



Topic: **Authority Board Agenda
Item 3-1 & 3-2**

2017 Nov 20

Subject: **Reservoir Committee November 2017 Meeting**

Requested Action:

No action. Informational.

Detailed Description/Background:

Staff briefing on the November 16, 2017 Reservoir Committee meeting and a discussion on the current and future activities of the Reservoir Committee and it's Working Groups.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jim Watson

Attachments:

Attachment 3-1 - Reservoir Committee agenda for the November 16, 2017 meeting.

Attachment 3-2 - Meeting minutes from the Reservoir Committee's October 20, 2017 meeting.

Meeting: **Phase 1 Reservoir Project Agreement** **2017 Nov 16**

Subject: **Reservoir Committee Meeting** **2:00 – 4:30 PM**

Location: Tsakopoulos Library Galleria (West Meeting Room) Call in: 1 310.372.7549
 828 I Street, Sacramento, CA 95814 Code: 895389 (no #)

Chair: Thad Bettner (Glenn-Colusa Irrigation District)
 Vice Chair: Doug Headrick (San Bernardino Valley Municipal Water District)
 Treasurer: Jamie Traynham (Davis Water District)

AGENDA

- ROLL CALL & CALL TO ORDER:** 15 min
- Pledge of Allegiance
 - Approval of November 16, 2017 Agenda
 - Consider approving the October 20, 2017 Reservoir Committee Meeting Minutes (Attachment 0)
 - Introductions
 - Period for Public Comment¹ Max: 10 min
- 1. Chairpersons' Report:** Bettner & Headrick
- 1.1 Introductory remarks
 - 1.2 Informational discussion of project status (Attachment 1-2)
for the month of October 2017.
 - 1.3 Discussion of the Water Commission's (Attachment 1-3)
November 15, 2017 Meeting and preparations for
the December 13, 2017 presentation to the Commission.
- 2. Ad Hoc Finance & Economics Work Group:** Traynham
- 2.1 Review Draft Payment of Claims and (Attachment 2-1
Draft Treasurer's report & Handout)
 - 2.2 Consider approval of the Reservoir Committee's (Attachment 2-2)
Fiscal Year 2018 Budget
- 3. Ad Hoc Members' Reservoir Operations Work Group:** Kunde & Ruiz
- 3.1 Progress to model an integrated operation of Sites and CA WaterFix.

¹ Individual comments are limited to no more than three minutes. No action shall be taken on comments made during this comment period.

3.2 Progress to develop the process and inputs needed to conduct the Phase 1 Rebalancing.

4. **Ad Hoc Site Works Work Group:** Azevedo

Report out on Work Group’s activities since last month.

5. **Ad Hoc Water Facilities Work Group:** Arita

Report out on Work Group’s activities since last month.

6. **Ad Hoc Document Review Work Group:** Bettner

Report out on Work Group’s activities since last month.

7. **Closed Session:** Conant

Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (1 item).

8. **Report from Closed Session:** Conant

9. **Recap & Adjourn** Bettner/Headrick

9.1 Agenda topics for next meeting?

9.2 Upcoming Reservoir Committee meetings:

Workshop at ACWA conference: 3:00 pm on November 28, 2017 at the Anaheim Marriott Hotel, 700 W. Convention Way in Grand Ballroom H

Regular Monthly meeting: 2:00 PM on December 21, 2017 at Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814

9.2 Review of actions taken and follow-up items

ADJOURN

PERIOD OF PUBLIC COMMENT: Any person may speak about any subject of concern, provided it is within the jurisdiction of the Directors and is not already on today’s agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes per issue and each individual or group will be limited to no more than 5 minutes each within the 15 minutes allocated per issue. **Note:** No action shall be taken on comments made under this comment period.

ADA COMPLIANCE: Upon request, Agendas will be made available in alternative formats to accommodate persons with disabilities. In addition, any person with a disability who requires a modification or accommodation to participate or attend this meeting may request necessary accommodation. Please make your request to the County Board Clerk, specifying your disability, the format in which you would like to receive this Agenda, and any other accommodation required no later than 24 hours prior to the start of the meeting.

Meeting: **Phase 1 Reservoir Project Agreement** **2017 Oct 20**

Subject: **Reservoir Committee Meeting** **9:30 – 11:00 PM**

Location: 122 West Old Highway 99, Maxwell, CA 95955 Call in: 1 310.372.7549
Code: 895389 (no #)

Chair: Thad Bettner (Glenn-Colusa Irrigation District)
Vice Chair: Doug Headrick (San Bernardino Valley Municipal Water District)
Treasurer: Jamie Traynham (Davis Water District)

Draft MEETING MINUTES

ROLL CALL & QUORUM: Roll was called, which resulted in 19 eligible representatives in attendance plus 1 participating by phone. This equates to 77.4% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee.

ATTENDANCE: See attached list.

CALL TO ORDER: Chairman Bettner called the meeting to order at 9:32 AM followed by the Pledge of Allegiance.

AGENDA APPROVAL: It was moved by Traynham and seconded by Cheng to approve the October 20, 2017 Sites Reservoir Committee Agenda. Motion approved unanimously.

MEETING MINUTES APPROVAL: Approval of September 21, 2017 meeting minutes was moved by Ruiz and seconded by Kunde with minor change. Motion approved unanimously.

INTRODUCTIONS

PERIOD FOR PUBLIC COMMENT: No comments were provided.

1. Chairpersons' Report: 30 min Bettner & Headrick

1.1 Introductory remarks

1.2 Discussion and possible direction to the General Manager regarding the rules and procedures to ensure a quorum. (Attachment 1-2)

The following general discussion was held with no action taken.

Since the topic of delegated voting was brought up at the August meeting, the use of delegated voting has begun to be implemented on a case-by-case basis. This process was used by two agencies in September and five agencies for this

Action items serve as meeting minutes
Participation by phone is not counted in quorum or voting, unless the members' location is published with this agenda.

Status: Issued for Use
Purpose: Informational
Caveat 1: Subject to change
Caveat 2:

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meeting. The General Manager will contact the districts who have not been consistently participating to remind them of these provisions.

- 1.3 September 2017 Status Report (Informational) (Attachment 1-3)

The following general discussion was held with no action taken.

Watson provided a synopsis of work performed in September; which focused on the Phase 1 budget reprioritization and contract amendments for consultants. Notices to proceed have been issued to the consultants, who are now working in accordance with the reprioritized budget.

In addition, Joe Trapasso and Kevin Spesert have been fully on-boarded and are now fulltime on the project.

- 1.4 An informational report out from the October 16, 2017 Authority Board Meeting for discussion. (Attachment 1-4)

The October 16, 2017 Authority Board Meeting had no significant actions taken.

The fiscal year 2018 budget is expected to be presented to both the Authority on November 10 & Reservoir Committee on November 16 for their respective consideration to approve (or not).

The Authority approved consultant Jerry John's contract amendment.

- 1.5 An informational report out from the October 18, 2017 Water Commission Meeting for discussion. (Attachments 1-5 & 1-5a)

The following general discussion was held with no action taken.

At the beginning of the meeting, where public comment is allowed for non-agenda items, speakers in support of the Sites Project included: Authority Board Chairperson Vann, Reservoir Committee participants: Headrick & Kunde, and public: G. Soros, speaking on behalf of the Rice Commission.

The California Water Commission (CWC) conducted a basic check for completion and eligibility for each of the 12 applications. The Sites Project met these requirements with no public comment other than a thank you from Watson.

Two other projects were discussed in detail at this meeting:

- a. River Partners Conjunctive Use Project (Cosumnes River): Commissioners were skeptical the project meets the eligibility requirements. River Partners presented their rebuttal. The Water Commissioners directed their staff to revisit the definition of conjunctive use in the regulations.
- b. Temperance Flat: The Water Commission agreed with staff's recommendation that their application meets the requirements for basic

completeness as stated in WSIP Regulations. Their Authority wished to add two documents to their application: An Executive Summary and Uncertainty Analysis. The Water Commission has deferred the decision to the next meeting when all nine commissioners are expected to be present.

On December 13-14, 2017, the Sites Project will be invited to give a presentation to the Water Commission. The presentation will be 15 minutes followed by 15 minutes for questions and answers.

Commission's Schedule: At this time, there is no indication of delay to the schedule. In January 2018, the Water Commission is scheduled to announce staff recommendations and begin the applicant appeals process, which is limited to the Public Benefits Ratio (PBR). The California Water Commission is still on schedule for the three-day workshop in March where the Water Commission expects to make the final assignment of the PBR; which accounts for 33% of the Water Storage Investment Program's scoring). From March to June, the Water Commission will decide what dollar amount to assign each eligible project; which is referred to as the Maximum Conditional Eligibility Determination. At the June Commission meeting they are expected to make their decision.

In addition, the Water Commission is expected to be able to approve the initial funding requests at the June Commission meeting. Their staff are working on draft terms and conditions, which are expected to become publicly available in early 2018.

- 1.6 Discussion and possible direction to the General Manager regarding the proposed organization charts to be used for the remainder of Phase 1 and concept for Phase 2, respectively. (Attachment 1-6)

The following general discussion was held with no action taken.

An updated organization chart was handed out that incorporates feedback provided by the Authority Board on Oct 16. The first chart reflects today through the end of Phase 1. The second chart reflects the approximate mid-point of Phase 2. The primary changes from the Authority are reflected in the first chart for Phase 1, which combines the Authority Board and the Reservoir Committee into one box, separated by a dashed line. This concept is intended to reflect the delegation from the Authority to the Reservoir Committee and dual decision-making combined with the need to manage the project within the material change thresholds.

EPC Manager: The goal is to hire an Engineer-Procure-Construction Manager at the end of Phase 1 to help define the final procurement requirements for preliminary design.

Hydropower: Per the decisions made in the September 21st Reservoir Committee meeting, this work has been shifted from Phase 1 to Phase 2 regarding budget allocation and prioritization. The current working assumption

is that there may be a separate project agreement for hydropower depending on how many committee members choose to participate. If all members choose to participate, there is no need for a separate agreement. There is also a possibility to have a third party take on hydropower as a developer. Decisions regarding the strategy are expected to need to be made in the first six to nine months of Phase 2.

Phase 2 Vacancies: There are many vacancies on the chart for Phase 2; this is because the consultants’ contracts are through Phase 1, and both the Reservoir Committee and Authority will need to decide if the current services contracts will be re-competed or extended into Phase 2.

A request was made for any public comment, but no comments were provided.

2. Ad Hoc Finance & Economics Work Group: Traynham

- 2.1 Review Treasurer’s report for September 2017 (Attachment 2-1).

The following general discussion was held with no action taken.

Traynham provided an overview of the Treasurer’s Report for September 2017, which was approved by the Authority Board on October 16, 2017.

Regarding the status of Yolo County Flood Control and Water Conservation District, they are not signatory to the Reservoir Committee and in late 2015 opted to not remain an Authority Member. Representatives from the Authority and General Manager are working to schedule a meeting to discuss their status.

- 2.2 Provide a status of 2nd invoice for Phase 1

The following general discussion was held with no action taken.

Corrected second invoices have been mailed out reflecting the Phase 1 total commitment of \$48.50/acre-foot of Class 1 and \$24.25/acre-foot of Class 2 participation.

In response to questions related to the need for any additional payments for phase 1, it was stated that these revenue projections were used as the basis for the amended phase 1 budget Target, which was approved last month. The underlying work plan discounts the expected revenue to create an initial level of contingency with an additional level of contingency associated with extending Phase 1 up to three-months beyond the approved June 30, 2018 date. Lastly, the work planned for 2018 includes additional contingency, but some of this amount may be allocated in the fiscal year 2018 budget.

To improve management of the approved budget through the end of Phase 1, Trapasso is developing a process to compile each consultant’s three-month projection. This will aid in determining how long Phase 1 funds are available before Phase 2 funding is needed.

A request was made for any public comment, but no comments were provided.

3. Ad Hoc Reservoir Operations Work Group: Kunde & Ruiz

The Work Group leadership provided a report of its discussions. This included:

- Preparing for agency rebalancing of their respective participation in Phase 2 and future phases.
- Anticipated effects of new regulations associated with development of CA WaterFix.
- Potential project deliveries and project costs.
- The potential value of storage in the repayment valuation and rebalancing.

A request was made for any public comment, but no comments were provided.

4. Ad Hoc Site Works Work Group: Watson for Azevedo

Since last month, no meetings have been held. Nothing to Report.

5. Ad Hoc Power Facilities Work Group: Watson for Vanderwaal

Budget and associated work has been deferred to Phase 2. Nothing to Report.

6. Ad Hoc Water Facilities Work Group: Watson for Arita

Kickoff meeting will be scheduled before month's end.

Prior to starting agenda item 7, a request was made for any public comment related to items 4, 5, and/or 6, but no comments were provided.

7. Ad Hoc Document Review Work Group: Bettner & Thomson

7.1 Discussion and possible direction to staff regarding the status of work approved at the September 21, 2017 Meeting.

Following general discussion of the additional work, no action taken.

7.2 Near-term completion schedule & preparations for November Reservoir Committee meeting). Watson & Thomson

The following general discussion was held with no action taken.

The results from the various work group meetings will be brought to the Reservoir Committee, at the November 16, 2017 meeting, to determine if any action should be taken (or not) and/or any recommendation should be prepared (or not) for the Authority's consideration at their November 20, 2017 meeting.

Prior to starting agenda item 8, a request was made for any public comment, but no comments were provided.

8. Recap & Adjourn 10 min Watson

8.1 Agenda topics for next meeting?

2018 budget recommendation to approve

Status of technical memorandums

Update on the phase 1 rebalancing process.

Update on efforts to define Phase 2.

The next Reservoir Committee meeting will take place on Thursday, November 16, 2017, starting at 2:00 PM in Sacramento at the Tsakopoulos Library Galleria (East Room).

The Workshop at ACWA will take place on Tuesday, November 28, starting at 2:30 pm in Anaheim at the Marriott. The topic will be next steps - phase 1 rebalancing process and phase 2.

Final 2018 Meeting Calendar (Informational) (Attachment 8-1)
Assumes meeting into phase 2

8.2 Summarize actions taken by Reservoir Committee

No action was taken.

ADJOURN: Meeting adjourned at 11:02 AM.

Chairperson
Thad Bettner

General Manager
Jim Watson