

SITES JOINT POWERS

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TEHAMA COLUSA CANAL AUTHORITY
5513 HIGHWAY 162
WILLOWS, CA 95988

June 13, 2016 Sites Project Authority Minutes

The Sites Project Authority Board meets in Regular Session this 13th day of June 2016 at the hour of 1:30 p.m. **Directors Present:** Kim Dolbow Vann, Chair, Don Bransford, Fritz Durst, Jeff Sutton, Leigh McDaniel, Glen County, and Jim Jones. **Directors Absent:** Mary Wells, Maxwell Irrigation District, Jamie Traynham, Westside Water District, Joe Marsh, Colusa County Water District, and Dan Jones, TC 5 Districts. **Alternate Director Present:** Doug griffin, Colusa County Water District. (Other Alternate Directors that may be listed as Present below, did not participate in the decision making process)

Chair Vann calls to order the June 13, 2016 Regular Session at 1:30 p.m., with all Directors/Alternates present, except Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

Staff Present: Jim Watson, General Manager.
Ernest Conant, Counsel.
Ann Nordyke, Clerk.

Alternates Present: Gary Evans, Colusa County.

1:30 p.m. Pledge of Allegiance.

It is moved by Director Jones, seconded by Director Durst to approve the June 13, 2016 Agenda as presented. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

It is moved by Director Bransford, seconded by Director durst to approve the May 9, 2016 Meeting Minutes. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

Period of Public Comment

None.

1. BOARD MEMBER REPORTS: (No action will be taken)

2. ACCOUNTING:

a. It is moved by Director Durst, seconded by Director Bransford to approve the Treasurer's Report as presented. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

b. It is moved by Director Durst, seconded by Director Sutton to approve payment of Claims. All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

c. Brief discussion is held regarding the Cash Flow Chart and reports, with no action taken.

3. OUTREACH & ENGAGEMENT:

a. Landowner:

Chair Vann makes time for an update on the status of Contract with Center for Collaborative Policy.

Mr. Watson states he is in receipt of the contract and recommends placing on the next Sites Project Authority Agenda. Discussion is held, with no action taken.

b. Public: It is moved by Director Durst, seconded by Director Bransford to approve a contract between the Sites Project Authority (Authority) and the public outreach firm **JB Comm, Inc.**, effective June 13, 2016 with terms and conditions set forth in the agreement and authorize the Sites Project General Manager to sign on behalf of the Authority with addition of language regarding copyrights, conflict disclosure and proprietary property. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

c. Outreach Support:

Discussion is held regarding integration of existing Sacramento Valley outreach being performed voluntarily by partner entities and the Authority's contracting with a public outreach firm.

Mr. Watson recommends formalize and form a working group to meet and share information. Discussion is held, with no action taken.

d. Wildlife Conservation Board: Inner Coast Range Program:

Chair Vann makes time to discuss and provide possible direction to the General Manager regarding Wolk's Senate Bill 1396, which, if approved as it is currently written, would include the lands needed to construct and operate the Project into a conservation program that includes the ability to acquire land and establish limits on its use.

Director Sutton encourages the Directors to draft a letter in opposition of SB1396 (Wolk).

It is moved by Director Sutton, seconded by Director Jones to submit a letter in opposition of SB 1396 (Wolk). All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

4. GOVERNANCE:

a. Chair Vann makes time for discussion regarding Expanding Membership as follow:

1. Interest in Becoming a Member: (prior to the formal on-boarding process)
 - a. Status of 4M letter of interest.
 - b. Status of San Bernardino Valley Mutual Water District's interest (via email)
 - c. Status of Placer County Water Agency's letter of interest.
 - d. Consider a response to Western Canal Water District's letter of interest and provide possible direction to the General Manager.

Brief discussion is held.

Following discussion Chair Vann continues this item to a date uncertain.

2. On-boarding process (General Status & proposed next Steps): Discussion is held regarding the following two items, further, direction was provided to the Water Users Committee related to the extent of efforts to perform outreach to water agencies and/or other entities who may be interested in participating in the Sites Reservoir Project. Further, a committee meeting is planned for June 20, 2016.

- a. Northern Sacramento Valley: This consists of a second-round effort to solicit participation within the northern Sacramento Valley.
- b. Other areas: This will be the initial effort to solicit participation in areas that are outside of the Northern Sacramento Valley.

b. Prospectus Model Development:

Chair Vann makes time for discussion regarding in advance of the creation of the Phase 1 Reservoir Project Agreement Committee, consider approving a sole-source justification to contract with Larsen Wurzel & Associates, Inc (LWA), a local business, to develop the Prospectus Model, supporting documentation, and provide semi-annual updates during Phase 1.

Following discussion, it is the consensus of those Directors present Mr. Watson is to negotiate a contract and bring back to the Board for further consideration.

c. Phase 1 Reservoir Project Agreement Committee (PAC):

Chair Vann makes time for discussion regarding the following items:

1. Status of executed Agreements.
2. Next Steps: To establish the PAC by scheduling meetings that immediately precede the Authority's regularly scheduled meetings (i.e. currently the 2nd Monday of each Month).

Discussion is held, with no action taken.

The first meeting will address the following items:

- Chair Vann makes time for discussion regarding Electing interim committee officers having a tenure that extends through the execution of Phase 1 Reservoir Project Agreements associated with the on-boarding process, but not to extend beyond the Authority's election of officers, which occurs before March 2017.

Discussion is held, with no action taken.

- Chair Vann makes time to address Members Requesting Changes and provide possible direction to the General Manager as follows:

- a. LaGrande Water District's letter to modify its participation from 3,000 to 1,000 acre-ft./year.
- b. Colusa County Water District's request to increase its participation from 30,000 to 32,111 acre-ft./year.

Discussion is held regarding Colusa County Water District and LaGrande Water District's request to change the acre-ft. being used to allocate the Phase 1 costs.

It is moved by Director Sutton, seconded by Direct Griffin to approve the requested changes for LaGrande Water District and Colusa County Water District and to incorporate the changes as part of the on-boarding of additional Water Agencies. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

- Chair Vann makes time to consider approval to authorize the General Manager to execute a contract with Larsen Wurzel & Associates, Inc (LWA) to develop the Prospectus Model, supporting documentation, and provide semi-annual updates during Phase 1. Discussion is held.

Following discussion it is the consensus of those Directors present Mr. Watson is to move forward with negotiations, and return at a later date with a contract.

5. PHASE 1: Water Storage Investment Program (WSIP) Application & Federal Feasibility Report.

a. Revised Schedule:

Chair Vann makes time to discuss and provide possible direction to the General Manager regarding the Water Commission's compressed schedule to submit WSIP applications by June 2017 and support Reclamation in completing a congressional request that Reclamation complete its federal Feasibility Report by November 2017.

Following discussion it is the consensus of those Directors present Mr. Watson is to move forward.

b. Range of Alternatives:

It is moved by Director Sutton, seconded by Director Durst to approve the modified set of alternatives that will be included in the WSIP application as part of the publicly available draft environmental documentation. The original table was approved at the Feb 8, 2016 Board meeting to enable the studies to advance. Motion carried: All yes. Absent: Mary

Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

c. Proposed Project: It is moved by Director Durst, seconded by Director Bransford to approve Alternative D₁ as the Authority's proposed project. The approved alternative will be used (1) in preparing the WSIP application for state's consideration to cost-share in exchange for obtaining eligible public benefits and (2) to serve as the locally preferred alternative in Reclamation's Feasibility Report. On March 14, the Board approved the submission of the non-binding concept paper to the Water Commission and on April 11, 2016 the board approved the operations; both of which are based on Alternative D₁. Supporting information includes a cost comparison table, which shows how the Project's costs have evolved since Reclamation's 2013 Design Estimate and Construction (DEC) report. All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

d. AECOM: It is moved by Director Sutton, seconded by Director Durst to approve a notice to proceed to begin work on task orders listed as Subphase 3 in the AECOM contract's scope of services to continue to advance the studies that will be included in the application to the Water Commission. The original contract was approved by the Board on September 9, 2015 and it required a separate, timed, notice to proceed for the Sub-phase 3 work. All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

6. INSURANCE:

a. It is moved by Director McDaniel, seconded by Director Sutton to authorize the General Manager to execute a sole-source contract with Golden State Risk Management Authority (GSMRA), a local business, to provide the insurance needed to occupy the Project Office in Maxwell. Motion fails by the following vote:

AYES: Directors, Glenn County, Tehama-Colusa Canal, Colusa County Water District, and Colusa County.

NOES: Directors, Reclamation District 108, Glenn-Colusa Irrigation District, and Orland Artois Water District.

ABSENT: Maxwell Irrigation District, Westside Water District and TC 5 Districts.

It is moved by Director Bransford, seconded by Director Durst to authorize the General Manager to execute a sole-source contract with Golden State Risk Management Authority (GSMRA), a local business, to provide the insurance needed to occupy the Project Office in Maxwell through Phase 1. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

b. It is moved by Director Bransford, seconded by Director Sutton to authorize the General Manager to work with ACWA JPIA to terminate insurance and transfer coverage to GSRMA. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

7. PROJECT OFFICE:

It is moved by Director Durst, seconded by Director Bransford to authorize the General Manager to proceed as needed, execute agreements on behalf of the Authority to enable the office to be functioning. This will include and may not be limited to: retaining administrative support services; establishing a PO Box in Maxwell; executing a contract for internet technology (IT) services; retaining a cleaning service; initiating garbage collection with Recology Butte Colusa Counties; setting up service accounts with firms such as Staples and FedEx; and establishing a document management and filing system, which may include use of temporary services. Motion carried: All yes. Absent: Mary Wells, Joe Richter, Maxwell Irrigation District, Jamie Traynham, Doug Parker, Westside Water District and Dan Jones, Tom Charter, TC 5 Districts.

8. MEETING SCHEDULE:

Chair Vann makes time to consider changing the Authority's monthly meeting schedule from the 2nd Monday of each month to (a) improve meeting effectiveness and efficiency between members participating in the Phase 1 Reservoir Project Agreement and the Authority, (b) the ability for members from outside the Northern Sacramento Valley to attend both meetings, (c) the establishment of the project office in Maxwell, and (d) to reduce conflicts with other meetings. Discussion is held.

Following discussion it is the consensus of those Directors present to do a doodle poll of the Board and staff.

9. MANAGER'S REPORT:

a. Communications:

1. Press Release announcing on-boarding process.
2. Response to Senator Feinstein regarding the Project's governance, finance and repayment, and operations

b. Progress since last board meeting.

Meetings/functions attended:

CA Water Commission,
Investor on-boarding,
Mountain Counties Water Resources Association,
NCWA participation in meeting,
Cal Chamber,
Continue to work with Reclamation.

NEXT MEETING: July 11, 2016 at 1:30 p.m.
Westside Water District
5005 Highway 20
Williams, CA 95987

Chair Vann adjourned the meeting at 4:06 p.m. to reconvene in Regular Session on July 11, 2016 at the hour of 1:30 p.m.

Respectfully submitted,

Kim Dolbow Vann, Chair

Jamie Traynham, Secretary to the Board