

Subject: **Reservoir Committee Meeting**

9:30 AM–12:00PM

Location: Maxwell Project Office

Call in: 1-800-201-7439

122 Old Highway 99 West, Maxwell, CA 95955

Code: 644237

Chair: Thad Bettner (Glenn-Colusa Irrigation District)

Vice Chair: Doug Headrick (San Bernardino Valley Municipal Water District)

Treasurer: Jamie Traynham (Davis Water District)

Meeting Minutes

ROLL CALL & QUORUM: Roll was called (see Attachment A), which resulted in 22 eligible representatives. This equated to 89% 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 Attachment B.

CALL TO ORDER:

Chairman Bettner called the meeting to order at 9:30 a.m., followed by the Pledge of Allegiance.

AGENDA APPROVAL:

It was moved by Vanderwaal and seconded by Traynham to approve the May 18, 2018 Sites Reservoir Committee Agenda. Motion approved unanimously.

INTRODUCTIONS:

The Sites Reservoir Committee members and staff present introduce themselves.

MEETING MINUTES APPROVAL:

It was moved by Arnold and seconded by Vanderwaal to approve the April 19, 2018 Reservoir Committee Meeting Minutes, with no changes made. Motion approved unanimously.

PERIOD FOR PUBLIC COMMENT:

None.

1. CHAIRPERSON’S REPORT:

Bettner & Headrick

1.1 None.

2. MANAGER’S REPORT:

Watson

2.1 Discussion and possible direction to staff regarding the General Manager’s monthly status report.

(Attachment 2-1)

General Manager Watson updates the Committee regarding activities during the month of April 2018 as follows:

- Bond Counsel
- Two Senior Level Advisors; 1 for Banking and Finance and 1 for Alternative Delivery

Action items serve as meeting minutes

Status: Issued for Use

Version: A

Purpose: Informational

Date: 2018 May 18

Participation by phone is not counted in quorum or voting.

Caveat 1 Subject to change

Ref/File #:

Caveat 2

Page: 1 of 5

- Water Commission’s posting of our Appeal (April 20, 2018) and development of response for same
- Progress on the proposed procurement process to retain professional services coincident with the start of phase 2
- Outreach efforts includes a ~~Four~~ tour of for Young Farmers and Ranchers, NorCal leadership program, and a KCRA Interview with Board members; which aired in the Sacramento area on April 24, 2018

2.2 Report on status of Prop 1 WSIP application and WIIN Act funding. (Attachment 2-2)

General Manager Watson briefly speaks to the California Water Commission’s “Summary of Commission Determinations for Public Benefit Rations”. Brief discussion is held.

General Manager Watson also updates the Committee on the Sites Project Authority Board of Director’s Special Meeting held on May 7, 2018 (Item 2.3). Discussion is held regarding non-monetized benefits, Public Benefit Ratio (PBR), value of water to the different environmental needs, CDFW process and picking up an additional 8 points at the Commission’s discretion. Lengthy discussion is held.

2.3 Report on April 23, 2018 Sites Project Authority Board of Directors Meeting and the May 7, 2018 Special Board Meeting. (Attachment 2-3)

General Manager Watson states the May 7, 2018 Special Meeting was already discussed in Item 2.2 and speaks to the Sites Project Authority Board of Directors meeting held on April 23, 2018 (Regular Meeting) and actions approved on that date. He also briefly speaks to the status of the Colusa Indian Community (Wintun Indians) request to become an Authority Members.

2.4 Report on May 8, 2018 Joint Authority/Reservoir Committee Workshop and staff activities during the ACWA Spring Conference May 8-10, 2018. (Attachment 2-4) (See Attachment regarding ACWA Conference for breakdown of subjects discussed).

3. AD HOC FINANCE & ECONOMICS WORK GROUP: Traynham

3.1 Review Payment of Claims and Treasurer’s Report and consider Recommending approval to the Authority Board. (Attachment 3-1)

Traynham provided an overview and review of the Treasurer’s Report as of April 30, 2018. She states these statements were reviewed in the work group which recommended approval and to present same to the Authority Board at their meeting on Monday, May 21, 2018.

Action: It was motioned by Vanderwaal and seconded by Hartwig to accept the Treasurer’s Report for the Sites Joint Powers Authority as of April 30, 2018. The motion was approved unanimously.

Action: It was motioned by Hartwig and seconded by Vanderwaal to approve the Payment of Claims. The motion was approved unanimously.

3.2 Consider approval of a recommendation to the Sites Project Authority Board of Directors to award a Bond Counsel services contract to Stradling, Yocca, Carlson & Rauth.

Traynham provided an overview and review of the process taken on the selection of a Bond Counsel. Brief discussion is held.

Action: It was motioned by Traynham and seconded by Hartwig to approve a recommendation to the Sites Project Authority Board of Directors to award a Bond Counsel services contract to Stradling, Yocca, Carlson & Rauth. The motion was approved unanimously.

- 3.3 Discussion and possible direction to staff regarding recommended approaches to Phase 2 Interim financing. (Attachment 3-3)

Mr. Montague speaks to the Phase 2 financing options as follows:

- State and Federal Sources of Project Funding
- Credit Structure
- Take-or Pay vs Take-and-Pay
- Interim Debt Instruments – 3 categories (1. Fixed rate notes, 2) floating rate notes and 3) commercial paper and revolving lines of credit)
- Public vs Private Sale of Securities
- Project Credit Structure Options
 - Public Water Agency Structure
 - Pooled Credit Structure with Step-up Provisions
- Other Credit Structure Options (not recommended)
- Phase 2 Agreements and
- Challenges to Interim Financing

Lengthy discussion is held. Following discussion, Mr. Watson recommends that the Board members present speak to their respective boards regarding their input and any concerns or issues they may have. He states he would be available to meet with them to clarify any concerns or issues.

- 3.4 Consider approval of Work Group’s recommendation regarding the reprioritization of the Phase 1 Budget.

Traynham speaks to the following:

- Phase 1 Completion (From April 1, through End of Phase 1)-officially ends December 31, 2018
- Phase 1 Completion: Critical Tasks
- Owner’s Agent Costs
- Consultant Costs

Discussion is held regarding the above as well as WIIN Act and USDA funding.

Action: It was motioned by Hartwig and seconded by Vanderwaal to approve the Work Group’s recommendation regarding the reprioritization of the Phase 1 Budget, as presented. The motion was approved unanimously.

- 4. **Ad Hoc Document Review Work Group:** Bettner
- 4.1 EPP Manger Thomson recommends scheduling a meeting to discuss early surveys to collect data related to sensitive resources.

- 5. **Ad Hoc Reservoir Operation Work Group:** Kunde & Ruiz
- 5.1 Report out on Work Group’s meeting on May 8, 2018.
Kunde updates the Committee regarding contract with the Department of Water Resources,

coordination issues that may arise re: Sites, development of work plan performing effect analysis. Brief discussion is held.

6. Ad Hoc Water Facilities Work Group: Arita

6.1 Report on Work Group’s activities to perform a project Phase 2 Procurement planning.

General Manager Watson states work group is being convened to finalize standard contracts to be used in the upcoming procurements and to provide staff’s thinking about the process to retain professional services coincident with the start of phase 2.

7. Ad Hoc Siting Work Group: Azevedo

7.1 The work group will reconvene once staff have further advanced the proposed process to be used to obtain temporary rights of entry.

8. Ad Hoc Risk Management Work Group: Vanderwaal

8.1 Report on Work Group’s activities to perform a project wide Risk assessment.

Vanderwaal updates the Committee regarding the project wide Risk assessment (final draft), noting that it is ready for review.

9. Recap & Adjourn

9.1 Agenda topics for next meeting?

- Financing
- Procurement
- Re-balancing
- Water Commission
- USDA

9.2 Upcoming Reservoir Committee meetings:

Sites Reservoir Committee Meeting
June 21, 2018 2:00 – 4:30 PM
Tsakopoulos Library Galleria (West Meeting Room)
828 I Street, Sacramento, CA 95814

ADJOURN

Meeting adjourned at 11:02 a.m.



Chairperson
Thad Bettner



General Manager
Jim Watson 2018 June 25