



Media Release

State-funded stormwater-capture, recharge project breaks ground in Stanislaus County

State and districts' joint actions will reap regional benefits in building water resilience

July 3, 2023

Contact: Dimitri Stanich – Information Officer

NEWMAN – The State Water Resources Control Board joined the Central California Irrigation District (CCID) and Del Puerto Water District (DPWD) in Newman yesterday to celebrate the launch of the Orestimba Creek Recharge and Recovery project, which is expected to capture up to 3,500 acre-feet per year of stormwater flows for irrigation while reducing flooding risks to nearby disadvantaged communities. The project is scheduled for completion in June 2024.

The State Water Board committed \$5.6 million from its Prop 1 Stormwater Grant Program to fully fund construction of the project's recharge ponds and diversion and conveyance structures. To provide needed flexibility to plan for and maximize stormwater capture over successive wet seasons, the board issued its second-ever five-year temporary permit to the water districts in May.

"Thank you to the water districts for their leadership in bringing this project forward," said E. Joaquin Esquivel, chair of the State Water Board. "I congratulate them on their partnership and their commitment to strengthening water security and mitigating flood risks for their region. It's an example of how districts can take advantage of our financial assistance and streamlined permitting to make critical investments in water resilience."

Orestimba Creek is a naturally occurring waterway that flows through both water districts in Stanislaus County. The project permit allows for diversions, beginning with next year's wet season, to underground storage from approximately 80 acres of percolation ponds to the underlying Delta-Mendota Subbasin. Stored water can then be used to irrigate more than 209,000 acres of farmland or to augment surface water supplies, reducing impacts on the aquifer during critically dry years.

"Reaching the milestone of groundbreaking for any project is exciting, but my reflections today go first to the importance of collaboration and partnerships," said Anthea Hansen, general manager of the Del Puerto district. "The Central California Irrigation District and Del Puerto Water District have worked lockstep for over nine years to bring this 80-acre recharge and recovery project to the Newman area, and I cannot be more proud of how our agencies have navigated the many ups and downs of project planning and engineering, environmental approvals, permits and water right approvals, funding



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

STATE WATER RESOURCES CONTROL BOARD

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Media Release

acquisition and stakeholder outreach. This locally owned groundwater storage is a first for the Del Puerto District and its landowners, and I hope we can take what we learned and use it as a model for other potential groundwater storage partnership opportunities in the region."

Aside from the board's \$5.6 million stormwater grant, the water districts received \$800,000 from the Department of Water Resources' Integrated Regional Water Management Program, also funded by the Prop. 1 initiative. The overall project also is supported by \$1 million from the Bipartisan Infrastructure Law, and \$1.5 million and \$1 million provided by CCID and DPWD, respectively, for land acquisition and construction costs.

"It is amazing to see the collaboration on this project," said Jarrett Martin, general manager of the CCID. "Not only are we providing water resiliency per the Sustainable Groundwater Management Act, we are providing some flood protection to our community and improving the water quality of the domestic water supply. Everyone wins."

Statewide goals for stormwater capture, wastewater recycling, desalination, increased storage and conservation are all part of Gov. Gavin Newsom's Water Supply Strategy, which seeks to offset the projected 10% loss in California's water supplies by 2040 due to climate change.

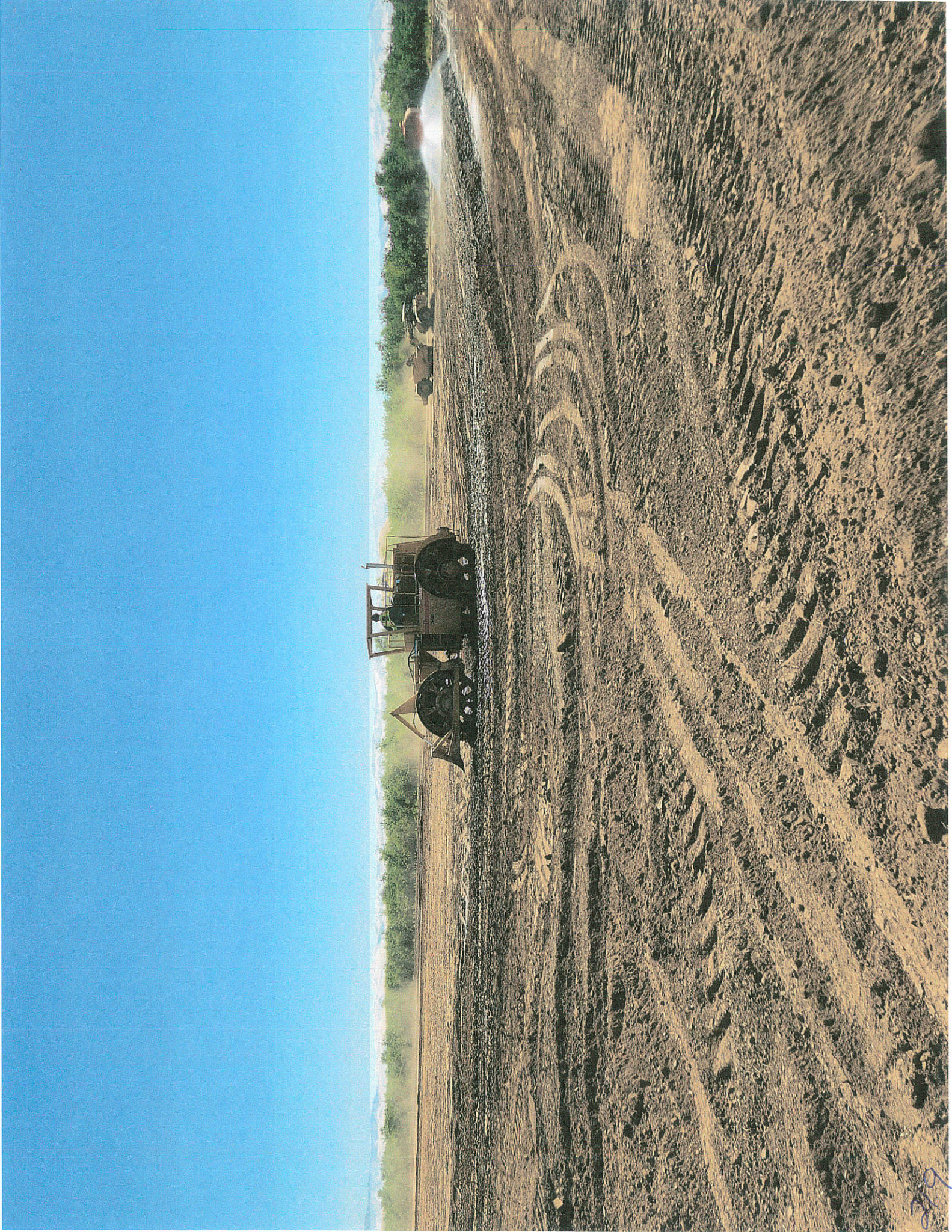
The State Water Board's mission is to preserve, enhance and restore the quality of California's water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper resource allocation and efficient use for present and future generations.

Job 759 - Orestimba Recharge Project 4-LOOK AHEAD JOB SCHEDULE

| | | Current Week | | | | | | | WEEK TWO | | | | | | | WEEK THREE | | | | | | | WEEK FOUR | | | | | | |
|----|---|--------------|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|-----|-----|-----|------------|-----|-----|-----|-----|-----|-----|-----------|-----|-----|-----|-----|-----|-----|
| | | July | | | | | | | July | | | | | | | July | | | | | | | July | | | | | | |
| | | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Sun |
| | Lead | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 1 | Administrative / Mobilization | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Conduct Basin Layout | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Mobilize Equipment and Materials for Basin | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | General Work Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Disc Fields | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Over Exc. for Levee Prism (Westside) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Scarify and Compact (Westside) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Place and Compact Levee Fill (Westside) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Place Fill at Existing Irrigation Ditch (Northside) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Excavate and Place Fill for Main Pond Ditch | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Over Exc. for Levee Prism (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Scarify and Compact (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | Place and Compact Levee Fill (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | Over Exc. for Levee Prism (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | Place and Compact Levee Fill (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | Over Exc. for Levee Prism (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | Place and Compact Levee Fill (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | Over Exc. for Levee Prism (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Place and Compact Levee Fill (Inter Basin Levee) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 | Poehole 42" HDPE Alignment (Basin to Distribution) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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https://www.ttownmedia.com/gallery/breaking-ground-on-water-project/article_2459039e-1c2f-11ee-95c2-77857af49ce7.html

FEATURED

Breaking ground on water project

By, Meg Matthews Patterson Irrigator
Jul 6, 2023



When it comes to water in the Patterson area it seems like there's either way too little of it or far too much – drought or floods. In an effort to take some control of storm water away from (a somewhat unpredictable) Mother Nature and put it into the hands of the people who need it, ground has been broken for a new multi-million dollar development. The Orestima Creek Recharge and Recovery project in Newman is expected to capture up to 3,500 acre-feet per year of stormwater flows for irrigation while reducing flooding risks to communities in Stanislaus County.

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Orestimba Creek is a naturally occurring waterway that flows through both the Central California Irrigation and Del Puerto Water Districts. The project permit allows for diversions, beginning with next year's wet season, to underground storage from approximately 80 acres of percolation ponds to the underlying Delta-Mendota Subbasin. Stored water can then be used to irrigate more than 209,000 acres of farmland or to augment surface water supplies, reducing impacts on the aquifer during critically dry years.

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The project is scheduled for completion in June 2024.

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**DEL PUERTO CANYON RESERVOIR
DESIGN OF DAMS AND APPURTENANT STRUCTURES**

Progress Report No.: PR-12

Prepared by: G. Roussel

Reporting Period: April 29, 2023 through June 2, 2023

Date: 06/26/2023

ACTIVITIES DURING REPORTING PERIOD**Task 1 – Project Administration**

- Prepared for and attended biweekly status meetings with Program Team, prepared meeting notes, and maintained action item list.
- Prepared progress report (including Earned Value Analysis) and submitted with invoice.
- Held weekly internal status meetings with TGP technical staff involved in the work to monitor progress and address issues, as necessary.
- Provided direction to TGP staff for prioritizing and re-scheduling activities and resolved logistics issues as they arose.
- Continued to assist ICF with responses to questions from agencies reviewing the permit applications for the Phase 2 geotechnical explorations.
- Responded to questions from drillers responding to RFP for Phase 2 explorations and started reviewing proposals received.

Task 3 – Geotechnical Evaluation

- Organized and attended site visit for drillers interested in proposing on Phase 2 geotechnical explorations.

Task 4 – Preliminary Design (30% Design)

- Continued refining design criteria as preliminary design proceeded.
- Continued work on fault rupture and permanent ground displacement study.
- Continued work on preliminary design including: preliminary stability analyses for embankments and cut slopes, excavation plan for Main Dam, embankment cross sections, concept for drainage of surface runoff downstream of Saddle Dam 1, preliminary hydraulics and sizing of spillway, and alternatives for Inlet/Outlet structure.
- Completed quantity take-off and developed preliminary Opinion of Probable Construction Cost (OPCC).
- Prepared Technical Memorandum documenting Preliminary (30%) Design and OPCC and submitted draft document to Program Team for review.

SIGNIFICANT ISSUES ENCOUNTERED / ADDRESSED

No new issues encountered.

ACTIVITIES PLANNED FOR NEXT REPORTING PERIOD (thru June 30, 2023)**Task 1 – Project Administration**

- Prepare for and attend biweekly status meetings with Program Team, prepare meeting notes, and maintain action item list.
- Monitor weekly progress and address issues, as necessary.

- Provide logistical direction to the TGP Team as project needs and requirements evolve.
- Continue evaluating proposals received from drillers.
- Continue to support Program Team and ICF as permit applications for the Phase 2 geotechnical explorations are being reviewed by the agencies.
- Prepare for and attend workshop with Program Team and Board Members of DPWD and SJRECWA to discuss project status and upcoming activities.
- Address special requests from Program Team.

Task 4 – Preliminary Design (30% Design)

- Resume work on documentation of analyses and evaluations performed in support of preliminary design.
- Address comments and questions from Program Team on Preliminary Design Technical Memorandum as they are received.

PROGRESS AND COST TO DATE

The following table provides a summary of the cost and progress by task for Task Orders 01 and 03 as of June 2, 2023.

| ACTIVITY | Estimate for Task Orders 01 and 03 | Prior Billed (\$) | Current Billed (\$) | Total Billed (\$) | Remaining Budget (\$) | Percent Spent | Percent Complete |
|--------------------------------------|------------------------------------|-------------------|---------------------|-------------------|-----------------------|---------------|------------------|
| Task 1 - Project Administration | 630,293 | 310,465 | 15,923 | 326,388 | 303,906 | 51.8% | 66% |
| Task 3 - Geotechnical Evaluation | 2,038,993 | 1,988,747 | 2,622 | 1,991,370 | 47,624 | 97.7% | 97% |
| Task 4 - Preliminary (30%) Design | 1,330,906 | 460,171 | 213,953 | 674,124 | 656,782 | 50.7% | 44% |
| Total Task Orders 01 & 03 | 4,000,193 | 2,759,384 | 232,497 | 2,991,881 | 1,008,312 | 74.8% | 77% |

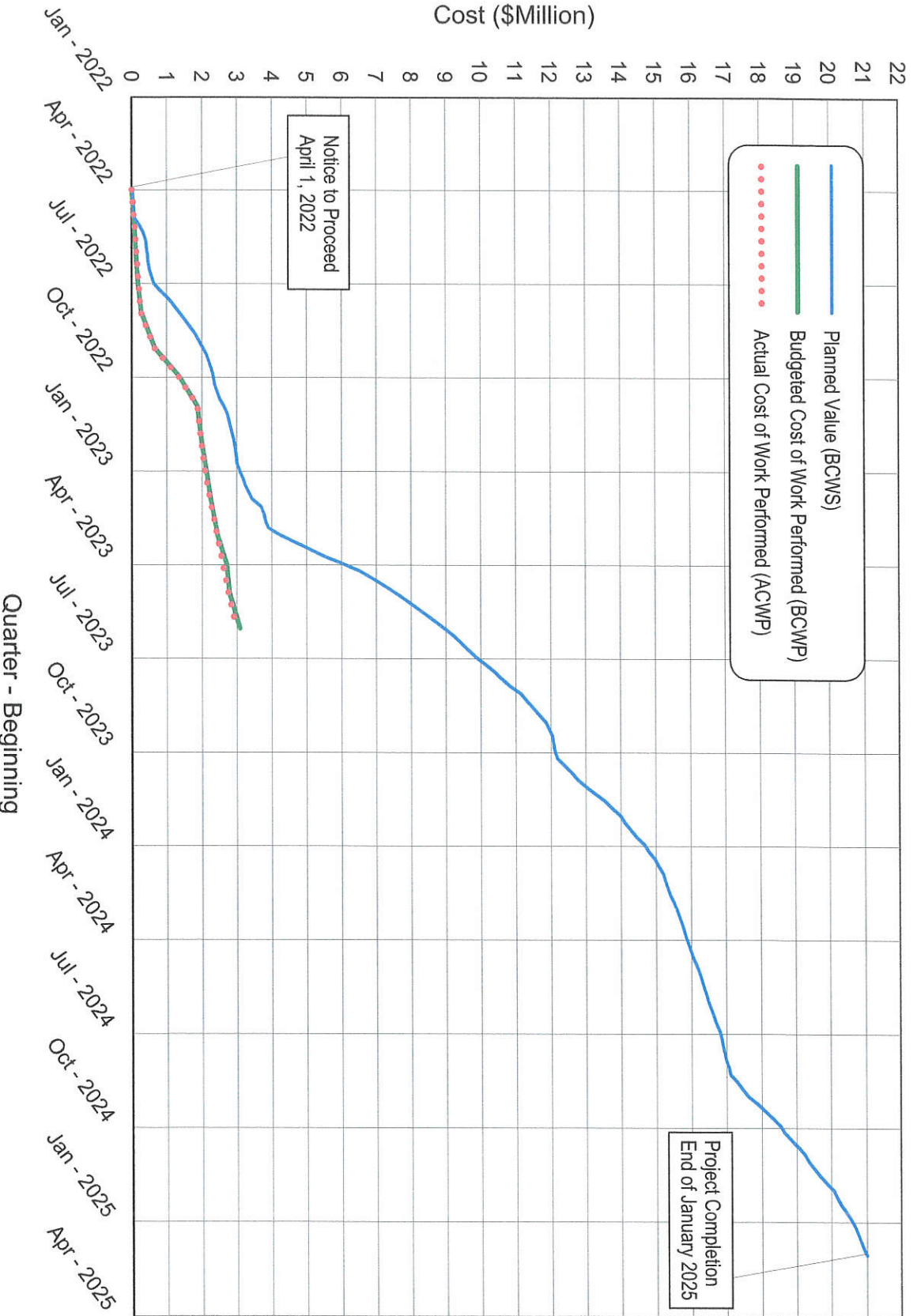
The results of the Earned Value Analysis (EVA) for the project as of June 2, 2023 are as follows and are shown graphically on Figure 1:

| Actual Cost of Work Performed (ACWP) | Budgeted Cost of Work Performed (BCWP) | Budgeted Cost of Work Scheduled (BCWS) | Cost Variance (BCWP - ACWP) | Schedule Variance (BCWP - BCWS) |
|--------------------------------------|--|--|-----------------------------|---------------------------------|
| \$2,991,881 | \$3,085,879 | -- | \$93,998 | -- |

The EVA is based on an Estimate-to-Complete (ETC) by subtask and continues to indicate that the work planned and authorized to date by Task Orders 01 and 03 is likely to be completed under budget. As indicated in previous progress reports, any funds remaining after all activities are completed will be set aside to address special requests from the Program Team that fall outside our specific scope of work.

As noted in previous progress reports, the schedule variance is no longer being reported because it would not be meaningful since it would be based on the Planned Value (BCWS) established at the beginning of the project. A new more representative Planned Value will be developed in Primavera once the schedule and cost of the Task Order 04 activities (covering the Phase 2 explorations and preparation of the Geotechnical Interpretive Report) have been reviewed and approved.

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a Joint Venture

RESULTS OF EARNED VALUE ANALYSIS
AS OF JUNE 2, 2023
DEL PUERTO CANYON RESERVOIR

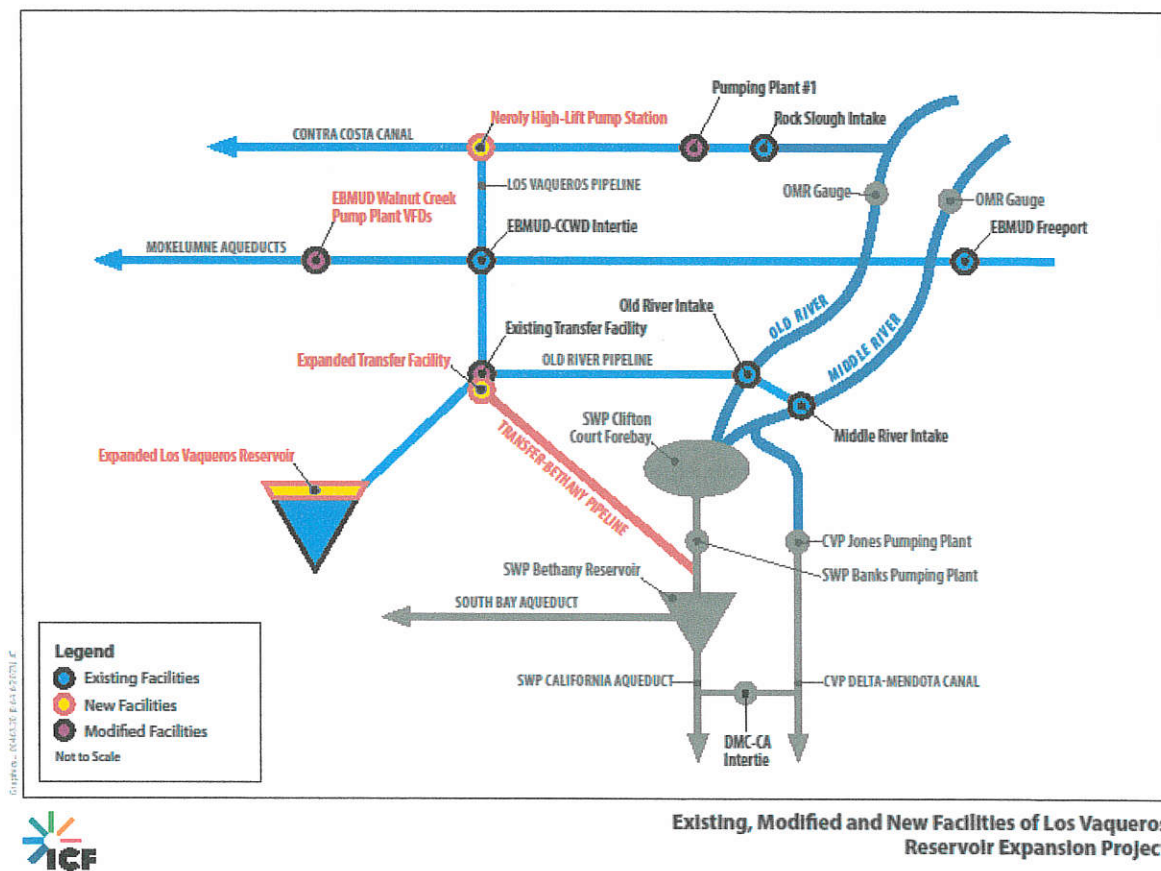
Figure
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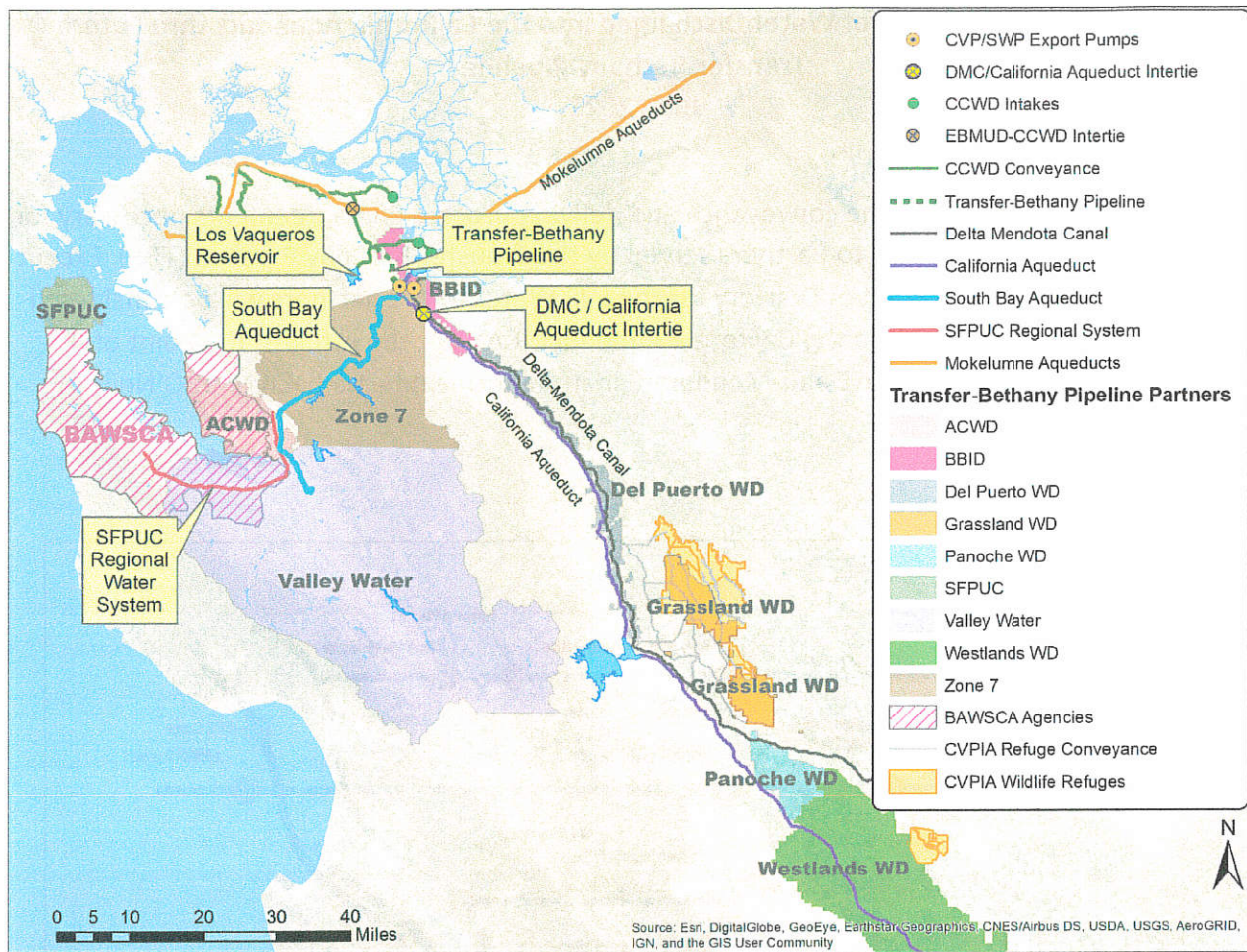
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Conveyance and Delivery of Water Discharged into the California Aqueduct thru Future Transfer-Bethany Pipeline June 2023

This document will describe the conveyance and delivery process and agreements necessary for such conveyance and delivery to Partners served by the Transfer Bethany Pipeline (TBP). Except for the refuge water, the Point of Delivery for the LVE Water to the partners will be considered the termination of the TBP into the California Aqueduct (CA). For the refuges, the Point of Delivery will be at either at the Delta-Mendota Canal/California Intertie (DCI) or at O'Neill Forebay.



Proposed tie-in location of Transfer-Bethany Pipeline to California Aqueduct



Partners Served by the Transfer-Bethany Pipeline

Conveyance and Delivery of Water to State Water Project (SWP) Partners Served Off the South Bay Aqueduct

Alameda County Water District (ACWD), Santa Clara Valley Water District (Valley Water), and Zone 7 Agency (Zone 7) are three of the four partners served off the South Bay Aqueduct (SBA), and these partners are current SBA Contractors with water supply contracts with the Department of Water Resources (DWR). The Point of Delivery for the water discharged into the CA (LVE Water) is at the termination of the TBP into the CA. The LVE Water discharged into the CA will be conveyed into the SWP Bethany Reservoir and through the SBA for delivery to these partner's existing turnouts off the SBA. The LVE JPA will coordinate with DWR the timing and delivery of the partners' LVE Water discharged into the CA. DWR will charge a modified rate to reduce the cost associated with Banks Pumping Plant.

Agreements Needed:

- Possible need to amend SBA Contract with DWR to include the conveyance and delivery of LVE Water.

Conveyance and Delivery of Water to San Francisco Public Utilities Commission (SFPUC)

SFPUC's LVE Water discharged into the CA at the Point of Delivery will be conveyed into the SWP Bethany Reservoir and through the SBA for delivery either (1) directly to SFPUC through a turnout to SFPUC's San Antonio Reservoir or Sunol Water Treatment Plant, (2) through exchange with ACWD, by delivering the LVE Water to ACWD through its SBA turnout, thereby reducing ACWD's use of water from SFPUC's Regional Water System, and/or (3) to Valley Water through its SBA turnout and from there through the Valley Water-SFPUC intertie at Milpitas. The LVE JPA will coordinate with DWR the timing and delivery of SFPUC's LVE Water discharged into the CA, and with ACWD or Valley Water if SFPUC's LVE Water will be delivered using ACWD or Valley Water's turnouts.

Agreements needed:

- DWR Conveyance Agreement for LVE Water to be conveyed through the SBA (in addition to potential modifications to ACWD and Valley Water SWP contracts described above)
- Agreement with ACWD for exchange of LVE Water for Regional Water System water, including modification of minimum take requirement in ACWD's water supply contract with SFPUC and potential amendment of the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers (see Bay Area Regional Reliability Partnership Shared Water Access Program Technical Memo on Pilot 1A)
- Agreement with Valley Water, if this operation of the Milpitas Intertie is not covered in an existing agreement

Conveyance and Delivery of Water to CVP Contractor Partners

The CVP Contractor partners' LVE Water discharged into the CA (LVE Water) at the Point of Delivery will continue to be conveyed in the CA to O'Neill Forebay or at the DCI into the DMC. For the LVE Water delivered to O'Neill Forebay, the partners will have the option to either continue to use the DWR's San Luis Canal (SLC) downstream of O'Neill Forebay for direct delivery to their current turnouts in the SLC or use the Federal (CVP) facilities for exchange, conveyance to points of deliveries provided in their CVP Contracts with the Bureau of Reclamation or storage in SLR. CVP contractor Partners will be responsible for entering necessary agreements with DWR and Reclamation and for all costs for such conveyance and storage of LVE Water.

For CVP Contractors Served Downstream of O'Neill Forebay

Westlands Water District (WWD) and Panoche Water District (PWD) are both San Luis Unit Contractors that have turnouts off the San Luis Canal (SLC). Once LVE Water is conveyed into O'Neill Forebay, these contractors can either utilize the State or Federal side of the SLC for delivery to their turnouts. To allow for flexibility based on differing annual circumstances and costs, these partners should enter into Conveyance Agreements with DWR to allow for conveyance of the water directly to their San Luis Canal (SLC) turnouts and in addition, also enter into Long-Term Warren Act Contracts with Reclamation to allow for conveyance and storage of the LVE Water in Federal Facilities in the event the LVE water is Non-Project Water. If LVE Water is CVP Project Water, no additional agreement is necessary with Reclamation for delivery to the partners on the Federal side of SLC. Partners/LVE JPA will need to

schedule and report the quantity of LVE water to Reclamation and the San Luis & Delta-Mendota Water Authority (SLDMWA) for both Warren Act Contract and CVP water deliveries.

An additional conveyance path for the LVE Water is the ability to gravity flow through the Delta-Mendota Canal/California Aqueduct Intertie (DCI) into the DMC. The DCI has the capacity to gravity flow 900 cfs into the DMC. This option would be conditioned on the available capacity of the DCI and the DMC.

Agreements Needed:

- DWR Conveyance Agreement for conveyance of LVE Water to O'Neill Forebay with option to allow for delivery at either at O'Neill Forebay or at turnout(s) off the SLC This agreement will also allow for the delivery of the LVE Water at the DCI.
- Warren Act Contract with Reclamation for conveyance and storage of Non-Project LVE Water including use of the DCI.

For CVP Contractors Served Off the Delta-Mendota Canal Upstream of O'Neill Forebay

Byron-Bethany Irrigation District (BBID), City of Tracy (COT) and Del Puerto Water District (DPWD) have turnout (s) off the Delta-Mendota Canal (DMC) upstream of O'Neill Forebay. For these partners, the LVE Water once discharged into the CA from the TBP will be conveyed into O'Neill Forebay or at the DCI. For the water to be delivered to the partners off the DMC, their LVE water if conveyed to O'Neill Forebay will need to be exchanged with Reclamation for a like amount of CVP Project Water. CVP Project water pumped at Jones Pumping Plant will then be used for delivery to the partners at their designated turnouts off the DMC.

If there is sufficient capacity at DCI and the DMC, the LVE Water can be gravity flowed into the DMC and thereby avoiding the need for an exchange at ON Forebay for delivery to the partners.

Agreements Needed:

- DWR Conveyance Agreement for conveyance of LVE Water to O'Neill Forebay or at the DCI.
- For CVP Project LVE Water, an Exchange Agreement with Reclamation to allow for CVP Project Water pumped at Jones Pumping Plant for delivery to partners.
- Warren Act Contracts with Reclamation for exchange, conveyance and storage of Non-Project LVE Water including the use of the DCI.

Conveyance and Delivery of Water to Byron-Bethany Irrigation District (BBID)

BBID has the option to take delivery of the LVE water at either the DMC or at their intake located upstream of the TBP discharge into the CA. For BBID to take delivery of the LVE Water at their intake, an exchange with DWR is necessary. BBID LVE Water will be exchanged for SWP Water diverted from Clifton Court Forebay.

Agreement Needed:

- DWR Exchange Agreement with BBID.

Conveyance and Delivery of Water to Reclamation for Refuges/Grasslands Water District (GWD)

The Point of Delivery for the LVE Water for the refuges/GWD is assumed to be at O'Neill Forebay or at the DCI. This assumption is based on the need for the JPA to be responsible or partially responsible for the cost of delivery of the water to the refuges/GWD at the DCI or O'Neill Forebay. Once the LVE Water is delivered to O'Neill Forebay or DCI, Reclamation's Refuge Supply Program (RSP) manager will be responsible for accounting, scheduling delivery of the water to the various refuges/GWD or move to storage in SLR.

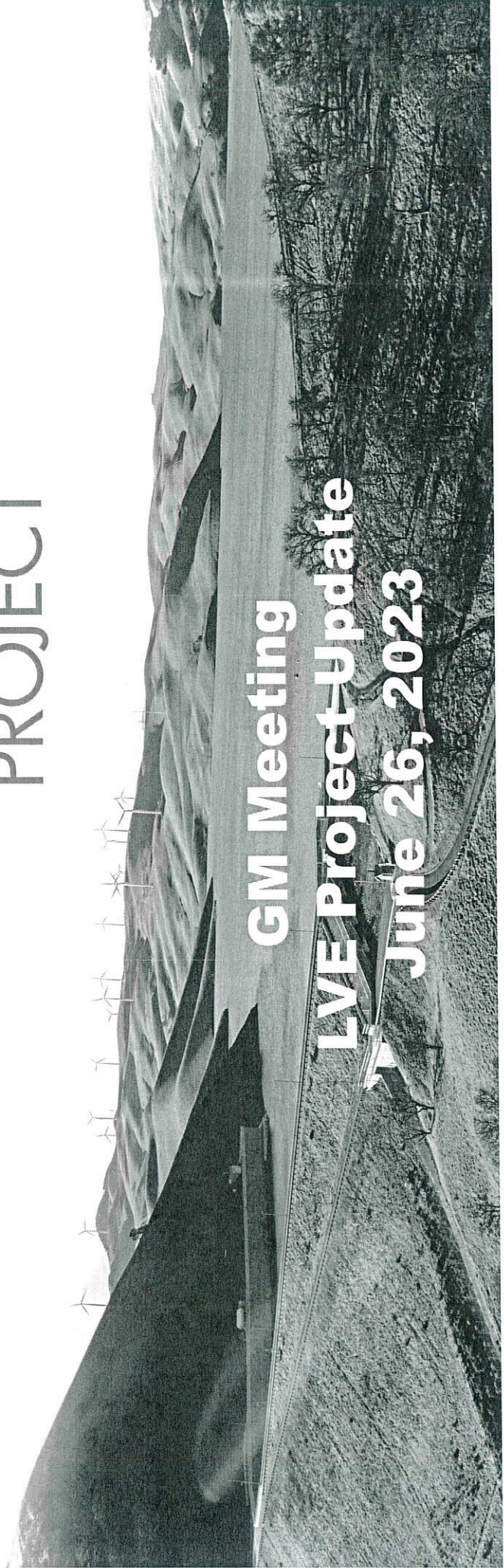
Agreements Needed:

- DWR Conveyance Agreement with the JPA for conveyance of the LVE Water to either the DCI or O'Neill Forebay.
- Reclamation agreement with the JPA for delivery of refuge water and for cost share for DWR conveyance cost.

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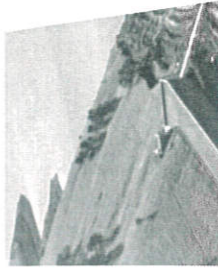
LOS VAQUEROS RESERVOIR EXPANSION PROJECT

GM Meeting
LVE Project Update
June 26, 2023



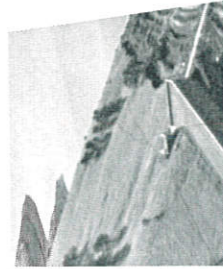
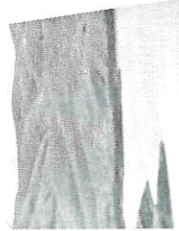
Overview

1. Multiparty Agreement #5 Status Update
2. CWC WSIP Process and Requirements
3. Review of Harvest Water CAPB
4. Process & Schedule for LVE CAPBs
5. Next Steps



Multiparty Agreement # 5

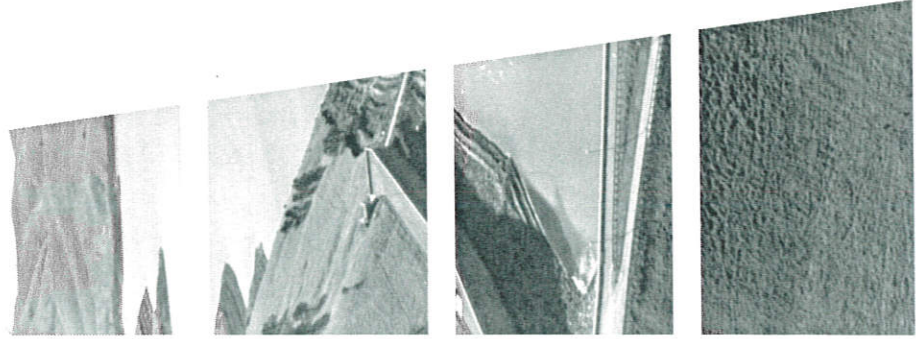
| Entity | Approval Date | Status |
|--------------|----------------------|-----------------------|
| LVE JPA | June 14 (Authorized) | Signed June 21 |
| CCWD | June 21 (Authorized) | Signature in progress |
| ACWD | July 13 | |
| EBMUD | August 8 | |
| Grassland | June 22 | |
| SFPUC | August 8 | |
| SLDMWA | July 13 | |
| Valley Water | August 8 or 22 | |
| Zone 7 | July 18 | |



CWC WSIP Process & Requirements

LVE WSIP Journey

| | |
|---|------------------|
| Proposition 1 Passed | November 2014 |
| WSIP Regulations Adopted | December 2016 |
| LVE WSIP Application Submitted | July 2017 |
| LVE MCED determination - \$459,000,000 | July 24, 2018 |
| LVE MCED Inflation Adjusted (2.5%) - \$470,475,000 LVE Early funding approved - \$23,877,917 | January 20, 2021 |
| LVE Continuing Eligibility and Feasibility Determination | October 20, 2021 |
| LVE MCED Inflation Adjusted (1.5%) - \$477,558,343 | March 16, 2022 |
| Final Award Hearing | June 2024 |



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LVE WSIP Public Benefits

Ecosystem

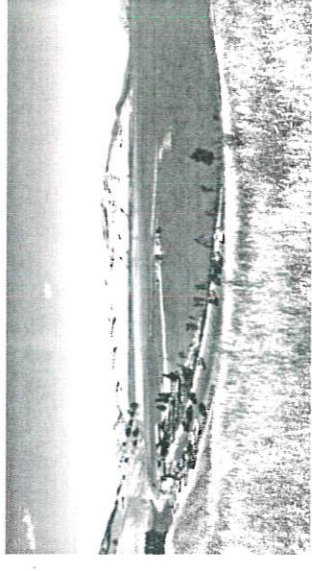
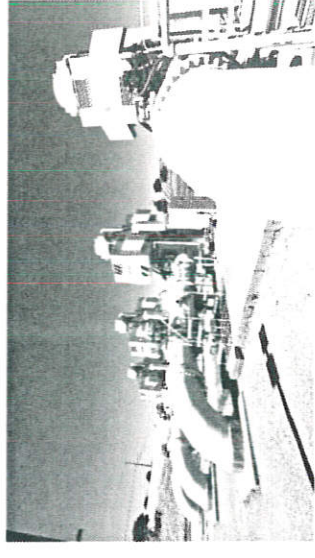
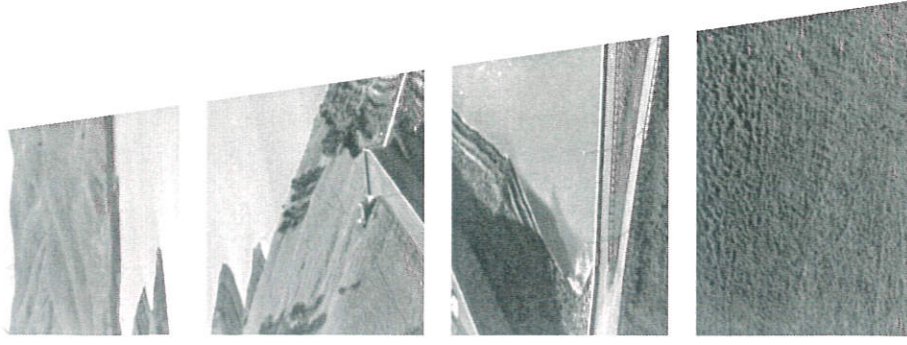
- Increased water supply for San Joaquin Valley wildlife refuges
- Improved survival of salmonids migrating through Delta

Emergency Response

- Catastrophic emergency
- Drought emergency

Recreation

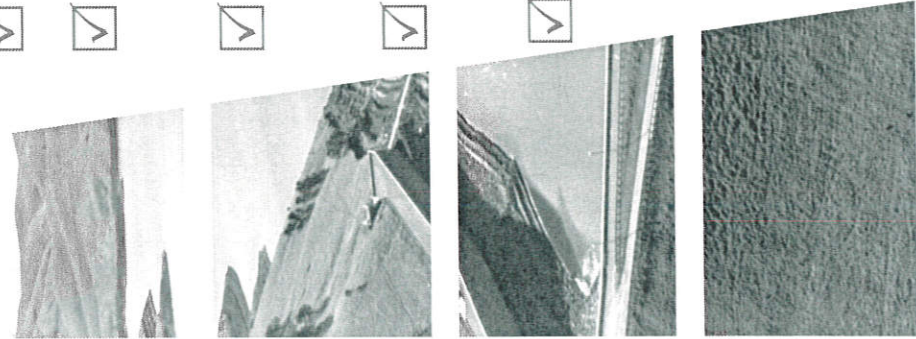
- Enhance recreation at LV Reservoir & Watershed



CWC Required Findings

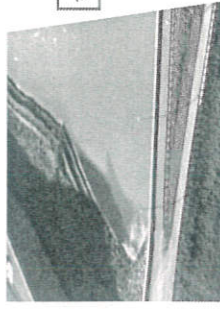
- ☒ 1. The proposed project is cost-effective.
- ☒ 2. The proposed project improves the operations of the State water system.
- ☒ 3. The proposed project provides a net improvement in ecosystem and water quality conditions.
- ☒ 4. The proposed project provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.
- ☒ 5. The WSIP cost share is less than or equal to 50 percent of the proposed project's total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects.

LVE is a reservoir reoperation and CALFED project; therefore, eligible for funding greater than 50% of construction costs.



CWC Required Findings

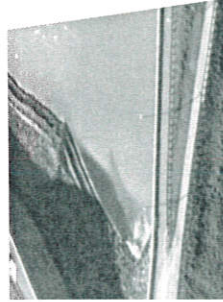
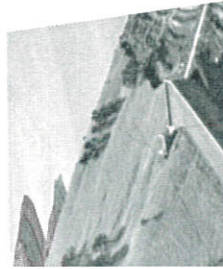
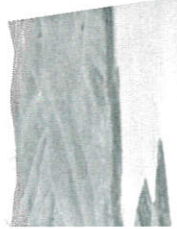
- ☒ 6. The WSIP-funded ecosystem improvement benefits make up at least 50 percent of the total public benefits funded by WSIP.
- ☒ 7. The proposed project appears to be feasible.
- ☒ 8. The proposed project advances the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.
- ☒ 9. The proposed project is consistent with all applicable laws and regulations



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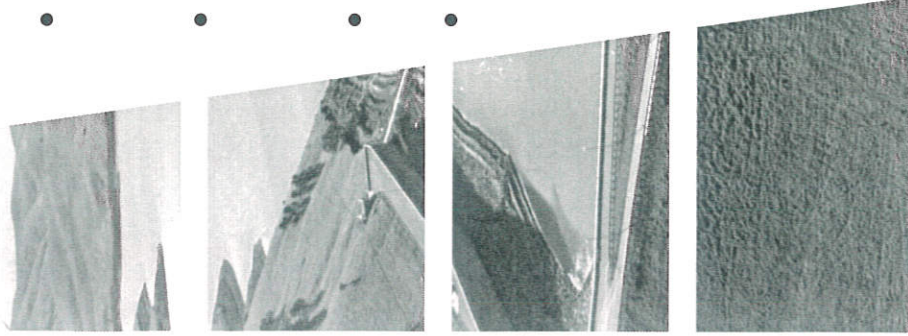
Requirements for Final Award Hearing

- ☒ • **Feasibility study**
- **Environmental documents**
 - ☒ ◦ Final Supplemental to Final EIS/EIR
 - ☐ ◦ Record of Decision - Reclamation
- ☐ • **Permits for Construction** (state & federal)
- ☐ • **Evidence of non-program funding** (service agreements & federal funding)
- **Contracts for administration of public benefits**



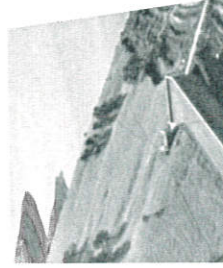
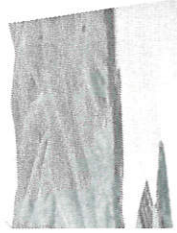
Contracts for Administration of Public Benefits

- CAPBs between **project proponent** and **DWR/CDFW** is a Prop 1 requirements before construction funds is allocated.
- Statute and regulations require CAPBs to ensure public contribution of funds achieves public benefits.
- Regulations defines content of CAPBs.
- Overall process:
 - Proponent and CDFW/DWR **negotiate** CAPBs
 - Drafts will be available for Commission/public review and comment
 - Must be executed before Commission awards funding
 - Exhibit to funding agreement



Contracts for Administration of Public Benefits

- CDFW is responsible for CAPB for ecosystem benefits
 - Harvest Water Project has executed CAPB with CDFW
 - Negotiations for LVE have not started yet
- DWR is responsible for CAPB for emergency water supply and recreation benefits
 - LVE will be the first project to execute CAPB
 - Negotiations have not started yet



Review of Harvest Water (HW) CAPB

HW CAPB Outline

Section 1 Abbreviations and Definitions

Section 2 Roles and Responsibilities

Section 3 Term

Section 4 Public Benefits

4.1 Public Benefits Description

4.2 Adaptive Management

4.3 Reporting

4.4 Requirement to Share Data

4.5 Assurances

Section 5 Public Benefit Dispute Process

Section 6 Dispute Resolution

Section 7 Specific Performance

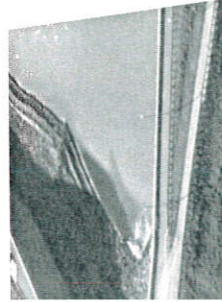
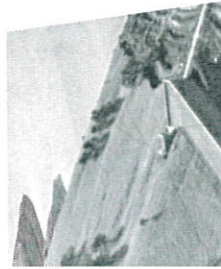
Section 8 General Terms and Conditions

Exhibits

A. CDFW Findings

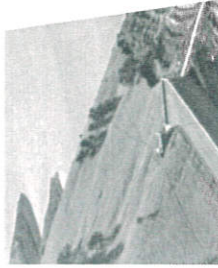
B. Adaptive Management Plan

C. Master Agreement Templates



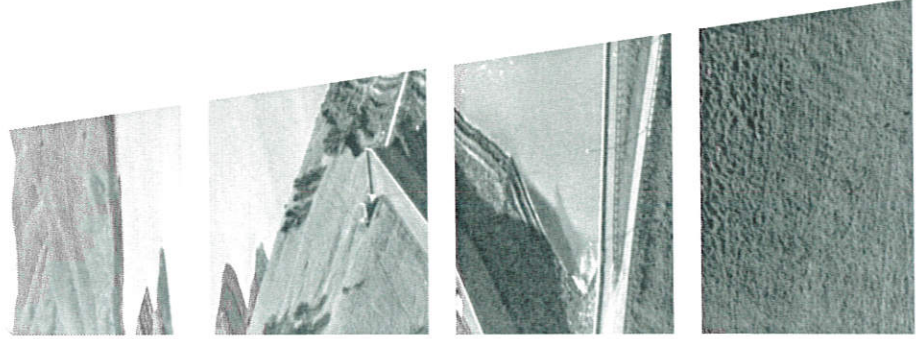
HW CAPB Recitals

- Delivery of both public and non-public benefits to the fullest extent possible is necessary to maintain the Program's economic viability
- Delivery of either public or non-public benefits is not intended to be obtained by prioritizing one benefit over the other.
- Regional San's obligation to provide the Public Ecosystem Benefits will be achieved by implementing the agreed upon actions in the CAPB.



HW Roles & Responsibilities

- CDFW will:
 - Provide ongoing technical expertise and guidance toward the administration, implementation, and management of the Public Ecosystem Benefits
 - Participate in ecosystem benefit metric tracking, evaluation, and accounting, and
 - Inform the CWC of Public Ecosystem Benefits provided, any Adaptive Management Actions triggered, any benefit changes
- Regional San is responsible for implementation of
 - Project Implementation Actions
 - Benefit Implementation Actions
 - Adaptive Management Actions (including monitoring and reporting)

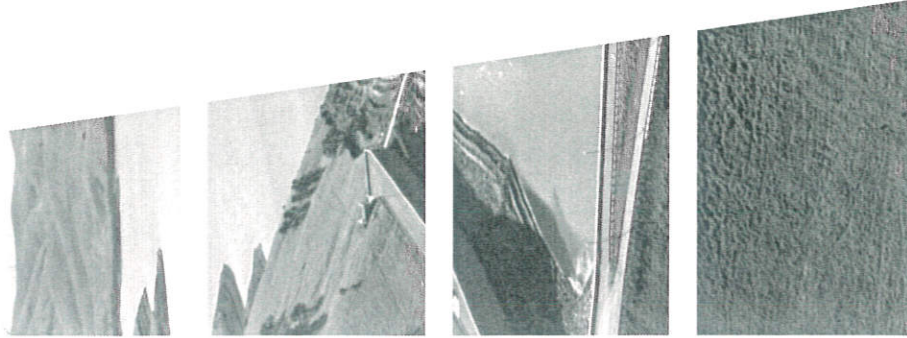


2.45

HW Implementation Actions and Anticipated Benefits

Table 1. Project Implementation Actions, Benefit Implementation Actions, and anticipated Benefit Environmental Response for the Harvest Water Program.

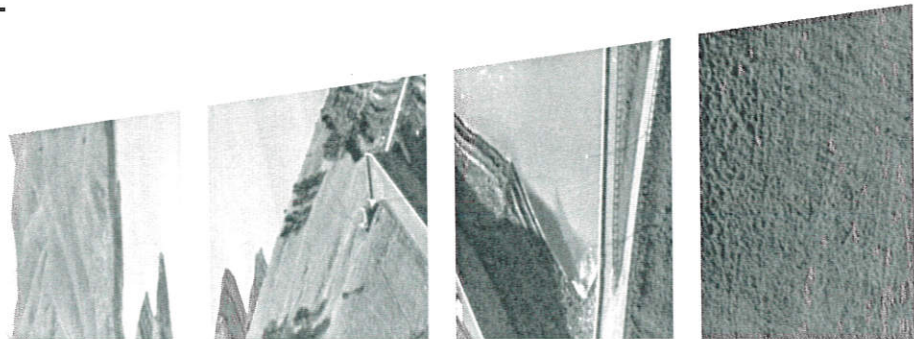
| Project Implementation | Benefit Implementation | Benefit Environmental |
|--|---|--|
| Recycled Water Delivery 1. Irrigation water April – October 2. Wintertime water November – March | Sandhill Crane 1. Water delivery 2. Acreage enrollment 3. Land management Cosumnes River Flow 1. Cumulative streamflow 2. Groundwater elevation Wetland/Riparian (Passive) 1. Groundwater elevations within 10 feet bgs Wetland (Active) 1. Acreage enrollment and protection 2. Water supply/improvement 3. Land management Riparian (Active) 1. Acreage enrollment and protection 2. Water supply/improvement 3. Land management Vernal Pool Complex 1. Acreage enrollment and protection 2. Land management | Sandhill Crane 1. Crane usage Cosumnes River Flow 1. Increased river connectivity Wetland/Riparian (Passive) 1. Functionality (modified CRAM) Wetland (Active) 1. Functionality (modified CRAM) Riparian (Active) 1. Functionality (modified CRAM) Vernal Pool Complex 1. Functionality (modified CRAM) |



HW Adaptive Management

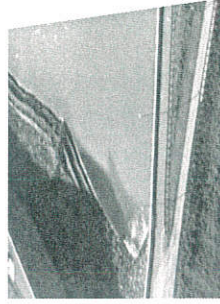
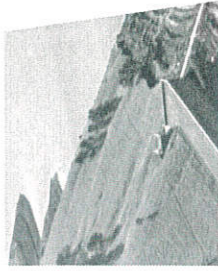
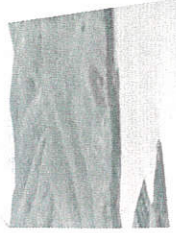
An adaptive management plan for the public benefits funded under the [WSIP] Program. The adaptive management plan shall contain:

- a. Public benefit monitoring metrics;
- b. Monitoring locations, frequencies, and timing;
- c. Metric evaluation methodology and associated threshold or trigger levels based on best available science that initiate Adaptive Management Actions;
- d. Decision making process including the administering agency role and the Adaptive Management Actions that would be taken when a trigger is reached;
- e. Funding sources and financial commitments to implement the adaptive management plan;
- f. Other items deemed necessary on a case-by-case basis by administering agencies entering into the contract.”



HW Contract Term

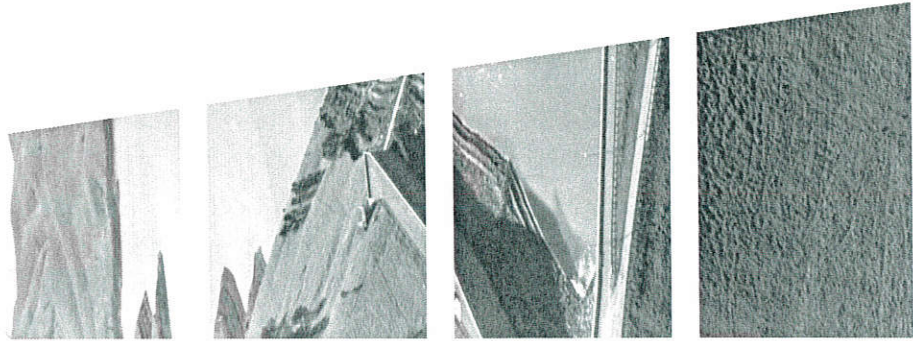
- CAPB shall become effective upon the execution of a Funding Agreement between the CWC and Regional San.
- The Contract Term is 84 years, or until termination of the Funding Agreement, whichever occurs first.



HW Assurances

The Parties have determined that the following provide the required assurances under California Code of Regulations, title 23, section 6014 subdivision (a)(2)(A)(5):

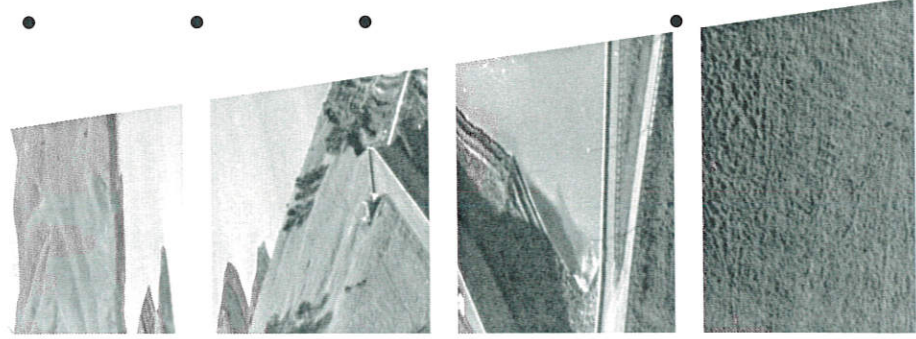
1. Regional San will maintain and operate the Program through the Term of the Contract;
2. Regional San will maintain permits throughout the Term of the Contract required to deliver irrigation and wintertime water and otherwise comply with all applicable regulations and requirements;
3. Regional San will not export groundwater from the Water Delivery Area if metrics related to groundwater levels or Consumes Flows are below associated Performance Thresholds;
4. Regional San provided master agreement land use and vernal management templates for the Department's review and approval;
5. Regional San provided a Letter of Intent from a landowner interested in enrolling their 111-acre parcel containing vernal complex into the Program;
6. The Adaptive Management Plan will not require more water or habitat acreage be provided by Regional San than proposed within this Contract;
7. Regional San will undertake appropriate Adaptive Management Actions that are reasonable and feasible.



LVE CAPBS

LVE CAPBs Process & Schedule

- JPA to develop proposed schedule with CDFW and DWR for drafting the CAPBs.
- JPA will brief the Board and member agencies on the development the draft of CAPBs.
- CWC meeting early 2024 (TBD)
 - DWR and CDFW to present draft CAPBs
 - JPA to present project overview and virtual tour
- JPA to execute the CAPBs by April 2024 to meet the Final Award Hearing date of June 2024.



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Next Steps

- Form a CAPBs workgroup to provide Member agency staff input for JPA negotiations with CDFW and DWR.
- Adaptive Management Plan Development Team Supporting JPA
 - Ecosystem Refuge – GWD, Reclamation, CCWD
 - Ecosystem Salmon – CCWD
 - Emergency Water Supply – Partners with Storage Share
 - Recreation – CCWD



LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY

MINUTES

Regular Meeting of the Board of Directors

June 14, 2023 – 9:30 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 9:30 a.m.

*NOTE: Chair Ramirez Holmes announced that Alternate Director Richard Santos is participating telephonically.

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
Rebecca Eisenberg, Director, Santa Clara Valley Water District

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District
*Jeff Quimby, Alternate Director, Contra Costa Water District
Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water
Richard Santos, Alternate Director, Santa Clara Valley Water District
Sandy Figuers, Alternate Director, Zone 7 Water Agency

*participated in place of absent Director; Alternate Director Quimby acted in place of Director Avila, who was absent.

ABSENT

Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District

Dennis Herrera, Director, San Francisco Public Utilities Commission
Lesla 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

STAFF PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel
Marguerite Patil, Contra Costa Water District
Maureen Martin, Contra Costa Water District
William Lockwood, Clean Energy Capital Securities, LLC
Chuck Gardner, Hallmark Group, Program Manager
Jessica Alwan, Hallmark Group, Deputy Program Manager
Maddy Benner, Hallmark Group, Project Coordinator
Ibrahim Khadam, Khadam Consulting, Agreements Manager
MJ Brown, RGS, Assistant Board Clerk

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

CONSENT CALENDAR

1.1 Approval of Amended Minutes from May 19, 2023 Board of Directors Meeting

1.2 Treasurer's Report – Month Ended April 30, 2023

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

Upon motion by Director Eisenberg, seconded by Secretary Wehr, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

Chair Ramirez Holmes requested changes to the minutes on Item 1.1 of the agenda to reflect the following correction: (1) that Vice Chair Hansen requested Item 1.1 be pulled and heard under the separate motion.

Upon motion by Secretary Wehr, seconded by Director Eisenberg, Item 1.1 of the Consent Calendar, 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
 Rebecca Eisenberg, Director, Santa Clara Valley Water District
 Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

ACTION ITEMS

2.1 Approval of Fiscal Year 2022 Audit Report

Executive Director Taryn Ravazzini stated the Authority's Board of Directors engaged Maze and Associates to conduct the Authority's Audit for Fiscal Year 2022 and she introduced Whitney Crockett, partner with Maze and Associates who presented the audit report.

Ms. Crockett presented the Authority's audit report, noting the auditor's opinion for Fiscal Year 2022 was clean or unmodified. Ms. Crockett further described the audit scope, and presented the Memorandum of Internal Control and required communications of which there were no issues.

Chair Ramirez Holmes noted that page 24 of the Independent Auditor's Report referred to management's discussion and analysis, but that discussion and analysis was not included in the Audit Report. Ms. Crockett stated it is not required for the basic financial statements to include that management discussion and analysis but that is required by the Governmental Accounting Standards Board and that is something they simply need to note in their opinion.

Alternate Director Wunderlich noted the management discussion and analysis may have been omitted due to the lack of activity that would ordinarily be presented in a management discussion and analysis. Chair Ramirez Holmes requested the addition of a statement noting that the management discussion and analysis is not provided as part of the audit. Executive Director Ravazzini stated she will further review this item and return to the Board with any necessary supplemental information.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

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Ms. Crockett stated omission of the management discussion analysis does not affect their audit opinion because it is considered supplementary information.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, the Fiscal Year 2022 Audit Report 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
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.2 Approval of Amendment to Extend Contract with Lagerlof, LLP for General Counsel Services

Executive Director Ravazzini summarized the action to amend the existing Authority contract for legal services with Lagerlof, LLP, which has been engaged since the inception of the Authority, with Jim Ciampa serving as the Authority's general counsel. This item would extend the existing contract through June 30, 2024, with no other changes.

Vice Chair Hansen asked if the service rates have increased since 2021 and whether any increases are anticipated between now and June 2024. General Counsel Ciampa, stated there has not been any rate increases since the inception of the agreement and no increases are proposed during Fiscal Year 2024.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Upon motion by Director Eisenberg, seconded by Treasurer Sethy, the Amendment to Extend Contract with Lagerlof, LLP for General Counsel Services, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

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

Executive Director Ravazzini reported the Authority's existing contract with Clean Energy Capital Securities, LLC ("Clean Energy Capital") for financial consulting services will expire on June 30, 2023. The proposed draft contract amendment would extend the contract through June 30, 2024, would provide a revised scope of work to better accommodate anticipated work in this upcoming fiscal year and would include additional budget authorization related to the services Clean Energy Capital would provide.

The proposed amendment was brought to the Finance Committee at its May 25 meeting, and it was determined by the Committee that Clean Energy Capital is uniquely qualified to provide continuing financial advisory services for FY 2024.

Executive Director Ravazzini noted that within the last week, two issues have come to light related to Clean Energy Capital's work for the Authority. First, an outstanding invoice from services rendered between late August and December 2022, prior to the start of Clean Energy Capital's contract with the JPA is estimated at \$136,000.

Second, from January to June of 2023, the JPA anticipates out-of-scope work may exceed the not-to-exceed amount of the contract by approximately \$147,000. This out-of-scope work includes additional services Clean Energy Capital rendered for service agreement management and sub-group leadership roles, procuring banking services, and managing the RFP process for accounting services.

Executive Director Ravazzini noted management will implement the following safeguards, which have been added to the proposed contract amendment if the Board approves that amendment:

1. Including a provision that services for which an invoice is submitted more than 60 days after the date the services are rendered will not be compensated;
2. Requiring written authorization to add scope or increase funds;
3. Requiring notice when the contract has \$50,000 remaining; and
4. Requiring payment progress payment reports when those invoices are submitted, which is not reflected in the amendment but will be part of the invoice process.

The JPA has undertaken a significant amount of work over the last several months and appreciates Clean Energy Capital providing support. Because there was uncertainty anticipated during the budget development process, potential overages can be covered under existing contingency in the FY 2023 budget. The JPA can close out the FY 2023 under budget and without impacts to the Multi-Party Agreement Amendment No. 5.

Executive Director Ravazzini noted the following options for the Board:

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1. The Board could approve the contract, as amended, and shown in the contract included in the packet. This is solely for extending the contract for one year for FY 2024. A downside to that is it does not cover the outstanding invoice amounts, which total approximately \$283,000 for work that has already been completed;
2. The Board could take no action and refer the matter to the Finance Committee. The Finance Committee has not received this new information on the unpaid invoices. The Finance Committee could review the proposed amendment considering the new expenditures and determine next steps and direction to staff as to a recommendation to be brought to the Board at the July meeting; or
3. Opt-out of retaining Clean Energy Capital for FY 2024 and go forward with a competitive RFP for these financial services. The Board and Finance Committee have recognized the need for financial consultant support, so pursuing a consultant, whether it is Clean Energy Capital or not, is a recommendation of staff.

Vice Chair Hansen noted the unpaid invoice cost is an additional 50% of the total contract and she questioned how that additional work was overlooked. She then mentioned an inconsistency in the term provision of the draft amendment.

General Counsel Ciampa stated there was a mix up of versions of the amendment, and the provision setting forth the term will be revised to read, "The term of this agreement shall terminate on June 30, 2024. Consultant shall complete all services covered by this agreement no later than June 30, 2024." A formatting issue at the end of the document will also be corrected in the final version of the amendment.

Vice Chair Hansen recommended adding a requirement for invoicing every 30 days and also noted that in the scope of work set forth on page 61 of the Board packet, under Section B, Compensation Structure, a Task 9 is listed, but Task 9 is not included in the scope. Executive Director Ravazzini said Task 9 was merged into Task 8 so staff will make that correction to delete the reference to Task 9.

Vice Chair Hansen referred to Tasks 1 and 5 relating to the Water Infrastructure Finance and Innovation Act ("WIFIA") not being proposed to be budgeted at this time, but scope 5 includes a task that says, "Finalize and execute WIFIA agreement." Executive Director Ravazzini agreed with that revision and stated the scope of work will be adjusted to delete that task for FY 2024.

Director Eisenberg stated it would be helpful to include a monthly cap on the amount the Authority is to pay each month and that the consultant cannot exceed that amount without prior written approval, including by email. She also requested a venue provision be added in the amendment.

Treasurer Sethy noted that although it is disappointing these issues with invoices showing up late have arisen, it does not mean Clean Energy Capital did not do the work and he stated they have performed exceptionally well in performing their duties for the Authority. He is pleased that in working through these issues, Clean Energy Capital will tighten up their invoicing for the continuing year of this contract.

Secretary Wehr asked who is leading the further development of the service agreements, including the working groups that might not be directly related to financial matters but are rather negotiations over the allocation of storage and conveyance. Executive Director Ravazzini stated that with the onboarding of the Program Manager, Clean Energy Capital will be pulled back from leading on service agreement development, once the transition is completed.

Chair Ramirez Holmes confirmed the contract for the unpaid invoice dating from August 2022 was with CCWD. She asked if the Authority approved that contract, and Executive Director Ravazzini said the contract was already in existence with CCWD. Chair Ramirez Holmes said she assumes in both cases there was a clause in the contract that said any additional work outside the scope would need a written agreement. General Counsel Ciampa confirmed that. Chair Ramirez Holmes asked if the Authority amended its contract for additional services. Executive Director Ravazzini said staff did not come before the Board and amend the contract, nor did she amend the contract. Chair Ramirez Holmes asked and confirmed both contracts had a not-to-exceed-amount.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Chair Ramirez Holmes said as an elected Director and as Chair of the Authority, she has a fiduciary responsibility for financial oversight. She has concerns with the Authority covering a contract made by the CCWD Board of Directors where the Authority had no oversight and, thus, she is unsure why payment is the Authority's responsibility.

With respect to the Authority's contract, she commented that any additional work outside of the agreed scope needs to be undertaken through a signed agreement and there was no signed agreement for that additional work. She questioned how Clean Energy Capital could proceed with that out-of-scope work to the magnitude of \$147,000, with no signed agreement and expect that invoice to be paid.

Chair Ramirez Holmes is further concerned these matters are not transparent and the fact the problem has occurred twice in six months in an amount over \$300,000 is a red flag. She expressed her serious concerns, not with the work provided but with the business side, due to the fact Clean Energy Capital was doing work outside the scope and beyond the not-to-exceed amount.

Chair Ramirez Holmes suggested the Authority go out for a competitive bid to see if there are other consultants that can provide the necessary services. She is also open to sending this matter back to the Finance Committee to study and bring back in July. She noted she tallied the four changes made verbally to this contract at this meeting and stated it is not acceptable to vote on a contract with that many changes.

Director Eisenberg said one path forward is to negotiate with Clean Energy Capital. She thinks they do good work, and questioned if CCWD has some responsibility for the 2022 invoice amount.

Chair Ramirez Holmes emphasized that the action before the Authority is renewing the contract. She was not sure they have enough information today to make decisions on the outstanding issues; however, the Board can refer the item to the Finance Committee.

Director Eisenberg requested refinement of the language regarding invoicing and payments and thinks both matters should be continued before approval of the amendment.

Treasurer Sethy shared the sentiments of the Chair as to the circumstances of what happened but would like the Board to be pragmatic. He suggested having the Executive Director resolve the situation with CCWD through either reimbursing them or paying directly. Otherwise, it may not be until August that the Authority will have another contract in place for the necessary services and that would result in a gap in those services, so he would encourage the Board to approve the amendment.

Vice Chair Hansen asked Executive Director Ravazzini if she sees any other options for resolving the issue of the two invoices, and said she wished they had a version of the contract amendment without so many edits. Executive Director Ravazzini appreciated the understanding of the requested corrections. When looking at the fact there is an outstanding invoice for a contract with CCWD, ultimately that payment would come back to the Authority in some way. Something to consider is potentially backdating the commencement of the Authority's contract from December 5 to August 25 in order to cover the outstanding invoice that related to the CCWD contract with Clean Energy Capital.

Chair Ramirez Holmes understood the consensus of the Board is to approve the contract amendment and suggested this item return to the Board on the Consent Calendar at the July 12 meeting in a cleaned-up version, and the two invoice issues be sent to the Finance Committee with the actual contracts and ask them to return to the Board with a recommendation to be considered at the July 12 meeting.

Chair Ramirez Holmes recommended that the Finance Committee provide the Board with a matrix of all contracts each month, what the contract amount was, how much has been expended, and what the not to exceed amount is.

Alternative Director Wunderlich said to the extent the Finance Committee recommends some level of payment of the two invoices, he asked and confirmed this would be handled as a separate item from the contract item.

Upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, to table the Clean Energy Capital contract amendment to the July Board meeting to be agendized on Consent with revisions to reflect Board comments; to send the invoice issues to the Finance Committee with the complete contracts included and with the suggestion to return those matters to the Board for action, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.4 Approval of Amendments to Independent Contractor Agreement with T. Ravazzini Consulting, LLC for Executive Director Services

General Counsel Ciampa stated that at the April Board meeting the Board conducted the Executive Director's performance evaluation and the Board directed the Chair to meet with the Executive Director to discuss potential amendments to the independent contractor agreement with respect to the Executive Director's compensation. That meeting took place, and the recommendation is to increase the cap on the number of hours both for the base monthly amount, and for the cap for additional hours that could be worked by six hours in each of those situations. The staff report reflects those increases and respective caps as noted in the amendment.

Vice Chair Hansen asked for clarification between the monthly rates mentioned in the amendment and in the staff report. In the amendment, it states "Effective April 1st the monthly rate is \$31,175." She asked if this is not changing until July 1st. General Counsel Ciampa clarified this would be retroactive to April 1, 2023, so the \$31,175 takes into consideration is the increase of the 6 hours of the additional cap.

Vice Chair Hansen asked and confirmed Executive Director Ravazzini bills the JPA monthly and was amenable to changing the language in the contract to indicate she will bill the JPA monthly.

Chair Ramirez Holmes added that the JPA has not received invoices yet for April and May because Executive Director Ravazzini has been holding them because they would be retroactively adjusted based on the contract when they met.

General Counsel Ciampa commented that the contract does currently provide for monthly invoicing.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, approval of amendments to Independent Contractor Agreement with T. Ravazzini Consulting, LLC for Executive Director Services, 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

Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.5 Approval of Agreement with Eide Bailly, LLP for Accounting and Financial Management Services

Executive Director Ravazzini reported she is pleased to hit a major milestone for the Authority as it furthers the transition of financial and administrative support from CCWD to the Authority.

Staff conducted an RFP for accounting services and received two responsive proposals and held interviews. The preferred candidate and the one that best fits the Authority's needs is Eide Bailly, LLP. Nick Rosas from Eide Bailly stated their offices are in Sacramento, and he was available to answer any questions.

Vice Chair Hansen confirmed Eide Bailly would invoice every 30 days. Mr. Rosas added they have procedures to initiate communication if a majority of the contract budget has been expended.

Vice Chair Hansen proposed amending Item 3 in the contract from saying "Consultant shall, at convenient intervals not more than frequently than monthly, submit itemized statements" to "Consultant shall submit itemized statements every 30 days."

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Upon motion by Treasurer Sethy, seconded by Director Eisenberg, agreement with Eide Bailly, LLP for Accounting and Financial Management Services, as amended, to revise Item 3 from "Consultant shall, at convenient intervals not more frequently than monthly, submit itemized statements...." to "Consultant shall submit itemized statements every 30 days...", 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

2.6 Adoption of Resolution No. 6-23-01 Approving Fiscal Year 2024 Budget

Executive Director Ravazzini presented the final version of the Authority's Fiscal Year 2024 Budget, memorialized in Resolution No. 6-23-01 included in the Board packet.

At the request of Directors, the following details have been added:

- Details added to Table 2 in the Budget on page 107 of the packet. This includes External Affairs/Agency Negotiation Support services. Details have been added to clarify estimates of CCWD's labor by facility, and CCWD uses of funds regarding labor charges to the Project.
- The Multi-Party Agreement Amendment No. 5 budget is aligned with the FY 2024 Budget. The Board has discretion over use of contingency for any expenditure over the Executive Director's authority of \$50,000. The Finance Committee and Board previously had discussions about contingency, and the conservative approach of the Board has a contingency adjustment, increasing it from 10% to 17% for FY 2024 in lieu of funding reserves.
- There are two minor typos in the Budget Book which include a missing period on page 105 of the packet and a correction on page 102 correcting a "FY 2023" reference to be a "FY 2024" under the "FEDERAL FUNDING" paragraph.

Chair Ramirez Holmes thanked staff for their work on the budget. She asked and confirmed with Finance staff the additional allocation from the federal government is not included, which staff explained is due to timing of receipt of funds and the fiscal year.

Vice Chair Hansen asked that the word "become" on page 110 in the "Capital" paragraph, second sentence, be changed to "becomes." She also referred to page 98 of the Budget Book and asked staff to make the two instances of construction work be made to read consistent and suggested adding the word "summer" on page 98.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Upon motion by Director Eisenberg, seconded by Vice Chair Hansen, adoption of Resolution No. 6-23-01 Approving Fiscal Year 2024 Budget, 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
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.7 Approval of Amendment No. 5 to Multi-Party Cost Share Agreement

General Counsel Ciampa summarized the proposed Amendment No. 5 to the Multi-Party Cost Share Agreement, which has been discussed amongst the Board, Finance Committee, and Members and final revisions have been incorporated into this version. Primary changes are to extend the term, changes in roles and responsibilities of parties, namely CCWD and the Authority, updated scope of work relative to those changes in roles and responsibilities, changes in the financial component where the intent is that once the Service Agreement is in place, it will supersede the amended Multi-Party Agreement.

Role modifications reflect the financial transition from CCWD to the Authority. In connection with that, CCWD would be transferring a large portion of Fund 60 that it holds of approximately \$1,425,000 which would come to the Authority to be held for Authority expenses.

The amendment reflects \$8,673,000 to be paid by members, excluding Grassland Water District. This works out to \$1,239,000 per Member. Those amounts would be invoiced by the Authority: one invoice in September 2023 and the other in January 2024. There would be payments totaling \$5,826,000 to be paid to CCWD for the services it renders. Those payments would be made in November 2023 and March 2024.

The amendment was finalized on June 2, 2023, and has been distributed to the Members for their review. This amendment, like Amendment No. 4, is retroactive, meaning the amendment will go into place when approved by both the Authority and CCWD and will be retroactive to when the member agencies approve it, assuming the Board takes action.

Chair Ramirez Holmes asked and confirmed there were no questions from the Board.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Upon motion by Vice Chair Hansen, seconded by Director Eisenberg, Amendment No. 5 to Multi-Party Cost Share 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
Paul Sethy, Treasurer, Alameda County Water District
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

ABSTAIN: Ellen Wehr, Secretary, Grassland Water District

The motion passed with a 5-0-1 vote, with Secretary Wehr abstaining.

2.8 Consideration of Designation of Voting Representative for Association of California Water Agencies 2024-25 Election

Executive Director Ravazzini reported on her attendance at the Association of California Water Agencies (ACWA) Board of Directors' meeting on June 2, 2023, where they 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. All ACWA members must designate a voting representative for the upcoming election and if the designation form is not submitted by June 16th the default provision would apply and the agency's General Manager or Executive Director would be deemed to be the agency's voting representative.

Chair Ramirez Holmes called for public comment. Seeing no one come forward, she closed public comment.

Chair Ramirez Holmes recommended the Board designate the Executive Director as its voting representative.

Upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, Designation of Executive Director Ravazzini as Voting Representative for Association of California Water Agencies 2024-25 Election, 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
Rebecca Eisenberg, Director, Santa Clara Valley Water District
Jeff Quimby, Alternate Director, Contra Costa Water District

NOES: None

The motion passed with a 6-0 vote.

DISCUSSION ITEMS

3.1 Federal Relations Update

Executive Director Ravazzini introduced Ibrahim Khadam of Khadam Consulting, to provide an initial update and report on federal issues, and Garrett Durst and Sara Tucker with Natural Resource Results will be adding to the federal relations report.

Mr. Khadam described the engagement since 2020 with the U.S. Bureau of Reclamation (Reclamation) on behalf of the Los Vaqueros Reservoir Expansion Project developing the federal feasibility study, work on getting details into the framework, and trying to ensure the Reclamation has a clear understanding of the outstanding Project issues and how to resolve them.

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Mr. Khadam then provided a comprehensive presentation on the issue of federal benefits, Reclamation involvement, and questions regarding, 1) Delta surplus, 2) water rights concerning excess flows; 3) amendment needed for Reclamation water rights; 4) identifying Reclamation rules and the need for a contractual mechanism to move the water supplies through CCWD facilities, power use, how to pay for the O&M, and 5) that once water gets delivered from the Project into the California Aqueduct, another set of agreements is needed with DWR for use of their facilities to move these supplies.

He reported much recent progress has been made due to engagement from the Bureau of Reclamation Commissioner, the Regional Director, and staff, and they are hopeful they can get all issues resolved by the end of summer.

Mr. Khadam reported on the work being done towards a partnership agreement called the Benefits and Obligation Agreement, which is anticipated to be signed by March 2024. Right now, they are starting the process with Reclamation to request delegated authority from the Commissioner for the Region Office to start negotiating on those agreements.

Through productive leadership meetings, the team has gained consensus on how to proceed with the Record of Decision and the federal permits process in order to meet the schedule for the California Water Commission's final award hearing. Significant challenges were noted as related to the aquatic resources component under the federal Endangered Species Act (ESA) due to Reclamation's re-consultation of the CVP/SWP Long Term Operations. He further noted they have gained support from Reclamation and commitment from both staff and leadership to prioritize the Project.

Executive Director Ravazzini said the Authority's federal advocates, Natural Resource Results' Sara Tucker and Garrett Durst, are on the line to present an update on their efforts.

Ms. Tucker gave a brief summary of the meeting they had with Bureau of Reclamation Commissioner Camille Touton on June 1. She said there is a strong commitment to work closely to resolve some of the outstanding issues, and a commitment from the Commissioner's staff to continue working to secure ESA coverage for the Project's operations.

Mr. Durst then spoke about details on their outreach and advocacy with congressional representatives, their monthly check-in call with Members who have federal lobbyists, and coordination of efforts in their communications to Congress and federal agencies.

He described Senator Feinstein's circulation of a draft bill she calls "The STREAM Act" (Support to Rehydrate the Environment, Agriculture and Municipalities Act) which proposes to authorize \$750 million for surface and groundwater storage projects. The STREAM Act would allow the Project to possibly receive additional funds under the existing WIIN Act storage account rules. The bill creates a new process for funding storage projects and language in the bill allows projects that have received WIIN Act or infrastructure law dollars to be eligible to participate in the \$750 million of funding without being subject to the new rules under that bill. Further activities on that bill will take place throughout the summer.

Mr. Durst noted several members of Congress, led by Congressman Harder, requested a briefing from Commissioner Touton on the status and progress being made on the Los Vaqueros Expansion Project. They reached out to Congressman Harder's office and communicated the Authority's briefing with Commissioner Touton at her request. Mr. Durst described legislative language proposed by Congressman Harder which was geared to expedite Reclamation to issue a Record of Decision faster. He described this language as concerning and unnecessary given the progress recently made with Reclamation and their potential reaction to the language, and further noted conversations with and among Congressman Harder, Commissioner Touton, and Congressman Huffman to propose removing the language.

Treasurer Sethy requested confirmation that the Authority already had access to WIIN money. Mr. Durst confirmed and noted the Project has received funding under both the WIIN Act and the Bipartisan Infrastructure Law (i.e., the Infrastructure Investment and Jobs Act). Chair Ramirez Holmes clarified the Authority is 100% behind Congressman Harder's intent, but recognized the proposed legislative language would not be helpful in light of the progress being made with the Bureau of Reclamation.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors

Chair Ramirez Holmes reported on her attendance to the May 20 25th Anniversary of the Los Vaqueros Reservoir. On June 1, she met with Commissioner Touton and the JPA team. Regarding the ad-hoc committee that was appointed regarding the Facilities Usage Agreement with CCWD, she has made the appointments to that committee, consisting of Director Tognolini, Alternate Director Wunderlich, and herself. The initial committee meeting will be scheduled once additional materials are received.

Vice Chair Hansen reported that in her role as Vice Chair she has been participating on behalf of the Authority at the leadership meetings with Reclamation and emphasized the progress made.

4.2 Executive Director

Executive Director Ravazzini noted the following updates included in her written report:

- Provided an update presentation on the Project in coordination with Alternate Director Gutierrez at the Westlands Water District Board meeting.
- Facilitated an introductory meeting with Chase Hurley, Interim General Manager of Panoche Water District, to provide overview of the Project.
- She introduced Chuck Gardner, President of Hallmark Group and the Authority's Program Manager, who said he looks forward to working with staff and the Board.

- The Authority is moving forward with transitioning banking services and opening an account with J.P. Morgan Chase.

4.3 General Counsel

General Counsel Ciampa stated last month Treasurer Sethy brought an issue to his attention regarding the filing of the JPA Agreement with various county local agency formation commissions (LAFCOs). He stated when the JPA was formed, the Authority did not file the JPA Agreement with the county LAFCOs because it does not provide “municipal services.” However, in reviewing the pertinent statutes, one consequence of not filing the JPA Agreement if required would be a potential problem in issuing financing. Thus, to avoid any such financing issues, he has proceeded to file the JPA Agreement with the various county LAFCOs.

4.4 Board Policy and Action Calendar

None.

4.5 Committee Meeting Summaries

None.

ADJOURNMENT

The meeting was adjourned at 11:45 a.m.

Angela Ramirez Holmes, Chair

ATTEST:

Ellen Wehr, Secretary

LOS VAQUEROS RESERVOIR EXPANSION PROJECT

LVE Capacity Sharing & Cost Allocation

July 14, 2023

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Introduction and Overview

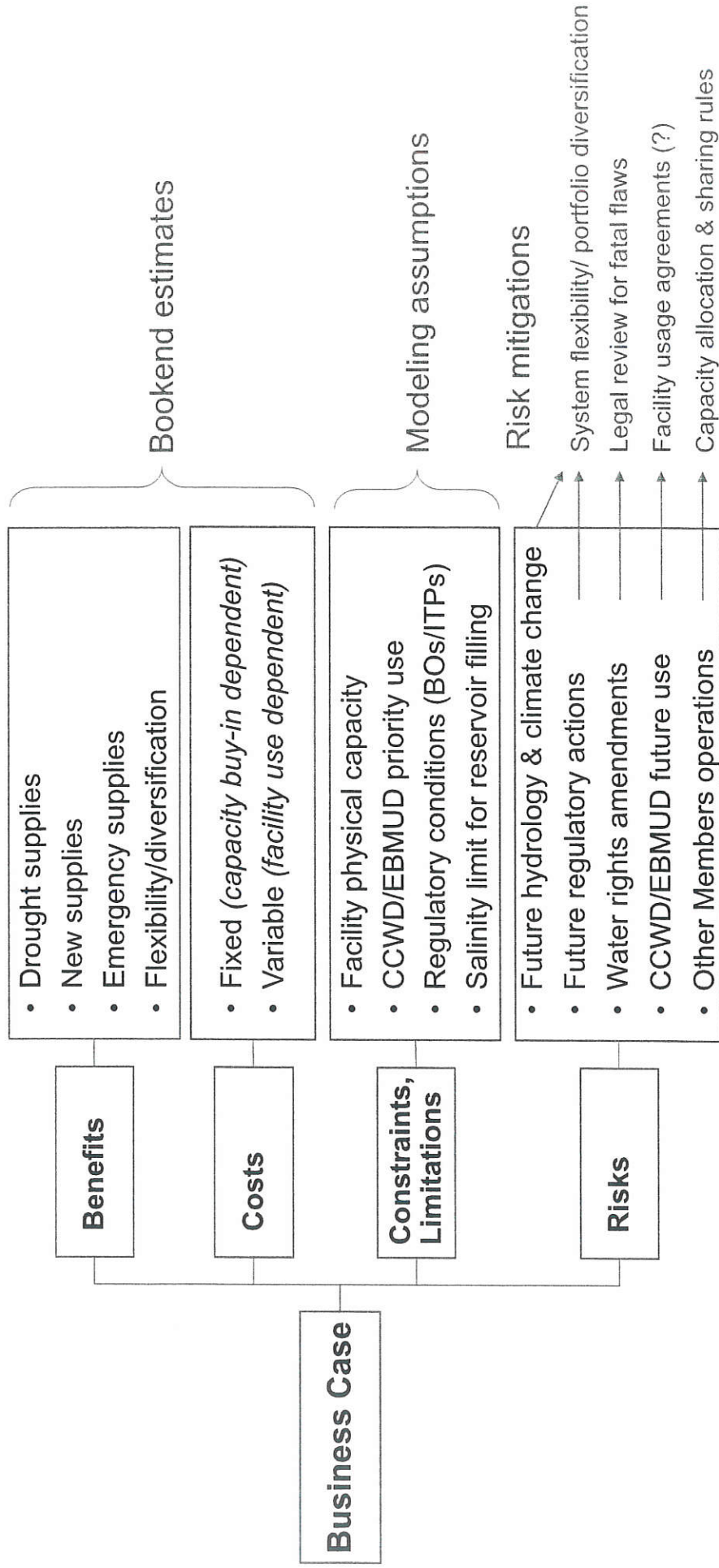
- This is a DRAFT proposal for LVE capacity sharing rules, and cost allocation approach.
- The proposal is developed based on Members feedback during the technical coordination meetings and term sheet review. It also reflects lesson learned and best practices from other large programs in the State.
- This approach is preliminary and nonbinding and subject to additional review and development.
- LVE is a complex system (facilities, operations, regulatory framework, and Members' multiple operating scenarios).
- We ask for your patience as we attempt to simplify this complex system and outline a rational approach for providing necessary information for your business case.
- There will be ample time for Members review and feedback.
- Any final capacity sharing rules and cost allocation approach will be subject to approval by each Member.

Desired Outcomes & Members Asks

- Desired outcomes is to provide clear summary of:
 - Key modeling assumptions for LVE system capacity available for Members
 - Proposed capacity allocation and sharing rules
 - Proposed cost allocation approach
- Members asks:
 - Review and provide suggested refinements to the proposed approach
 - Define specific additional information needs and timeline to complete business case analysis
 - Define/update desired capacities in storage and Transfer-Bethany pipeline and agree to a process to resolve oversubscription, if any.

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Business Case Framework

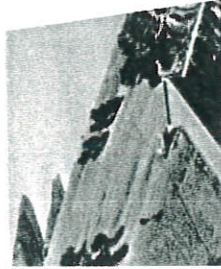
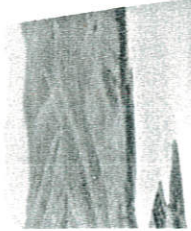


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Outline

1. Principles for Capacity Allocation and Sharing
2. System Definition
 - a. Operations Pathways (Facility Groups)
 - b. EBMUD/CCWD Priority Use Modeling Assumptions
 - c. Potential (Max) Available Diversion Capacity
3. LVE Modes of Operations
4. Capacity Sharing Rules
 - a. Los Vaqueros storage
 - b. Transfer-Bethany Pipeline
 - c. Overall System Diversions and Conveyance
 - d. Conflict Resolution
5. Cost Allocation Approach
 - a. Cost of service/supplies
 - b. Allocation of fixed and variable costs

7/14/2023



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