

Meeting: **Phase 1 Reservoir Project Agreement** **2017 Oct 20**

Subject: **Reservoir Committee Meeting** **9:30 – 11:00 PM**

Location: 122 West Old Highway 99, Maxwell, CA 95955 Call in: 1 310.372.7549  
Code: 895389 (no #)

Chair: Thad Bettner (Glenn-Colusa Irrigation District)  
Vice Chair: Doug Headrick (San Bernardino Valley Municipal Water District)  
Treasurer: Jamie Traynham (Davis Water District)

## Draft MEETING MINUTES

**ROLL CALL & QUORUM:** Roll was called, which resulted in 19 eligible representatives in attendance plus 1 participating by phone. This equates to 77.4% 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 attached list.

**CALL TO ORDER:** Chairman Bettner called the meeting to order at 9:32 AM followed by the Pledge of Allegiance.

**AGENDA APPROVAL:** It was moved by Traynham and seconded by Cheng to approve the October 20, 2017 Sites Reservoir Committee Agenda. Motion approved unanimously.

**MEETING MINUTES APPROVAL:** Approval of September 21, 2017 meeting minutes was moved by Ruiz and seconded by Kunde with minor change. Motion approved unanimously.

### **INTRODUCTIONS**

**PERIOD FOR PUBLIC COMMENT:** No comments were provided.

**1. Chairpersons' Report:** 30 min Bettner & Headrick

1.1 Introductory remarks

1.2 Discussion and possible direction to the General Manager regarding the rules and procedures to ensure a quorum. (Attachment 1-2)

The following general discussion was held with no action taken.

Since the topic of delegated voting was brought up at the August meeting, the use of delegated voting has begun to be implemented on a case-by-case basis. This process was used by two agencies in September and five agencies for this

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Action items serve as meeting minutes  
Participation by phone is not counted in quorum or voting, unless the members' location is published with this agenda.

Status: Issued for Use  
Purpose: Informational  
Caveat 1 Subject to change  
Caveat 2

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meeting. The General Manager will contact the districts who have not been consistently participating to remind them of these provisions.

1.3 September 2017 Status Report (Informational) (Attachment 1-3)

The following general discussion was held with no action taken.

Watson provided a synopsis of work performed in September; which focused on the Phase 1 budget reprioritization and contract amendments for consultants. Notices to proceed have been issued to the consultants, who are now working in accordance with the reprioritized budget.

In addition, Joe Trapasso and Kevin Spesert have been fully on-boarded and are now fulltime on the project.

1.4 An informational report out from the October 16, 2017 Authority Board Meeting for discussion. (Attachment 1-4)

The October 16, 2017 Authority Board Meeting had no significant actions taken.

The fiscal year 2018 budget is expected to be presented to both the Authority on November 10 & Reservoir Committee on November 16 for their respective consideration to approve (or not).

The Authority approved consultant Jerry John's contract amendment.

1.5 An informational report out from the October 18, 2017 Water Commission Meeting for discussion. (Attachments 1-5 & 1-5a)

The following general discussion was held with no action taken.

At the beginning of the meeting, where public comment is allowed for non-agenda items, speakers in support of the Sites Project included: Authority Board Chairperson Vann, Reservoir Committee participants: Headrick & Kunde, and public: G. Soros, speaking on behalf of the Rice Commission.

The California Water Commission (CWC) conducted a basic check for completion and eligibility for each of the 12 applications. The Sites Project met these requirements with no public comment other than a thank you from Watson.

Two other projects were discussed in detail at this meeting:

- a. River Partners Conjunctive Use Project (Cosumnes River): Commissioners were skeptical the project meets the eligibility requirements. River Partners presented their rebuttal. The Water Commissioners directed their staff to revisit the definition of conjunctive use in the regulations.
- b. Temperance Flat: The Water Commission agreed with staff's recommendation that their application meets the requirements for basic

completeness as stated in WSIP Regulations. Their Authority wished to add two documents to their application: An Executive Summary and Uncertainty Analysis. The Water Commission has deferred the decision to the next meeting when all nine commissioners are expected to be present.

On December 13-14, 2017, the Sites Project will be invited to give a presentation to the Water Commission. The presentation will be 15 minutes followed by 15 minutes for questions and answers.

Commission's Schedule: At this time, there is no indication of delay to the schedule. In January 2018, the Water Commission is scheduled to announce staff recommendations and begin the applicant appeals process, which is limited to the Public Benefits Ratio (PBR). The California Water Commission is still on schedule for the three-day workshop in March where the Water Commission expects to make the final assignment of the PBR; which accounts for 33% of the Water Storage Investment Program's scoring). From March to June, the Water Commission will decide what dollar amount to assign each eligible project; which is referred to as the Maximum Conditional Eligibility Determination. At the June Commission meeting they are expected to make their decision.

In addition, the Water Commission is expected to be able to approve the initial funding requests at the June Commission meeting. Their staff are working on draft terms and conditions, which are expected to become publicly available in early 2018.

- 1.6 Discussion and possible direction to the General Manager regarding the proposed organization charts to be used for the remainder of Phase 1 and concept for Phase 2, respectively. (Attachment 1-6)

The following general discussion was held with no action taken.

An updated organization chart was handed out that incorporates feedback provided by the Authority Board on Oct 16. The first chart reflects today through the end of Phase 1. The second chart reflects the approximate mid-point of Phase 2. The primary changes from the Authority are reflected in the first chart for Phase 1, which combines the Authority Board and the Reservoir Committee into one box, separated by a dashed line. This concept is intended to reflect the delegation from the Authority to the Reservoir Committee and dual decision-making combined with the need to manage the project within the material change thresholds.

EPC Manager: The goal is to hire an Engineer-Procure-Construction Manager at the end of Phase 1 to help define the final procurement requirements for preliminary design.

Hydropower: Per the decisions made in the September 21<sup>st</sup> Reservoir Committee meeting, this work has been shifted from Phase 1 to Phase 2 regarding budget allocation and prioritization. The current working assumption

is that there may be a separate project agreement for hydropower depending on how many committee members choose to participate. If all members choose to participate, there is no need for a separate agreement. There is also a possibility to have a third party take on hydropower as a developer. Decisions regarding the strategy are expected to need to be made in the first six to nine months of Phase 2.

Phase 2 Vacancies: There are many vacancies on the chart for Phase 2; this is because the consultants' contracts are through Phase 1, and both the Reservoir Committee and Authority will need to decide if the current services contracts will be re-competed or extended into Phase 2.

A request was made for any public comment, but no comments were provided.

**2. Ad Hoc Finance & Economics Work Group:**

Traynham

**2.1 Review Treasurer's report for September 2017 (Attachment 2-1).**

The following general discussion was held with no action taken.

Traynham provided an overview of the Treasurer's Report for September 2017, which was approved by the Authority Board on October 16, 2017.

Regarding the status of Yolo County Flood Control and Water Conservation District, they are not signatory to the Reservoir Committee and in late 2015 opted to not remain an Authority Member. Representatives from the Authority and General Manager are working to schedule a meeting to discuss their status.

**2.2 Provide a status of 2<sup>nd</sup> invoice for Phase 1**

The following general discussion was held with no action taken.

Corrected second invoices have been mailed out reflecting the Phase 1 total commitment of \$48.50/acre-foot of Class 1 and \$24.25/acre-foot of Class 2 participation.

In response to questions related to the need for any additional payments for phase 1, it was stated that these revenue projections were used as the basis for the amended phase 1 budget Target, which was approved last month. The underlying work plan discounts the expected revenue to create an initial level of contingency with an additional level of contingency associated with extending Phase 1 up to three-months beyond the approved June 30, 2018 date. Lastly, the work planned for 2018 includes additional contingency, but some of this amount may be allocated in the fiscal year 2018 budget.

To improve management of the approved budget through the end of Phase 1, Trapasso is developing a process to compile each consultant's three-month projection. This will aid in determining how long Phase 1 funds are available before Phase 2 funding is needed.

A request was made for any public comment, but no comments were provided.

**3. Ad Hoc Reservoir Operations Work Group:** Kunde & Ruiz

The Work Group leadership provided a report of its discussions. This included:

- Preparing for agency rebalancing of their respective participation in Phase 2 and future phases.
- Anticipated effects of new regulations associated with development of CA WaterFix.
- Potential project deliveries and project costs.
- The potential value of storage in the repayment valuation and rebalancing.

A request was made for any public comment, but no comments were provided.

**4. Ad Hoc Site Works Work Group:** Watson for Azevedo

Since last month, no meetings have been held. Nothing to Report.

**5. Ad Hoc Power Facilities Work Group:** Watson for Vanderwaal

Budget and associated work has been deferred to Phase 2. Nothing to Report.

**6. Ad Hoc Water Facilities Work Group:** Watson for Arita

Kickoff meeting will be scheduled before month's end.

Prior to starting agenda item 7, a request was made for any public comment related to items 4, 5, and/or 6, but no comments were provided.

**7. Ad Hoc Document Review Work Group:** Bettner & Thomson

- 7.1 Discussion and possible direction to staff regarding the status of work approved at the September 21, 2017 Meeting.

Following general discussion of the additional work, no action taken.

- 7.2 Near-term completion schedule & preparations for November Reservoir Committee meeting). Watson & Thomson

The following general discussion was held with no action taken.

The results from the various work group meetings will be brought to the Reservoir Committee, at the November 16, 2017 meeting, to determine if any action should be taken (or not) and/or any recommendation should be prepared (or not) for the Authority's consideration at their November 20, 2017 meeting.

Prior to starting agenda item 8, a request was made for any public comment, but no comments were provided.

**8. Recap & Adjourn**

10 min

Watson

**8.1 Agenda topics for next meeting?**

2018 budget recommendation to approve

Status of technical memorandums

Update on the phase 1 rebalancing process.

Update on efforts to define Phase 2.

The next Reservoir Committee meeting will take place on Thursday, November 16, 2017, starting at 2:00 PM in Sacramento at the Tsakopoulos Library Galleria (East Room).

The Workshop at ACWA will take place on Tuesday, November 28, starting at 2:30 pm in Anaheim at the Marriott. The topic will be next steps - phase 1 rebalancing process and phase 2.

Final 2018 Meeting Calendar (Informational)  
Assumes meeting into phase 2

(Attachment 8-1)

**8.2 Summarize actions taken by Reservoir Committee**

No action was taken.

**ADJOURN:** Meeting adjourned at 11:02 AM.

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Chairperson  
Thad Bettner

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General Manager  
Jim Watson

**Attachment A to Meeting Minutes****Current Voting Committee Participants (27):**

<input checked="" type="checkbox"/>	Pct	Participant	<input checked="" type="checkbox"/>	Pct	Participant
<input type="checkbox"/>	1.93	4M Water District	<input checked="" type="checkbox"/>	5.15	Glenn-Colusa ID
<input type="checkbox"/>	2.31	American Canyon, City	<input checked="" type="checkbox"/>	4.96	Metropolitan WD
<input checked="" type="checkbox"/>	2.11	Antelope Valley-East Kern WA	<input checked="" type="checkbox"/>	5.15	Orland-Artois WD
<input checked="" type="checkbox"/>	4.03	Cal Water Service (3)	<input checked="" type="checkbox"/>	3.10	Pacific Resources MWC (2)
<input type="checkbox"/>	1.91	Carter MWC	<input type="checkbox"/>	2.35	Proberta WD
<input type="checkbox"/>	2.51	Castaic Lake WA	<input checked="" type="checkbox"/>	5.15	Reclamation District 108 (4)
<input checked="" type="checkbox"/>	5.32	Coachella Valley WD	<input checked="" type="checkbox"/>	7.78	San Bernardino Valley MWD (1)
<input checked="" type="checkbox"/>	3.50	Colusa County	<input checked="" type="checkbox"/>	3.69	San Geronio Pass WA (1)
<input 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 checked="" type="checkbox"/>	2.43	Western Canal WD
<input checked="" type="checkbox"/>	2.18	Davis WD	<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"/>	4.47	Zone 7 WA
<input checked="" type="checkbox"/>	2.10	Garden Highway MWC			

**17 Present at start of Meeting (See Note 1)****67.8 % Percentage in Attendance****19 Present at (10:00 AM) (See Note 1)****77.4 % Percentage in Attendance**

Representation has been delegated as follows:

- (1) To Robert Cheng (CVWD) (4) To Dan Ruiz (WWD)  
 (2) To Rob Kunde (WRMWSD)  
 (3) To Dan Flory

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

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Purpose:

Caveat 1

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



**Attachment B to Meeting Minutes - Attendance****Current Voting 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 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 type="checkbox"/> Dan Flory	<input checked="" type="checkbox"/> Delegated to Dan Flory
Carter MWC	<input type="checkbox"/> Ben Carter	<input type="checkbox"/>	
Castaic Lake WA	<input type="checkbox"/> Dirk Marks	<input type="checkbox"/> Rick Viergutz	
Coachella Valley WD	<input checked="" type="checkbox"/> Robert Cheng	<input checked="" type="checkbox"/> Ivory Reyburn <input type="checkbox"/> Dan Charlton	
Colusa County.	<input type="checkbox"/> Azevedo, Mike	<input type="checkbox"/> Gary Evans <input type="checkbox"/> Kim Vann	
Colusa Co. WD	<input 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 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 checked="" type="checkbox"/> Thad Bettner	<input type="checkbox"/> Don Bransford	
Metropolitan WD	<input checked="" type="checkbox"/> Randall Neudeck	<input type="checkbox"/> Arleen Arita <input type="checkbox"/> Delaine Shane	<input type="checkbox"/> Sergio Valles <input checked="" type="checkbox"/> Chuching Wang
Orland-Artois WD	<input type="checkbox"/> John Erickson	<input checked="" type="checkbox"/> Emil Cavagnolo	
Pacific Resources MWC	<input type="checkbox"/> <del>Preston Brittan</del>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Delegated to R. Kunde
Proberta WD	<input type="checkbox"/> Dan Jones	<input type="checkbox"/>	
RD 108	<input type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	<input checked="" type="checkbox"/> Delegated to Dan

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

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Participant	✓ Representative	✓ Alternate	Others
			Ruiz
San Bernardino V MWD	<input type="checkbox"/> Doug Headrick	<input type="checkbox"/> Bob Tincher	<input checked="" type="checkbox"/> Delegated to R. Cheng
San Geronio Pass WA	<input type="checkbox"/> Jeff Davis	<input type="checkbox"/>	<input checked="" type="checkbox"/> Delegated to R. Cheng
Santa Clara Valley WD	<input type="checkbox"/> Cindy Kao	<input checked="" type="checkbox"/> Eric Leitnerman	
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 checked="" type="checkbox"/> Amparo Flores	<input type="checkbox"/> Jarnail Chahal	

**Non-Voting Committee Participants (2):**

Participant	✓ Representative/Other	✓ Alternate/Other	
Dept of Water Resources	<input checked="" type="checkbox"/> Rob Cooke <input type="checkbox"/> Ajay Goyal	<input type="checkbox"/> David Sandino <input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh <input type="checkbox"/> David Van Rijn <input type="checkbox"/> Shana Kaplan	<input type="checkbox"/> Don Bader <input checked="" type="checkbox"/> Mike Dietl <input type="checkbox"/> Mike Mosley	<input type="checkbox"/> John Menniti <input type="checkbox"/>

**Pending Committee Participants (1):**

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

**Authority, Non-Signatory (5):**

Participant	✓ Representative	✓ Alternate
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 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:**

✓	Name	Representing
<input type="checkbox"/>	Barbieri, Janet	JB Comm
<input type="checkbox"/>	Barnes, Joe	AECOM
<input 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
<b>P</b>	Conant, Ernest	Young Wooldridge
<input checked="" type="checkbox"/>	Davis, Kim	Sites Project Authority
<input checked="" type="checkbox"/>	Herrin, Jeff	AECOM
<input checked="" type="checkbox"/>	Johns, Jerry	Johns

✓	Name	Representing
<input type="checkbox"/>	Kuney, Scott	Young Wooldridge
<input type="checkbox"/>	Oliver, Mark	Ch2m
<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: (\*)**

[illegible]

(\*) An email address is required to be added to the distribution list.