



**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
March 13, 2024 – 9:30 a.m.

Chair Angela Ramirez Holmes called the meeting to order at 9:33 a.m.

PLEDGE OF ALLEGIANCE – led by Chair Angela Ramirez Holmes

ROLL CALL OF DIRECTORS

Angela Ramirez Holmes, Chair, Zone 7 Water Agency (departed at 10:14 a.m.)
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Ellen Wehr, Secretary, Grassland 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 9:39 a.m.)

ALTERNATE DIRECTORS

*Jonathan Wunderlich, Alternate Director, Alameda County Water District
Patt Young, Alternate Director, Contra Costa Water District
Ricardo Ortega, Alternate Director, Grassland Water District (arrived at 9:40 a.m.)
*Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Richard Santos, Alternate Director, Santa Clara Valley Water District

*Alternate Director Ritchie participated in place of absent Director Dennis Herrera
*Alternate Director Wunderlich participated in place of absent Director Paul Sethy

ABSENT

Paul Sethy, Treasurer, Alameda County Water District
Dennis Herrera, Director, San Francisco Public Utilities Commission
Douglas Linney, Alternate Director, East Bay Municipal Utility District
Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water Authority

Sandy Figuers, Alternate Director, Zone 7 Water Agency

OTHERS PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel
Chuck Gardner, Program Manager, Hallmark Group
Maddy Benner, Hallmark Group
Jacqueline Harris, Hallmark Group (via Zoom)
Maureen Martin, Contra Costa Water District
Michael Waltz, InterWest Insurance Services
Rosemarie Perea, Board Clerk (via Zoom)
M.J. Brown, Assistant Board Clerk

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.

Chair Ramirez Holmes announced the April Board meeting will likely be a lengthy meeting as the Executive Director’s performance evaluation will take place and therefore a Closed Session will be conducted at that meeting.

Maureen Martin of CCWD announced that she will be leaving CCWD and that she has tentatively accepted a position with the Metropolitan Water District. She expects her last day will be in early to mid-April and CCWD’s Assistant General Manager, Kyle Ochendusko, will be taking over her role with respect to the Project. The Directors, Alternate Directors and Executive Director thanked Ms. Martin for her valuable contributions to the Project and complimented her on her brilliance in dealing with Project issues, invaluable knowledge of the Project, steady guidance, honesty, integrity and efforts in building relationships among the Members. The Directors and Alternate Directors echoed that Ms. Martin’s departure will be a tremendous loss for the Project.

CONSENT CALENDAR

The Consent Calendar consisted of the following items:

- 1.1 Approval of Minutes from February 14, 2024 Board of Directors Meeting**
- 1.2 Treasurer’s Report for the Month Ended January 31, 2024**

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

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

AYES: Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority
Ellen Wehr, Secretary, Grassland Water District
Antonio Martinez, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District
 Rebecca Eisenberg, Director, Santa Clara Valley Water District
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
 Jonathan Wunderlich, Alternate Director, Alameda County Water District
 Angela Ramirez Holmes, Chair, Zone 7 Water Agency

NOES: None
ABSENT: None
ABSTAIN: None

The motion passed with an 8-0 vote.

ACTION ITEMS

2.1 Adoption of Resolution No. 3-24-01 Approving Renewal of Authority Insurance

Executive Director Taryn Ravazzini provided background information regarding the difficulties the Authority experienced last year in procuring insurance coverage, which resulted in the Authority obtaining that coverage from the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA). That coverage expires April 1, 2024 and it is now necessary for the Authority to consider renewal of that coverage. Executive Director Ravazzini informed the Board there is an initial 3-year commitment with JPRIMA unless the premium increases by more than 15%, so obtaining quotes from other insurers is not a possible option as the premium increase is 14.5%. She then introduced Mike Waltz of InterWest Insurance Services to provide a summary of the coverage to be provided as well as to explain the increase in premium.

Mr. Waltz provided the below table, which was included in the Board meeting materials, to summarize the coverage being provided. He explained one option to reduce the premium would be to remove the excess liability coverage, but that would reduce the occurrence coverage from \$5 million to \$1 million.

LINES OF BUSINESS - COVERAGE	AGGREGATE	EACH OCCURENCE	DEFENSE COSTS
General Liability	\$ 10,000,000	\$ 1,000,000	Outside the Limit
Public Officials/Business Management	\$ 10,000,000	\$ 1,000,000	Outside the Limit
Excess Liability	\$ 4,000,000	\$ 4,000,000	Outside the Limit

He explained the renewal proposal from JPRIMA for the twelve-month period from April 1, 2024 to April 1, 2025 was \$88,535, which is approximately a \$10,000 (14.5%) increase. He also noted the prior coverage was for only a 10-month period and when annualized totaled \$74,278. He then explained the current status of the insurance market in California, which has seen significant premium increases in many areas as a result of wildfire risks and the amount of litigation that occurs in California. He mentioned several other association pools have taken the drastic step of not accepting new insureds.

Chair Ramirez Holmes called for comments from the Board. Director Eisenberg stated she did not want to reduce any coverage limits and questioned whether raising the deductible rather than

lowering the limits would be a viable option. Mr. Waltz advised that currently the JPA has a deductible of \$50,000 and that he would check with the carrier to see what alternatives may be available with respect to the deductible.

Chair Ramirez Holmes called for comments from the room or on-line. In response to a question regarding the three options set forth in the staff report on this item, Jacqueline Harris advised that Option 1 involved possibly reducing the premium based on prorating the lower budget amounts for Fiscal Year 2025 instead of using the higher budget amount for Fiscal Year 2024 for the entire year. Mr. Waltz responded that the Authority's coverage is not auditable and therefore the premium must be based on only the current year's budget.

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

Alternate Director Ritchie asked that the resolution to approve the renewal be amended to include the possible adjustment of the deductible amount.

Upon motion by Vice Chair Hansen, seconded by Alternate Director Ritchie, Resolution No. 3-24-01 was approved with the amendment to include the possible adjustment of the deductible amount, by the following roll call vote:

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

NOES: None
ABSENT: None
ABSTAIN: None

The motion passed with an 8-0 vote.

DISCUSSION ITEMS

3.1 Fiscal Year 25 Budget Approach Overview

Executive Director Ravazzini provided an overview of the process that has taken place so far with respect to development of the Fiscal Year 2025 (FY25) budget. She stated an update was provided to the Finance Committee at its January 2024 meeting. She stated staff continues to coordinate with Contra Costa Water District in developing the Authority's FY25 Budget. Jacqueline Harris, Program Controls Manager, then presented an overview of the budget at this stage of development, including sources and uses of funds totaling \$11,550,000 and the assumptions that have been used in developing that budget. Those assumptions include the transfer of monies from CCWD, use of unused contingency funds and implementation of the Capital Preservation Strategy, as approved at the February Board meeting. Ms. Harris stated a draft Budget

Book will be presented to the Finance Committee in April 2024 and to the Board at its May 2024 meeting. It is anticipated that final approval of the FY25 Budget will be requested of the Board at its June 2024 meeting.

Chair Ramirez Holmes departed during discussion of this item.

Vice Chair Hansen called for questions from members of the Board. She asked about the process by which the \$1,555,000 in contingency funds will be transferred from CCWD to the Authority. Executive Director Ravazzini replied that transfer will be addressed in the Multi-Party Cost Share Agreement Amendment No. 6.

Director Tognolini asked for further details on the table “Use of Funds” in connection with Total CCWD Labor. CCWD Assistant General Manager Miki Tsubota advised that the CCWD engineers were specifically dedicated to the Project. Alternate Director Ritchie asked what was included in the \$1,900,000 implementation amount. Maureen Martin advised implementation includes all things not attributable to specific facilities and that only direct billable hours are billed to the Project. Vice Chair Hansen asked what was included in the \$1,915,000 Environmental Planning, Modeling, Permitting (CCWD Services) amount and the \$1,900,000 implementation (CCWD Labor) amount. Maureen Martin advised that these amounts include fully staffed environmental and specialized employees and consultants on matters such as water rights permitting, water supply modeling and environmental planning.

Secretary Wehr noted that all experts retained have demonstrated their competence and are paid by the hour. She has faith and trust in the consultants and would encourage Members to only ask questions when answers are really needed in order to minimize costs from the consultants. Director Eisenberg noted that it is important for Members and Directors to be able to ask questions.

Alternate Director Ritchie asked that a more detailed breakdown of the CCWD Services and CCWD Labor costs be provided. Alternate Director Wunderlich requested that review of the Multi-Party Cost Share Agreement Amendment No. 6 be provided to the Board before it is brought before the Board for final approval. Executive Director Ravazzini advised that Amendment No. 6 will be sent out to Board members to provide them with the opportunity to review it before it is presented for Board approval.

Vice Chair Anthea Hansen called for public comments and comments from those on Zoom. None were received.

3.2 Program Management Update

- **Budget & Schedule**
- **Agreements**
- **Design & Permitting**

Executive Director Ravazzini reviewed the Authority’s accomplishments in February. She noted one-on-one meetings have been held with all Member Agency General Managers and key staff other than San Luis & Delta-Mendota Water Authority (which will occur on March 18) regarding the CCWD Design and Construction Agreement and to review the benefits of the Project. Those meetings included a review of the proposed Risk Reduction Strategy. She also

stated a meeting was held with the Members' staffs to review the current status of the Contracts for Administration of Public Benefits. Lastly, a two-day technical session with the Bureau of Reclamation was held in Santa Cruz on March 11 and 12 with the Bureau's regional staff and management. She thanked Secretary Wehr and Grassland Water District for their time and participation in those technical sessions.

Chuck Gardner, Program Manager, then presented the status of various Authority activities, including contract authorizations (Clean Energy Capital and Hallmark Group remain over their proportionate budget but will be catching up over the next few months to come into alignment with the budget), budget, schedule, cash flow and status of agreements. All Members have made their second payment under MPA Amendment No. 5 and the Authority's March payment to CCWD has been made. Mr. Gardner estimated remaining cash at the end of the 2024 Fiscal Year to be \$1,641,632.

With respect to the Project agreement status, Alternate Director Ritchie reported progress is being made on the CCWD Design and Construction Agreement, but it will be a lengthy process to get to completion on that agreement. Mr. Gardner stated the DCA will be a focus at the March 25 General Managers' meeting. On the CCWD Facilities Usage Agreement, the Authority hopes to have a draft agreement in the next few weeks and will take a similar approach to the DCA in addressing the risks presented in that agreement.

Mr. Gardner then reviewed the eight-point Risk Reduction Strategy. In connection with that strategy, Director Ritchie inquired as to the status of the CCWD backstop plan. Maureen Martin advised that CCWD's agreement with East Bay Municipal Utility District may be completed in the coming month or two, but the overall backstop plan with respect to other sources of backup supply for CCWD will take longer to complete.

Ms. Martin then reviewed the status of the Contracts for Administration of Public Benefits and permitting issues. She stated meetings are ongoing with the Department of Fish and Wildlife and some progress is being made. She also reported that the Department of Fish and Wildlife had issued the Incidental Take Permit to CCWD and had made various positive concessions in the final version of that permit. She stated CCWD's Board will consider issuing required letters of credit related to mitigation lands at its April 3 Board meeting. Ms. Martin also stated the State Office of Historic Preservation had issued its permit on March 12 and she thanked the Bureau of Reclamation and Jennifer Johnson for their efforts in getting that permit issued. Executive Director Ravazzini acknowledged the great work done by CCWD's team in getting the Incidental Take Permit issued.

Alternate Director Ritchie stated the Authority will need to be selective as to which Risk Reduction actions to implement in light of the potentially significant costs of those efforts. Alternate Director Wunderlich asked whether the costs related to implementing the Risk Reduction Strategy were included in the Project costs presented. Mr. Gardner advised those costs have not been included in the proposed FY 25 Budget as those costs would not be incurred in FY25.

Vice Chair Hansen called for public comments and comments from those on Zoom. None were received.

FUTURE AGENDA ITEMS

- Budget
- Multi-Party Agreement Amendment No. 6

REPORTS

4.1 Directors

Alternate Director Ritchie, DCA Ad Hoc Committee Chair. The following written report was provided in the Board meeting materials: “The DCA Ad Hoc Committee convened on February 22, 2024 to review the draft Design and Construction Agreement as provided by CCWD. The key issues that were identified related to adhering to the CCWD Board Principles and identifying a strategy to mitigate perceived risks by the JPA. A strategy to mitigate the risks assumed by the JPA in the agreement was presented to the Ad Hoc Committee. During the meeting, comments were incorporated to refine the mitigation strategy and it was determined that the proposed strategy would be further discussed with the general managers during the February 26, 2024 meeting.”

Secretary Wehr. Secretary Wehr advised that she will be leaving Grassland Water District in June to start her own law practice and will be stepping down from the Authority’s Board. This meeting will be her last meeting as a Director and Ric Ortega will be taking her place as the Director for Grassland Water District. Vice Chair Hansen thanked Secretary Wehr for all she has done for the Authority.

Director Eisenberg. Director Eisenberg advised that this may be her last Board meeting and stated she has enjoyed working with members of the Board and staff.

Vice Chair Hansen called for public comments and comments from those on Zoom. None were received.

4.2 Executive Director

4.2.1 Federal Relations Report

4.2.2 February 2024 Engagement Activities with Reclamation

Garret Durst of Natural Resource Results provided a summary of recent federal relations activities. He stated that six federal Fiscal Year 24 bills were approved by Congress, including an energy and water bill. However, no monies for the Project were included in that bill and only funding for the Sites Reservoir Project was approved. He stated the bill proffered by Congressman Valadao to allocate WIIN Act storage money was not included in the energy and water bill and that was beneficial to the Project, as the Valadao bill would have depleted WIIN Act funding.

Executive Director Ravazzini reported on the recent sessions with the Bureau of Reclamation and said they went well and were important in light of recent changes in Bureau management personnel. Secretary Wehr stated she received a communication from the Bureau that mentioned those sessions were a “breakthrough” from the Bureau’s perspective.

Vice Chair Hansen called for public comments and comments from those on Zoom. None were received.

4.3 General Counsel

General Counsel Ciampa advised that the Multi-Party Cost Share Agreement Amendment No. 6 will be distributed to Members tomorrow for comments. The draft will be presented to the Board in April for review. The Form 700's are due April 2. He will be sending out a reminder to all interested parties.

He noted it has been a pleasure working with Maureen Martin, Secretary Wehr and Director Eisenberg and thanked them for their efforts with the Authority and the Project.

On behalf of the Board, Vice Chair Hansen noted how much Maureen Martin and her dedicated service to the JPA has been appreciated. She introduced Kyle Ochenduszk and is looking forward to working with him on the Project.

4.4 Committee Meeting Summaries

There were no LVR JPA Committees convened in February 2024 due to cancellations.

The meeting was adjourned at 11:38 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