

Subject: **Reservoir Committee Meeting**

9:30AM – 12:00PM

Location: Sites Project Office
122 Old Highway 99 West Maxwell, CA 95955

Call in: 1-800-201-7439
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)

MINUTES

ROLL CALL

Roll was called (see Attachment A), which resulted in 18 eligible representatives. This equated to 77% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee. By 10:00 am, an additional member was seated, bringing the total to 79.3%.

ATTENDANCE

See attachment B.

CALL TO ORDER

Chairman Bettner called the meeting to order at 9:30 a.m., followed by the Pledge of Allegiance.

AGENDA APPROVAL

It was moved by Carter and seconded by Flores to approve the November 16, 2018 Reservoir Committee Agenda, as presented. Motion carried unanimously.

INTRODUCTIONS

The Sites Reservoir Committee members, staff and members of the public introduced themselves.

MINUTES APPROVAL

It was moved by Traynham and seconded by Vanderwaal to approve the October 18, 2018 Reservoir Committee Meeting Minutes, as corrected. Motion carried unanimously.

PERIOD OF PUBLIC COMMENT

Chairman Bettner calls for public comment. Hearing none, he closed the period of public comment.

1. Chairpersons' Report:

Bettner

- 1.1 Chairman Bettner expressed his appreciation to General Manager Watson and staff for all their hard work in preparation of the budgets, agreements, RFQs and assembling the interviewing panels.

He also expressed his appreciation to the consultants for all their time and effort spent on their proposals. He stated he looked forward to working with the consultants selected and for the ones that were not selected future opportunities would still be available.

2. Manager's Report:

Watson

- 2.1 Discussion and possible direction to staff regarding the General Manager's monthly status report (***Attachment 2-1A***)

General Manager Watson provided an update on project activities performed in the month of October 2018 for: Program Management and Administration and Engagement and Outreach, with no action taken.

- 2.2 Discussion and possible direction to staff regarding Proposition 1 WSIP application activities (***Attachment 2-2A***)

General Manager Watson provided an update regarding the Proposition 1 WSIP application and ongoing coordination activities with the California Water Commission, which included the submission of the first quarterly status report covering project development activities that occurred since the WSIP application was submitted through September 30, 2018, with no action taken.

- 2.3 Discussion and possible direction to staff on ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding.

Messrs. Watson, Duke and Dietl provided an update on ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding, with no action taken.

3. Ad Hoc Finance & Economics Work Group:

- 3.1 Accept the Treasurer's Report (***Attachments 3-1A***)

Action: It was moved by Headrick and seconded by Hartwig to accept the Treasurer's Report, as presented. Motion carried unanimously.

- 3.2 Approve the Reservoir Committee's portion of the Payment of Claims (***Attachments 3-2A, B & C***)

Action: It was moved by Hartwig and seconded by Kunde to approve the Reservoir Committee's portion of the Payment of Claims, as presented. Motion carried unanimously.

- 3.3 Consider approval of the Work Plan and Budget. (***Attachments 3-3A***)

1. Consider approval of the proposed reprioritized Phase 1 Budget and Work Plan for project activities from December 1, 2018 through March 31, 2019 which also facilitates the transition to the critical work being proposed for the remainder of 2019.

General Manager Watson stated the Work Plan and Budget are in two parts which are the approval of the proposed reprioritization of the remaining Phase 1 Budget and Work Plan for project activities from December 1, 2018 through March 31, 2019 and the

proposed 2019 Budget and Work Plan for project activities from April 1, 2019 through December 31, 2019.

Lengthy discussion followed regarding the three funding streams (participants executing the participation agreement for 2019, CA Water Commission's WSIP, and federal WIIN Act), converting Class 2 water to Class 1, cost per acre feet of water, the Credit Reimbursement Policy and how much participants electing to either withdraw or reduce their participation beyond Phase 1 might receive.

Chairman Bettner called a recess at 10:32 a.m., to allow staff time to figure out how much money would be reimbursed to agencies who have previously expressed an interest in either withdrawing or reducing their participation beyond Phase 1.

Chairman Bettner called the meeting back to order at 10:55 a.m.

Further discussion followed regarding the reimbursement amounts to be paid to agencies who have previously expressed an interest in either withdrawing or reducing their participation beyond Phase 1 and current participation levels. Based on previously provided participation levels, the total amount to be reimbursed is approximately \$6 million whereas the proposed budget for those participants electing to execute the participation agreement for 2019 is \$14 million and which includes \$2 million to be used for reimbursement with any balance due to be included in any subsequent participation agreement, which will be needed to perform work in year 2020 or should additional revenue be received through additional participation in 2019. It was noted the proposed \$2 million equals the amount of revenue associated with the conversion from Class 2 to Class 1.

Action: It was moved by Headrick and seconded by Vanderwaal to approve the proposed reprioritized Phase 1 Budget and Work Plan for activities from December 1, 2018 through March 31, 2019 which also facilitates the transition to the critical work being proposed for the remainder of 2019. Motion carried unanimously.

2. Consider approval of the proposed 2019 Budget and Work Plan for project activities from April 1, 2019 through December 31, 2019. Once approved, this plan will supersede the 2019 portion of the previously approved Work Plan and will become an Exhibit in the 2019 Reservoir Project Agreement.

Discussion was held related to the desire to establish, in the 2019 Reservoir Project Agreement, a not-to-exceed amount, similar to what exists in the current agreement. It was pointed out the proposed 2019 budget and work plan for April 1, 2019 through December 31, 2019, results in a \$60/acre-foot and is based on the previously provided estimates of participation beyond Phase 1.

Additional discussion followed regarding the approximate \$2 million in the 2019 Budget and Work Plan that is intended to be used as reimbursement, to consider continuing the discussion of this matter to a later date, and the potential effect any reimbursement may have on the Reservoir Committee's ability to ensure the project can be advanced in a manner that remains affordable to the participants.

Motion: It was moved by Traynham and seconded by Davis to approve the proposed 2019 Budget and Work Plan for project activities from April 1, 2019 through December 31, 2019, to establish a not to exceed \$60/acre-foot of participation, and to use the approximately \$2 million in the proposed budget to partially reimburse those Phase 1 participants who have elected to either withdraw or reduce their participation beyond

Phase 1 and should additional revenue be received through additional participation, that such revenue be prioritized to increase the amount to be reimbursed in 2019.

Neudeck proposed the following amendment to the motion and stated he was not in agreement to the approval of the use of the \$2 million to be used to partially reimburse those who have elected to withdraw or to reduce their participation beyond Phase 1 and that his preference is to have this amount be used to perform additional work.

Traynham spoke in support of utilizing the \$2 million to reimburse agencies who have elected to either withdraw or reduce their participation beyond Phase 1, which has been the intent and basis for the Credit Reimbursement Policy, the Reservoir Committee had previously approved.

Proposed Amendment: It was moved by Neudeck and seconded by Headrick to approve the proposed 2019 Budget and Work Plan for project activities from April 1, 2019 through December 31, 2019, set an amount not to exceed \$60/acre-foot, and to defer discussion of the proposed \$2 million reimbursement to a later date. By roll call vote, the motion failed (35% in support and 65% in opposition).

The original motion that had been moved by Traynham and seconded by Davis was brought back for consideration.

Action: It was moved by Traynham and seconded by Davis to approve the proposed 2019 Budget and Work Plan for project activities from April 1, 2019 through December 31, 2019, in to establish an amount not to exceed \$60/acre-foot of participation, and to use the approximately \$2 million in the proposed budget to partially reimburse those Phase 1 participants who have elected to either withdraw or reduce their participation beyond Phase 1 and should additional revenue be received through additional participation, that such revenue be prioritized to increase the amount to be reimbursed in 2019. By roll call vote, the motion carried (63.5% in support and 36.5% in opposition).

- 3.4 Consider (a) formally rescinding the Phase 2 Reservoir Project Agreement (refer to prior action taken on August 16, 2018) and (b) approval of the proposed 2019 Reservoir Project Agreement and authorize submittal to the governing body for each participant in the Phase 1 Reservoir Committee, who have expressed an interest in continuing to advance the Sites Project beyond the current Phase 1, which ends on March 31, 2019, for their consideration and action and to make this agreement available to others who may be interested in becoming a member and participating in 2019. **(Attachments 3-4A)**

Action (a): It was moved by Kunde and seconded by Traynham to formally rescind the Phase 2 Reservoir Project Agreement April 1, 2019 through December 31, 2019. Motion carried unanimously.

Mr. Brown provided an overview of the proposed 2019 Reservoir Project Agreement. Discussion followed.

Discussion was held, which identified the desire to include the ability to enable the 2019 Reservoir Project Agreement to be extended in time pending a majority approval by the participants who have executed this agreement.

Action (b): It was moved by Davis and seconded by Traynham to approve the proposed 2019 Reservoir Project Agreement, effective April 1, 2019 through December 31, 2019 in form and substance along with (1) adding the not-to-exceed \$60/acre-foot and ability to extend the time and (2) authorizing its submittal to the governing body for each participant in the Phase 1 Reservoir Committee who have expressed an interest in continuing to advance the Sites Project beyond the current Phase 1, which ends on March 31, 2019, for their consideration and action and to make this agreement available to others who may be interested in becoming a member and participating in 2019. Motion carried unanimously.

4. Ad Hoc Document Review Work Group: Bettner

No Report.

5. Ad Hoc Reservoir Operations Work Group: Kunde & Ruiz

No Report

6. Ad Hoc Water Facilities Work Group: Arita

6.1 Consider approval of a recommendation to the Sites Project Authority Board of Directors to accept the evaluation panel’s selection of HDR Inc. for Service Area A – Project Integration.

Action: It was moved by Headrick and seconded by Hartwig to approve a recommendation to the Sites Project Authority Board of Directors to accept the evaluation panel’s selection of HDR, Inc., for Service Area A-Project Integration. Motion carried unanimously.

Action: It was moved by Vanderwaal and seconded by Azevedo to approve a recommendation to the Sites Project Authority Board of Directors to accept the evaluation panel’s selection of the following:

- 6.2 Brown & Caldwell for Service Area B – Project Controls.
- 6.3 Katz & Associates for Service Area C – Communications.
- 6.4 CH2M Hill for Service Area D – Operations Simulation Modeling.
- 6.5 ICF for Service Area F – Permitting and Agreements.
- 6.6 Bender Rosenthal for Service Area G – Real Estate.
- 6.7 Fugro for Service Area I – Geology and Geotechnical Engineering.

Motion carried unanimously.

Mr. Trapasso expressed his appreciation to staff, consultants, Reservoir Committee Members and the Authority Board Members for all their hard work.

7. Ad Hoc Siting Work Group

No Report.

8. Recap

8.1 Agenda topics for next meeting?

None at this time.

8.2 Upcoming Reservoir Committee meetings:

ACWA/Sites Reservoir Committee Workshop
San Diego, CA
November 27, 2018 at 2:30 PM

Sites Reservoir Committee Meeting
Tsakopoulos Library Galleria (West Meeting Room)
828 I Street, Sacramento, CA 95814
December 20, 2018 at 1:00 PM

The meeting adjourned at 12:05 p.m.



Chairman
Thad Bettner



General Manager
Jim Watson

Attachment A to Meeting Minutes

Current Voting Committee Participants (25):

<input checked="" type="checkbox"/>	Pct	Participant	<input checked="" type="checkbox"/>	Pct	Participant
<input checked="" type="checkbox"/>	2.46	American Canyon, City	<input checked="" type="checkbox"/>	5.24	Metropolitan WD
P	2.27	Antelope Valley-East Kern WA	<input checked="" type="checkbox"/>	5.26	Orland-Artois WD
P	4.27	California Water Service	P	3.30	Pacific Resources MWC (1)
<input checked="" type="checkbox"/>	2.06	Carter MWC	<input checked="" type="checkbox"/>	5.26	Reclamation District 108
<input checked="" type="checkbox"/>	5.57	Coachella Valley WD	<input checked="" type="checkbox"/>	6.04	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	3.63	Colusa County	<input checked="" type="checkbox"/>	3.89	San Geronio Pass WA
<input type="checkbox"/>	7.23	Colusa Co. WD	<input checked="" type="checkbox"/>	5.24	Santa Clara Valley WD
<input type="checkbox"/>	2.05	Cortina WD	P	2.67	Santa Clarita Valley WA (1)
<input checked="" type="checkbox"/>	2.33	Davis WD	<input type="checkbox"/>	2.57	Western Canal WD
<input type="checkbox"/>	0.00	Department of Water Resources (non-voting)	<input checked="" type="checkbox"/>	6.07	Westside WD
<input checked="" type="checkbox"/>	2.88	Desert WA	<input checked="" type="checkbox"/>	4.70	Wheeler Ridge-Maricopa WSD
<input checked="" type="checkbox"/>	2.81	Dunnigan WD	<input type="checkbox"/>	0.00	US Bureau of Reclamation (non-voting)
<input type="checkbox"/>	2.26	Garden Highway MWC	<input checked="" type="checkbox"/>	4.70	Zone 7 WA
<input checked="" type="checkbox"/>	5.26	Glenn-Colusa ID			

18 Voting members present at Meeting start (See Note 1)

77. % Participation percentage in attendance

19 Voting members present by (9:45 am) (See Note 1)

79.3 % Percentage in Attendance

Representation has been delegated as follows:

(1) To R. Kunde (WR-M WSD)

Attachment B to Meeting Minutes - Attendance

Current Voting Reservoir Committee Participants (24):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
American Canyon, City	<input checked="" type="checkbox"/> Steve Hartwig	<input type="checkbox"/> Jason Holley	
AVEK WA	<input type="checkbox"/> Dwayne Chisam	P Dan Flory	
California Water Service	<input type="checkbox"/> Michael Hurley	P 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	
Colusa County.	<input checked="" type="checkbox"/> Azevedo, Mike	<input checked="" type="checkbox"/> Gary Evans	
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 checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/> Jake Spooner	
Garden Highway MWC	<input type="checkbox"/> Nicole Van Vleck	<input 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"/> Steve Arakawa	<input type="checkbox"/> Arlene Arita
Orland-Artois WD	<input type="checkbox"/> John Erickson	<input checked="" type="checkbox"/> Emil Cavagnolo	
Pacific Resources MWC	<input type="checkbox"/> Preston Brittan	<input type="checkbox"/>	
RD 108	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	
San Bernardino V MWD	<input checked="" type="checkbox"/> Doug Headrick	<input type="checkbox"/> Bob Tincher	
San Gorgonio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input type="checkbox"/>	
Santa Clara Valley WD	<input checked="" type="checkbox"/> Cindy Kao	<input type="checkbox"/> Brad Arnold	<input checked="" type="checkbox"/> Eric Letterman

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

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

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
Santa Clarita Valley Water Agency	<input checked="" type="checkbox"/> Dirk Marks	<input type="checkbox"/> Rick Viergutz	_____
Western Canal WD	<input type="checkbox"/> Ted Trimble	<input type="checkbox"/> Greg Johnson	_____
Westside WD	<input checked="" 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"/> Carol Mahoney <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"/> Ajay Goyal	<input type="checkbox"/> David Sandino <input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Alex Vdovichenko <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 checked="" type="checkbox"/> Chris Duke (TSC)

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 (7):

<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"/>
Sacramento, City of	<input type="checkbox"/> Jim Peifer	<input type="checkbox"/> Dan Sherry
Sacramento County WA	<input type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson
Tehama-Colusa Canal Authority	<input type="checkbox"/> Jeff Sutton	<input type="checkbox"/>

Staff & Consultants:

<input checked="" type="checkbox"/>	Name	Representing
<input type="checkbox"/>	Barbieri, Janet	JB Comm
<input checked="" type="checkbox"/>	Brown, Doug	Stradling
<input checked="" type="checkbox"/>	Brown, Scott	LWA
<input type="checkbox"/>	Conant, Ernest	Young Wooldridge
<input checked="" type="checkbox"/>	P Steve Torigiani	
<input type="checkbox"/>	Herrin, Jeff	AECOM
<input checked="" type="checkbox"/>	Johns, Jerry	Johns
<input type="checkbox"/>	Kuney, Scott	Young Wooldridge
<input type="checkbox"/>	Montague, Doug	Montague DeRose Assoc.

<input checked="" type="checkbox"/>	Name	Representing
<input type="checkbox"/>	Oliver, Mark	Ch2m
<input type="checkbox"/>	Nicholas, Rebeca	Nicholas Communications
<input checked="" type="checkbox"/>	Spesert, Kevin	Sites Project Authority
<input checked="" type="checkbox"/>	Tirado, Yolanda	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 checked="" type="checkbox"/>	Watson, Jim	Sites Project Authority
<input type="checkbox"/>		

Other Attendees: *(Check box to have email address added to the distribution list)*

Name	Representing	Contact (Phone & E-mail)
Dave Gillette	USBR (TSC)	<input type="checkbox"/>
Andy Marner	USBR (TSC)	<input type="checkbox"/>
Russell Ryan	MWDSC	<input type="checkbox"/>
Jerian Alexander	Fugro	<input type="checkbox"/>
Farid Motamed	Fugro	<input type="checkbox"/>
Grace Lui	Fugro	<input type="checkbox"/>
Monique Briard	ICF	<input type="checkbox"/>
Robert Boling	HDR	<input type="checkbox"/>
John Buttz	HDR	<input type="checkbox"/>
Kim Floyd	KF Communications, Katz & Associates	<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>