

SITES PROJECT AUTHORITY
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MAXWELL, CALIFORNIA 95955
www.SitesProject.org

JERRY BROWN, EXECUTIVE DIRECTOR
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Boardclerk@SitesProject.org

Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
KEN HAHN, GLENN COUNTY SUPERVISOR
LOGAN DENNIS, GLENN-COLUSA IRRIGATION DISTRICT
BRUCE HOUDESHELDT, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
KERRY SCHMITZ, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY
DON BADER, 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

January 27, 2021 1:30 p.m.

Sites Project Authority

MINUTES

ROLL CALL & CALL TO ORDER:

Chairman Durst called the meeting of the Sites Project Authority Board of Directors to order at the hour of 1:30 p.m., followed by the Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

It was moved by Director Houdesheldt, seconded by Director Evans to approve the January 27, 2021 Sites Project Authority Board Agenda, as presented. Motion carried: All Directors present voted yes.

ANNOUCEMENT OF CLOSED SESSION:

Counsel Kuney announced the Authority Board of Directors would consider a Closed Session matter later this afternoon as follows:

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

PERIOD FOR PUBLIC COMMENT:

Chairman Durst called for public comment.

Mr. Welsh provided an update of the Reclamation's Feasibility Report and the efforts of their staff to complete the Report. He stated Reclamation supports the Project and will work to meet the Project's schedule. He also spoke to the past working relationships on this project and stated he and the Reclamation team are committed to improving and fostering their partnership in upcoming years.

Chairman Durst and Director Sutton expressed their appreciation to Mr. Welsh and Mr. Conant for their hard work in getting the Report completed. Brief discussion followed.

Hearing no further comments, Chairman Durst closed the period for public comment.

1. **Consent Agenda:** It was moved by Director Evans, seconded by Director Bransford to approve Consent Agenda Item Numbers 1.1 through 1.4 as follows:
 - 1.1 Approve the December 18, 2020 Joint Authority Board & Reservoir Committee Meeting Minutes. **(Attachments A, B & C)**
 - 1.2 Accept the Sites Project Authority Treasurer's Report. **(Attachment A)**
 - 1.3 Approve the Payment of Claims. **(Attachments A, B & C)**
 - 1.4 Adopt the Advance Check Approval Policy Number 01-2019. **(Attachment A)**

Motion carried: All Directors present voted yes.

2. **ACTION ITEMS:**

- 2.1 Consider Approval to release the RDEIR/SDEIS Project Description (with Operations) to regulatory agencies and interested parties, including posting on the Authority's website, to improve Project transparency and facilitate more detailed Project discussions. **(Attachment A)**

Ms. Forsythe provided an overview of the release of the RDEIR/SDEIS Project Description with operations and spoke to the following:

Overview – Actions to be taken:

- Project Description will be Chapter 2 of the Revised Draft EIR/Supplemental Draft EIS.
- Foundation of the analysis in the RDEIR/SDEIS of all our permitting efforts.
- Draft currently under review by team (Sites and Reclamation Staff).
- Recommend release of the Draft Project Description.
 - For information/discussion purposed with regulatory agencies, NGOs and interested parties of the public.
 - Continue to refine until release Revised Draft EIR/Supplemental Draft EIS in July 2021.

Summary of the Alternative in the RDEIR/SDEIS Project Description:

- Includes all 3 Alternatives. She briefly spoke to the differences between the 3 Alternatives.

More Substantial Project Description Changes Since Previous Updates:

- Hydropower – All alternatives include power generation incidental upon release up to 40 MW at Funks and up to 40 MW at TRR.
 - Confirmed with FERC staff that this qualifies for a FERC exemption.

- Emergency Release Flows, Alternative 2 – Refinements to emergency release locations.
 - Inlet/Outlet Works, Sites Dam, and Saddle Dam 8B into Hunters Creek watershed.
- Stored Water Release Location, Alternative 3 – Colusa Basin Drain
- Reclamation Investment, Alternative 2 – Operational exchanges only, not a funding partner.

Diversion criteria:

- Refined, shifted upstream for practical operations at diversion locations.
- Additional pulse protection criteria added to protect migrating juvenile salmon.
- Analysis underway, but initial results show little changes in flows throughout the system (including Freeport and Net Delta Outflow index).
- Added more details on Operations.

Recommended Action:

- Staff is recommending release of the Draft Project Description
 - For information/discussion purposed with regulatory agencies, NGOs, interested members of the public
 - Continue to refine until release Revised Draft EIR/Supplemental Draft EIS in July 2021
 - Post to Authority's website for access and transparency
 - Include preamble clearly identifying that the Authority is not taking public comments/not responding to comments

Discussion followed regarding language of the emergency releases/drawdowns and how much discussion was held with Fish and Wildlife regarding the changes to the modeling.

Action: It was moved by Director Bransford, seconded by Director Schmitz to approve the release of the RDEIR/SDEIS Draft Project Description (with Operations) to regulatory agencies and interested parties, including posting on the Authority's website, to improve Project transparency and facilitate more detailed Project discussion. Motion carried: All Directors present voted yes.

2.2 Consider Acceptance of the 2021 Sites Project State Agency Legislative Activity Priorities. **(Attachment A)**

Mr. Spesert and Director Sutton provided an update on the proposed 2021 Sites Project State Agency Legislative Activity Priorities, stating the update reflects the project's current activities and addresses emerging issues since the Authority Board/Reservoir Committee last approved the document in June 2020. He stated the same process would be used for the Federal Legislative and Government Affairs Priorities which would be brought to the Board in February for their consideration.

Action: It was moved by Director Evans, seconded by Director Hahn to accept the 2021 Sites Project State Agency Legislative Activity Priorities as presented. Motion carried: All Directors present voted yes.

2.3 Consider approval of the disbursement of funds resulting from increased participation to repay contributed credit. **(Attachment A & B)**

Mr. Brown briefly spoke to approval of the disbursement of funds resulting from increased participation to repay contributed credit. He also spoke to the following 3 Options:

Option 1: Repaying all participants owed a refund based on the percentage of contributed credit each participant is owed.

Option 2: Foregoing current repayment but allowing contributed credit to be applied to future payments for current participants.

Option 3: Repaying fully withdrawn participants based on the percentage of contributed credit held by withdrawn participants.

He stated the Joint Budget and Finance Committee recommended Option 1, and the Reservoir Committee at their meeting of January 17, 2021 approved Option 1. Discussion followed.

Action: It was moved by Director Sutton, seconded by Director Evans to approve Option 1, as approved and recommended by the Reservoir Committee, to repay all participants owed a refund based on the percentage of contributed credit each participant is owed. Motion carried: All Directors present voted yes.

3. Discussion and Information Items:

Mr. Brown stated the following items would be combined for discussion purposes:

- 3.1 Receive a progress update on the development of a Water Storage and Supply Service Contract Term Sheet. **(Attachment A)**
- 3.2 Review and comment on the participant's processes for securing project funding for incorporation into a successor, post-2021, project agreement.

Mr. Robinette provided a progress update on the development of a Water Storage and Supply Service Contract Term Sheet and a review on the participant's processes for securing project funding for incorporation into a successor, post-2021, project agreement. He spoke to the following:

- Financing Action Plan Schedule and Roadmap.
- Sites Reservoir Project Cash Flow to Construction Completion.
 - Summary Schedule Timeline through 2030
- Road Map
 - Plan of Finance & Participation Agreement, What Do we get? What Does It Cost? and How Do We Pay for It?
- Workshops.
- Successor Agreement: Preparation for Financing.
- Participant Financial Processes (January 1, 2022 through July 1, 2023).
 - Track 1 – Confirm Sites costs can show on SWP statement of charges.
 - Track 2 – Land Based charges/form improvement District. Prop 218 Election.
 - Track 3 – Prop 218 Protest or Other (Build into agency rates and charges).
- July 1, 2023 – Initiate Bank Financing.
- Contract Term Sheet: Balanced Development.
 - Four pillars of the contract will be explored in the term sheet deliverable:
 - Benefits to individual agencies.
 - Allocating project costs for the benefits received.

- Financing the project.
 - Ownership obligations and responsibilities.
- Balancing Risks and Benefits:
 - Balancing requires a discussion of project benefits and risks for participants and board members.
 - The water Storage and Supply Services Contract is where a common understanding is manifested in writing.
 - Working with B&F Committee to develop the term sheet.
- Sample Terms for Development:
 - Two samples are Offramps and Water Marketplace.
- Financial Model 2.0 List of Changes, March 2021:
 - Move to cost of financing (vs. w/ and w/o WIFIA).
 - Two options – with step-up and without.
 - Update costs estimate due Feb 2021.
 - Incorporate beneficiary pays (cost of facilities).
 - Public benefit OM&R accounting (state and federal).
 - Prop 1 (WSIP) inflationary adjustment, 2.5% (\$20.4M).
 - Update finance assumptions, including rates.
 - Update operating cost assumptions, OM&R.
 - Updated participation levels, local, state, federal.
 - Update operations.
- Preliminary Financing Options (Bring back to RC in March 2021).
 - With step-up and no step-up.

Lengthy discussion followed with no action taken.

4. Reports:

4.1 Member's Reports:

4.1.1 Chairpersons' Report:

This time is set aside to allow the Chair/Co-Chair an opportunity to disclose/discuss items related to the Sites Project.

Chairman Durst welcomed Glenn County Supervisor Ken Hahn, as a new Director on the Sites JPA-Authority Board.

He also provided a brief update on the various meetings held and phone calls to Washington, DC as follows:

- Chuck Bonham: CA Dept of Fish and Wildlife Service.
- State and Federal Legislator phone calls.

4.1.2 Committee Chairpersons' Report:

This time is set aside to allow the Committee Chairpersons' an opportunity to disclose/discuss items related to the Sites Project.

Joint Budget and Finance Committee:

Ms. Traynham provide a brief update regarding the following:

- Credit reimbursement Policy.
- Plan of Finance.

Land Management Committee:

Director Evans provided an updated on the meeting held on January 20, 2021 regarding the following:

- Geotechnical field activities.
- Reservoir Emergency draw-down process.
- TRR design considerations.
- Project roadways.

Legislative and Outreach Committee:

Director Sutton and Mr. Spesert provided an update on the various discussions and meetings held and future scheduled meetings. Brief discussion followed.

Legislative & Outreach & Committee:

Director Sutton complemented Sara Katz, Chairman Durst, Executive Director Brown and staff regarding the Virtual Townhall Meeting held earlier this morning.

Ms. Katz provided a brief update on the Virtual Town Hall Meeting held earlier this morning.

4.1.3 Authority Board Participant Reports:

This time is set aside to allow Representatives or their Alternates an opportunity to disclose/discuss items related to the Sites Project.

None.

4.2 Executive Director's Reports:

Mr. Brown provided an update on the following:

- Monthly status report. **(Attachment A)**
- Work Plan Key Deliverables Report. **(Attachment B)**
- Meetings Action Items Summary. **(Attachment C)**
- Geotechnical activities.
- Revamping the Monthly Status Report.
- Received the Feasibility Determination.
- Continue to work with the Bureau of Reclamation to identify participation and the Alt 3 configuration.
- CWC made the decision to allocate the inflation boost of 2.5% to all the prop 1 projects.

Chairman Durst declared a recess at 3:13 p.m., to convene into Closed Session to consider the following matter:

5. Closed Session:

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

Chairman Durst adjourned Closed Session at 4:00 p.m., to reconvene into Open Session.

6. **Report from Closed Session**

Counsel Kunej stated the Authority Board considered Closed Session regarding the following matter:

- 5.1 Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4)) (1 items) and no reportable action was taken.

7. **Recap:**

- 7.1 Suggested Future Agenda Items.

None.

- 7.2 **Upcoming Meetings:**

Joint Authority Board & Reservoir Committee:

Friday, February 19, 2021, 9:00 AM – 12:00 PM

(Virtual Information will be provided prior to the meeting)

Authority Board:

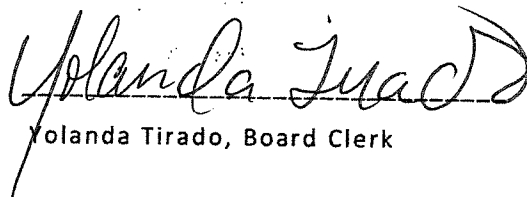
Wednesday, March 24, 2021, 1:30 PM – 4:00 PM

(Virtual Information will be provided prior to the meeting)

Chairman Durst adjourned the Authority Board meeting at the hour of 4:05 p.m.



Fritz Durst, Chairman



Yolanda Tirado, Board Clerk

Topic: **Sites Reservoir Project**

2021 January 27

Subject: **Authority Board Meeting**

1:30 – 4:00 PM

Location: 122 West Old Highway 99, Maxwell, CA 95955

Attendance

Current Voting Authority Board Participants:

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
Colusa County	<input checked="" type="checkbox"/> Gary Evans	<input type="checkbox"/> Mike Azevedo	
Colusa County Water District	<input type="checkbox"/> Joe Marsh	<input type="checkbox"/> Doug Griffen	
Glenn County	<input checked="" type="checkbox"/> Ken Hahn	<input type="checkbox"/> Grant Carmon	
Glenn-Colusa Irrigation District	<input type="checkbox"/> Logan Dennis	<input checked="" type="checkbox"/> Don Bransford	
Reclamation District 108	<input checked="" type="checkbox"/> Fritz Durst	<input type="checkbox"/> Sean Doherty	<input type="checkbox"/> Hilary Reinhard
City of Roseville / Placer County Water Agency	<input checked="" type="checkbox"/> Bruce Houdesheldt	<input type="checkbox"/> Joshua Alpine	
Tehama-Colusa Canal Authority	<input checked="" type="checkbox"/> Jeff Sutton	<input type="checkbox"/> Halbert Charter	
City of Sacramento / Sacramento County Water Agency	<input checked="" type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson	
Westside Water District	<input checked="" type="checkbox"/> Doug Parker	<input type="checkbox"/> Zach Dennis	

Associate Members (2 non-voting):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
TC-4	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter <input type="checkbox"/> Jason Holley	
Western Canal Water District	<input checked="" type="checkbox"/> Ted Trimble	<input type="checkbox"/> Greg Johnson	

Non-Voting Committee Participants (2):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative/Other</i>	<input checked="" type="checkbox"/> <i>Alternate/Other</i>	
Dept of Water Resources	<input checked="" type="checkbox"/> Rob Cooke	<input type="checkbox"/> David Sandino	
	<input type="checkbox"/> Ajay Goyal	<input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input checked="" type="checkbox"/> Richard Welsh	<input checked="" type="checkbox"/> Don Bader	<input type="checkbox"/> Chris Duke
	<input checked="" type="checkbox"/> Ryan Davis	<input type="checkbox"/> Derya Sumer	<input type="checkbox"/> Mike Mosley
	<input checked="" type="checkbox"/> Natalie Wolder		<input type="checkbox"/> Shana Kaplan

Authority, Non-Signatory (6):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
PCWA	<input type="checkbox"/> Ed Horton	<input type="checkbox"/> Ben Barker Darin Reintjes

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
Roseville	<input type="checkbox"/> Sean Bigley	<input type="checkbox"/> Trevor Joseph <input type="checkbox"/> Jason Marks
Sacramento City	<input type="checkbox"/> Jeff Harris	<input type="checkbox"/> Brett Ewart <input type="checkbox"/> Ann Sanger

Staff:

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Jerry Brown	Sites Project Authority
<input checked="" type="checkbox"/> Ali Forsythe	Sites Project Authority
<input checked="" type="checkbox"/> Kevin Spesert	Sites Project Authority

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Joe Trapasso	Sites Project Authority
<input checked="" type="checkbox"/> Yolanda Tirado	Clerk
<input checked="" type="checkbox"/> Marcia Kivett	Admin

Consultants:

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input type="checkbox"/> Alexander, Jeriann	Fugro
<input type="checkbox"/> Boling, Robert	HDR
<input type="checkbox"/> Briard, Monique	ICF
<input type="checkbox"/> Floyd, Kim	Floyd
<input checked="" type="checkbox"/> Herrin, Jeff	AECOM
<input checked="" type="checkbox"/> Heydinger, Erin	HDR
<input checked="" type="checkbox"/> Katz, Sara	Katz & Associates

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Kuney, Scott	Young Wooldridge
<input checked="" type="checkbox"/> Luu, Henry	HDR
<input checked="" type="checkbox"/> Maltby, Marcus	Brown & Caldwell
<input checked="" type="checkbox"/> Robinette, JP	Brown & Caldwell
<input checked="" type="checkbox"/> Spranza, John	HDR
<input checked="" type="checkbox"/> Traynham, Hailey	Brown & Caldwell
<input checked="" type="checkbox"/> Warner Herson, Laurie	Phenix

Other Attendees: *(Check box to have email address added to the distribution list)*

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone & E-mail)</i>
Bill Vanderwaal	RD-108/Dunnigan Water	
Grace Lui	Fugro	
Juleah Cordi	Assembly Member Gallagher	
Doug Montague	Montague DeRose	
Charles Gardiner	Catalyst Group	
Jessica Boyt	DWR	
Summer Shadley	Maxwell Unified School Dist.	