

Meeting: **Phase 1 Reservoir Project Agreement**

2018 Jan 19

Subject: **Reservoir Committee Meeting**

9:30 – 12:00 PM

Location: Sites Project Authority

Call in: 1-800-201-7439

122 Old Highway 99 West Maxwell, CA 95955

Code: 644237

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 (see Attachment A), which resulted in 19 eligible representatives. This equates to 74% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee. By approximately 9:45 AM, participation had increased to 20 members, which resulted in a 76% participation percentage of voting members.

ATTENDANCE: See Attachment B.

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 Cheng and seconded by Kunde to approve the January 19, 2018 Sites Reservoir Committee Agenda. Motion approved unanimously.

MEETING MINUTES APPROVAL:

Approval of December 21, 2017 meeting minutes was moved by Azevedo and seconded by Brittian with no change. Motion approved unanimously.

ANNOUNCEMENT OF CLOSED SESSION:

It was announced that after Agenda Item 8, the Reservoir Committee would proceed into closed session.

INTRODUCTIONS

PERIOD FOR PUBLIC COMMENT:

No comments were provided.

1 Chairpersons' Report:

Bettner & Headrick

1.1 Introductory remarks

Action items serve as meeting minutes

Status: Draft Meeting Minutes

Version: 0

Participation by phone is not counted

Purpose: Informational

Date: 2018 Jan 19

in quorum or voting.

Caveat 1 Subject to change

Ref/File #:

Caveat 2

Page: 1 of 6

1.2 Presentation by Jeffery Mount *(Attachment 1-2)*

Dr. Jeff Mount gave a presentation on managing California’s freshwater ecosystems in light of the drought that ended in 2016.

The presentation proposed to establish ecosystem water budgets, and using the system’s flexibility to meet ecosystem objectives.

1.3 February 2018 Reservoir Committee Elections *(Attachment 1-3)*

Elections are proposed for the next meeting on February 15, 2018. Committee members were encouraged to volunteer for work groups they are interested in.

The current list of work group and assignments includes the addition of the Risk Assessment Work Group that was created in the December 21, 2017 meeting. It is expected that with the election of officers for next month, the structure of the work groups will also be revisited and potentially modified for the remainder of Phase 1.

2. **Manager’s Report:** Watson

2.1 Informational discussion of project status *(Attachment 2-1)*
for the month of December 2017.

General Manager Watson provided a recap of the joint workshop with the Sites Joint Powers Authority (JPA) to develop a procurement strategy that will be used to develop a procurement plan. This informational and public workshop was held on January 18, 2018. Further discussion was held under agenda item 7.

Staff is also in the process of retaining a financial advisor for the project.

Staff continues to work on cost controls and a Phase 1 completion schedule.

2.2 Report out on the California Water Commission Meeting on January 18, 2018.

At the California Water Commission (CWC) Meeting on January 18, 2018, the staff announced their decisions on the preliminary benefit-cost ratios. After completing preliminary reviews, none of the eleven eligible projects had a ratio greater than one. Five of the eleven projects received a ratio of zero, two projects were within 0 to 0.5, and four projects were within 0.5 to 0.9.

Staff met with the CWC technical reviewers on January 11, 2018 to better understand their scoring process. Staff plans to use the appeal process to provide supplemental information requested by the technical reviewers.

The Water Commission staff reported that the Sites Project has eligible benefits in water for refuges, recreation, and flood, but the CWC requires further clarification for the salmon and delta smelt benefits. To model salmon benefits on the Feather River, a temperature model is needed, however CWC was not able to provide further direction.

On February 2, 2018, formal comments will be released from the CWC. Applicants will then have until February 23, 2018 to submit their appeal. On April 23, 2018 the CWC staff will conduct their review, and then turn over to the CWC Process of finalizing the benefit-cost ratio from May 1 – May 3, 2018. On May 25, 2018, CWC is expected to release initial return-on-investment scores, which will be finalized through the end of June. Dollar values will be assigned to individual projects by the end of July.

General Manager Watson asked the Reservoir Committee if it desired to convene the work group that reviewed to original WSIP Application to review the appeal before its submission on February 23, 2018, one week after the next Reservoir Committee meeting. No action was taken.

In response to a question related to funding the appeal, General Manager Watson stated that due to the complexity of our proposal, we had planned to use the appeal process to clarify aspects such as how O&M costs would be addressed and there will not be a cash call to support this appeal process; the contingencies built into Phase 1 will cover costs.

3. Ad Hoc Finance & Economics Work Group: Traynham

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

Treasurer Traynham provided an overview of the Treasurer’s Report for December 31, 2017. Vanderwaal motioned to approve the Treasurer’s Report, which was seconded by Hartwig.

Staff is still working to schedule a meeting with Yolo County to address their outstanding invoice.

- 3.2 Discussion and possible direction to staff regarding the retention of an Independent Municipal Financial Advisor.

Joe Trapasso provided update on the status of the solicitation process. Staff has completed a draft Request-for-Proposals (RFP) to address the scope of work of the position. Legal Counsel has approved the RFP with comments, and the finalized RFP is scheduled to go out by January 26, 2018. The RFP process will follow a standard 30 day schedule.

4. Ad Hoc Document Review Work Group: Bettner

- 4.1 Discussion and possible direction to staff regarding comments received to the Draft EIR/EIS.

The public comment period on the Draft EIR/EIS has closed as of Monday January 15, 2018. The report handed out in the meeting delineates the individuals and organizations who submitted comments.

5. Ad Hoc Members' Reservoir Ops WG:

Kunde & Ruiz

Report out on progress to:

- Update the analysis of operations for south of Delta participation.
- Consider using storage as a potential method to finance project construction costs and annual operations and maintenance costs.
- Develop a draft risk matrix for use in the Phase 1 rebalancing process.

The Operations Work Group has been focused on the rebalancing process and has completed the first iteration of a draft matrix of costs and benefits of the project presented in dollars per acre-foot. The group anticipates two more iterations will be needed. The goal is to get the matrix into a form where all participants can use it as the basis to decide their agency's respective participation in the project's Phase 2.

In addition, the Operations Work Group is evaluating the potential to base repayment on storage as opposed to deliveries. A benchmarking exercise has identified the use of storage as a repayment method is being used in a couple of locations, primarily in Idaho.

6. Ad Hoc Siting Work Group:

Spesert for Azevedo

- 6.1 Discussion and possible direction to staff regarding the development of draft procedures to support temporary rights of entry.

For the start of Phase 2, the need to conduct geotechnical exploration (and other studies) will require access to private property. Processes and procedures need to be developed to enable the Authority to obtain temporary rights of entry to allow this data to be collected and studies performed.

Kevin Spesert is analyzing various alternatives and processes including Caltrans process.

7. Ad Hoc Water Facilities Work Group:

Watson for Arita

- 7.1 Discussion and possible direction to staff regarding:

- Results from using the Construction Industry Institute's Project Development and Construction Strategy (PDCS) process (refer to December 21, 2017 meeting). *(Attachment 7-1)*
- Next steps to finalize the procurement strategy and develop the plan.

Staff has used the values provided at the December 21, 2017 Reservoir Committee meeting to develop a proposed procurement strategy - primarily

focused on design and construction services (page 4 of the attachment). The proposed strategy was the topic of the January 18, 2018 workshop.

NOTE: The PowerPoint and discussion notes from the workshop are posted on the website.

Based on feedback received, staff will advance the strategy and begin to develop a procurement plan. To have consultant resources ready to begin work at the start of Phase 2, staff proposes to release a Request-for-Qualifications (RFQ) by April 2018. This one solicitation is intended to result in multiple contracts for the different services needed and allow the industry to propose alternative concepts.

8. Ad Hoc Risk Management Work Group: Vanderwaal

- Report out on discussions to perform an initial risk assessment.

A two-day meeting is planned for February 6-7, 2018 to develop a risk register that will be used to develop a target guaranteed maximum price to be used in rebalancing process and as an aid in future decision-making. Representatives who would like to participate or have their staff participate were asked to contact Bill Vanderwaal.

MEETING ADJOURNED FOR CLOSED SESSION: 11:21 AM

9. Closed Session: Conant

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

Closed Session was called to order at 11:23 AM.

Closed Session was adjourned at 12:01 PM.

10. Report from Closed Session: Conant

No reportable actions coming out of Closed Session.

11. Recap & Adjourn Bettner/Headrick

11.1 Agenda topics for next meeting?

Work groups will continue to make progress in their respective areas. The committee will hold election voting at the following meeting.

11.2 Upcoming Reservoir Committee meetings:

Regular Monthly meeting: 2:00 PM on February 15, 2018 at Tsakopoulos Library Galleria (East Meeting Room)

828 I Street, Sacramento, CA 95814

ADJOURN

Meeting adjourned at 12:04 PM.

Chairperson
Thad Bettner

General Manager
Jim Watson

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 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
<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 type="checkbox"/>	3.50	Colusa County	<input checked="" type="checkbox"/>	3.69	San Geronio Pass WA (2)
<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	P	2.51	Santa Clarita Valley Water Agency (Formerly Castaic Lake WA)
<input checked="" type="checkbox"/>	2.18	Davis WD	<input 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 (1)	<input checked="" type="checkbox"/>	4.47	Zone 7 WA
<input checked="" type="checkbox"/>	5.15	Glenn-Colusa ID			

20 **Voting Present at start of Meeting** (See Note 1)

77. % **Percentage in Attendance**

Representation has been delegated as follows:

- (1) To Western Canal (Trimble)
- (2) To AVEK (Flory)

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

Status: Issued for use
Purpose:

Version: A
Date: 2018 Jan 19

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

Caveat 1
Caveat 2 Subject to revision

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	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 type="checkbox"/> Azevedo, Mike	<input type="checkbox"/> Gary Evans	Denise Carter
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 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 type="checkbox"/> Jon Munger	Dan Flory
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"/> Arlene Arita	
Orland-Artois WD	<input type="checkbox"/> John Erickson	<input type="checkbox"/> Emil Cavagnolo	
Pacific Resources MWC	<input checked="" type="checkbox"/> 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 type="checkbox"/> Doug Headrick	<input checked="" type="checkbox"/> Bob Tincher	

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

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

<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 type="checkbox"/> Richard Welsh	<input type="checkbox"/> Don Bader	
	<input type="checkbox"/> David Van Rijn	<input checked="" type="checkbox"/> Mike Dietl	<input checked="" 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>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
LaGrande WD	<input type="checkbox"/> Matt LaGrande	<input type="checkbox"/> Dennis Zachary

Authority, Non-Signatory (5):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <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 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"/>	<i>Name</i>	<i>Representing</i>
<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
P	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
<input type="checkbox"/>	Kuney, Scott	Young Wooldridge

<input checked="" type="checkbox"/>	<i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/>	Oliver, Mark	Ch2m
<input type="checkbox"/>	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"/>		
<input type="checkbox"/>		

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

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone & E-mail)</i>
Mike Forrest	AECOM	
Sujan Punyamurthula	AECOM	