

SITES PROJECT JOINT POWERS AUTHORITY
SPECIAL MEETING MINUTES
August 24, 2015

Chair McDaniel called the Special Meeting of the Sites Joint Powers Authority to order at 1:33 p.m. at the Westside Water District, 5005 Highway 20, Williams, California 95987.

Directors Present: Leigh McDaniel, County of Glenn, (Chair)
Don Bransford, Glenn-Colusa Irrigation District
(GCID)
Fritz Durst, Reclamation District 108 (RD 108)
Ken LaGrande, Tehama Colusa Canal Authority
(TCCA),
Greg Mensik, Maxwell Irrigation District,
Joe Marsh, Director-Colusa County Water
District,
Jim Jones, Director-Orland Artois Water District,

Alternates Present: Gary Evans, County of Colusa,
Jeff Sutton, Tehama Colusa Canal Authority
(TCCA),
Rick Richter, Alternate-Maxwell Irrigation
District (MID).

Absent: Kim Dolbow Vann, Director-County of Colusa,
Ken LaGrande, Director-Tehama-Colusa Canal
Authority,
Jamie Traynham, Director-Westside Water
District,
Dan Jones, Director-TC 8 District,
Mary Kimball, Director and Tim O'Halloran,
Alternate-Yolo County Flood Control &
WCD,
Sean Doherty, Trustee-RD 108,
Sandy Denn, Director-Glenn-Colusa ID,
John Viegas, Alternate-Glenn County Board of
Supervisors,
Doug Griffin, Alternate-Colusa County Water
District,
Mike Vereschagin, Alternate-Orland Artois Water
District, and
Doug Parker, Alternate-Westside Water District.

Others Present: Jim Watson, General Manager,
Ann Nordyke, Clerk,
Thad Bettner, GCID,
John Kenny, Kenny Snowden & Norine, (Counsel)
Lisa Hunter, Glenn County Ag Department,
Mary Fahey, Colusa County Ag Department,

Oscar Serrano, Colusa Indian Community,
Emil Cavagnolo, Orland Artois Water District
Mary Wells, Land Owner,
Juleah Cordi, Assemblyman Gallagher's Office,
Mark Oliver, Consultant CH2M Hill,
Scott Brown, Larsen Wurzel & Associates, Inc.
Jim Bond, Jim Wieking, and Ted
Trimble, Interested Parties.

1:33 p.m. (1:30 p.m. item on Agenda) Call to Order

Approval of Agenda

It is moved by Director Jones, seconded by Director Bransford to approve the agenda as presented. Motion carried: All yes. Absent: Mary Kimball-Director, Tim O'Halloran, YCFC & WCD; Jamie Traynham-Director, Doug Parker-Alt., Westside Water District, and Dan Jones-Director, TC 8 District.

1. **PUBLIC PARTICIPATION**

Chair McDaniel calls for public participation. Hearing none, Chair McDaniel closes the period of public participation.

2. **Sites Project Authority Agreement-Proposed Amendment #2**

Chair McDaniel makes time to consider approving proposed Amendment #2 to the Sites Project Authority Agreement. Further direct Member Agency Delegates/Alternates to submit the proposed Amendment #2 to their Member Agency Board for consideration and approval of same, on or before the September 21, 2015 Sites JPA scheduled meeting.

Lengthy discussion is held regarding having a budget in place prior to approving Amendment #2 to the Sites Project Authority Agreement.

Following discussion Chair McDaniel tables the item to later this day.

3. **Work Plan & Budget**

Chair McDaniel makes time for a presentation of proposed process to manage the Sites Reservoir Project costs from current Phase 1 through completion and project closeout (Phase5) with completion of Phase 1 coinciding with California Water Commission determination of eligibility to receive a grant under Proposition 1, chapter 8.

Mr. Watson speaks to the following:

Timeline to submit a proposal for grant funds under Proposition 1, Chapter 8, which the California Water Commission currently forecasts to occur in March 2017, requires consultant contracts be executed by October 1 assuming funding is secured from Member Agencies, Amendment #2 is approved, and Board approval of an Operating Budget for this Fiscal Year.

The proposed cost and budget management processes are based on best business practices and include the development and maintenance of the following:

- a. A long-range financial projection of total project costs that includes (1) an estimate of the financing costs and recommended levels of contingency and (2) an estimated annualize cost/acre-ft. needed to repay the incurred debt.
- b. For each project phase, a summary level work plan and target budget summarized by each fiscal year. (Projected variances identified at this level will be incorporated into item a)
- c. A work plan and budget for the current fiscal year that will be used to manage planned vs. actual costs. (Projected variances identified at this level will be incorporated into item b)

Mr. Watson introduces Mr. Scott Brown of Larsen Wurzel & Associates, Inc. who speaks to the following:

Sites Reservoir Project Investment Model,
 Objectives,
 Approach,
 Quantify Capital Calls,
 Investment Position,
 Weighting Investments,
 Investment True-up,
 Transfer Investment Position (Working assumption that requires a
 Board policy)
 Current Model Assumptions,
 Assumed Capital Calls, and
 Model Results

Mr. Watson speaks to the following:

Proposed Cost Management by Phases,
 Proposed Cost Management – Phase 1, and
 Proposed Cost Management Structure which has governance
 implications.

Discussion is held with no action taken.

2. **Sites Project Authority Agreement-Proposed Amendment #2-CONTINUED**

It is moved by Director Durst, seconded by Director Jones to direct Member Agency Delegates/Alternates to submit proposed Amendment #2 to their Member Agency Board for consideration and approval of same, on or before the September 21, 2015 Sites JPA scheduled meeting. Motion carried: All yes. Absent: Mary Kimball-Director, Tim O'Halloran, YCFC & WCD; Jamie Traynham-Director, Doug Parker-Alt., Westside Water District, and Dan Jones-Director, TC 8 District.

4. **Phase 1 Funding & Participation**

Funding: Chair McDaniel direct staff to request their Member Agencies to be prepared to provide their pro-rata cost share to support Phase 1 Work Plan and Budget, assuming Phase 1 Work Plan and Budget is approved by the Sites JPA Board at their September 21, 2015 scheduled meeting.

5. **Grants**

a. **Participation:** Chair McDaniel makes time for discussion regarding the following:

Proposition 1 contains specific limitations regarding membership to a joint powers authority that is created to implement a storage project identified in the CALFED ROD, which includes the Sites Reservoir Project. Provide direction regarding the value of obtaining a legal opinion to properly interpret limitations to assist in efforts to seek investors in the water supply benefits that will be created by this project. Discussion is held.

Following discussion it is the consensus of those Board members present Mr. Watson is to work with Mr. Kenny regarding same.

b. Chair McDaniel makes time to consider authorizing Mr. Watson, General Manager to proceed with preparing a grant application for either of the following:

1. California Department of Fish and Wildlife
Proposition 1: Watershed Restoration & Delta Water Quality and Ecosystem Restoration Grant Programs. (Proposal Deadline: September 16, 2015)
2. State of California Wildlife Conservation Board
Proposition 1: California Stream Flow Enhancement Program. (Proposal Deadline: September 30, 2015)

Discussion is held.

It is moved by Director Jones, seconded by Director Durst to apply for both grants.

Further discussion is held regarding a Member Agency working on the grants and applying for grants taking up to much of the General Manager's time.

Following discussion Directors Jones and Durst amend their motion as follows:

It is moved by Director Jones, seconded by Director Durst to amend motion to reflect a Member Agency (Westside Water District or Colusa County Water District) to apply for grants on behalf of the Sites Project Authority. Motion carried by the following vote:

AYES: Directors Fritz Durst, Director-Reclamation District 108, Leigh McDaniel, Director-Glenn County Supervisor, Greg Mensik, Director-Maxwell Irrigation District, Jim Jones, Director-Orland Artois Water District, Gary Evans, Alternate-Colusa County Supervisor, and Wade Mathis, Alternate-Tehama-Colusa Canal Authority.

NOES: Director Don Bransford-Director, Glenn-Colusa ID.

ABSENT: Directors, Mary Kimball-Director, Tim O'Halloran, YCFC & WCD; Jamie Traynham-Director, Doug Parker-Alt., Westside Water District, and Dan Jones-Director, TC 8 District.

6. **Schedule**

Chair McDaniel makes time to consider setting Special Board meeting(s) to be held the week of September 8, 2015 through September 11, 2015. Discussion is held.

Following discussion it is the consensus of those Directors present to hold a Special meeting on September 9, 2015 at 9:00 a.m. locates at the Westside Water District, 5005 Highway 20, Williams, CA 95987.

7. **Contracts**

a. It is moved by Alternate Director Evans, seconded by Director Bransford to authorize Mr. Watson, General Manager to enter into consultant contracts on a sole source basis with firms AECOM and Ch2m. Motion carried: All yes. Absent: Directors, Mary Kimball-Director, Tim O'Halloran, YCFC & WCD; Jamie Traynham-Director, Doug Parker-Alt., Westside Water District, and Dan Jones-Director, TC 8 District.

b. Chair McDaniel makes time for discussion/direction regarding the need for any Member Agency review of proposed commercial terms associated with proposed sole-source consultant contracts that may need to be executed in advance of the next scheduled Board meeting of the Sites JPA. Discussion is held.

Following discussion it is the consensus of those Directors/Alternates present that Mr. Watson is to work with Mr. Kenney (Counsel) and return at a later date.

8. **Branding/Identity**

Chair McDaniel makes time for discussion/direction regarding the following items:

- a. The development of values to be based on the mission statement contained in the Sites Project Authority Agreement.
- b. Development of a project logo.

Discussion is held, with no action taken.

Chair McDaniel adjourns the meeting at 4:05 p.m. to reconvene in Regular Session on September 21, 2015 at the hour of 9:00 a.m.

Attest a true record of proceedings made and taken at the above foregoing meeting our consent thereto and our presence thereat.

Respectfully submitted,

Liegh McDaniel, Chair

Kim Dolbow Vann, Secretary to the Board