

SITES PROJECT

Board of Directors

AUTHORITY

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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
JOE MARSH, COLUSA COUNTY WATER DISTRICT
KERRY SCHMITZ, SACRAMENTO COUNTY WATER AGENCY/CITY OF SACRAMENTO
DON BADER, U.S BUREAU OF RECLAMATION (COST-SHARE PARTNER, NON-VOTING)
ROB COOKE, CA DEPARTMENT OF WATER RESOURCES (EX-OFFICIO, NON-VOTING)

Associate Members (NON-VOTING)

MARY WELLS, MAXWELL IRRIGATION DISTRICT
GREG JOHNSON, WESTERN CANAL WATER DISTRICT
JAMIE TRAYNHAM, TC 4 DISTRICTS

June 24, 2019 9:00 a.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on June 24, 2019 at the hour of 9:00 a.m. **Directors Present:** Gray Allen, Vice-chair, Gary Evans, Leigh McDaniel, Joe Marsh, Kerry Schmitz, Natalie Wolder, Logan Dennis. **Directors Absent:** Fritz Durst, Don Bransford, Doug Parker, Rob Cooke, Don Bader, Jeff Sutton. **Alternate Directors Present:** Michael Azevedo. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process). **Associate Members Absent:** Mary Wells and Greg Johnson.

Staff Present: Jim Watson, General Manager
Scott Kuney, General Counsel
Jamie Traynham, Treasurer & TC 4 Districts
Kevin Spesert, Rob Thomson, Joe Trapasso, Alicia Forsythe, Sites Project Authority
Yolanda Tirado, Clerk

Others Present: Juleah Cordi, Assemblyman Gallagher's Office
Brian Person, Jeff Herrin, AECOM
Jeriann Alexander, Grace Lui, Fugro
Marcia Kivett, Hailey Traynham, Dave Zuber, Brown & Caldwell
Kim Floyd, KF Comm/Katz & Associates
Brian Bullock, PSOMAS
Laura Nicholson, Senator Nielsen's Office
Ben Barker, PCWA
Anjanette Shadley, Western Canal Water District
Bill Vanderwaal, RD108/DWD
Arne Nervik, B&V
Oscar Serrano, CICC
John Buttz, Linc To, HDR
Jeff Mathews, Westervelt
Scott Parker, Carollo Engineers
Charlene Vaughn, K-COE Isom
Mike Gray, Garrett Fleming
Allan Highstreet, Jeff Smith, Jacobs

Pledge of Allegiance.

Mr. Watson introduced Ms. Marcia Kivett and Ms. Ali Forsythe and welcomed them on board. He expressed his appreciation to Mr. Rob Thomson for all his hard work the past 2 years, stating he will remain in a part-time capacity focusing on the operations modeling work (Service Area D) and the duties of the currently vacant Deputy General Manager to provide program management support.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

Mr. Watson stated a revised staff report for Agenda Item 6.6 regarding approval to release the Notice of Exemption for the North of Delta Off-stream Storage/Sites Reservoir Feasibility Geotechnical Investigation has been distributed to replace the Agenda item currently in the Agenda Packet.

It was moved by Director Evans, seconded by Director Marsh to approve the June 24, 2019 Sites Project Authority Agenda, as corrected. Motion carried: All Directors present voted yes.

Ms. Wolder stated Don Bader's last name was misspelled and requested that it be corrected.

MINUTES APPROVAL:

It was moved by Director Schmitz, seconded by Director Evans to approve the May 20, 2019 Sites Project Authority Minutes, as corrected. Motion carried: All Directors present voted yes.

CLOSED SESSION:

Vice-chair Allen announced Closed Session would be heard after the Regular Meeting as follows:

Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Government Code Section 54956.9(d)(2) and (4) (2 items)).

9:08 a.m. Director Sutton is now present.

PERIOD OF PUBLIC COMMENT:

Vice-Chair Allen called for public comment.

Director McDaniel stated Mr. Scott DeMoss was recently appointed as the CAO of Glenn County and introduced him.

No further comments being heard, Vice-Chair Allen closed the period of public comment.

1. **BOARD MEMBER REPORTS: (No action will be taken)**
This time is set aside to give the Directors an opportunity to disclose/ discuss any meetings with external stakeholders to advance the Project.

None.

2. **CHAIRPERSON'S REPORT:**
This time is set aside to allow the Chairperson an opportunity to disclose/ discuss items related to the Sites Project.

None.

- 2.1 Consider approval to extend the contract with J.C. Watson, Inc., through September 30, 2019.

Ms. Traynham updated the Authority Board members regarding the Authority becoming an employer and stated approval of an extension of Mr. Watson's contract is necessary due to the fact the Authority becoming an employer would not happen before the end of June. Brief discussion followed.

Action: It was moved by Director Sutton, seconded by Director McDaniel to approve the extension of the contract with J.C. Watson, Inc., through September 30, 2019. Motion carried: All Directors present voted yes.

3. CONSENT AGENDA:

No Consent Items

END OF CONSENT AGENDA

4. MANAGER'S REPORT:

- 4.1 Discussion and possible direction to staff regarding the General Manager's Monthly Status Report. (*Attachment 4-1A*)

Mr. Watson provided an overview of project activities performed in the months of May and through June 24th, i.e., primary efforts focused on the environmental clearance to support near term geologic investigations, at the May 20 Authority meeting reported continued work with Fish & Wildlife on a 60-day concentrated coordination effort related to pre-submittal of permit application, work progressing to develop temporary rights of entry procedures which support the previously approved Board Policy to allow geotechnical work to occur on certain lands and at the Orange County Water Summit there were 2 video clips that referenced the need of the Sites Project and were a part of a panel discussing water storage investment program. Brief discussion followed with no action taken.

- 4.2 Discussion and possible direction to staff regarding Proposition 1 WSIP application activities.

Mr. Watson provided an overview of Proposition 1 WSIP application activities i.e., June 17, 2019 Water Commission meeting the Early Funding Agreement was signed, June 6, Water Commission, Department of Water Resources and Fish and Wildlife staff toured the Sites Project, the June 19 Water Commission Meeting did not have any matters pertaining to Sites (water storage investment program), however, they did take public comments on the Governor's executive order to create a portfolio of action for drought resilience.

- 4.3 Discussion and possible direction to staff on ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding.
Ms. Wolder provided an overview of ongoing Reclamation activities. Brief discussion followed with no action taken.

5. 2019 FINANCE & BUDGET AD HOC COMMITTEE:

- 5.1 Accept the Treasurer's Report. (*Attachment 5-1A*)

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

5.2 Consider approval of the Payment of Claims. (*Attachment 5-2A & B*)

Action: It was moved by Director Schmitz, seconded by Director Sutton to approve Payment of Claims, as submitted. Motion carried: All Directors present voted yes.

5.3 Review and consider approval of a new advance check approval policy. (**Attachment 5-3A**)

Action: It was moved by Director Sutton, seconded by Director Evans to approve the Sites Project Authority Advance Check Approval Policy. Motion carried: All Directors present voted yes.

6. 2019 RESERVOIR COMMITTEE:

6.1 Report on the May 17, 2019 Phase 2 (2019) Reservoir Committee meeting. (**Attachment 6-1A**)

Mr. Watson provided an overview and review of actions approved and matters discussed at the May 17, 2019 Phase 2 (2019) Reservoir Committee meeting. Discussion followed with no action taken.

6.2 Discussion and possible direction to staff on the revised 2019 Work Plan as present in Attachment A: Revised Phase 2 (2019) Reservoir Project Agreement, Exhibit B. (**Attachment 6-2A**)

Mr. Watson provided an overview and review of the revised 2019 Work Plan and Budget details associated with the reductions. He stated this revised 2019 Work Plan supersedes the previously approved Work Plan and Budget.

Ms. Traynham also spoke to the revised 2019 Work Plan and stated it has been thoroughly reviewed by the Reservoir Committee Members. Discussion followed.

Action: It was moved by Director Evans, seconded by Director McDaniel to approve the revised 2019 Work Plan, as presented. Motion carried: All Directors present voted yes.

9:32 a.m. Director Dennis vacates his seat and leaves the conference room.

6.3 Discussion and possible direction to staff regarding the second Cash Call. Mr. Watson updated the Authority Board members regarding the second Cash Call, stating invoices had been sent out with the expectation of collecting a total of \$3,892,460.35 in July based on the remaining balance of \$23 per acre foot. Brief discussion followed with no action taken.

6.4 Report on the Ad Hoc Reservoir Operations Work Group's development of a water storage policy for consideration as a replacement to or supplement for the current water delivery-based method for use in subsequent Sites Reservoir Project Participation Agreements.

Mr. Watson provided an overview and review of the Reservoir Committee's Ad Hoc Reservoir Operations Work Group's development of a water storage policy. He

stated this concept has been successfully implemented at a couple of onstream surface water reservoirs, which serves as the basis for developing this concept for the Sites Project. He further stated the Work Group would be making a presentation and recommendation to the Reservoir Committee at the July 19, 2019 meeting. Discussion followed with no action taken.

9:38 a.m. Director Dennis is now present and seated.

- 6.5 Consider approval of a recommendation to the Sites Project Authority to delegate to the Reservoir Committee's Ad Hoc Water Facilities Work Group to finalize and release the RFQ to procure services for Service Area H – Engineering Services. **(Attachment 6-5A)**

Action: It was moved by Director McDaniel, seconded by Director Evans to approve a recommendation by the Reservoir Committee to delegate to the Reservoir Committee's Ad Hoc Water Facilities Work Group to finalize and release the RFQ to procure services for Service Area H – Engineering Services. Motion carried: All Directors present voted yes.

- 6.6 Consider authorizing the General Manager to approve the North of Delta Off-stream Storage/Sites Reservoir Feasibility Geotechnical Investigations and release a Notice of Exemption consistent with comments from the Environmental Work Group, Reservoir Committee recommendations and concurrence from the Sites Project Authority's Coordination Committee.

Action: It was moved by Director Sutton, seconded by Director Dennis to authorize the General Manager to approve the North of Delta Off-stream Storage/Sites Reservoir Feasibility Geotechnical Investigations and release a Notice of Exemption consistent with comments from the Environmental Work Group, Reservoir Committee recommendations and concurrence from the Sites Project Authority's Coordination Committee. Motion carried: All Directors present voted yes.

7. 2019 POLICY & GOVERNANCE AD HOC COMMITTEE:

No Reports.

8. 2019 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

- 8.1 Discussion and possible direction to staff regarding government Affairs/legislative, stakeholder engagement and communications activities.

Director Sutton provided an overview and review regarding government Affairs/legislative, stakeholder engagement and communications activities, i.e., WIIN Act and the RIFIA loan program and preparation of a letter regarding drought resilience. Brief discussion followed with no action taken.

- 8.2 Consider approval of a delegation to the Authority Ad Hoc Legislative & Outreach Committee to approve and distribute legislative advocacy letters on behalf of the Sites Project Authority for federal and state legislation that pertain to the development, construction and operation of the Sites Reservoir Project.

Action: It was moved by Director Sutton, seconded by Director McDaniel to approve delegation to the Authority's Ad Hoc Legislative & Outreach Committee to approve and distribute legislative advocacy letters on behalf of the Sites Project Authority for federal and state legislation that pertain to the development, construction and operation of the Sites Reservoir Project. Motion carried: All Directors present voted yes.

Mr. Spesert provided an overview of activities regarding the RIFIA Loan Program, release of the federal advocacy RFQ 19-02, district staff meeting update on sites project, and working on a schedule to tour the sites project for state and federal district staff. Brief discussion followed with no action taken.

9. 2019 LAND MANAGMENT AD HOC COMMITTEE:

- 9.1 Discussion and possible direction to staff regarding real estate, land management, land use and site facilities activities.

Director Evans provided an update on a Joint Authority Ad Hoc Land Management Committee and Reservoir Committee's Ad Hoc Sites Facilities Work Group meeting that was held on June 11. They reviewed two items:

1. An option to not expand the existing Funks Regulating Reservoir (located on the Tehama-Colusa Canal) and instead provide equivalent regulating capacity due west, which is referred to as Fletcher Reservoir. This option consists of a new, small regulating reservoir with a pipeline and small low-head pumping plant.
2. An alternative road alignment, which is referred to as the South Road alternative. This alternative is being evaluated in response to questions received during the public comment period for the draft EIR/EIS.

Brief discussion followed, with no action taken. Director Evans requested that meetings with the landowners be started soon.

Mr. Spesert stated he planned to resume meetings with landowners and local community this July or August.

Counsel Kuney announced the Authority Board would consider a Closed Session matter as follows: Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (2 items)).

RECESS:

Vice-Chair Allen declared a recess at 10:07 a.m., to convene into Closed Session, adjourned Closed Session at 10:55 a.m. and reconvened into Regular Session.

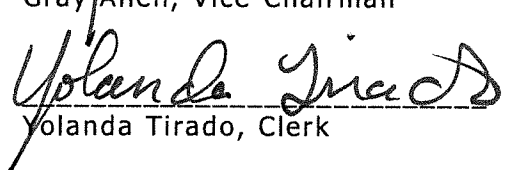
REPORT FROM CLOSED SESSION:

Vice-Chair Allen stated as to the conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (2 items)), there was no reportable action taken.

Vice-Chair Allen adjourned the meeting at 10:56 a.m., to reconvene on July 22, 2019 at the hour of 9:00 a.m.



Gray Allen, Vice-Chairman



Yolanda Tirado, Clerk