

SITES PROJECT 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
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)

GREG JOHNSON, WESTERN CANAL WATER DISTRICT
JAMIE TRAYNHAM, TC 4 DISTRICTS

December 20, 2019 9:00 a.m.

Sites Project Authority

Minutes

The Sites Project Authority Board of Directors met in Regular Session on December 20, 2019 at the hour of 9:00 a.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Gary Evans, Jeff Sutton, Joe Marsh, Kerry Schmitz, Rob Cooke and Don Bader. **Directors Absent:** Leigh McDaniel, Doug Parker and Don Bransford. **Alternate Directors Present:** Logan Dennis, Zack Dennis, and Natalie Wolder. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process). **Associate Members Present:** Greg Johnson and Ted Trimble.

Staff Present: Jim Watson, General Manager
Scott Kuney, General Counsel
Jamie Traynham, Treasurer & TC-4 District Alternate
Kevin Spesert, Joe Trapasso, Sites Project Authority
Yolanda Tirado, Clerk

Others Present: John Spranza, HDR
Marcia Kivett, JP Robinette, Haley Traynham, Brown & Caldwell
Ed Horton, PCWA
Charlene Vaughn, KCOE-Isom
Juleah Cordi, Assemblyman Gallagher's Office
Sara Katz, Sarah Rossetto, Katz & Associates
Gary Darling, Darling H2O
Ryan Davis, USBR
Paul Kimura, Avery Associates
Keith Dunn, Dunn Consulting

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

Action: It was moved by Director Logan Dennis, seconded by Director Zack Dennis to approve the December 20, 2019 Site Project Authority Agenda, as presented. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

Action: It was moved by Director Evans, seconded by Director Allen to approve the November 21, 2019 Joint Sites Project Authority and Reservoir Committee Minutes, as presented. Motion carried: All Directors present voted yes.

Action: It was moved by Director Sutton, seconded by Director Schmitz to approve the November 25, 2019 Sites Project Authority Minutes, as presented. Motion carried: All Directors present voted yes.

ANNOUNCEMENT OF CLOSED SESSION:

Mr. Kuney announced a Closed Session matter would be considered after the Regular Agenda as follows:

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

PERIOD OF PUBLIC COMMENT:

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

1. CHAIRPERSONS' REPORT:

This time is set aside to allow the Chair and/or Vice-Chair an opportunity to disclose/discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

Chairman Durst provided an update on the Federal Biological Opinion for the long-term operations of the CVP/SWP and the pending lawsuit filed by the State of California.

Brief discussion followed with no action taken.

- 1.1 Consider approval of an amendment to J.C. Watson, Inc's services contract monthly fee adjustment that will be retroactive to work performed after October 31, 2019.

Chairman Durst declared time to consider an amendment to J.C. Watson, Inc.'s services contract monthly fee adjustment retroactive to work performed after October 31, 2019. Chairman Durst and Ms. Traynham provided an overview of the process taken to determine the cost of living adjustment.

Director Marsh expressed concern regarding the cost of living adjustment increase, noting he felt the project had not advanced much. Director Sutton requested clarification on the 4% increase. Discussion followed.

Action: It was moved by Director Allen, seconded by Director Schmitz to extend the contract with J.C. Watson, Inc., through June 30, 2020 and

increase the cost of living adjustment fee from \$32,467 to \$38,230 and authorized the Chair to sign. Motion carried: All Directors present voted yes, with the exception of Directors Marsh and Sutton.

1.2 Organizational Assessment:

1.2.1 Consider approval of the November 14, 2019 draft Organizational Assessment with a plan and schedule on addressing the report's findings and actions.

Action: It was moved by Director Marsh, seconded by Director Allen to approve the November 14, 2019 draft Organizational Assessment with a plan and schedule on addressing the report's findings and actions. Motion carried: All Directors present voted yes.

1.2.2 Consider approval of an updated organization chart. **(Attachment 1.2-2A)**

Action: It was moved by Director Evans, seconded by Director Sutton to approve the updated Organization Chart. Motion carried: All Directors present voted yes.

1.2.3 Consider approving Avery Associates to serve as a Recruiter for an Executive Director position and the appointment of an Interim Executive Director. **(Attachment 1.2-3A)**

Action: It was moved by Director Dennis, seconded by Director Sutton to approve a contract with Avery & Associates to serve as a Recruiter for an Executive Director position. Motion carried: All Directors present voted yes.

1.2.4 No requested action. Informational item for discussion on the status of developing a schedule and securing a facilitator to assist the Authority to develop a Sites Reservoir Project strategic plan.

Chairman Durst provided an update on securing a facilitator for the Sites Reservoir Project. Brief discussion followed with no action taken.

1.2.3 Mr. Kuney stated that a part of Agenda Item 1.2.3 included the appointment of an Interim Executive Director and inquired as to whether that still needed to occur. Brief discussion followed.

Action: It was moved by Director Evans, seconded by Director Sutton to appoint Jim Watson as the Interim Executive Director. Motion carried: All Directors present voted yes.

1.2.5 Consider approval of an amendment to the Darling H2O Consulting, Inc contract to expand the scope of work, increase the contract amount from \$24,952.50 to \$89,952.50 and extend the contract from December 31, 2019 through June 30, 2020.

Action: It was moved Director Evans, seconded by Director Schmitz to approve an amendment to the Darling H2O Consulting, Inc contract to expand the scope of work, increase the contract amount from \$24,952.50 to \$89,952.50, extend the contract's term of performance from December 31, 2019 through June 30, 2020 and authorize the General Manager to sign. Motion carried: All Directors present voted yes.

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

This time is set aside to give the Directors an opportunity to disclose/discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

Director Sutton provided an update on a meeting with the Commissioner of Reclamation regarding the integration of this project with the CVP. Brief discussion followed with no action taken.

3. **CONSENT AGENDA:**

None.

4. **MANAGER'S REPORT:**

4.1 Discussion and possible direction to staff regarding the Sites Project's monthly status report. **(Attachment 4-1A)**

Mr. Watson provided an overview of project activities performed in the months of November and December 2019 as follows:

- Continued discussions with CDFW.
- Continued support of Reclamation on the Feasibility Report.
- Continued to advance the Affordability Analysis.
- Ms. Forsythe participated as a panel member at the PPIC event regarding environmental water budgets.
- Ms. Forsythe provided comments at the Humboldt County Board of Supervisors meeting regarding revisiting their support of the Sites Project.

Letters received from the Board of Supervisors of the County of Humboldt regarding a Request for Revision and Recirculation of Draft EIR/EIS for Sites Reservoir Project and a Request to Protect Humboldt County's Trinity River Interest from Adverse Impacts caused by the Sites Reservoir Project. Discussion followed. Following discussion, Mr. Spesert stated a response to these letters is being prepared.

4.2 Discussion and possible direction to staff regarding Proposition 1, WSIP activities and WIIN Act Funding.

Mr. Watson provided a review of Proposition 1, WSIP activities and WIIN Act Funding as follows:

- 1st Invoice: California Water Commission (CWC) direct deposit for the first EFA invoice was made in the amount of \$2.77 million.
- 2nd Invoice: CWC staff approved the second EFA invoice in the amount of \$1.25 million.
- 3rd Invoice: Staff submitted the third invoice for work performed from July 1 through September 30, 2019 in the amount of \$2.1 million.

- CWC had a meeting on December 18, 2019 and approved a regulation that defines what is needed for a project to be consistent with Proposition 1, specifically WSIP, that enables a project to be eligible for WIIN Act funding. Brief discussion followed with no action taken.
- CWC deferred action on their strategic plan to January 2020, discussions on the Governor's Resilience Portfolio, Delta conveyance and discussions on Public Policy Institute of California's new report on priorities for California's water.
- Preparing an end of year status report for USDA.
- House approved the fiscal year 2020 appropriations bill that included \$6 million for the Sites Reservoir that was in the Secretary of Interior's February 2019 letter to Congress recommending projects be funded and which has now been approved by Congress and is waiting to be signed into law under HR 1865. Discussion followed as to next steps with no action taken.
- Reclamation staffing changes to their team working on the Sites Project.
- Received counter-signed Amendment to the 2015 Cost-share MOU from Reclamation.
- Working on the Financial Assistance Agreement targeted to have executed in March 2020.

5. 2019 FINANCE & BUDGET AD HOC COMMITTEE:

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

Action: It was moved by Director Logan Dennis, 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 monthly Payment of Claims. **(Attachment 5-2 A&B)**

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

5.3 Chairman Durst inquired as to whether the Board Members would be opposed to approving Agenda Items 5.3 through 5.10 as a single motion. Brief discussion followed with no opposition made to approving Agenda Items 5.3 through 5.10 as one motion.

Action: It was moved by Director Zack Dennis, seconded by Director Evans to approve Agenda Item Numbers 5.3 through 5.10 as follows:

5.3 Approve an amendment to the HDR Engineering, Inc.'s (HDR) (Project Integration) contract period of performance by extending their task order from December 31, 2019 to June 30, 2020, with no change in their cost and authorize the General Manager to sign. **(Attachment 5-3A)**

5.4 Approve a modification to the AECOM contract period of performance by extending the contract from December 31, 2019 through June 30, 2020, with

- no change in cost and authorize the General Manager to sign. **(Attachment 5-4A)**
- 5.5 Approve an amendment to Katz and Associates, Inc.'s (Katz) (Communications) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-5A)**
- 5.6 Approve an amendment to Bender Rosenthal, Inc.'s (BRI) (Real Estate) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-6A)**
- 5.7 Approve an amendment to ICF Jones and Stokes, Inc.'s (ICF) (Environmental Planning and Analysis) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-7A)**
- 5.8 Approve an amendment to ICF Jones and Stokes, Inc.'s (ICF) (Permitting and Agreements) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-8A)**
- 5.9 Approve an amendment to CH2M Hill Engineers, Inc.'s (CH2M) (Operations Simulation Modeling) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-9A)**
- 5.10 Approve an amendment to the Fugro USA Land Inc.'s (Fugro) (Geology and Geotechnical) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost and authorize the General Manager to sign. **(Attachment 5-10A)**

Motion carried: All those Directors present voted yes.

- 5.11 Consider approval of an amendment to the Young Wooldridge contract to increase their fee schedule. **(Attachment 5-11A)**

Action: It was moved by Director Sutton, seconded by Director Logan Dennis to approve an amendment to the Young Wooldridge contract to increase their fee schedule, as presented. Motion carried: All those Directors present voted yes.

- 5.12 Consider approval of the Authority budget for Authority-funded activities in fiscal year 2020, which occurs between January 1, 2020 and December 31, 2020. **(Attachment 5-12A)**

Action: It was moved by Director Schmitz, seconded by Director Evans to approve the Authority budget for Authority-funded activities in fiscal year 2020, which occurs between January 1, 2020 and December 31, 2020. Motion carried: All those Directors present voted yes.

6. Phase 2 (2019) RESERVOIR COMMITTEE:

- 6.1 Report on the December 19, 2019 Phase 2 (2019) Reservoir Committee meeting **(Attachment 6-1A)**.

Mr. Watson provided a review of actions approved and matters discussed at the December 19, 2019 Phase 2 (2019) Reservoir Committee Meeting.

- 6.2 Consider approval of an updated project description based on the Value Planning Efforts.

Mr. Watson provided a brief update on an updated project description based on the Value Planning Efforts.

Brief discussion followed with no action taken.

- 6.3 Discussion and possible direction to staff on the key deliverable descriptions and preliminary costs to include in the revised Phase 2 (2019) Work Plan, supporting a revised completion date from December 31, 2019 to June 30, 2020. **(Attachments 6-3 A)**

Mr. Watson provided an update on the key deliverable descriptions and preliminary costs to include in the revised Phase 2 (2019) Work Plan. He stated at the Reservoir Committee Meeting a lengthy discussion was held and a Committee Member felt his home board would need more time to decide, and a 2-month extension was agreed upon. This will extend the participation agreement through August 31, 2020.

Discussion followed with no action taken.

7. 2019 POLICY & GOVERNANCE AD HOC COMMITTEE:

Mr. Kuney provided a brief update on AB5, a California law which limits the use of classifying workers as independent contractors rather than employees by companies and its possible effect on the Sites Project Authority.

Discussion followed with no action taken.

8. 2019 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

- 8.1 Discussion and possible direction to staff regarding federal and state governmental affairs/legislative, stakeholder engagement and communications activity.

Director Sutton provided an update regarding federal and state governmental affairs/legislative, stakeholder engagement and communications activity i.e., Appropriations bill, Feinstein/Garner bill, and future trip to DC.

9. 2019 LAND MANAGEMENT AD HOC COMMITTEE:

- 9.1 Discussion and possible direction to staff regarding the real estate, land management, site facility activities and early geotechnical explorations.

Mr. Spesert provided a brief update on the status of engagement and outreach efforts, as well as geotechnical activities.

Brief discussion followed with no action taken.

Chairman Durst declared a recess at 11:00 a.m. to convene into Closed Session at 11:05 a.m. to consider the following Closed Session matter:

10. CLOSED SESSION:

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

Chairman Durst adjourned Closed Session at 11:10 a.m. and reconvened into Open Session.

11. REPORT FROM CLOSED SESSION:

Chairman Durst announced 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.

Chairman Durst adjourned the meeting at 11:12 a.m. to reconvene on January 22, 2020 at the hour of 1:30 p.m.

Fritz Durst, Chairman

Yolanda Tirado, Clerk