

Meeting: **Phase 1 Reservoir Project Agreement** **2018 Feb 15**

Subject: **Reservoir Committee Meeting** **2:00 – 4:00 PM**

Location: Tsakopoulos Library Galleria (East Meeting Room) Call in: 1-800-201-7439
828 I Street, Sacramento, CA 95814 Code: 644237 (no #)

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 20 eligible representatives. This equates to 79% 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:

Vice Chairman Headrick called the meeting to order at 2:00 PM followed by the Pledge of Allegiance.

AGENDA APPROVAL:

It was moved by Cheng and seconded by Vanderwaal to approve the February 15, 2018 Sites Reservoir Committee Agenda. Motion approved unanimously.

MEETING MINUTES APPROVAL:

Approval of January 19, 2018 meeting minutes was moved by Azevedo and seconded by Kunde with minor change. Motion approved unanimously.

INTRODUCTIONS

PERIOD FOR PUBLIC COMMENT:

No comments were provided.

1. Chairpersons' Report:

Bettner & Headrick

1.1 Introductory remarks

1.2 2018 Reservoir Committee Elections and Work Group assignments.

Treasurer Traynham led the election for the chair and vice chair positions.

Action items serve as meeting minutes
Participation by phone is not counted
in quorum or voting.

Status: Meeting Record
Purpose: Informational
Caveat 1 Subject to change
Caveat 2

Version: 0
Date: 2018 Mar 11
Ref/File #:
Page: 1 of 6

Chairman: Thad Bettner was nominated by Rob Kunde and seconded by Mike Azevedo. There were no other nominations. The motion to approve Thad Bettner to remain as chairman was provided by Bill Vanderwaal and seconded by Robert Cheng. The motion was approved unanimously.

Vice Chairman: Doug Headrick was nominated by Jeff Davis and seconded by Ben Carter. There were no other nominations. The motion to approve Dough Headrick to remain as vice chairman was made by Jeff Davis and seconded by Bill Vanderwall. The motion was approved unanimously.

General Manager Watson requested updates to the work groups, including potential leads. Randall Neudeck agreed to join the Ad Hoc Siting Work Group. There were no other changes in participation on any of the other work groups and the current leads will remain.

1.3 Presentation from John Bischoff (AECOM) on alternative delivery models and procurement.

At the December 21, 2017 Reservoir Committee meeting, the participants used the Construction Industry Institute’s (CII’s) Project Delivery and Contract Strategy (PDCS) process to rank 12 of the more commonly-used delivery methods. The results identified alternative delivery methods that were more-likely to provide better value than the traditional design-bid-build methods. This result served as the basis for the January 18, 2018 joint Authority and Reservoir Committee workshop where staff presented a proposed procurement strategy utilizing various alternative delivery methods and provided examples of potential contract packaging strategies. Given the potential benefits, the need to provide a better understanding of these delivery methods was identified.

The informational presentation addressed both the traditional Design-Bid-Build and alternative methods including: Traditional Design-Build, Progressive Design-Build, Construction Manager-at-Risk, the “Portland Method”, and Project Alliance. In addition, the ability to include early procurements was addressed. The Turnkey method, which ranked highest in the PDCS process, was not specifically presented. It was agreed that a more-detailed discussion be provided at a subsequent meeting.

2. **Manager’s Report:** Watson

2.1 Informational discussion of project status *(Attachment 2-1)*
for the month of January 2018.

Financial Auditor: Staff continues to work on consultant contracts and compliance. The hiring process for the position of Financial Auditor is ongoing; staff has received four applications and plans to recommend a firm for the Authority’s consideration at their February 26, 2018 meeting.

Financial Advisor: Staff has released a request for proposals (RFP) to retain the services of a municipal financial advisor. Staff has responded to questions and comments received by prospective firms. Proposals are due on February

23, 2018, and interviews will be held the week of March 5, 2018. This will be presented in next month's Reservoir Committee Meeting.

DC Trip: There were about twelve participants in the legislative advocacy trip. Many congressmen and lobbyists were receptive and responded positively to the project. The Fish and Wildlife Service had positive comments with regard to the project's environmental benefits.

Most congressional offices were in favor of assisting the US Bureau of Reclamation with the timely completion of the Federal Feasibility Study.

2.2 Report on Prop 1 WSIP application status and activities.

Staff has had two meetings so far with the technical reviewers of the Water Storage Investment Program (WSIP) Applications. The General Manager is working with Water Commission staff and other applicants to schedule two additional meetings with the technical reviewers between now and June, which is when the technical reviews are expected to be completed. The proposed next meeting would take place approximately three weeks after the appeal and before April 20, 2018. The proposed second meeting would take place in mid-May; prior to the Water Commission staff's publishing of scores for the other three components (Relative Environmental Values, Resilience to Climate Change, and Implementation Risks).

The Sites Project initially asked for \$1.6 billion in WSIP funding. Currently, the project has been deemed eligible to receive \$662 million. The appeals process will be discussed in tomorrow morning's (February 16, 2018) Document Review Work Group meeting with the technical team. The drafted appeal is limited to twenty pages, not including supporting information. The appeal will focus on benefits for anadromous fish and an alternative method to monetize the benefits that will be based on a long-term fallowing program as opposed to the raising Shasta, which was the basis for the application.

2.3 Report on Draft EIR/EIS public comments *(Attachment 2-3)*

Lynna Black (CH2M) gave a presentation summarizing the comments received during the public comment period. The comments received on the Draft EIR/EIS at the Maxwell and Sacramento public meetings were documented in legal transcripts, and people provided written comments as well. Per CEQA/NEPA, all comments will be addressed in the final document. There were no comments received that were not unexpected. Letters were received from tribes, state and federal agencies, non-government organizations and a number of individuals, including a petition.

Mark Oliver (CH2M) provided an overview of thematic responses for the comments received. CH2MHill has been putting together a comment letter response matrix.

The Final EIR/EIS document is scheduled for completion at the end of Phase 2b.

- 2.4 Report out on Sites Project Authority Board of Directors Meeting on January 22, 2018. *(Attachment 2-4)*

The Committee was briefed on updates from the Authority Board meeting, and discussed a joint request to participate on the Authority's Board by the City of Sacramento and Sacramento County Water Agency. All of the current "home" boards are considering this request and their votes are expected by the end of the month.

Work is progressing to consider a request by the Colusa Indian Community Council (CICC) to also participate on the Authority's Board. A comparison of the Authority's joint exercise of powers relative to those of the CICC is underway. In addition, the Authority and CICC are reviewing the regulations being used to award Proposition 1 funding, which includes a requirement that any tribe provide a waiver of limited sovereign immunity. Once these items have been addressed, the CICC's request will be considered.

- 2.5 Report out on Washington DC Legislative Trip and California State Capitol Day. *(Attachment 2-5)*

The President's infrastructure plan, if approved, would increase coordination for federal agencies regarding their respective jurisdictional authorities and could provide access to low interest financing for eligible infrastructure projects. Meetings with elected representatives were productive and the project was favorably received.

The meetings in the state capitol similarly mirrored the Washington DC trip. Staff met with members of the Assembly Water Committee and received positive feedback and productive comments.

3. Ad Hoc Finance & Economics Work Group: Traynham

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

Traynham provided an overview and review of the Treasurer's Report as of January 31, 2017. It was motioned by Vanderwaal and seconded by Cheng to approve the Payment of Claims and Treasurer's Report. The motion was approved unanimously.

4. Ad Hoc Members' Reservoir Operations Work Group: Kunde & Ruiz

- 4.1 Report on activities to define the Phase 1 rebalancing process as an input to the Phase 2 participation agreements.

The Operations Work Group met on February 9, 2018 via conference call. The group continues to discuss the rebalancing concept and operations for South-of-Delta participants. The group continues to work towards a consensus on the conversion of Class 2 to Class 1 water and how to true-up the phase 1 process

should participants elect to change their position going into Phase 2. In addition, the work group is evaluating a potential concept to base repayment and potentially participation in Phase 2 based on an amount of storage basis. This would be in lieu of the current working assumption that repayment would be based on deliveries.

5. Ad Hoc Siting Work Group: Azevedo

5.1 Report on the development of a draft temporary rights of entry program for Phase 2 investigations.

The Siting Work Group has reviewed a draft set of general policies for right-of-entry (ROE) activities based on Caltrans guidelines. The group is working to prioritize the properties that will need permits for rights of entry and aim to present their progress to the Reservoir Committee during the May meeting.

6. Ad Hoc Risk Management Work Group: Vanderwaal

6.1 Report on the Risk Workshop held February 6-7, 2018.

A two-day meeting was attended by members of this work group, project staff, technical staff from both the Bureau of Reclamation and the Department of Water Resources, as well as subject matter experts from the technical team.

The group went through the project facilities and assessed potential events and risks that could occur. The group then assigned a likelihood/probability ratio to the risk and will be using this information to estimate an expected probable maximum cost and/or schedule delay associated with each risk identified. For the most critical risks, a mitigation plan will be developed, likely as an early activity in Phase 2, to reduce the likelihood of the risk occurring. In addition, these results will be used to prepare a risk-adjusted cost and schedule plan. The process includes performing a Monte Carlo Simulation for both the unmitigated risk and then the mitigated risk. The unmitigated risk report is expected on March 9, 2018.

In addition, on the second day, the group reviewed the current cost estimate and contingencies that have been applied to address for uncertainties in the cost estimate.

It is anticipated that these results will be used to augment the information to be provided to the Secretary of Interior as part of the Authority's application for WIIN Act funding.

7. Recap & Adjourn Bettner/Headrick

7.1 Agenda topics for next meeting?


A request was made to include additional information regarding turnkey delivery and alliance delivery methods.

7.2 Upcoming Reservoir Committee meetings:

Regular Monthly meeting: 9:30 AM on March 16, 2018 at
Sites Project Office 122 Old Highway 99 West Maxwell, CA 95955

ADJOURN

Meeting adjourned at 4:25 PM.


Chairperson
Thad Bettner


General Manager
Jim Watson

2018 Mar 16

Attachment A to Meeting Minutes

Current Voting Committee Participants (27):

<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>	<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>
<input type="checkbox"/>	1.93	4M Water District	<input checked="" type="checkbox"/>	4.96	Metropolitan WD
<input checked="" type="checkbox"/>	2.31	American Canyon, City	<input checked="" type="checkbox"/>	5.15	Orland-Artois WD
<input checked="" type="checkbox"/>	2.11	Antelope Valley-East Kern WA	<input checked="" type="checkbox"/>	3.10	Pacific Resources MWC (1)
<input checked="" type="checkbox"/>	4.03	Cal Water Service	<input type="checkbox"/>	2.35	Proberta WD
<input checked="" type="checkbox"/>	1.91	Carter MWC	<input checked="" type="checkbox"/>	5.15	Reclamation District 108
<input checked="" type="checkbox"/>	5.32	Coachella Valley WD	<input checked="" type="checkbox"/>	7.78	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	3.50	Colusa County	<input checked="" type="checkbox"/>	3.69	San Gorgonio Pass WA
<input checked="" type="checkbox"/>	7.14	Colusa Co. WD	<input checked="" type="checkbox"/>	5.00	Santa Clara Valley WD
<input type="checkbox"/>	1.90	Cortina WD	<input type="checkbox"/>	2.51	Santa Clarita Valley WA
<input checked="" type="checkbox"/>	2.18	Davis WD	<input checked="" type="checkbox"/>	2.43	Western Canal WD
<input checked="" type="checkbox"/>	0.00	Department of Water Resources	<input checked="" type="checkbox"/>	5.97	Westside WD
<input checked="" type="checkbox"/>	2.70	Desert WA	<input checked="" type="checkbox"/>	4.47	Wheeler Ridge-Maricopa WSD
<input type="checkbox"/>	2.68	Dunnigan WD	<input checked="" type="checkbox"/>	0.00	US Bureau of Reclamation
<input checked="" type="checkbox"/>	2.10	Garden Highway MWC	<input checked="" type="checkbox"/>	4.47	Zone 7 WA
<input type="checkbox"/>	5.15	Glenn-Colusa ID			

20 Voting members present (See Note 1)
79.1 % Participation percentage in attendance

Representation has been delegated as follows:
 (1) To Wheeler Ridge-Maricopa WSD (Kunde)

NOTE 1: Participation by phone are not counted in quorum or voting.

NOTE 2: Additional participants were on the phone, but did not identify themselves.

Attachment B to Meeting Minutes - Attendance

Current Voting Reservoir Committee Participants (27):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
4M Water District	<input type="checkbox"/> Wade Mathis	<input type="checkbox"/>	
American Canyon, City	<input checked="" type="checkbox"/> Steve Hartwig	<input type="checkbox"/> Jason Holley	
AVEK WA	<input type="checkbox"/> Dwayne Chisam	<input checked="" type="checkbox"/> Dan Flory	
Cal Water Service	<input type="checkbox"/> Mike Hurley	<input type="checkbox"/> Rob Kuta <input checked="" type="checkbox"/> Dan Flory	
Carter MWC	<input checked="" type="checkbox"/> Ben Carter	<input type="checkbox"/>	
Coachella Valley WD	<input checked="" type="checkbox"/> Robert Cheng	<input checked="" type="checkbox"/> Ivory Reyburn <input type="checkbox"/> Dan Charlton	
Colusa County.	<input checked="" type="checkbox"/> Azevedo, Mike	<input type="checkbox"/> Gary Evans	
Colusa Co. WD	<input checked="" type="checkbox"/> Shelley Murphy	<input type="checkbox"/> Joe Marsh	
Cortina WD	<input type="checkbox"/> Jim Peterson	<input type="checkbox"/> Chuck Grimmer	
Davis WD	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter	
Desert WA	<input checked="" type="checkbox"/> Mark Krause	<input checked="" type="checkbox"/> Steve Johnson	
Dunnigan WD	<input type="checkbox"/> Donita Hendrix	<input type="checkbox"/>	
Garden Highway MWC	<input type="checkbox"/> Nicole Van Vleck	<input checked="" type="checkbox"/> Jon Munger	
Glenn-Colusa ID	<input type="checkbox"/> Thad Bettner	<input type="checkbox"/> Don Bransford	
Metropolitan WD	<input checked="" type="checkbox"/> Randall Neudeck	<input type="checkbox"/> Arlene Arita <input type="checkbox"/> Delaine Shane	<input type="checkbox"/> Sergio Valles <input type="checkbox"/> Chuching Wang
Orland-Artois WD	<input type="checkbox"/> John Erickson	<input checked="" type="checkbox"/> Emil Cavagnolo	
Pacific Resources MWC	P Preston Brittian	<input type="checkbox"/>	
Proberta WD	<input type="checkbox"/> Dan Jones	<input type="checkbox"/>	
RD 108	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	
San Bernardino V MWD	<input checked="" type="checkbox"/> Doug Headrick	<input type="checkbox"/> Bob Tincher	

NOTE 1: Participation by phone is not counted in quorum or voting.

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>	<i>Others</i>
San Geronio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input type="checkbox"/>	
Santa Clara Valley WD	<input type="checkbox"/> Cindy Kao	<input checked="" type="checkbox"/> Eric Letterman	
Santa Clarita Valley Water Agency (Formerly Castaic Lake WA)	<input type="checkbox"/> Dirk Marks	<input type="checkbox"/> Rick Viergutz	
Western Canal WD	<input checked="" type="checkbox"/> Ted Trimble	<input type="checkbox"/> Greg Johnson	
Westside WD	<input type="checkbox"/> Allan Myers	<input checked="" type="checkbox"/> Dan Ruiz <input type="checkbox"/> Blake Vann	
Wheeler Ridge-Maricopa	<input checked="" type="checkbox"/> Rob Kunde	<input type="checkbox"/>	
Zone 7 WA	<input type="checkbox"/> Amparo Flores	<input type="checkbox"/>	

Non-Voting Committee Participants (2):

<i>Participant</i>	✓ <i>Representative/Other</i>	✓ <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	P Richard Welsh	<input type="checkbox"/> Don Bader	
	<input type="checkbox"/> David Van Rijn	<input checked="" type="checkbox"/> Mike Dietl	<input type="checkbox"/> John Menniti
	<input type="checkbox"/> Shana Kaplan	<input type="checkbox"/> Mike Mosley	<input type="checkbox"/>

Pending Reservoir Committee Participants (1):

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>
LaGrande WD	<input type="checkbox"/> Matt LaGrande	<input type="checkbox"/> Dennis Zachary

Authority, Non-Signatory (5):

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>
Glenn County	<input type="checkbox"/> John Viegas	<input type="checkbox"/>
Maxwell ID	<input type="checkbox"/> Mary Wells	<input type="checkbox"/>
PCWA	<input type="checkbox"/> Ed Horton	<input checked="" type="checkbox"/> Ben Barker <input type="checkbox"/> Darin Reintjes
Roseville	<input type="checkbox"/> Sean Bigley	<input type="checkbox"/>
Tehama-Colusa Canal Authority	<input type="checkbox"/> Jeff Sutton	<input type="checkbox"/>

Staff & Consultants:

<input checked="" type="checkbox"/>	Name	Representing
<input type="checkbox"/>	Barbieri, Janet	JB Comm
<input type="checkbox"/>	Barnes, Joe	AECOM
<input checked="" type="checkbox"/>	Black, Lyna	Ch2m
<input checked="" type="checkbox"/>	Brown, Scott	LWA
<input type="checkbox"/>	Bruner, Marc	Perkins Coie
<input type="checkbox"/>	Carlson, Nik	AECOM
<input type="checkbox"/>	Conant, Ernest	Young Wooldridge
<input type="checkbox"/>	Davis, Kim	Sites Project Authority
<input checked="" type="checkbox"/>	Herrin, Jeff	AECOM
<input checked="" type="checkbox"/>	Johns, Jerry	Johns
<input type="checkbox"/>	Kuney, Scott	Young Wooldridge

<input checked="" type="checkbox"/>	Name	Representing
<input checked="" type="checkbox"/>	Oliver, Mark	Ch2m
P	Nicholas, Rebeca	Nicholas Communications
<input checked="" type="checkbox"/>	Qazi, Shayann	AECOM
<input checked="" type="checkbox"/>	Spesert, Kevin	Sites Project Authority
<input checked="" type="checkbox"/>	Thomson, Rob	Sites Project Authority
<input checked="" type="checkbox"/>	Trapasso, Joe	Sites Project Authority
<input checked="" type="checkbox"/>	Tull, Rob	Ch2m
<input type="checkbox"/>	Van Camp, Marc	MBK
<input checked="" type="checkbox"/>	Watson, Jim	Sites Project Authority
<input type="checkbox"/>		

Other Attendees: *(An email address is required to be added to the distribution list)*

Name	Representing	Contact (Phone & E-mail)
Masoud Mesbah	AECOM	
Mike Forrest	AECOM	
John Bischoff	AECOM	
John Spranza	HDR	
Mark Salmon	WSP USA	
Jeff Nelson	Parsons	
Linc To	HDR	
John Buttz	HDR	
Monique Braid	ICF	
Jim O'Toole	ESA	