



## **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

October 11, 2023 – 9:30 a.m.

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Chair Angela Ramirez Holmes called the meeting to order at 9.31 a.m.

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

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

Angela Ramirez Holmes, Chair, Zone 7 Water Agency

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

Ellen Wehr, Secretary, Grassland Water District

Paul Sethy, Treasurer, Alameda County Water District

Antonio Martinez, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District

Rebecca Eisenberg, Director, Santa Clara Valley Water District (arrived at 10:03 a.m.)

#### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

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

\*Participated in place of absent Director

#### **ABSENT**

Dennis Herrera, Director, San Francisco Public Utilities Commission

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Ricardo Ortega, Alternate Director, Grassland Water District

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

Richard Santos, Alternate Director, Santa Clara Valley Water District

**OTHERS PRESENT**

Taryn Ravazzini, Executive Director  
James Ciampa, Lagerlof, LLP, General Counsel (via Zoom)  
Chuck Gardner, Program Manager, Hallmark Group  
Jessica Alwan, Program Manager, Hallmark Group  
Maddy Benner, Hallmark Group  
David Moore, Clean Energy Capital  
Christopher Brown, C.J. Brown and Company CPAs (via Zoom)  
Doug Brown, Stradling Yocca Carlson & Rauth, a Professional Corporation (via Zoom)  
Maureen Martin, CCWD LVE Program Manager  
Jennifer Johnson, Permitting Officer, CCWD  
Rosemarie Perea, Board Clerk (by telephone)  
Norma Alley, Assistant Board Clerk

Numerous others were present in person 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 September 13, 2023 Board of Directors Meeting**
- 1.2 Treasurer’s Report – Month Ended August 31, 2023**
- 1.3 JPA June FY23 Closeout Treasurer’s Report**

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

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

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

The motion passed with a 7-0 vote.

## **ACTION ITEMS**

### **2.1 Approval of Contract with Audit Firm**

Executive Director Taryn Ravazzini reviewed the process by which the Authority solicited proposals for an auditing firm to be engaged to prepare the audit of the Authority's financial statements for the 2023 fiscal year. She stated the recommendation from the Finance Committee was to award the contract to C.J. Brown and Company CPAs for a one-year term, with options for the Authority to proceed with that firm for up to two subsequent years.

Executive Director Ravazzini stated that C.J. Brown and Company CPAs provided their peer review report as requested in the Authority's request for proposals. The firm's peer review report identified certain deficiencies in their system of quality control. Authority staff conducted additional due diligence, including obtaining positive reference reports from other C.J. Brown and Company clients, and is satisfied those deficiencies have been rectified. Executive Director Ravazzini then reviewed possible alternatives available to the Board, including going back out with a subsequent request for proposals. Alternate Director Ritchie advised against going back out at this point. Executive Director Ravazzini stated C.J. Brown and Company quoted a \$6,250 all-inclusive maximum fee for the Authority's Fiscal Year 2023 audit and she stated that Christopher Brown was available via Zoom to address any questions or concerns.

Chair Ramirez Holmes called for any questions from Board members and for public comments. None were received.

Upon motion by Alternate Director Ritchie, seconded by Treasurer Sethy, the Board approved award of the agreement with C.J. Brown and Company CPAs to provide financial statement audit services to the Authority for a one-year period for Fiscal Year 2023 with an option to extend for up to two subsequent years. The motion was approved by the following roll call vote:

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

**NOES:** None

**ABSENT:** Rebecca Eisenberg, Director, Santa Clara Valley Water District

**ABSTAIN:** None

The motion passed with a 7-0 vote.

### **2.2 Appointment of Auditor for FY 2023**

Executive Director Ravazzini stated the Authority's Joint Exercise of Powers Agreement, in Section 4.4, authorizes the Board of Directors to appoint the Authority's auditor. Thus, it is necessary that the Board act to appoint the Authority's auditor for the 2023 Fiscal Year.

Based on the action under the preceding item, C.J. Brown and Company CPAs is recommended to be appointed as the Authority's auditor for the 2023 Fiscal Year.

Chair Ramirez Holmes called for any questions from Board members and for public comments. None were received.

Upon motion by Vice Chair Hansen, seconded by Director Martinez, the Board approved the appointment of C.J. Brown and Company CPAs as the Authority's auditor for the 2023 Fiscal Year. The motion was approved by the following roll call vote:

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

The motion passed with a 7-0 vote.

### **2.3 Approval of Contract with Bond Counsel Firm**

General Counsel James Ciampa informed the Board that the Authority is moving into the phase where various financing alternatives are being pursued. Interim financing, the WIFIA loan (for which the application was recently submitted to the U.S. Environmental Protection Agency), and other possible debt issuances are now approaching. In addition, the preparation of a Master Resolution with respect to Authority debt will also be forthcoming in the next few months.

Mr. Ciampa stated those financing activities necessitate engagement of bond counsel to assist the Authority with specialized counsel related to those debt vehicles, appropriate structuring of that debt to ensure compliance with federal tax requirements and related services in negotiating various agreements in connection with any debt issuances. Also, bond counsel will take the lead in drafting the Authority's Master Resolution.

A request for proposals was provided to various law firms with expertise in serving as bond counsel for public agencies. Four firms submitted responsive proposals: Best, Best & Krieger, LLP; Hawkins Delafield & Wood, LLP; Orrick, Herrington & Sutcliffe LLP; and Stradling Yocca Carlson & Rauth, a Professional Corporation. The Authority convened a selection committee consisting of its general counsel, financial consultant David Moore, program manager Chuck Gardner and attorneys from East Bay Municipal Utility District (Tim Kline), San Luis & Delta-Mendota Water Authority (Rebecca Akroyd) and Santa Clara Valley Water District (Andy Gschwind).

The selection committee reviewed all four proposals and interviewed each of the four proposing firms. Following that process, the selection committee unanimously concurred that

Stradling Yocca Carlson & Rauth would best meet the Authority’s needs. Mr. Ciampa stated Doug Brown of Stradling Yocca Carlson & Rauth, was present via Zoom to answer any questions.

Chair Ramirez Holmes called for questions from the Board members and for public comments. None were received.

Upon motion by Alternate Director Ritchie, seconded by Treasurer Sethy, the Board approved the engagement of Stradling Yocca Carlson & Rauth, a Professional Corporation as the Authority’s bond counsel. The motion was approved by the following roll call vote:

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

The motion passed with a 7-0 vote.

## **DISCUSSION ITEMS**

### **3.1 Interim Financing Update**

David Moore of the Authority’s Financial Consultant, Clean Energy Capital, advised that the Authority’s Plan of Finance is being developed and will set forth the Authority’s interim financing alternatives and the preferred alternative.

Alternate Director Ritchie asked when that plan would be provided to the Finance Committee. Mr. Moore advised the draft Plan of Finance would be ready for committee review in November or December. Director Tognolini asked about what impact a delay in not having the Service Agreement in place by June 2024 would have. Mr. Moore stated that interim financing could be used to meet any cash flow needs or Multi-Party Agreement Amendment No. 6 could be developed, although he understands that is not favored by the Members. Program Manager Chuck Gardner noted that there may be adequate unused funds from Fiscal Year 2023 remaining to be used at the beginning of Fiscal Year 2024 to provide short-term finances, especially if the \$621,000 contingency is not used.

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

### **3.2 Permitting Update**

A presentation entitled “Environmental Permitting Update” for the LVE Phase 2 Expansion was provided by Maureen Martin, CCWD LVE Program Manager. Ms. Martin introduced Jennifer Johnson who reviewed the state and federal permit requirements under the various applicable state and federal laws, including the Endangered Species Act, National Historic Preservation Act, Clean

Water Act, Bald and Golden Eagle Preservation Act and California Fish and Game Code Section 1602.

Ms. Johnson stated that approximately 2,500 acres are proposed for acquisition and protection to meet species/habitat-based mitigation requirements under those various laws. The Bald and Golden Eagle Protection Act requires mitigation for nest disturbance and territory loss, including power pole retrofitting. The cost assumption for the overall mitigation requirements is approximately \$36.8 million, based on the acquisition and preservation of the 2,500 acres at approximately \$15,000 per acre.

Director Eisenberg requested clarification on the per acre cost, which she thought seemed low. Ms. Johnson advised the majority of the habitat is grassland habitat which supports many species and the eagles and therefore that helps to reduce the per acre cost. Chair Ramirez Holmes pointed out the overall environmental benefits of the Project and also noted that open space land prices in Alameda and Contra Costa Counties are also impacted by local development restrictions that reduce property values on such open space lands.

Alternate Director Ritchie asked for an explanation on “pole retrofitting” relating to eagle protections. Ms. Johnson explained that due to the wide wingspan of the eagles, they often will hit electrical lines and be electrocuted. The poles can be retrofitted to widen the gaps between lines to avoid such instances. Alternate Director Ritchie asked for a list of the tribes evaluated for eligibility in connection with the National Historic Preservation Act and Ms. Johnson stated she will get that information for Alternate Director Ritchie. Director Tognolini asked what uses are acceptable in connection with land mitigation. Ms. Johnson stated open space for grazing is the typical permissible use. Director Tognolini also asked about the California Department of Fish and Wildlife’s concerns with larval species. Ms. Martin stated that concern occurs only when the Delta is in excess conditions. Secretary Wehr asked for confirmation that the proposed mitigation does not exceed regulatory requirements and Ms. Johnson responded that the mitigation being proposed is intended to meet those requirements, but also will take advantage where possible of lands that are already under conservation protection.

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

### **3.3 Washington D.C. Engagement Trip and Related Meetings**

Executive Director Ravazzini reviewed the trip to Washington, D.C. in late September that she attended along with Chair Ramirez Holmes, Vice Chair Hansen, and Secretary Wehr. The trip included meetings with congressional offices, the U.S. Bureau of Reclamation, including with Commissioner Touton, and the U.S. Environmental Protection Agency, which included the entire team and Deputy Director, who will be involved with the Authority’s WIFIA loan. Executive Director Ravazzini stated the meetings went very well and Commissioner Touton was very pleased with the female composition of the Authority’s leadership. Overall, the trip was very positive and an excellent way for congressional staff to learn about the Project.

Executive Director Ravazzini reported that a few days after the Washington, D.C. meeting, the Bureau of Reclamation informed the Authority that the Bureau will be able to proceed with the Basis of Negotiation, which is a prerequisite to the Record of Decision and Partnership Agreement.

Chair Ramirez Holmes advised that she appreciated everyone's attendance and stated the in-person meetings are very critical. Executive Director Ravazzini thanked Valley Water and San Luis-Delta & Mendota Water Authority, which had staff attend various meetings. Vice Chair Hansen noted the Project is "the" project in California and that she heard many comments on the impressive progress made since the last visit. Secretary Wehr stated the Authority's relationships in Washington, D.C. are critical, and that the federal government is "bending over backwards" to support the Project.

Treasurer Sethy thanked the Directors who made the time to go to Washington D.C. Director Martinez thanked the Executive Director for providing the talking points in advance of the trip but expressed his concern that the leave behind materials were not provided in advance of the trip. Executive Director Ravazzini stated the Communications and Outreach Committee was still reviewing changes to the leave behind materials until shortly before the trip and Chair Ramirez Holmes confirmed the changes made to those materials by the Communications and Outreach Committee. Several directors acknowledged that the materials were provided in advance of the Washington D.C. trip. Alternate Director Ritchie stated that with the recent passing of Senator Feinstein, it is important to build relationships with Senator Padilla and with newly appointed Senator Butler.

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

### **3.4 Program Management Update**

- **Agreements Schedule and Update**
- **JPA Cost Estimate Update**
- **September Activities**

Program Manager Chuck Gardner reviewed Program Management activities over the prior month. The presentation included status of Authority contract authorizations, budget, schedule, and agreements. Continued progress toward drafting project agreements has been made and an updated schedule for completion of those agreements as related to Project funding was included in the presentation. At the request of the Board, projections for completion of each agreement were further detailed, noting key issues and approach to resolution with negotiations on the CCWD Design and Construction Agreement proposed to begin in October.

The program controls team developed a cash flow for the Authority which was included in the presentation. The Authority's cash flow will be updated on a quarterly basis consistent with ongoing reporting requirements. Additional detail as related to the updated Project Construction Cost Estimate is included specific to Authority costs, consistent with the assumptions included in the WIFIA application. Also, the draft Strategic Communications Plan has been developed and will be reviewed with the Communications and Outreach Committee at its October meeting.

In connection with the "Quarterly Projected Cash Flow Report," Treasurer Sethy noted there is not much cushion for costs and asked whether the Board would be able to see where things stand with the Service Agreements. Executive Director Ravazzini stated the initial draft Service Agreement was distributed to the Legal Work Group and Members' management last week. With respect to the "LVE Service Agreement Completion Schedule" included in the presentation, he

endorses the approach of taking a more aggressive stance to move forward with the possibility of a facilitator being needed. Director Martinez reiterated CCWD's concern, as stated at the September Authority Board meeting, that the Service Agreement and other Project agreements' development and approval schedule was not realistic. He also mentioned the CCWD Operations and Engineering Committee would be discussing the EBMUD-CCWD backstop plan at its October 12 meeting and the CCWD Board would consider those issues at its November 1 meeting.

Relative to Project agreement issues, Director Tognolini inquired whether the Authority has engaged with the Bureau of Reclamation with respect to the permit to use the Folsom South Canal. Maureen Martin stated the Bureau has not yet been engaged on that issue. Director Tognolini requested that EBMUD be involved in those discussions once they begin. Vice Chair Hansen noted that what is currently happening with respect to the Project is typical of large projects with which she has previously been involved and it is important that the focus remains on what needs to happen.

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

## **FUTURE AGENDA ITEMS**

None.

## **REPORTS**

### **4.1 Directors**

Chair Ramirez Holmes noted that last week was the second anniversary of the Authority. She also advised the Board that she had appointed Patt Young, Alternate Director, Contra Costa Water District, to the Communications and Outreach Committee.

### **4.2 Executive Director**

Executive Director Ravazzini stated her report is included in the meeting materials and asked if there were any questions in connection with the report. None were received.

### **4.3 General Counsel**

General Counsel Ciampa advised that the Service Agreement was distributed to the Legal Work Group and Members' management on October 4, and he is in the process of scheduling a meeting with the Legal Work Group for late October or early November.

### **4.4 Committee Meeting Summaries**

The following committee Meeting Summary was included for the Board's review:

- Finance Committee Meeting Summary - September 18, 2023



The meeting was adjourned at 11:51 a.m.

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*Angela Ramirez Holmes*  
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Angela Ramirez Holmes, Chair

ATTEST:

DocuSigned by:  
*Ellen Wehr*  
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Ellen Wehr, Secretary