

SITES JOINT POWERS 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
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DON BADER, U.S BUREAU OF RECLAMATION – COST SHARE PARTNER (**NON-VOTING**)
ROB COOKE, CALIFORNIA DEPARTMENT OF WATER RESOURCES – EX-OFFICIO MEMBER (**NON-VOTING**)

SITES PROJECT AUTHORITY OFFICE
OLD HIGHWAY 99 122 WEST
MAXWELL, CA 95955

March 19, 2018 Sites Project Authority Minutes 1:30 p.m.

The Sites Project Authority Board meets in Regular Session this 19th day of March 2018 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Jamie Traynham, Gary Evans, Mary Wells, Jim Jones, Joe Marsh, and Wade Mathis. **Directors Absent:** Leigh McDaniel, John Viegas, Glenn County; Don Bransford, Glenn-Colusa Irrigation District; Greg Johnson, Ted Trimble, Western Canal Water District; ~~Wade Mathis, Tom Charter, Proberta Water District/TC6 Districts.~~ **Alternate Directors Present:** Logan Dennis, Glenn-Colusa Irrigation District. (Other Alternate Directors that may be listed as Present below, did not participate in the decision making process).

Chairman Durst calls to order the March 19, 2018 Regular Meeting at 1:30 p.m., with all Directors present, except Glenn County, Proberta Water District/TC6 Districts and Western Canal Water District. (~~Glenn County, Proberta Water District/TC6 Districts and Western Canal Water District has no representation at this meeting~~)

Staff Present: Jim Watson, General Manager.
Ernest Conant, Counsel.
Joe Trapasso, Rob Thomson, Kevin Spesert, Sites JPA.
Ann Nordyke, Clerk.

Others Present: Don Bader, Reclamation.
Rob Cooke, DWR.
Jeff Harrin, Brian Person, AECOM.
Rebecca Nicholas, JB Comm.
Nadine Bailey, Family Water Alliance.
Juleah Cordi, Assembly Gallagher.
Oscar Serrano, CICC.

Emil Cavagnolo, OAWD.
 Scott Brown, LWA.
 Kerry Schmitz, Sacramento County Water Agency.
 Joshua Alpine, Benjamin Barker, Ed Horton, PCWA.
 Phil Brozek, Kearns & West/Brozek & Associates.
 Rob Tull, Mark Oliver, CH2M Hill.
 Linc To, John Battz, HDR.
 Charlene Vaughn, K-Coe Isom.
 Jim Peifer, City of Sacramento.
 Amy Day, PSOMAS.
 Laura Nicholson, Senator Jim Nielsen.
 Dave Montague, Montague DeRose.
 Bill Vanderwaal, RD 108.

Pledge of Allegiance

INTRODUCTIONS

None.

AGENDA APPROVAL

It is moved by Director Traynham, seconded by Director Dennis to approve the March 19, 2018 Sites Project Authority Agenda as presented. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

MINUTES APPROVAL

It is moved by Director Jones, seconded by Director Wells to approve the February 26, 2018 Sites Project Authority Minutes, as corrected. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

PERIOD OF PUBLIC COMMENT

None.

Chairman Durst makes time for announcement of Closed Session.

Mr. Conant states the Directors will meet under Government Code Section 54957 to conduct the Performance Review of the General Manager.

1. BOARD MEMBER REPORTS: (No action will be taken)
None.

2. CHAIRPERSON’S REPORT:
Chairman Durst states Ms. Wells was recently named Senate District 4 Woman of the Year by Senator Jim Nielsen and congratulates her.

3. MANAGER’S REPORT:
3.1 Chairman Durst makes time for discussion and possible direction to staff regarding the General Manager’s monthly status report.

Mr. Watson updates those Directors present on items regarding program management and administration, engagement & outreach, proposition 1 (WSIP) application, environmental documentation, federal feasibility report and engineering & technical. Discussion is held with no action taken.

3.2 It is moved by Director Sutton, seconded by Director Wells to approve the extension of Phase 1 Completion Schedule from June 30, 2018 to December 31, 2018 with no budget increase. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

4. 2017 FINANCE & BUDGET AD HOC COMMITTEE:

4.1 It is moved by Director Wells, seconded by Director Dennis to accept the Treasurer's Report as presented. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

4.2 It is moved by Director Jones, seconded by Director Marsh to approve the Payment of Claims as presented. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

4.3 It is moved by Director Wells, seconded by Director Jones to award a contract to **Fechter & Company, Certified Public Accountants** for Professional Financial Auditing Services for FY's 2016, 2017 and 2018, in an amount not to exceed \$35,332, effective March 19, 2018 through December 31, 2019 and authorize the General Manager to sign on behalf of the Authority. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

4.4 It is moved by Director Sutton, seconded by Director Dennis to award a contract to **Montague DeRose and Associated, LLC.** for Professional Municipal Financial Advisory Services with the initial task order #1 in an amount not to exceed \$75,000; effective March 19, 2018 through March 31, 2022 and authorize the General Manager to sign on behalf of the Authority. Motion carried: All yes. Absent: Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

5. PHASE 1 RESERVOIR COMMITTEE:

Chairman Durst makes time for a report on the Sites Reservoir Committee Meeting held on March 16, 2018 which included the following topics:

5.1 Report on Prop 1 WSIP application status and activities.

Mr. Watson states the Reservoir Committee discussed Prop 1 WSIP application status and activities', noting the application is in the next steps of the Commission scoring and he is confident the project will move forward. He further states the Sites Project received a letter from the California Water Commission on February 1, 2018 that provided a technical review of the application with regard to public benefits. He states this review identified a public benefit value of \$662M and a public benefit ratio of 0.40. He state the Sites staff and consultants prepared, and both the Document Review Work

Group and the Authority's Coordination Committee reviewed the draft Appeal Letter and attachments, and on February 21, 2018 the Work Group authorized the General Manager to submit the finalized documents.

Mr. Watson speaks further to Sites staff, Reclamation staff and Sites Project consultants meeting with staff from the NOAA Fisheries West Coast Region (NMFS) on February 13, 2018 and presenting information regarding the approach to identify and refine the potential effects of the Sites Project to ecologically important habitat in the Sacramento River and adjacent wetlands/floodplains, alternative operations that could reduce or alleviate negative effects and the understanding of the hydrologic, fisheries and habitat characteristics. Discussion is held, with no action taken.

5.2 Report on Regulatory Agency coordination activities.

Mr. Watson states this item was covered under Item 5.1.

5.3 Report on progress to develop risk-adjusted project cost and schedule.

Mr. Watson states on February 6-7, 2018 the Reservoir Committee's Ad-hoc Risk Management Work Group participated in a risk assessment that also included technical staff from partnering agencies and the project's technical team. He states the information collected during the risk assessment has been cataloged for future reference and will be used by the project team to aid in the development of risk adjusted project costs and schedules. Discussion is held, with no action taken.

5.4 Discussion and possible direction to staff regarding the proposed Phase 2 procurement plan. **(Presentation)**

Mr. Watson gives a Power Point presentation and speaks to the following:

- Proposed Phase 2 procurement plan,
- Draft work plan,
- Business drivers/best practice,
- General contract concepts, and
- Overall schedule

He further states the Phase 1 completion schedule synchronizes the primary scopes of work, which have been organized into 7 tracks, in order to meet the aggressive milestones established in Chapter 8 of Proposition 1 (WSIP) and the regulations. He states the next critical milestone is completion of all environmental documentation and acquisition of permits before January 1, 2022, which coincides with the proposed end of Phase 2. Discussion is held, with no action taken.

6. PHASE 1 MEMBERSHIP & GOVERNANCE AD HOC COMMITTEE:

Chairman Durst makes time for discussion and possible direction to staff following a report on the status of the Colusa Indian Community Council's

request to become an Authority member.

Mr. Conant states the Indian Community Council needs to provide the Authority Board with a limited waiver of sovereign immunity, once received the Sites Project Authority Board can move forward with adding them as an Authority Board member.

8. PHASE 1 LAND USE AD HOC COMMITTEE:

Chairman Durst states discussion and possible direction to staff regarding the status of engagement and outreach efforts to local agencies related to impacts or changes in land use will be considered prior to Item No. 7.

Mr. Spesert states he has been in contact with the Maxwell School and will continue to work with them. Brief discussion is held, with no action taken.

7. PHASE 1 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

7.1 Chairman Durst makes time for discussion and possible direction to staff regarding ongoing legislative and outreach activities.

Director Sutton speaks to the combining of the legislative and outreach activities into one Committee. He states the Committee met this morning prior to this meeting in which they looked over a work plan, designated Mr. Spesert as the contact person. He further speaks to the organization of the Coordination Committee, working on objectives, public benefits, and continuing to maintain local and State wide efforts. He further states they are stepping up online media efforts, newsletters and coordination with the legislative folks. Discussion is held, with no action taken.

9. PHASE 1 CONSULTATION COMMITTEES:

Discussion and possible direction to staff regarding the status of engagement and outreach efforts related to the following areas:

- o Tribal Officials
Nothing to report at this time.
- o Landowner and Community Interests
Discussion is held regarding a kick off meeting in May, with no action taken.
- o Environmental Interests
Director Durst states there is an upcoming meeting on March 29, 2018 and speaks to the need to make sure they understand how the water is used.
- o Business & Labor Interests
Nothing to report at this time.

Director Durst declares a recess at 3:08 p.m. to convene in Closed Session and reconvenes Regular Session at 3:16 p.m. with all Directors and Council present, except

Glenn County, ~~Proberta Water District/TC6 Districts~~ and Western Canal Water District.

- 10. CLOSED SESSION:
Performance Review (Gov't code Section 54957) Title: General Manager.

- 11. REPORT FROM CLOSED SESSION:
Mr. Conant states there is no reportable action.

Chairman Durst adjourned the meeting at 3:48 p.m. to reconvene in Regular Session on April 16, 2018 at the hour of 1:30 p.m.

Respectfully submitted, Jamie
Traynham, Secretary to the Sites
Project Authority

Fritz Durst, Chairman

Ann Nordyke, Clerk to the Sites
Project Authority Board