Rehydrate the Environment, Agriculture, and Municipalities Act” or the “STREAM Act”.
- Section 2, Definitions, includes important definitions of key terms, including:
 - Non-Federal storage project, which is any project in a Reclamation State that—
 - (A) involves the construction, expansion, or repair by an eligible entity of—
 - (i) a surface or groundwater storage project that is not federally owned;
 - (ii) a facility that is not federally owned conveying water to or from surface or groundwater storage; or
 - (iii) a natural water retention and release project; and
 - (B) provides a benefit in meeting any obligation under applicable Federal law (including regulations). Section 2(9).
 - Natural water retention and release projects, which use primarily natural processes and features, like wetlands, to allow increased utilization of existing storage facilities through aquifer recharge, floodplain retention, and altering the timing of runoff. Besides enhancing water supplies, these multi-benefit projects typically also promote ecosystem restoration and flood protection. Section 2(8).
 - Federal benefits. Section 2(8). As applied to storage, water recycling, and desalination projects, this term means
 - 1) public benefits provided directly by the project;
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project, if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project; or
 - 3) water supply benefits identified pursuant to reclamation law.
 - Public benefits. Section 2(10). This term is defined to include:
 - 1) traditional non-reimbursable costs - fish/wildlife including refuges, flood control, recreation, water quality, etc.;
 - 2) drinking water supply for disadvantaged communities;
 - 3) emergency drinking water supply used in response to a gubernatorial disaster declaration; and
 - 4) energy benefits, including the value of associated greenhouse gas reductions and any reduction in energy costs for federal taxpayers.

Many of these key terms are further discussed below in the analysis of section 103, Storage and Conveyance Projects.

Title I, Infrastructure Development

- Section 101, Storage and Conveyance Projects
 - **This section authorizes funding for non-Federal storage projects. It uses the Title XVI precedent of non-reimbursable funding for water supply where the project provides multiple benefits including environmental benefits within the watershed.**
 - Section 101 is framed as an amendment to the provisions of section 4007 of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114-322).
 - Section 101 extends section 4007 as applied to State-led storage projects, but does not extend section 4007 as applied to Federally-owned storage projects.
 - Section 4007(b)(1) as amended would replace the term “State-led storage project” with “non-Federal storage project”, because tribes are eligible to seek funding for such projects.
 - Surface and groundwater storage, conveyance, and natural water retention and release projects are eligible per the definition of “non-Federal storage projects” in section 2(9).
 - Section 4007(b)(2) as amended would authorize construction of non-Federal storage projects other than natural water retention and release projects if
 - The eligible entity demonstrates that the project is feasible and provides a Federal benefit;
 - The eligible entity has sufficient funding to complete the project and is solvent; and
 - The Governor of the relevant State (or sponsoring Indian tribe for tribal projects) supports Federal funding of the project.
 - Section 4007(b)(3) would continue to require compliance with environmental laws for Federal participation in a non-Federal storage project.
 - Section 4007(b)(4) would continue to authorize the Secretary to rely on reports prepared by the non-Federal entity as long as the Secretary retained responsibility for making the determinations in paragraph 4007(b)(2).
 - Section 4007(b)(5) as amended would authorize natural water retention and release projects:
 - for projects costing less than \$10 million, the eligible entity must show that the project will help optimize the storage or delivery of water in a watershed in which a Bureau of Reclamation facility is located; and

- for projects costing over \$10 million, there must also be a credible estimate of the quantify of the storage benefit.
- Section 4007(b)(6) as amended would limit the Federal cost-share to \$250 million for non-Federal storage projects authorized by this section.
- Sections 4007(b)(7) and (8) as amended address the maximum Federal cost-share and reimbursability of Federal funding:
 - **The Federal cost-share shall not exceed 25 percent of the total cost of the project** (with the exception of natural water retention and release projects, which can have up to a 90% Federal cost-share).
 - **Any funding under the program for the value of public benefits shall be considered nonreimbursable.**
 - **Public benefits are defined in Section 2(10) as either**
 - 1) public benefits provided directly by the project; or**
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project,** if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project.
 - **Water supply benefits are generally reimbursable, except that water supply benefits are nonreimbursable** up to the extent that the value of the water supply benefits is equal to the value of public benefits described above that are fish and wildlife or water quality benefits.
 - To give an example, this means that if a project sponsor is seeking \$100 million in federal funding for a \$400 million non-Federal storage project, the sponsor can get that \$100 million funding on a non-reimbursable basis if there is \$50 million in public benefits from either the project itself or other projects as part of a watershed restoration plan approved with the project, and then an equal \$50 million in water supply benefits from the project if the public benefits include at least \$50 million in fish and wildlife or water quality benefits. Some examples of fish and wildlife or water quality benefits from a watershed plan could include:
 - water leasing during a dry year, water sharing agreements, water banking, ongoing water conservation, and related activities if they provide fish and wildlife or water quality benefits;
 - environmental restoration projects; and
 - natural water retention and release projects.
- If nonreimbursable funding is less than 25 percent of the total cost of the eligible project, **the Secretary may provide reimbursable funds to an eligible entity for the value of any water supply benefits identified pursuant to reclamation law** (as described in section 2(6)(D)) up to the limit of 25 percent of the total project cost.

- Section 4007(b)(9) as amended would establish funding priority for a project that has 2 or more of the following: 1) substantial multiple benefits, 2) reductions in environmental impacts from water projects, 3) multi-state benefits, 4) collaborative development and support by multiple stakeholders; or 5) is located in a watershed where an integrated, comprehensive watershed management plan.
- Section 4007(e) as amended would authorize \$750 million total in funding from FY 2025 through FY 2029 for:

1) non-Federal storage projects, including natural water retention and release projects, authorized pursuant to the provisions of this section;

2) storage projects that are eligible for study funding under section 40902(a)(1) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act; and

3) storage projects that have received construction funding under section 40902(a)(2) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act.

Any carryover storage funding appropriated pursuant to section 4007 of the WIIN Act may be used for the three categories of projects described above.

Because the \$750 million authorization in this section would become the general source of storage funding provided through annual appropriations, we believe it is appropriate to allow this pot to be used for projects that are eligible for study funding under the Infrastructure Investment and Jobs Act. In addition, if projects are partly funded for construction under the Infrastructure Investment and Jobs Act, we believe it is appropriate to use this general pot of storage annual appropriations to provide funding to move these projects closer to the completion of construction that has already begun. Note that if any funding from this storage pot is used for projects authorized to receive funding under the Infrastructure Investment and Jobs Act, then the restrictions on which projects can receive funding and the cost-sharing and reimbursability rules from section 40902 of the Infrastructure Investment and Jobs Act would all apply to that funding.

Under the amended section 4007(e), Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill. Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.

- Subsection 101(b) of the STREAM Act is a conforming amendment which reflects the fact that the STREAM Act is amending and extending sections 4007, 4009(a) and 4009(c) of the WIIN Act, so they no longer expire in 2021.

- Subsection 101(c) amends section 40902(a)(2)(C)(i) of IIJA to make potentially eligible for construction funding under IIJA two projects whose feasibility studies were authorized by IIJA, the Verde Reservoirs Sediment Mitigation Project and the Tualatin River Basin Project. The projects will have to comply with the requirements of section 40902(a)(2) of IIJA to become eligible for construction funding under IIJA.
- Subsection 101(d) grandfathers Federal and non-Federal storage projects that receive construction funding under the \$1.15 billion in storage funding in IIJA so they do not need further authorization to complete construction. Absent this provision, partly built projects might have to stop in the middle of construction to get Congressional authorization when section 40902 of IIJA expires in 2026.
- Subsection 101(e) reauthorizes the CALFED legislation through fiscal year 2027.
- Section 102, Annual Report to Congress
 - **This section requires the Commissioner of Reclamation to submit an annual report to Congress transmitting feasibility reports on Federal storage projects, and non-Federal storage projects with a federal investment exceeding \$250 million, for Congress to consider whether to authorize the projects.**
 - The basic idea of this section is modeled on the Section 7001 report that the Army Corps of Engineers submits to Congress for WRDA projects.
- **This section is intended to expedite approval of projects requiring Congressional authorization, by facilitating a “Reclamation WRDA” package of projects approved by the House and Senate authorizing committees.** If Congress chooses, this “Reclamation WRDA” package could be added to the WRDA bill each Congress.
- Section 103, Competitive Grant Program for the Funding of Water Recycling Projects, reauthorizes and amends the Title XVI competitive grant program for water recycling projects established in 2016 pursuant to the WIIN Act (Subtitle J, Public Law 114-322).

There are three key differences from the competitive grant program for water recycling authorized in the WIIN Act:

- 1) **The authorization of appropriations has been increased to \$300 million over 5 years, as compared to the prior \$100 million over 5 years.** Subsection (g).
- 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
- 3) The draft bill raises the maximum federal funding contribution for each Title XVI project to \$50 million from the current ceiling of \$20 million in 1996 prices.

Subsection (b)(1).

- The cap remains \$20 million in 1996 prices for projects that have received that amount as of December 31, 2021.
- The maximum federal cost-share remains at 25% (up to the new maximum federal contribution of \$50 million).
- Section 104, Desalination Project Development, reauthorizes and amends the competitive grant program for desalination projects established in 2016 pursuant to the WIIN Act.
 - There are three key differences from the competitive grant program for desalination authorized in the WIIN Act:
 - 1) **The authorization of appropriations has been increased to \$150 million over 5 years, as compared to the prior \$30 million over 5 years.** At least \$10 million is set aside for rural desalination projects. Subparagraph (F)(i).
 - 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
 - 3) **The bill establishes priority criteria for which projects to fund.** Subsection (b).
 - Subparagraph (B)(ii) includes provisions from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891) on rural desalination projects.
 - Just as for non-federal storage projects and natural water retention and release projects, the following are required to obtain funding for desalination projects (subparagraph (C)):
 - 1) The Governor of the affected state supports federal funding of the project, and the project is included in a state-approved plan; and
 - 2) For construction funding, the state or local sponsor determines, and Reclamation concurs, that the project is feasible, and sufficient funding is available to complete it.
 - The definition of an eligible project:
 - Makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project. Subparagraph (A)(i).
 - Also allows any "organization with water or power delivery authority" to apply for funding if that organization constructs, operates and maintains the project. Subparagraph (A)(i). This language comes from the definition of an "eligible

applicant” in section 9502 of the Secure Water Act.

- Section 105, Drinking Water Assistance for Disadvantaged Communities
 - **This section authorizes an additional \$100 million for the Bureau of Reclamation’s program to provide drinking water assistance to disadvantaged communities in section 50231 of the Inflation Reduction Act.**
 - The Secretary is encouraged to use at least a portion of the funds authorized by this section to incorporate into multiple benefit projects features or facilities to assist in providing domestic water supplies to disadvantaged communities. Subsection (b)(2).
- Section 106, Extraordinary Operation and Maintenance Work; Project Modification
 - This section amends the existing Aging Infrastructure Program (Public Law 111-11, Title IX, Subtitle G) to authorize projects to not only repair aging Bureau of Reclamation facilities, but to modify the facilities to achieve increased public benefits and other project benefits.
 - Congress appropriated \$3.2 billion for the Aging Infrastructure Program in the Infrastructure Investment and Jobs Act.
 - If we are spending this much money to retool Reclamation infrastructure for the needs of the 21st century, the Secretary should have the authority to modify the projects to achieve increased public benefits and other project benefits, where she believes it is appropriate to do so.
 - Paragraph (2) of the new subsection (e) establishes a few basic principles for any project modification:
 - It shall add no more than 25% of the project cost for projects costing over \$100 million, or no more than \$25 million for projects costing under \$100 million (projects exceeding these thresholds would need to be authorized by Congress);
 - At least 50% of the new benefits provided by the modification of the project must be public benefits (note that “new benefits” is a term defined in paragraph (1)); and
 - In order to undertake a project modification, the Secretary shall obtain the consent of:
 - The transferred works operating entity if the project involved is a transferred works; and
 - Any project beneficiary that would experience an adverse impact from the operation of the modified project (note that “adverse impact” is a term defined

in paragraph (1)).

- If the modified project creates a new project beneficiary, the Secretary cannot subsequently reoperate the project to increase the benefits to that new beneficiary without the consent of any project beneficiaries that would experience an adverse impact.
 - The costs of planning, design and environmental compliance of the modified project shall be allocated in accordance with Reclamation procedures, with the caveat that any project beneficiary who does not receive any increase in long-term average annual water deliveries as a result of the modification shall not be allocated any reimbursable portion of these costs.
- Paragraph (3) sets up a process for the Secretary to obtain consent for a modified project from project beneficiaries that would experience an adverse impact. If the necessary consent is not obtained within twelve months of the date consent is requested, the extraordinary maintenance of the project shall proceed without the modification, subject to one twelve-month extension to obtain required consents at the Secretary's discretion.
 - Paragraph (4) addresses the reallocation of costs based on project changes and increased public benefits. Public benefits shall be non-reimbursable, and the cost allocation of reimbursable costs to each project beneficiary shall reflect the changes in benefits that the project is providing to that beneficiary.
 - Paragraph (5) addresses incentives to participate in modified projects where public benefits are increased, but not water contractor benefits.
 - The water contractors will face strong disincentives to participate in these projects. Some contractors may see their benefits reduced. All contractors will have to accept significant delay in obtaining the benefits of the restoration of these projects. It will take significant time to modify the projects in a manner that the contractors can accept, and then to conduct environmental compliance on the proposed modification. The contractors will also have to accept modified project operations that give increased priority to public benefits.
 - To offset these disincentives for water contractors to participate in projects which increase just public benefits, the bill reduces the reimbursable costs for such modified projects by 15%. The result is that each project beneficiary will pay 85% of the reimbursable costs for the modified project that the beneficiary would otherwise have been allocated.
 - **This paragraph sets up a financial incentive for water contractors to support modified projects that solely increase environmental and other public benefits without increasing water diversions or other water supply benefits.** Without this financial incentive, I expect water contractors will generally oppose such

modification of the projects that they rely on for water deliveries.

- This paragraph is also consistent with the provision of some non-reimbursable benefits for water supply in the context of other authorizations for projects that provide both water supply and substantial public benefits in a watershed:
 - Title XVI provides 25% non-reimbursable benefits for projects providing water supply that have watershed benefits through the use of recycled water;
 - The large-scale water recycling program that Congress just authorized in the Infrastructure Investment and Jobs Act provides up to 75% non-reimbursable benefits for projects that likewise provide both water supply and watershed benefits through the use of recycled water;
 - Section 103 of this bill provides non-reimbursable benefits for non-Federal storage and conveyance projects to the extent that they provide increased public benefits in the watershed.
 - Given the inevitability of increasingly severe and lengthy droughts as the West's climate changes, it will be essential to provide incentives to collaborate on multi-benefit projects that bring agricultural, environmental, and urban interests together to address the very serious challenge of maintaining sufficiently reliable water supply for all. This proposed amendment to the Aging Infrastructure Program seeks to increase incentives for such necessary collaboration.
- Section 107, Use of Revenue to Improve Drought Resilience or Dam Safety
 - **Issue:** Pursuant to the Sale of Water for Miscellaneous Purposes Act of 1920 (43 USC 521), the Warren Act of 1911 (43 USC 525), and corresponding Bureau of Reclamation (BOR) policy, any revenue from the sale of surplus water must be deposited into the Reclamation Fund and credited to capital repayment of the associated project. Under existing law, revenue from the sale of water continues to flow to the Reclamation Fund even after water users completed capital repayment of their project. As a result, there is no longer any benefit to the contractor from sale of surplus water unless the contractor receives another federal loan on the project.
 - **Importance:** Across the West, drought is stressing many water systems and new constraints often lead to water scarcity even in normal years. This is being compounded by aging BOR facilities that require significant investment to ensure they can continue to operate in a safe and effective fashion, especially as dams and other facilities are forced to withstand more variable and severe precipitation event as a result of climate change. Congress has responded to these challenges over the years by authorizing the Safety of Dams (SOD), Extraordinary Maintenance (XM), and other programs that assist water users in upgrading and repairing existing infrastructure by allowing for extended repayment of costs through contracts that are distinct from the capital repayment

obligations for the original construction of BOR projects.

- Despite the fact that operational flexibility and conservation are growing increasingly important in water management, existing Reclamation law provides very little incentive for paid-out BOR contactors that either have occasional surplus water or could create surplus water through system upgrades to make the investments or undertake the lengthy marketing and contracting necessary to realize a sale. This is especially true for projects that are currently in need of improvements that will increase drought resiliency or dam safety or are repaying Reclamation for SOD or XM projects and can't use any incremental revenues to help cover payments.
- **Solution:** This section changes existing law to ensure that water users are able to apply revenues derived from the temporary sale of surplus water to infrastructure to improve drought resiliency or dam safety and for other existing BOR repayment obligations. This change to the treatment of revenue will incentivize water utilities to make water available to relieve water shortages in their region, improve project drought resiliency, improve dam safety, and accelerate repayment of existing obligations.

Title II, Improved Technology and Data

- Section 201, Reauthorization of the Transboundary Aquifer Assessment Program
 - This section reauthorizes the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109-448).
 - This section derives from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891).

Title III, Ecosystem Restoration and Protection

- Section 301, Ecosystem Restoration
 - This section makes limited amendments to the competitive grant program for habitat restoration projects established in section 40907 of the Infrastructure Investment and Jobs Act.
 - Subsection (a) adds definitions of two new terms, "Committee" and "Project". The term "Committee" describes the "Integrated Water Management Leadership Committee" described more fully in subsection (c).
 - Subsection (b) amends section 40907(c)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58) to direct that Interior:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such

requirements expressly contemplate reliance on Federal funding in performance of the requirements.”

- Subsection (c) supplements the \$100 million provided to the competitive grant program for habitat restoration in the bipartisan infrastructure law with:
 - 1) An authorization of \$150 million total for the competitive grant program from fiscal year 2025 through fiscal year 2029; and
 - 2) An authorization of \$100 million total from fiscal year 2025 through fiscal year 2029 for other grants, contracts, and agreements to achieve the habitat restoration purposes of this section and consistent with its requirements, as authorized in this section.
 - 3) Among other purposes, this \$100 million could be used to ensure that when Sacramento Valley rice growers sell their water and idle their crops, some water is left behind and applied to bare fields in late summer and early fall to create shallow flooded habitat during a critical shorebird migration period. See subsection (f) of amended section 40907 of the amended Infrastructure Investment and Jobs Act.
- Subsection (c) also directs the Secretary to establish an Integrated Water Management Federal Leadership Committee which coordinates federal agency efforts to implement integrated water management projects, if requested to do so for a particular project by an eligible entity or qualified non-government organization partner.
- Finally, subsection (c) requires the Secretary to comply with applicable environmental laws in implementing this section.
- Section 302, Performance-based Restoration Authority
 - **Multiple large- and small-scale ecosystem restoration projects have been authorized or are required by law, yet implementation of these projects often stalls when federal agencies have competing priorities or don’t have the resources or technical experience to undertake them successfully.** This section expedites the implementation of certain types of habitat and ecosystem restoration projects by **authorizing the Secretary of the Interior (Secretary) to enter into performance-based financial arrangements for the delivery of ecological targets and outcomes by experienced non-federal entities.** This section does not create a new program, but instead allows the use of performance-based financial arrangements under the Secretary’s existing ecosystem and habitat restoration authorities. It is needed to both expedite completion of many restoration projects—including large, multi-year projects—and to clarify that performance-based financial mechanisms are an authorized use of federal funds for such projects. The section additionally furthers the goals of reducing costs to the federal government in undertaking such projects and increasing flexibility in the administration of funding for such projects, consistent with federal acquisition regulations.
 - In General. Subsection (b) authorizes the Secretary, in implementing existing authorities under Federal law related to habitat and ecosystem restoration, to—
 - (1) enter into performance-based contracts, grant agreements, and cooperative

agreements for habitat and ecosystem restoration, mitigation, and enhancement projects where ecological targets and outcomes are

- clearly defined,
- agreed upon in advance, and
- capable of being successfully achieved

(2) enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

(3) provide grant and award agreements for habitat and ecosystem restoration, mitigation, and enhancement projects as described in paragraph (1) and allow for the use of performance-based tools in such agreements.

(4) provide pass-through financing for funds granted or awarded to non-federal third parties utilizing performance-based contracts for projects authorized under paragraph (1).

(5) use performance-based financial mechanisms for multi-year projects.

- Guidelines. Subsection (c) directs the Secretary to—
 - (1) develop guidelines for using performance-based financing and to consult with experienced external organizations in developing such guidelines. Such consultation shall not constitute or require establishing a committee under the Federal Advisory Committee Act. Guidelines shall include guidance on
 - appropriate proposal and project evaluation criteria,
 - restoration provider eligibility criteria,
 - criteria for defining achievable ecological outcomes, and
 - determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.
- Identification of Eligible Projects. Subsection (d) directs the Secretary to identify opportunities for using performance-based financing for projects authorized in subsection (b)(1) and issue a request for proposals from eligible restoration providers to undertake such projects.
- Certification. Under subsection (e), the Secretary shall certify that work was completed in accordance with ecological requirements and outcomes previously agreed to.
- Technical Assistance. Subsection (f) authorizes the Secretary to provide technical assistance to restoration providers for studies, design, engineering, and permitting.
- Rule of Construction. Subsection (g) clarifies that nothing in the section authorizes the Secretary to waive any obligation of the Secretary or non-Federal parties under federal environmental law.
- Non-Federal Funding. Subsection (h) authorizes use of performance-based financing under the act for non-federal project cost shares, on the condition that the non-federal cost-share responsibility remains with the non-federal party.

- Cost Share. Subsection (i) clarifies that nothing in the section shall affect a cost-sharing requirement under Federal law that is applicable to a project carried out under the performance-based restoration authority established under subsection (a).
- Mitigation. Subsection (j) clarifies that nothing in this section shall authorize Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements
- Report. Subsection (k) requires the Secretary to
 - (1) issue and submit to Congress a report describing results of, and impediments to, the use of performance-based financing within 3 years of the date of enactment, and
 - (2) address such impediments, if any—to the extent practicable—and to protect the public interest and investment in projects financed under the Act.

Title IV, Miscellaneous

- Section 401, Amendments to Drought Program Under the Reclamation States Emergency Drought Relief Act of 1991
 - Droughts have become more frequent than when the Reclamation States Emergency Drought Relief Act was enacted in 1991. As a result, some amendments appear appropriate to the Act to reflect the increased frequency of droughts.
 - The existing Act limits permanent facilities that it authorizes to groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install a greater number of permanent facilities than to frequently install and remove temporary facilities.
 - Subsection (a) therefore provides authorization during a declared drought emergency for any permanent facilities or projects up to a federal investment of \$30 million that are supported by the relevant State (or tribe if the facility is on an Indian reservation).
 - The \$30 million threshold comes from the Infrastructure Investment and Jobs Act, which creates a precedent authorizing Interior to proceed with projects up to \$30 million without Congressional authorization of the specific projects (in that Act this precedent is applied to small storage projects).
 - Subsection (a) also requires that a well drilled to minimize losses and damages from drought conditions must either 1) align with applicable local, state, or regional groundwater sustainability goals; or 2) support drinking water supplies for a

disadvantaged community or Tribe.

- Subsection (a) further addresses the problem of drought shortfalls in environmental funding programs like the Central Valley Improvement Act that derive their funding from per acre fees in water delivered.
- Because their funding varies by the amount of water delivered, these programs provide substantially less environmental funding precisely when the funding is most needed, during droughts.
- Subsection (a) would authorize non-reimbursable funding to make up these shortfalls, without affecting the Secretary's legal obligations to the environment or existing authority to make up shortfalls in environmental funding in non-drought years.
- Subsection (b) amends the existing Act to clarify that it applies to drought emergencies declared for portions of States, and does not require drought emergencies to apply to an entire State.
- Subsection (b) also extends the Reclamation States Emergency Drought Relief Act authorization to 2031.
- Subsection (c) amends the Secure Water Act of 2009 to provide that an application for WaterSMART funding to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions shall not increase the applicant's net water use beyond the period of any drought emergency, unless the groundwater well is for the purpose of supplying drinking water for a disadvantaged community or Tribe, or if the new groundwater use is partially offset by aquatic habitat enhancement during the drought period, or over the long-term, including a future drought period.
- Section 402, Environmental Compliance
 - This section requires the Act to be implemented consistent with applicable State law and Federal environmental law.
- Section 403, Effect
 - This section provides that nothing in this Act shall interfere with any obligation of a State under the Rio Grande Compact or any other interstate compact approved by Congress.

Engagement Activities with Reclamation – The JPA, CCWD staff, and consultants are continuing to engage with Reclamation to advance several required agreements, approvals, and permits for the project construction, which cover the following topics:

1) Federal benefits:

- a) Increased delivery of Incremental Level 4 water supplies for CVPIA wildlife refuges in the San Joaquin Valley (quantity, timing, and scheduling of deliveries; conveyance agreements through LVE and other non-Federal facilities; contractual mechanism for delivery under Reclamation’s water rights). (Prerequisite for the CWC Final Award Hearing).
- b) Increased delivery of SOD CVP water supplies, aka “CVP operational flexibility” (quantity, timing, and scheduling of deliveries; conveyance agreements through Project facilities; allocating new supplies to participating SOD CVP contractors; form of Federal participation and funding). (Prerequisite for JPA service agreements; and therefore, for the CWC Final Award Hearing).

2) WIIN 4007 Agreement, aka “benefits and obligations agreement” (confirm the Federal benefits and cost-share in the Project; principles of operations agreements; roles and responsibilities during construction and operations). (Prerequisite for Prerequisite for the CWC Final Award Hearing)

3) Water rights change petitions – Reclamation and CCWD are coordinating to submit water right change applications to the State of California for both Reclamation and CCWD water rights by November 2023.

4) Record of Decision (ROD) and Federal Permitting:

- a) Confirmation from Reclamation that no additional NEPA analysis is necessary to make a determination on CVP operational flexibility and the Transfer-Bethany pipeline alignment revisions.
- b) Reclamation and CCWD are coordinating the pursuit of federal construction permits for terrestrial and cultural resources (expected to be issued the summer of 2023). (Prerequisite for the ROD)
- c) Reclamation and CCWD are exploring a potential path forward for securing required Endangered Species Act ESA coverage for LVE operations (aquatic species) under the existing biological opinions. (Prerequisite for the ROD)
- d) The ROD, which is a prerequisite for release of federal funds and final construction approvals, is pending the issuance of Federal permits for Project construction and operations (4.a and 4.b). (Maybe a prerequisite for the CWC Final Award Hearing).

ITEM 4.2: EXECUTIVE DIRECTOR'S REPORT

The following highlights a few key activities which occurred last month.

Westlands Water District: The Executive Director provided a project update to the Westlands Water District Board of Directors at their May 16, 2023 meeting. It was a pleasure to attend in-person to meet the Board Members and new General Manager, Allison Febbo.

Panoche Water District: Former Panoche Water District General Manager Ara Azhderian organized an introductory meeting on LVE for the Executive Director to meet Panoche's Interim General Manager, Chase Hurley. It was a good first meeting to bring Mr. Hurley up to speed on the current status of the Project and Panoche's interests as represented on the Authority through an Activity Agreement with San Luis-Delta Mendota Water Authority.

Onboarding of Hallmark Group: Upon approval of the Authority Board of Directors at May's meeting, the Hallmark Group has joined the JPA team providing Program Management Services, led by Chuck Gardner as Program Manager. The Executive Director has been working closely with the Hallmark Group team to get them up to speed on all things "JPA" with a priority on the financial transition, immediate administrative functions, FY 24 budget, JPA contracts, and agreement support.

Banking Services: Staff is in the process of setting up a bank account as part of the financial transition from Contra Costa Water District. With the assistance of Clean Energy Capital, bank recommendations were received from Member Agencies and interviews were conducted. JP Morgan Chase emerged as staff's recommendation for the necessary banking services based in part on its financial strength and experience with public agency clients. The staff received strong support and thoughtful input from the Finance Committee for its recommendation of JP Morgan Chase. The Treasurer and Executive Director have been identified as signatories.

Monthly List of JPA Contracts Entered into by Executive Director

May 2023

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
NONE		
Total May 2023	\$0.00	

ITEM 4.4: BOARD POLICY AND ACTION CALENDAR

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

The updated Board Policy and Action Calendar is provided for the Board's information, including Authority Board meeting items by month for the next six months. In addition, the overview graphic is included, organized by functional area to show potential discussion and action items for Authority Board and Committee meetings for the next six months.

ALTERNATIVES:

Not applicable

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

6-Month Calendar and Outline of Board Policies and Actions

**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
6-MONTH CALENDAR AND OUTLINE OF BOARD POLICIES AND ACTIONS**

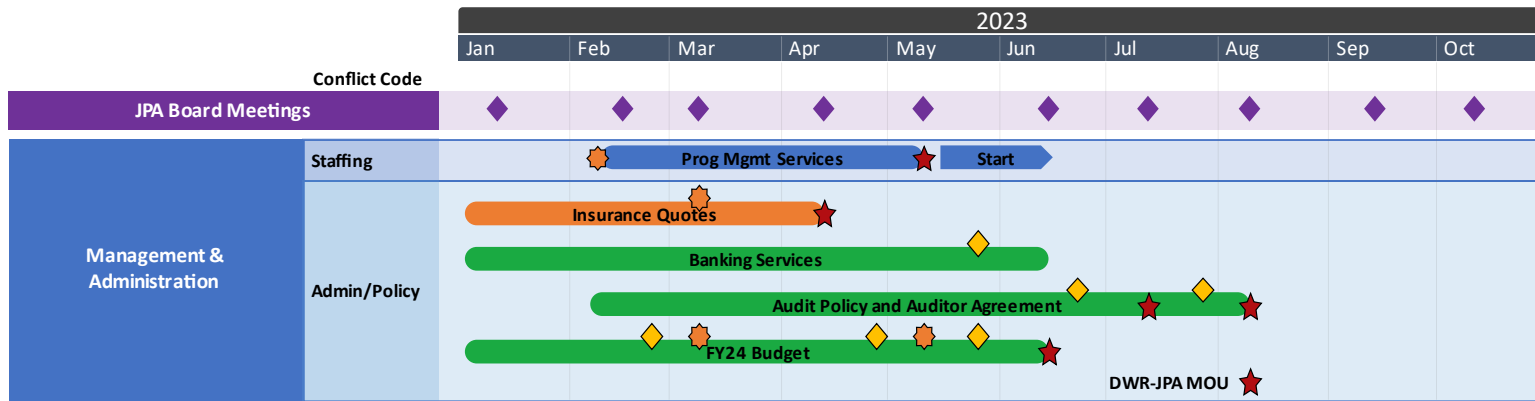
6-Month Calendar	
Board Activities	Committee Activities
<i>May Accomplishments 2023</i>	
<ul style="list-style-type: none"> ✓ Program Management Agreement [Action] ✓ Federal Relations Consultant [Action] ✓ WIFIA Loan Application Authorization [Action] ✓ CCWD Facilities Usage Agreement Ad Hoc Committee Formation [Action] ✓ ACWA Membership [Action] ✓ Service Agreement Schedule and Approach [Discussion] ✓ FY 24 Budget Update and Multi-Party Cost Share Agreement Amendment No. 5 Update [Discussion] 	<ul style="list-style-type: none"> ✓ FY 24 Budget [Finance Committee] ✓ Banking Services [Finance Committee]
<i>June 2023</i>	
<p>FY 24 Budget [Action]</p> <p>Accounting Services [Action]</p> <p>Multi-Party Agreement Amendment 5 [Action]</p> <p>Approval of FY22 Audit Report [Action]</p> <p>Contract Amendment Approvals for General Counsel Services, Financial Consulting Services, and Executive Director Services [Action]</p> <p>Designation of Voting Representative for ACWA [Action]</p>	<p>WIFIA Application [Finance Committee]</p> <p>Transfer-Bethany Pipeline/PP1 Updates [O&E Committee]</p> <p>Audit Policy [Finance Committee]</p> <p>CCWD Facilities Usage Agreement [Ad Hoc Committee]</p> <p>CCWD Design and Construction Agreement [Ad Hoc Committee]</p>
<i>July 2023</i>	
<p>Audit Policy [Action]</p> <p>Draft Contracts for Administration of Public Benefits [Discussion]</p>	<p>Water Rights Change Petition and Program Schedule Update [O&E Committee]</p> <p>CCWD Facilities Usage Agreement [Ad Hoc Committee]</p> <p>Auditor Agreement [Finance Committee]</p> <p>CCWD Design and Construction Agreement [Ad Hoc Committee]</p>

6-Month Calendar	
Board Activities	Committee Activities
<i>August 2023</i>	
Auditor Agreement [Action] DWR-JPA Memorandum of Understanding [Action] CCWD Design and Construction Agreement [Discussion]	Plan of Finance Update [Finance Committee] CCWD Facilities Usage Agreement [Ad Hoc Committee] EBMUD Facilities Usage Agreement [Ad Hoc Committee – if approved] Strategic Communications Plan Development [Communications and Outreach Committee]
<i>September 2023</i>	
CCWD Design and Construction Agreement [Action] CCWD Facilities Usage Agreement [Discussion] Contract for Administration of Public Benefits [Discussion] Service Agreement [Discussion]	EBMUD Design and Construction Agreement [O&E Committee]
<i>October 2023</i>	
CCWD Facilities Usage Agreement [Action] Contract for Administration of Public Benefits [Action] EBMUD Design and Construction Agreement [Discussion]	EBMUD Facilities Usage Agreement [O&E Committee]
<i>November 2023</i>	
EBMUD Design and Construction Agreement [Action] EBMUD Facilities Usage Agreement [Discussion] Service Agreement [Discussion]	EBMUD Facilities Usage Agreement [O&E Committee]

Los Vaqueros Reservoir Joint Powers Authority

Draft 2023 Major Policy Calendar

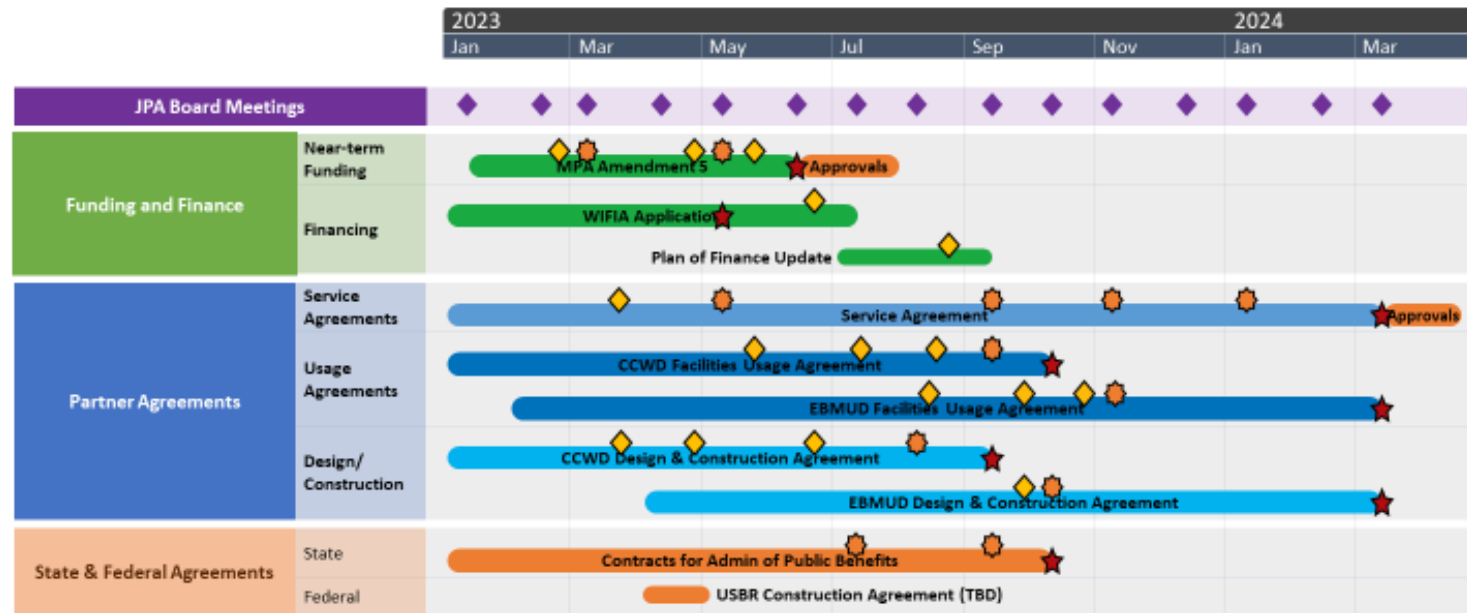
Dates Subject to Change



Los Vaqueros Reservoir Joint Powers Authority

Draft 2023 Major Policy Calendar

Dates Subject to Change



Future Agreements to Develop (Schedules TBD)

Conveyance Agreement[s] (e.g., SBA), O&M Agreements, CCWD Backstop Agreement

ITEM 4.5: COMMITTEE MEETING SUMMARIES

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

RECOMMENDATION:

None

DISCUSSION:

The Finance Committee meeting summary from its May 25 meeting follows.



SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

May 25, 2023 – 1:00 p.m.

Meeting called to order at 1:02 p.m.

Participating Telephonically:

Chair Anthea Hansen

Vice Chair Paul Sethy

Committee Member Rebecca Eisenberg (arrived at 1:04 p.m.)

Committee Member Michael Tognolini

Staff and approximately 17 others attended the meeting.

1.1 April 27, 2023 Finance Committee Meeting Summary. The draft summary of the April 27, 2023 Finance Committee meeting was presented for the Committee's review and discussion. The draft summary was deemed approved by the Committee, as presented.

1.2 Discussion of 2024 Fiscal Year Budget, Draft Budget Book and Cost Sharing Agreement Amendment No. 5. Taryn Ravazzini, Executive Director, noted that as previously presented to the Finance Committee and to the Board of Directors, JPA staff along with CCWD's staff, have been working to develop the Authority's Fiscal Year 2024 Budget. Executive Director Ravazzini then introduced Charles Gardner from the Hallmark Group, the Authority's new Program Manager.

Maureen Martin reviewed the revised Budget Book for FY 24, with an emphasis on recent changes made to the Budget Book and related budget figures. The draft budget includes sources and uses of funds totaling \$19,073,000, with \$8,673,000 to be contributed by the Authority's members through Amendment No. 5 to the Multi-Party Cost Share Agreement. Ms. Martin pointed out that no capital reserves will be funded in FY 24 because no construction activities are anticipated during that fiscal year. However, the contingency was increased from 10% to 17% of service costs to provide additional cushion for unexpected occurrences. Ms. Martin also advised that the Board of Directors had requested at the May 19 Board meeting that the budget figures be presented in millions, rather than in thousands. Ms. Martin then reviewed the additional detail provided for the CCWD Services items, which had been requested by the Board at the May 19 Board meeting.

Vice Chair Sethy asked whether the various project component designs were being done at CCWD or by subcontractors. Ms. Martin advised that outside consultants were handling the design work for various project components and the Design Review Team, consisting of representatives from the Members, reviews design materials on a regular basis. Committee member Tognolini asked for clarification of the item under “Environmental Planning – Program (not facility specific).” Ms. Martin advised that term refers to items such as system integration and modeling and power across the whole program that are not specific to any single facility. Committee member Tognolini also requested a more detailed breakdown under the CCWD labor category so those costs can be allocated among the separate line items, similar to what was done under the CCWD services category. Ms. Martin advised that CCWD can provide that information.

Chair Hansen thanked staff for reformatting the numbers in millions of dollars. However, she prefers whole numbers without decimal points. The Committee supported that proposed format change.

Executive Director Ravazzini advised that changes to Multi-Party Cost Sharing Agreement Amendment No. 5 were presented to the member agencies’ staff and will be brought back to the Board in June for approval. She anticipates Amendment No. 5 will be fully approved and executed by all members by July or August.

1.3 Consideration of Extension of Standard Services Agreement with Clean Energy Capital for Financial Consulting Services for 2024 Fiscal Year (not to exceed \$535,000.00 through June 30, 2024). Executive Director Ravazzini advised that Clean Energy Capital has been providing financial consulting services to the Project through Contra Costa Water District for many years. At the November 9, 2022 Authority Board of Directors’ meeting, the Authority engaged Clean Energy Capital to provide financial advisory services for the remainder of the 2023 Fiscal Year. This item would extend the Authority’s agreement with Clean Energy Capital for the 2024 Fiscal Year and would provide a revised scope of work related to those services.

Executive Director Ravazzini acknowledged the tremendous work Clean Energy Capital has done in addressing financial issues on the Project, as well as in preparing the term sheet for the Service Agreement, developing various Service Agreement work groups and leading the negotiating teams for the Service Agreement. Clean Energy Capital also played a significant role in obtaining the indicative credit rating for the Authority in connection with the anticipated WIFIA Loan and in the ongoing process to procure accounting and financial services and banking services. Moving into Fiscal Year 2024, Clean Energy Capital is expected to play a large role in the WIFIA Loan and bridge financing processes, while continuing to provide advisory services in the development of the Service Agreement.

Given Clean Energy Capital’s experience in working on the Project and understanding the Authority’s and respective Members’ needs, it is uniquely qualified to provide the financial advisory services for Fiscal Year 2024. This item is being brought before the Finance Committee for discussion concerning the continuation of these professional services through Clean Energy Capital and the proposed scope of work, including the concept of transaction (“success”) fees to minimize budget impacts.

Executive Director Ravazzini stated she met yesterday with Clean Energy Capital and the Hallmark Group to discuss financing and program management issues. From that meeting, some items relating to development of the Service Agreement and JPA financial administration will be shifted to the Program Manager, so that will result in revision to Clean Energy Capital's scope of work that is included with the meeting materials, as well as in a reduction of costs. Those changes will be reflected in revised documents to be presented to the Authority's Board at its June 14 meeting, assuming the Committee approves moving this item to the Board.

Vice Chair Sethy stated the sole source award to Clean Energy Capital is acceptable to him but expressed his concern about possible duplication of services between Clean Energy Capital and Khadam Consulting, Inc. Executive Director Ravazzini advised the entities provide complementary services, with Khadam Consulting focusing on technical and operational issues and Clean Energy Capital providing financially-related services. Chair Hansen understood Vice Chair Sethy's concern but confirmed the complementary nature of the two consulting firms' services.

Committee member Tognolini appreciates the work done by Clean Energy and feels the sole source approach is appropriate and approves of the not-to-exceed amount. Committee member Tognolini posed a question regarding the possible "success" fee and Chair Hansen stated from her prior experience, it is important to address contractually any Authority obligations in the event the transaction fails. Committee member Eisenberg concurred with the other Committee members' comments and was comfortable moving this item to the Board for consideration at its June 14 meeting.

1.4 Review of Draft Fiscal Year 2022 Audit Report. Executive Director Ravazzini introduced David Alvey, audit partner with Maze & Associates, who reviewed with the Committee the draft Fiscal Year 2022 Audit Report and Memorandum of Internal Control and Required Communications. He advised the Authority has received a "clean" audit opinion, which concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework and is the highest rating provided. Also, no deficiencies or material weaknesses were identified. The final audit report will be presented to the Authority's Board of Directors for approval at the June 14, 2023 meeting.

1.5 Update on Accounting Services Request for Proposals. Executive Director Ravazzini informed the Board that as part of the transition of the Authority's financial management from Contra Costa Water District to the Authority, it is necessary for the Authority to engage an accounting firm to provide accounting and financial management services. In early April, the Authority distributed a request for proposals to potentially qualified accounting firms and received two proposals, one from Eide Bailly and one from Clifton Larson Allen.

A review panel consisting of finance staff from the Members is in the process of conducting interviews of the two firms and a recommendation will be presented to the Board at the June 14 Board meeting. Vice Chair Sethy advised that he reviewed the websites of both firms and is impressed with each firm.

1.6 Update on Banking Services. Executive Director Ravazzini advised staff is in the process of procuring banking services for the Authority as part of the financial transition from

Contra Costa Water District. Clean Energy Capital has assisted in this process and received recommendations from several Members for possible financial institutions. On May 18, Clean Energy Capital interviewed two banks, JP Morgan Chase and Central Valley Community Bank. David Moore of Clean Energy Capital provided a PowerPoint presentation and advised that JP Morgan Chase emerged as staff's recommendation for the necessary banking services based in part on its financial strength and experience with public agency clients. JP Morgan Chase's annual fees are estimated to be approximately \$3,500 for FY24 and as the JPA grows, that fee will increase.

Committee member Eisenberg noted the importance of having a strong personal relationship with the bank's Relationship Manager. Vice Chair Sethy advised that he has reviewed the websites of the two banks and is concerned with Central Valley Community Bank's financial strength, liquidity and ability to comply with collateralization requirements. Vice Chair Sethy also noted that if the Authority issues bonds, the JP Morgan Chase relationship will be beneficial.

1.7 Draft Treasurer's Report – Month Ended April 30, 2023. Executive Director Ravazzini presented the draft Treasurer's Report for the month ended April 30, 2023 for review and discussion. General Counsel James Ciampa noted a correction in the report presented to the Board today, which differs from the report in the meeting packet. Mr. Ciampa stated the cash on hand figure was revised from \$13,138,626 to \$12,875,908 to reflect further expenses that have been paid.

FUTURE AGENDA ITEMS:

- Follow up on Financial Transition plan.

Next Meeting: June 22, 2023, 1:00 p.m.

The meeting adjourned at 2:20 p.m.

James D. Ciampa

James D. Ciampa
General Counsel