



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
FINANCE COMMITTEE
AGENDA
Regular Meeting
November 16, 2022 – 2:30 p.m.**

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

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

Please click the link below to join the webinar:

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

Passcode: 484186

Or One tap mobile:

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

or Telephone: 1-669-444-9171

Meeting ID: 819-1220-8202

Passcode: 484186

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

NOTE: *To comply with the Americans with Disabilities Act, if you need special assistance to participate in this Committee meeting, please contact the Authority's Interim Clerk at rperea@lagerlof.com by 4:00 p.m. on November 15, 2022 to inform the Authority of your needs and to determine if accommodation is feasible. Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Materials related to items on this Agenda are available for public review at: www.losvaquerosjpa.com/board-meetings.*

CALL TO ORDER

ROLL CALL OF COMMITTEE MEMBERS

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

Paul Sethy – Vice Chair, Alameda County Water District

John Coleman – East Bay Municipal Utility District

Linda J. LeZotte – Santa Clara Valley Water District

PUBLIC COMMENT ON NON-AGENDA ITEMS

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

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

- 1.1 October 27, 2022 Finance Committee Meeting Summary**
- 1.2 Review of Draft Principles related to the Design and Construction Agreement to be Entered into with CCWD**
- 1.3 Discussion of Future Committee Meeting Procedures and Attendance**
- 1.4 Draft Treasurer’s Report – Month Ended October 31, 2022**

FUTURE AGENDA ITEMS

ADJOURNMENT

ITEM 1.1: OCTOBER 27, 2022 FINANCE COMMITTEE MEETING SUMMARY

RESPONSIBLE/LEAD STAFF MEMBER:

James Ciampa, General Counsel

DISCUSSION:

Attached for the Committee's information is the summary prepared for the October 27, 2022 Finance Committee meeting.

ALTERNATIVES:

Any suggested revisions to the attached summary will be considered.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Summary from October 27, 2022 Finance Committee meeting



SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

October 27, 2022 – 1:30 p.m.

Present at the meeting were Chair, Anthea Hansen, Vice Chair, Paul Sethy, and Committee members Linda J. LeZotte and John Coleman. Staff and 15 others also attended the meeting.

1.1 September 26, 2022 Finance Committee Meeting Summary. The draft summary of the September 26, 2022 Finance Committee meeting was presented for the Committee's information. General Counsel Jim Ciampa stated this summary was previously included in the materials at the October 12, 2022 Board of Directors' meeting. No changes were made by the Committee.

1.2 Update on Amendment No. 4 to Multi-Party Cost Share Agreement. Based on input from the Members' finance staffs, it was determined that the Authority's interim funding needs would be provided in revised Amendment No. 4 to the Multi-Party Cost Share Agreement. Revisions have been made to that amendment to add the Authority as a party and the Members have been discussing other changes to the amendment over the past few weeks. Deputy Interim Administrator, Maureen Martin, stated the draft of the amendment included in the meeting materials captures the significant changes, but further minor changes have been made to that document. The final version of Amendment No. 4 will be brought to the full Board for consideration and approval at the November 9 Board meeting. Vice Chair Sethy advised that he had reviewed everything with Alternate Director Jonathan Wunderlich and is fully supportive of the language. Committee member LeZotte advised that her finance staff was very pleased with the final draft.

1.3 Discussion of CCWD Facilities Usage Agreement. The JPA Agreement contemplates that the Authority will enter into a Facilities Usage Agreement with CCWD that would provide the Capacity Usage Rights to the Authority for its Members' use of CCWD's Project facilities. A presentation was provided by CCWD Assistant General Manager Jeff Quimby on the concepts and issues to be included in that agreement. Executive Director Taryn Ravazzini advised the Committee that the presentation was an informational item to provide an overview of the concepts to be included in that agreement and an update on the status of discussions with CCWD on those issues. The item was not intended as a negotiation session. Mr. Quimby responded to a variety of questions and concerns raised by the Committee members with respect to various issues in the presentation, including regarding the allocation of costs to the Authority and

determination of land values. The Member Agencies will be providing a counter-proposal to CCWD by the end of the year.

1.4 Review of Plan of Finance. Executive Director Ravazzini reported the Authority last week was informed that it has been invited to submit an application for a loan under the U.S. Environmental Protection Agency's WIFIA Loan Program and that the U.S. Bureau of Reclamation had made an allocation of \$82 million to the Los Vaqueros Reservoir Expansion Project under the Bipartisan Infrastructure Law. The Committee discussed the plan of finance that is currently contemplated and additional financial instruments that may be needed to meet funding needs, including the need to cover Project expenses while waiting for reimbursements from governmental funding sources. Deputy Interim Administrator Martin and Will Lockwood of Clean Energy Capital presented a plan of finance overview and answered questions posed by members of the Committee, as well as offered clarification on items included in the presentation. Mr. Lockwood informed the Committee that the request for proposals for the initial credit rating is underway and he expects to have pricing from the rating agencies within the next two weeks.

1.5 Amendment of Purchasing Policy. The Board of Directors adopted the Authority's Purchasing Policy at its February meeting. At the time that Purchasing Policy was adopted, it was acknowledged that it was an interim policy while the Authority was administered by the Interim Administrator and that revisions would be made once the Executive Director was engaged. With the engagement of the Executive Director, it is necessary to update the Purchasing Policy to provide the procurement authority to the Executive Director. Executive Director Ravazzini presented the redlined version of the Purchasing Policy showing the changes made for the Committee's review and discussion. The principal changes to the Policy revised the expenditure authority provided from the Interim Administrator to the Executive Director. The substance of the Policy was not altered. It was the Committee's recommendation that the Board approve this amended version of the Policy at the November 9, 2022 Board meeting.

1.6 Draft Treasurer's Report – Month Ended September 30, 2022. The Draft Treasurer's Report for September 30, 2022 was presented by Executive Director Ravazzini. After discussion, the Committee unanimously concurred to present the Treasurer's Report, in the form presented, to the Board of Directors for approval at the November 9, 2022, Board meeting. Chair, Anthea Hansen, requested that the acronym for the San Luis & Delta-Mendota Water Authority be included in the report.

FUTURE AGENDA ITEMS:

Executive Director Ravazzini solicited recommendations for this item. She noted the following possible future Agenda items:

- Report on the development of the Service Agreements
- Discussion of future in-person or virtual Committee meetings, which will also be discussed at the November 9 Board meeting

The November Finance Committee meeting date was changed to November 16, 2022 at 1:00 p.m. due to the Thanksgiving holiday.

The meeting adjourned at 2:32 p.m.

James D. Ciampa

James D. Ciampa
General Counsel

ITEM 1.2: REVIEW OF DRAFT PRINCIPLES RELATED TO THE DESIGN AND CONSTRUCTION AGREEMENT TO BE ENTERED INTO WITH CCWD

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

CCWD staff will provide the Committee with the concepts and related issues that will be addressed in the Design and Construction Agreement the Authority will enter into with CCWD.

ALTERNATIVES:

For information only; no alternatives applicable.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Slide deck providing overview of draft Design and Construction Agreement principles

The logo for the Los Vaqueros Reservoir Expansion Project. It features the text "LOS VAQUEROS" in blue, "RESERVOIR EXPANSION" in green, and "PROJECT" in blue. To the right of the text is a stylized graphic of a dam or reservoir structure, composed of several horizontal bars of varying lengths, colored in shades of blue and green.

**LOS
VAQUEROS
RESERVOIR
EXPANSION
PROJECT**

The background of the slide is a photograph of a large reservoir surrounded by rolling green hills. In the distance, several wind turbines are visible on the hills. The sky is clear and blue. The reservoir is in the middle ground, and the hills are in the foreground and background.

**LVR Joint Powers Authority
Finance Committee
Agenda Item 1.2 Los Vaqueros Reservoir Expansion
Project – Facilities Update**

November 16, 2022



Background



- Contra Costa Water District (CCWD) continues to lead planning and design efforts
- The LV Reservoir Joint Exercise of Powers Agreement (JPA Agreement) identifies:
 - A Design & Construction Agreement (DCA) is needed for services provided by CCWD
 - The new and modified facilities CCWD will design and construct
 - A separate DCA is needed between JPA and East Bay Municipal Utility District (EBMUD)

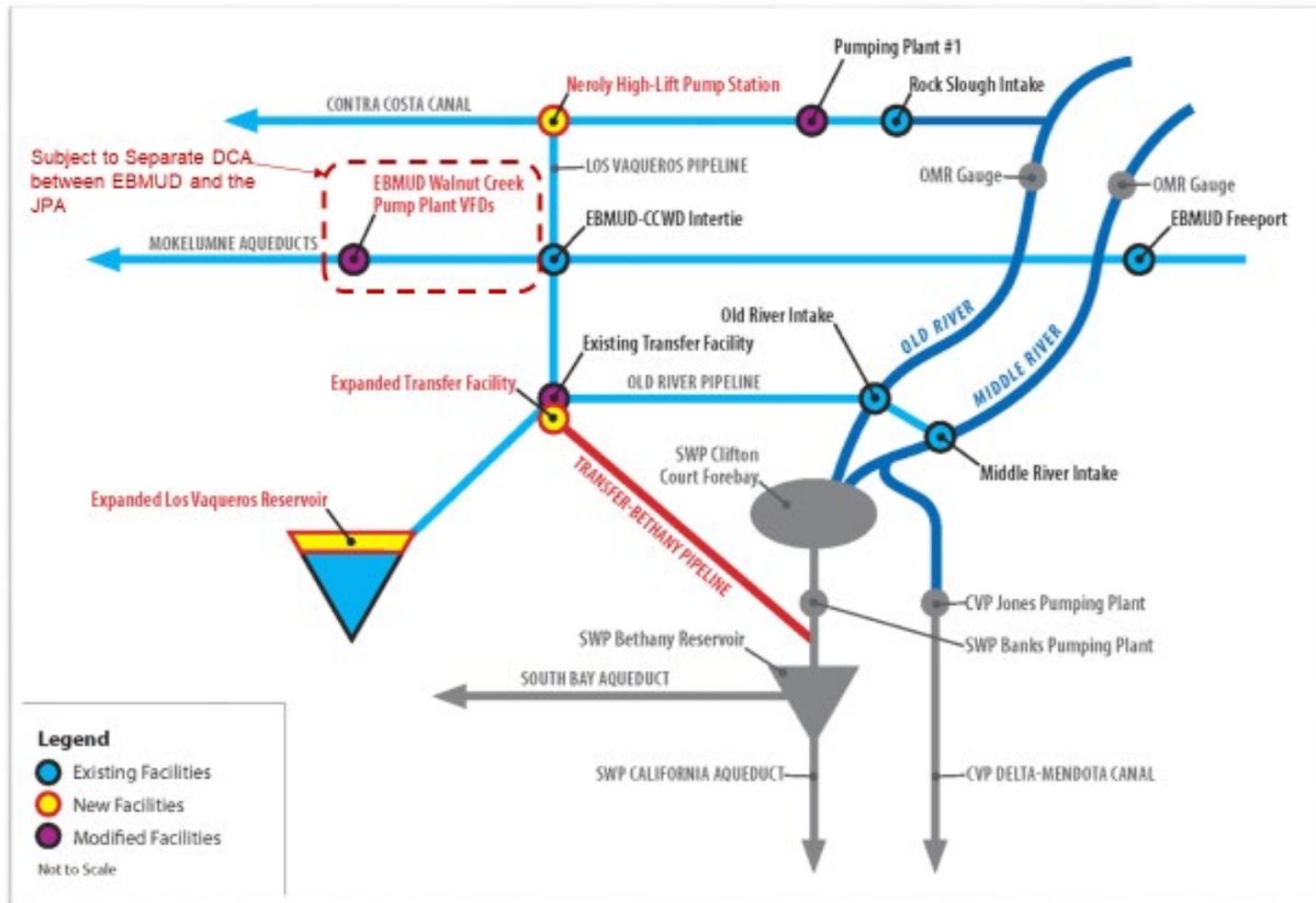


Purpose of the Design & Construction Agreement



- Define roles and responsibilities, including:
 - Design decisions, project management, reporting and coordination
 - Funding and payments
 - Authorities during construction
 - Land acquisition
- Enable efficient project delivery and avoid costly delays

LVE Facilities





Principles of the DCA Between CCWD and the JPA



- Will be reviewed with the JPA Executive Director to identify the process for review and approval
- Final terms can be brought back to the Committee prior to JPA Board approval of the agreement
- DCA is needed in advance of bidding Pumping Plant No. 1 Replacement, as early as Fall 2023
- Timing will depend on California Water Commission full funding approval



Principle #1 – CCWD Is Responsible for Design and Construction



- Meet industry standards and environmental commitments
- Procurements will follow CCWD practices
- Provide technical updates to JPA workgroups (Design Review Team, Finance Workgroup, etc.)
- Seek JPA approval of changes that significantly affect cost or performance of the Project
- CCWD will perform 3rd party technical reviews and value engineering as needed or requested by JPA

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JPA Finance Meeting- November 2022



Principle #2 – Payments will be submitted in Advance



- JPA is responsible for all costs incurred on the Project
- JPA will enter funding agreements and secure financing to meet cashflow requirements
- CCWD will provide projections of required deposits
- JPA will pay deposits in advance of work to avoid financial burden on CCWD
- CCWD will track all costs and submit invoices to support JPA funding reimbursements



Principle #3 – CCWD Will Provide Regular Reporting



- Regular reports will be provided on all aspects of the project, including:
 - Routine monthly reports on progress, schedule and financials
 - Quarterly or other frequency reports as agreed upon
 - Presentations to the JPA committees and the Board as needed



Principle #4 – CCWD will Bid and Award Construction Contracts



- CCWD will inform JPA in advance of advertising and provide estimate of construction cost
- JPA will approve a not-to-exceed amount; CCWD will have authority to award the contract and proceed



Principle #5 – CCWD Will Have Authority to Approve Changes During Construction



- CCWD may approve changes needed to ensure timely progress and avoid costly delays and claims
- Authority levels will be a percentage of the construction contract
- JPA approval would be sought for additional change order authority if needed to progress the project



Principle #6 – Water Quality and Supply Reliability Will Be Maintained During Construction



- CCWD will sequence the timing of construction to avoid impacts through facility impact planning
- Temporary facilities, construction constraints and other controls will be included as needed
- CCWD may obtain additional supplies or make other improvements that may be needed
- Additional costs that would not otherwise be incurred will be paid by the JPA



Principle #7 – CCWD Will Acquire Real Property for the Project



- CCWD will prepare a land acquisition plan for JPA approval in advance of taking land actions
- Agreements and rights -of-way will be procured following CCWD procedures
- Permanent rights -of-way for the Transfer -Bethany Pipeline will be deeded to the JPA



Total Project Cost Estimate Update



- Prepared to support Water Infrastructure Financing and Innovation Act (WIFIA) financing
- Development and construction costs updated to reflect May 2022 dollars
- Costs escalated to reflect the latest Project schedule assuming 4.2 percent annual escalation
- Estimated Development and Construction Cost (escalated): **\$1,245,375,000**



Schedule



- Finalize Process to Review and Approve with Executive Director December 2022
- Review the Draft DCA with JPA Board March 2023
- JPA Approval of DCA Spring 2023

ITEM 1.3: DISCUSSION OF FUTURE COMMITTEE MEETING PROCEDURES AND ATTENDANCE

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

As voted on at the November 9 Board meeting, each Authority committee will continue to meet virtually according to the Ralph M. Brown Act (Brown Act). This item will give the Committee an opportunity to discuss posting requirements and other meeting set up/technology needs at their individual agencies to properly comply with the Brown Act.

ALTERNATIVES:

For discussion

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

None

ITEM 1.4: DRAFT TREASURER’S REPORT – MONTH ENDED OCTOBER 31, 2022

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

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

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

None

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Due to the earlier date of this meeting, the Draft Treasurer’s Report for Month Ended October 31, 2022 is still in process and will be provided to the Committee members and public as soon as it is finalized.



DRAFT TREASURER’S MONTHLY REPORT

MULTI-PARTY AGREEMENT STATUS

Amendment No. 4 to the Multi-party Cost Share Agreement (MPA) was approved by the JPA on November 9. Following approval and execution by the JPA Members an invoice for \$1,094,00 per agency will be sent out in January 2023.

NOVEMBER 10, 2022

UPCOMING ACTIVITIES

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

TBD – Finance workgroup meeting (agenda TBD)

December 22 at 1:00 – Finance Committee Meeting via Zoom

Finance Committee Members:

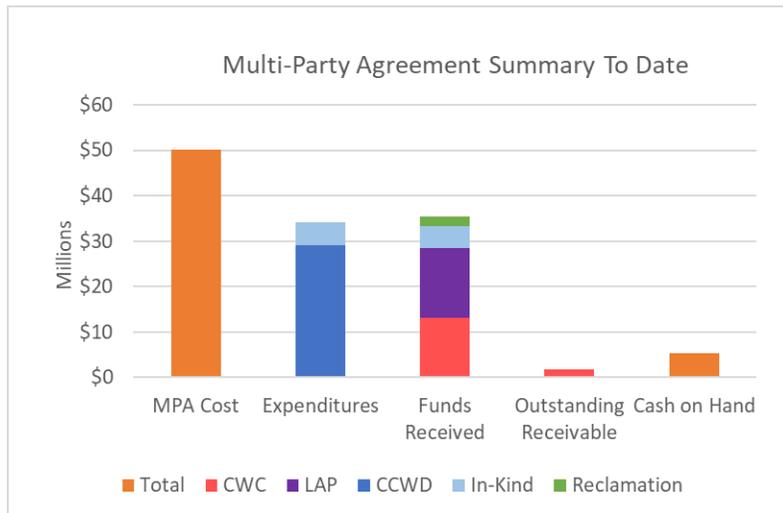
Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

John Coleman, EBMUD

Linda LeZotte, SCVWD

The following chart provides an overview of the MPA expenditures through October 31, 2022 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.



ACRONYM KEY

ACWD – Alameda County Water District

CCWD – Contra Costa Water District

CWC – California Water Commission

EBMUD – East Bay Municipal Utility District

LAP – Local Agency Partners

MPA – Multi-party Cost Share Agreement

SCVWD – Santa Clara Valley Water District (Valley Water)

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

MPA Summary to Date:

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

Expenditures:

CCWD: \$29,122,852 (includes consultants and legal services)

LAP: \$4,950,678 (in-kind services)

Total: \$34,073,530

Funds Received:

CWC: \$13,211,826

Reclamation: \$2,022,209

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

LAP: \$4,950,678 (in-kind services)

Total: \$35,379,556

Outstanding Receivable:

CWC: \$1,729,043

Reclamation: \$0

LAP: \$0

Cash on Hand: \$5,298,216

FEDERAL FUNDING STATUS

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

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

STATE FUNDING STATUS

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

The Early Funding Agreement with the CWC provides for a cost share of 50 percent of eligible costs through December 31, 2022. An amendment was approved by the CWC on May 18, 2022 to extend the agreement through December 31, 2023 and include \$927,917 in additional early funding that is now available as a result of the inflation adjustments to the total award amount. The summary below reflects the Early Funding Agreement prior to the amendment. The Total Budget and other budget status information will be updated in the next monthly report to reflect execution of the amendment on November 3, 2022.

Early Funding Agreement Summary to Date:

Total Budget:	\$45,900,000
Total Program Funding:	\$22,950,000 (50 percent cost share)
Total Billed To Date:	\$29,881,739 (65% spent to date)
Total Amount Remaining:	\$16,018,261
Total Retention To Date:	\$623,884
Outstanding Invoices:	\$1,105,159