

SITES JOINT POWERS AUTHORITY

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Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
GRAY ALLEN, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
DON BRANSFORD, GLENN-COLUSA IRRIGATION DISTRICT
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY
DOUG PARKER, WESTSIDE WATER DISTRICT
MARY WELLS, MAXWELL IRRIGATION DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
JIM JONES, ORLAND ARTOIS WATER DISTRICT
WADE MATHIS, PROBERTA WATER DISTRICT/TC 6 DISTRICTS
GREG JOHNSON, WESTERN CANAL WATER DISTRICT
JEFF HARRIS, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY
DON BADER, U.S BUREAU OF RECLAMATION – COST SHARE PARTNER **(NON-VOTING)**
ROB COOKE, CALIFORNIA DEPARTMENT OF WATER RESOURCES – EX-OFFICIO MEMBER **(NON-VOTING)**

August 20, 2018, 1:30 p.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on August 20, 2018 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chair, Gray Allen, Gary Evans, Don Bransford, Mary Wells, Jim Jones, Greg Johnson, Jeff Harris. **Directors Absent:** Leigh McDaniel, Jeff Sutton, Doug Parker, Joe Marsh, Wade Mathis. **Alternate Directors Present:** Shelly Murphy, Colusa County Water District, Michael Azevedo, Colusa County, Bill Busath, City of Sacramento/Sacramento County Water Agency, Logan Dennis, Glenn Colusa Irrigation District.

Staff present: Jim Watson, General Manager.
Ernest Conant, Counsel.
Kevin Spesert, Joe Trapasso, Rob Thomson, Sites Project Authority.
Jamie Traynham, Treasurer.
Yolanda Tirado, Clerk.

Others present: Alisa Moore, Environmental Science Associates.
Linc To, HDR.
Emily Powell, Sara Rossetto, Katz & Associates.
Dan Ruiz, MID/WS.
Jeff Kivett, Dan Bunce, Brown and Caldwell.
Glen Smith.
Doug Brown, SYCR.
Steven Harris, OPC.
Scott Brown, LWA.
Ed Horton, PCWA.
Meredith Park, CSA.
Doug Montague MDA.
Charlene Vaughn, KCOE Isom.
Brian Bullock, PSOMAS.
Phil Gregory, Cal Engineering & Geology.

Rob Tull, CH2MH.
Jeff Herrin, AECOM.
Rob Cooke, DWR.
Logan Dennis, GCID.
Sarah Rossetto, Katz & Associates.
Laura Nicholson, Senator Nielsen's Office.

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

It was moved by Director Jones, seconded by Director Bransford to approve the August 20, 2018 Sites Project Authority Agenda. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

It was moved by Director Wells, seconded by Director Johnson to approve the July 16, 2018 Sites Project Authority Minutes as corrected. Motion carried: All Directors present voted yes.

PERIOD OF PUBLIC COMMENT:

Chairman Durst called for public comment. Hearing none, he closed the period of public comment.

1. **BOARD MEMBER REPORTS: (No action will be taken)**

None.

2. **CHAIRPERSON'S REPORT:**

Chairman Durst stated he appreciated the fact that discussions and information sharing regarding the project is occurring among members/participants.

3. **MANAGER'S REPORT:**

3.1 Discussion and possible direction to staff regarding the General Manager's monthly status report. (***Attachment 3-1A***)

Mr. Watson provided an overview of the activities conducted during the month of July 2018 as follows:

- Phase 2 Finance Plan
- Participation Agreements, one-on-one meetings to address comments and questions
- Draft Credit Reimbursement Policy
- Project Development Support Services RFQ
- Department of Energy hydropower pump application submitted, with no decision until late September

- 2019 Authority/Reservoir Committee Meeting Calendars (schedule would allow Authority Board to meet after the Reservoir Committee)

3.2 Discussion and possible direction to staff regarding the Proposition 1 WSIP application (**Attachment 3-2A, B & C**)

Mr. Watson provided an update regarding the status of the Prop 1 WSIP application including: the final funding decision by the Water Commission, the Water Commission's summary of all 8 projects, early funding approvals, the determination by the Commission and a letter from the Governor requesting the WIIN Act funding for projects that are eligible. Brief discussion followed regarding early funding, with no action taken.

3.3 Discussion and possible direction to staff on ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding.

Mr. Watson provided an update regarding ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding. He stated that Reclamation continues to work on the Feasibility Report. Discussion followed regarding the Authority's Alternative D proposed project reflected in the feasibility report, updates to the Cooperating Agency MOU (signed in 2011) to reflect status of the Authority as lead agency, Cost Share Agreement to reflect current spending plan, and use of funds appropriated from the WIIN Act, with no action taken.

3.4 Report on the August 16, 2018 Reservoir Committee meeting. (**Attachment 3-4A**)

Mr. Watson provided an overview of actions approved and discussions held during the August 16, 2018 Reservoir Committee Meeting.

3.5 Discussion and possible direction to staff regarding status of the USDA Rural Development Community Facilities Loan application.

Mr. Watson stated the USDA Loan Application for the Maxwell Water Intertie was submitted. He further noted the USDA Administrator toured the Sites project site.

Mr. Thomson stated the loan application for the Maxwell Water Intertie is not a project as defined by the CEQA and discussed the regulatory process of the project moving forward. Brief discussion followed, with no action taken.

Mr. Spesert stated a landowner public meeting is planned for September 5, 2018.

3.6 Consider adoption of a resolution to authorize the Sites Project Authority to enter into an early funding agreement with the California Water Commission. (**Attachment 3-6A**)

Action/Resolution: It was moved by Director Bransford, seconded by Director Jones to adopt Resolution Number **2018-01**, Authorizing Execution of Documents for Early Funding from California Water Commission under the Water Storage investment Program for the Sites Project and authorized the Sites Project Authority Secretary to sign the Resolution. Motion carried: All Directors present voted yes.

4. 2018 FINANCE & BUDGET AD HOC COMMITTEE:

4.1 Consider accepting the Treasurer's Report. (**Attachment 4-1A**)

Ms. Traynham provided an overview and review of the Treasurer's Report as of July 31, 2018. Brief discussion followed.

Action: It was moved by Director Harris, seconded by Director Jones to accept the Treasurer's Report as presented. Motion carried: All Directors present voted yes.

4.2 Approve the Payment of Claims. (**Attachment 4-2A, B & C**)

Action: It was moved by Alternate Director Murphy, seconded by Director Jones to approve the Payment of Claims as presented. Motion carried: All Directors present voted yes.

4.3 Consider approval of the Project Development Support Services Request for Qualifications (RFQ) and authorize its release.

Mr. Watson provided an overview and review of the Request for Qualifications for the project development support services. Discussion followed regarding the nine service areas: Project Integration, Project Controls, Communications, Operations Simulation Modeling, Environmental Planning and Analysis, Permitting and Agreements, Real Estate, Engineering Services and Geotechnical Engineering.

Action: It was moved by Director Johnson, seconded by Director Harris to approve the Project Development Support Services Request for Qualifications (RFQ) and authorized its release. Motion carried: All Directors present voted yes, with the exception, of Director Jones who abstained.

4.4 Consider approval of the Bank Facilities Request for Proposal (RFP) and authorize its release. (**Attachment 4-4A**)

Action: It was moved by Director Bransford, seconded by Director Wells to approve the Bank Facilities Request for Proposals (RFP) and authorized its release. Motion carried: All Directors present voted yes, with the exception, of Director Jones who abstained.

4.5 Consider approval of the Sites Project Authority Credit Reimbursement Policy. (**Attachment 4-5A**)

Action: It was moved by Director Jones, seconded by Director Harris to approve the Sites Project Authority Credit Reimbursement Policy. Motion carried: All Directors present voted yes.

5. PHASE 1 RESERVOIR COMMITTEE:

- 5.1 Consider approval of the Phase 2 Project Agreement and authorize its submittal to Reservoir Committee's member agency's respective board for consideration. (**Attachment 5-1A & B**)

Mr. Watson provided an overview and review of the Phase 2 Project Agreement and suggested changes to the Agreement. He noted the Agreement had been reviewed by the Authority's Bond Counsel, Joint Ad Hoc Budget and Finance Committee, Reservoir Committee's Ad Hoc Finance & Economic Work Group, the Authority's Independent Financial Advisor and Legal Counsel. Lengthy discussion followed.

Action: It was moved by Director Jones, seconded by Director Harris to approve the Phase 2 Project Agreement (including the Exhibits) and authorized its submittal to member agency boards for action. Motion carried: All Directors present voted yes.

6. PHASE 1 MEMBERSHIP & GOVERNANCE AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of participation in the Authority and/or Reservoir Committee.

- 6.1 Consider approval of the revised Sites Project Authority Bylaws. (**Attachment 6-1A**)

Mr. Watson stated to approve the Bylaws, 3/4 of the Board need to vote in the affirmative and briefly spoke to the revisions to the Sites Project Authority Bylaws that would become effective at the start of Phase 2.

Mr. Watson also stated the existing Bylaws included an Associate Member type and the proposed Bylaw revisions propose the roles, responsibilities, and benefits of being an Associate Member. Discussion followed.

Mr. Conant also spoke to the revisions to the Bylaws.

Director Evans stated the Colusa Indian Tribe had concerns regarding reference to the word "Consultation" as used in paragraph 7.4., which has specific meaning in government-to-government communications. After discussion, the term "Coordination" was recommended as a replacement word (aka Revision 1) and that, at a later date, the Authority's Agreement also be revised to replace "Consultation Committees" with "Coordination Committees".

In addition, it was requested that the last sentence in Section 6.3 be clarified to include "or Committee" so that the sentence should read "After a closed session, the Board or Committee will report publicly any action taken in closed session, as well as the vote or abstention of any member present as provided by law" (aka Revision 2).

Action: It was moved by Director Bransford, seconded by Director Evans to approve the revised Sites Project Authority Bylaws with the two identified revisions. **Motion failed:** All Directors present voted yes, with the exception, of Director Jones who abstained, however, the required 3/4 threshold was not met.

- 6.2 Discussion and possible direction to staff regarding Maxwell Irrigation District's request to withdrawal from the Sites Project Authority Board of Directors. (**Attachment 6-2A**)

Mr. Watson spoke to the Maxwell Irrigation District's request to withdraw from the Sites Project Authority Board of Directors and possible waiver of the 2018 Annual Member Fees and the Associate Membership Dues. Discussion followed.

Action: It was moved by Director Bransford to offer a 50% reduction in the Maxwell Irrigation District's annual membership fees and a 50% reduction in the Associate member fees. **Motion died** for lack of a second.

Board Member Wells expressed regret on having to withdraw from the Sites Project Authority Board of Directors, noting this was strictly a financial matter.

Action: It was moved by Director Evans, seconded by Director Allen to reduce the 2018 Annual Membership fee from \$55,715. to \$27,857.50 and waived the Associate Membership dues in the amount of \$5,000.00. Motion carried: All Directors present voted yes.

7. PHASE 1 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of federal and state legislative activities and the Project's public outreach efforts.

Chairman Durst updated Board members on federal and state legislative activities and outreach efforts.

8. PHASE 1 LAND USE AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of engagement and outreach efforts to local agencies related to impacts or changes in land use.

Director Evans stated there was nothing to report at this time.

9. PHASE 1 COORDINATION COMMITTEES:

Discussion and possible direction to staff regarding the status of engagement and outreach efforts related to the following areas:

- o Tribal Officials

Mr. Spesert stated he met with the CICC Tribe and discussions were very productive. He also stated Cache Creek representatives were invited but they were unable to attend and noted a follow-up meeting in the Fall would be scheduled with both Tribes.

- o Landowner and Community Interests

Ms. Wells stated would be meeting soon.

Mr. Spesert states a public meeting will be scheduled for September 5, 2016 at 6:00 p.m. at the Sites Project Authority Office, Maxwell, CA.

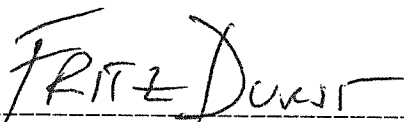
- o Environmental Interests

None.


- o Business & Labor Interests

Mr. Spesert discussed ongoing planning efforts to schedule a meeting with labor interests.

Chairman Durst adjourned the meeting at 3:15 p.m., to reconvene on September 17, 2018 at the hour of 1:30 p.m.



Fritz Durst, Chairman



Yolanda Tirado, Clerk to the Sites Project
Authority Board