



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

### **MINUTES**

Regular Meeting of the Board of Directors

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway, Livermore, CA 94551

November 8, 2023 – 9:30 a.m.

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Chair Angela Ramirez Holmes called the meeting to order at 9:30 a.m.

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

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

Angela Ramirez Holmes, Chair, Zone 7 Water Agency

Ellen Wehr, Secretary, Grassland Water District

Paul Sethy, Treasurer, Alameda County Water District

Antonio Martinez, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District

Rebecca Eisenberg, Director, Santa Clara Valley Water District

#### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

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

Richard Santos, Alternate Director, Santa Clara Valley Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

\*Participated in place of absent Director

#### **ABSENT**

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

Dennis Herrera, Director, San Francisco Public Utilities Commission

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Ricardo Ortega, Alternate Director, Grassland Water District

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

**OTHERS PRESENT**

Taryn Ravazzini, Executive Director  
James Ciampa, Lagerlof, LLP, General Counsel  
Chuck Gardner, Program Manager, Hallmark Group  
Jessica Alwan, Program Manager, Hallmark Group  
Maddy Benner, Hallmark Group  
Rosemarie Perea, Board Clerk (by telephone)  
Harrison Tregueza, Assistant Board Clerk

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

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

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

**CONSENT CALENDAR**

The Consent Calendar consisted of the following items:

**1.1 Approval of Minutes from October 11, 2023 Board of Directors Meeting**

Director Martinez requested that Item 1.1 be pulled for discussion. Director Martinez requested the minutes from the October 11 Board of Directors’ meeting be revised to clarify his comments on Item 3.2 – Washington, D.C. Trip (to add his thanking of the Executive Director for providing talking points in advance of the trip and his stated concern that the leave behind materials were not provided in advance of the trip) and Item 3.4 - Program Management Update with respect to his concern stated regarding the Service Agreement schedule being unrealistic and to add statements regarding upcoming Contra Costa Water District committee and Board meetings regarding backstop agreement and planning issues. Approval of the October 11, 2023 Board meeting minutes was therefore tabled and the revised minutes will be presented for approval at the December 13 Board meeting.

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

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

Upon motion by Treasurer Sethy, seconded by Director Eisenberg, Item 1.2 of the Consent Calendar, was approved by the following roll call vote:

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

The motion passed with an 7-0 vote.

## **ACTION ITEMS**

None.

## **DISCUSSION ITEMS**

### **2.1 JPA Administration Cost Estimate Update**

Program Manager Chuck Gardner of the Hallmark Group presented an update to the estimated JPA Administrative Costs that are included in the Estimated Cost at Completion table that was presented at the October Board meeting. The update reviewed various revisions from the figures presented as part of the June 2022 summary of JPA Administrative Costs. Those revisions, which total increases of approximately \$14.8 million, result from misclassification of some costs, several underestimates of anticipated costs, the addition of contingency, changing the escalation factor from 3% to 4% to match the construction cost escalation factor, and further delays to the start of construction.

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from Directors.

Director Eisenberg asked how the WIFIA loan fee was calculated. Executive Director Ravazzini responded that the fee was a flat fee that is charged regardless of the loan amount.

Chair Ramirez Holmes asked if the revised Administrative Cost estimate has any impact on the amount to be paid under Amendment No. 5 to the Multi-Party Cost Share Agreement. Mr. Gardner responded the Administrative Cost revisions have no impact on the amounts to be paid under Amendment No. 5. Chair Ramirez Holmes also commented that the escalation factor for administrative costs may be different from the construction cost escalation factor. She requested that a note be included to clarify that the escalation factor is an estimate of projected cost increases. It was further discussed that the Finance Committee should review the escalation factor and develop the language to be included in such a note.

Alternate Director Wunderlich commented that the cost estimates will need to be adjusted as the construction moves forward. Director Eisenberg asked that a distinction be made between fixed and contingent costs, and it was determined that the Finance Committee will review that issue.

### **2.2 Program Management Update**

Mr. Gardner then provided a Program Management update. He reviewed recent accomplishments, contract authorization status, budget expense status (noting the Authority is \$1,039,025 under budget through September 30, 2023), cash flow (all Members have made or sent their payments of the first installment under MPA Amendment No. 5 and CCWD has been paid by the Authority), schedule and agreement status. At the Board's request, projections for completion of each agreement are provided in further detail, including key issues and approach to resolution.

Executive Director Ravazzini then provided a summary of the collaborative process used to develop the current Project agreements schedule. She mentioned that based on Member agencies' feedback a revised schedule was agreed upon in May 2023, which included time to accommodate individual agencies' approval processes. Further discussions have occurred with the General Managers regarding the current schedule and the various issues that have arisen as discussions concerning the Project agreements have commenced. She stated it is likely the current schedule will need to be adjusted to be more realistic in light of ongoing issues, such as the Backstop Plan to ensure CCWD has adequate water supplies available while the Los Vaqueros Reservoir is out of service during construction. Mr. Gardner estimated the current schedule may be adjusted by two to three months and he wants to avoid having further slips of the schedule.

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from Directors.

Director Tognolini asked for clarification as to what the "due date" referred to with respect to the various agreements and Mr. Gardner replied that reflected the date for board consideration to approve an agreement. Chair Ramirez Holmes advised that she listened to the November 1 CCWD Board meeting and is concerned with the lack of urgency being shown by CCWD. She stressed that the current schedule was agreed to with input from all of the Members and was not created solely by the Authority. She stated it is important to keep pushing to get the agreements done.

Alternate Director Ritchie noted the Project is the most complex project on which he has ever worked, and all Members have issues that need to be resolved, including the certainty of benefits each Member may receive from the Project. He further stated that CCWD and EBMUD need to be leaders on the Project and need to increase their comfort level with the Project.

Director Eisenberg acknowledged that decisions will need to be made and that delays come at a cost financially and emotionally. She offered her assistance to help resolve any issues that arise.

Secretary Wehr stated she was upset by recent criticism of the Authority. She noted that when people feel they are not being heard, that leads to hostility, and she will personally try to avoid such circumstances. She also mentioned that building trust in a diverse group is challenging.

Treasurer Sethy concurred with Chair Ramirez Holmes' comments and appreciates that she brought them up.

## **FUTURE AGENDA ITEMS**

None.

## **REPORTS**

### **3.1 Director Reports**

#### **Design and Construction Agreement (DCA) Ad Hoc Committee**

The DCA Ad Hoc Committee convened on October 9, 2023 and reviewed a proposed resolution process outlining a series of meetings to identify and resolve key issues with the DCA. Comments and feedback were incorporated into the process and the Ad Hoc further discussed identification of a Design and Construction Agreement Resolution Team on behalf of the JPA to work with CCWD to resolve key outstanding issues. Subsequent correspondence confirmed Clifford Chan of EBMUD, Ed Stevenson of ACWD and Ryan McCarter of Valley Water to engage with CCWD.

#### **CCWD Facilities Use Agreement (FUA) Ad Hoc**

The CCWD Facilities Use Agreement Ad Hoc Committee convened on October 16, 2023 and appointed Jonathan Wunderlich as Chair. The draft term sheet was reviewed, and direction was provided to JPA staff to draft suggested language in response to comments in the form of a complete updated draft. The revised draft term sheet was updated and distributed to the Ad Hoc and general managers on October 24, 2023 requesting input by October 27, 2023. A small negotiating team will be identified with finance and/or water resources/operational experience to engage with the Ad Hoc and define areas for negotiation which will support subsequent discussions with CCWD.

### **3.2 Executive Director**

Executive Director Ravazzini stated her report is included in the meeting materials. She wanted to acknowledge that October 6, 2023 was the second anniversary of the JPA. She also wanted to personally thank Richard Welsh, Principal Deputy Regional Director of the California-Great Basin Region Office of U.S. Bureau of Reclamation who is set to retire at the end of November. She stated Mr. Welsh has been a critical partner in assisting the Reclamation, Authority and CCWD teams develop and maintain effective working relationships to address issues related to the Project's federal benefits. She also mentioned that the initial virtual meeting between the Authority's and CCWD's executive management teams will take place at 1:00 p.m. this afternoon.

### **3.3 General Counsel**

General Counsel Ciampa advised that the Legal Work Group met on November 2, 2023 to review the initial draft of the Service Agreement and to discuss several other issues. The discussion included the draft amendments to the JPA Agreement proposed by CCWD. The Legal Work Group will first review and discuss those amendments in late November or early December time frame and then the amendments will be presented to the Authority's Board at either the December or January Board meeting, depending upon the outcome of the Legal Work Group's discussion.

### **3.4 Committee Meeting Summaries**

The following committee meeting summary was included for the Board's review:

- Finance Committee Meeting Summary – October 26, 2023

The Board wished Alternate Director Ritchie a Happy Birthday.

The meeting was adjourned at 10:51 a.m.

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*Angela Ramirez Holmes*  
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Angela Ramirez Holmes, Chair

ATTEST:  
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*Ellen Wehr*  
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Ellen Wehr, Secretary