

SITES PROJECT 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
GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
DON BRANSFORD, GLENN-COLUSA IRRIGATION DISTRICT
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
TOM CHARTER, TC 4 DISTRICTS
GREG JOHNSON, WESTERN CANAL WATER DISTRICT
JEFF HARRIS, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY
DON BADER, U.S BUREAU OF RECLAMATION (COST-SHARE PARTNER, NON-VOTING)
ROB COOKE, CA DEPARTMENT OF WATER RESOURCES (EX-OFFICIO NON-VOTING)

Associate Member (NON-VOTING)
MARY WELLS, MAXWELL IRRIGATION DISTRICT

December 17, 2018, 1:30 p.m.

Sites Project Authority

MINUTES

The Sites Project Authority Board of Directors met in Regular Session on December 17, 2018 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chair, Gray Allen, Vice-chair, Greg Johnson, Doug Parker, Zachary Dennis, Joe Marsh, Gary Evans, and Jeff Harris. **Directors Absent:** Jeff Sutton, Leigh McDaniel, Don Bransford, Tom Charter, Don Baber, Rob Cooke. **Alternate Directors Present:** Michael Azevedo, Richard Welsh, and Dan Ruiz. **Alternate Directors Absent:** Logan Dennis, Bill Busath, Shelly Murphy, Sean Doherty. **Associate Members Absent:** Mary Wells.

Staff Present: Jim Watson, General Manager.
Ernest Conant, Counsel.
Jaime Traynham, Treasurer.
Kevin Spesert, Rob Thomson, Sites Project Authority.
Yolanda Tirado, Clerk.

Others Present: John Buttz, HDR.
Kim Floyd, Sara Katz, KFC/K&A.
Jeff Kivett, JP Robinette, Brown & Caldwell.
Ed Horton, PCWA.
Scott Kuney, Young Wooldridge.
Bill Vanderwaal, RD108.
Oscar Serrano, CICC.
Jeff Herrin, AECOM.
Grace Lui, Ray Wood, Fugro.
Kerry Schmitz, SCWA.
Linc To, HDR.
Brian Bullock, PSOMAS.
Charlene Vaughn, K-COE Isom.

Mark Oliver, CH2M Hill.

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

It was moved by Director Johnson, seconded by Director Harris to approve the December 17, 2018 Sites Project Authority Agenda. Motion carried: All Directors present voted yes.

Chairman Durst stated on the front page of the November 19, 2018 Sites Project Authority Minutes regarding Alternate Directors present, Bill Vanderwaal is not the Alternate, the Alternate is Sean Doherty and requested the Minutes reflect that correction.

APPROVAL OF MINUTES:

It was moved by Director Harris, seconded by Director Dennis to approve the November 19, 2018 Sites Project Authority Minutes, as corrected. Motion carried: All Directors present voted yes.

PERIOD OF PUBLIC COMMENT:

Chairman Durst called for public comment. Hearing none, he closed the period of public comment.

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

This time is set aside to give the Directors an opportunity to disclose/discuss any meetings with external stakeholders to advance the Project.

Director Harris stated the Yolo Bypass Cache Slough Partnership met and decided to allocate resources to Yolo and Solano Counties to keep projects (i.e., fish projects, flood projects) moving forward. Brief discussion followed, with no action taken.

Director Harris also informed the Board he will no longer be the City of Sacramento/Sacramento County Water Agency representative on the Authority Board, that Ms. Karrie Schmitz from the Sacramento County Water Agency will be the representative on the Board effective at the next Authority meeting.

2. **CHAIRPERSON'S REPORT:**

Chairman Durst spoke to the following 2018 accomplishments of the Authority:

- 816.3 million in Proposition 1 funding (\$40.8 million in early funding)
- \$4.35 WIIN Act funding in 2017 with \$30 million being requested in FY 2019

- USBR considering increasing participation from 12% to 25%
- \$449.2 million USDA conditional construction loan for the Maxwell Water Intertie (3.78% rate for 40-year loan)
- Continued strong water industry support with 30 local participants planning to sign up for 2019

Sacramento Valley (10)	Bay Area (3)
San Joaquin (3)	S. California (6)
- Continued strong Congressional support: 43 (of 53) CA Representatives

3. MANAGER'S REPORT:

3.1 Discussion and possible direction to staff regarding the General Manager's Monthly Status Report. (**Attachment 3-1A**)

Mr. Watson provided an overview and review of activities conducted during the month of November 2018. He noted a notification was received from the Department of Energy that Sites was not successful in obtaining the hydropower grant. Brief discussion followed with no action taken.

3.2 Discussion and possible direction to staff regarding Proposition 1 WSIP application activities.

Mr. Watson provided an overview and review regarding the Water Commission and Proposition 1 WSIP processes. Brief discussion followed with no action taken.

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

Mr. Welsh provided an overview of current activities (feasibility report, construction and biological assessment schedules and permitting) of the Bureau of Reclamation.

Mr. Watson spoke to the Operations Agreement, noting input from the Reservoir Operations Work Group, the Reservoir Committee and the Authority will be needed on potential policy items. He also spoke to the President's Memorandum of October 2018. Brief discussion followed with no action taken.

Chairman Durst expressed his appreciation to the Bureau for their support on this project.

3.4 Discussion and possible direction to staff on the USDA Community Facilities Loan application for the Maxwell Water Intertie.

Mr. Watson provided an overview of the USDA Community Facilities loan application and acknowledged Ms. Vann and her staff's support in helping with the application. He also expressed his appreciation to Director Sutton and Mr. Spesert on all their hard work in making the November 27, 2018 event successful.

4. 2018 FINANCE & BUDGET AD HOC COMMITTEE:

4.1 Accept the Treasurer's Report. (**Attachment 4-1A**)

Action: It was moved by Director Allen, seconded by Director Evans to accept the Treasurer's Reports, as presented. Motion carried: All Directors present voted yes.

4.2 Approve the Payment of Claims. (**Attachment 4-2A, B, & C**)

Action: It was moved by Director Marsh, seconded by director Johnson to approve the Payment of Claims, as presented. Motion carried: All Directors present voted yes.

2:05 p.m. Chairman Durst stated he has a conflict of interest in the approval of the transfer of the Sites Project Authority's banking services to River City Bank and recuses himself. He further stated Vice-chairman Allen would continue with this matter.

4.3. Vice-Chairman Allen made time to consider approval of the transfer of banking services to River City Bank.

Ms. Traynham provided an overview of the proposed transfer and spoke to the interested banks who submitted a proposal. Brief discussion followed.

Action: It was moved by Director Dennis, seconded by Director Harris to approve the transfer of the Sites Project Authority's banking services to River City Bank. Motion carried: All Directors present voted yes.

2:10 p.m. Chairman Durst is now present.

4.4 Consider approval of a contract time extension with J.C. Watson, Inc., to continue to provide General Manager Services.

Action: It was moved by Harris, seconded by Allen to approve a contract time extension with J. C. Watson, Inc., to continue to provide General Manager Services, effective through March 31, 2019. Motion carried: All Directors present voted yes.

4.5 Report on status of the Project Development Support Services RFQ-18-04.

General Manager Watson updated the Board members on the commercial terms and conditions negotiated and still needing to be negotiated with

- HDR, Inc., for Service Area A- Project Integration,
- Katz & Associates for Service Area C- Communications,
- Bender Rosenthal for Service Area G- Real Estate
- Brown and Caldwell for Service Area B- Project Controls
- ICF Inc., for Service Area F- Permitting & Agreements

- Ch2m Hill for Service Area D- Operations Simulations Modeling
- Fugro for Service Area I- Geology & Geotechnical Engineering

He stated the next step is to negotiate the rates and initial task orders and return with a completed package first to the Reservoir Committee and then the Authority Board for consideration in January 2019 for HDR, Inc, Katz & Associates, Bender Rosenthal, and in February 2019 for Brown and Caldwell, with a return date in February and no later than March 2019 for ICF Inc, Ch2m Hill and Fugro.

He further stated as to Service Area E- Environmental Planning & Analysis, the President's October 19, 2018 memorandum established an accelerated timeline for completion of the Biological Opinions related to long-term coordinated operation of the Central Valley Project and California's State Water Project and staff plans to bring a recommended plan to both the Reservoir Committee and the Authority Board, respectively, for their consideration in January 2019.

He stated as to Service Area H- Engineering, staff plans to bring a recommend plan to both the Reservoir Committee and the Authority Board by summer's end in 2019. Brief discussion followed with no action taken.

5. PHASE 1 RESERVOIR COMMITTEE:

- 5.1 Report on the Reservoir Committee Workshop on November 27, 2018 held at the ACWA Winter Conference in San Diego. (**Attachments 5.1A**).

Messrs. Thomson and Watson updated the Board members of matters discussed at the Reservoir Committee Workshop held at the ACWA Winter Conference in San Diego on November 27, 2018. Brief discussion followed with no action taken.

- 5.2 Report on status to execute 2019 Participation Agreements by March 31, 2019.

Mr. Watson provided an update on execution of the 2019 Participation Agreement, noting it was approved in substance and form. Further noting the Agreement has gone out to all parties interested in participating in 2019, with a return date to the Reservoir and Authority for approval in mid-February 2019. Brief discussion followed regarding invoicing and cash calls with no action taken.

6. PHASE 1 MEMBERSHIP & GOVERNANCE AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of participation in the Authority and/or Reservoir Committee.

Mr. Watson provided an update on potential interested parties in participating in this project. Brief discussion followed with no action taken.

7. PHASE 1 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:
Discussion and possible direction to staff regarding the status of federal and state legislative activities and the Project's public outreach efforts.

Mr. Spesert provided an update regarding the status of federal and state legislative activities and the Project's public outreach efforts, i.e., the USDA loan application/project and the event held on November 27, 2018 (thanks all who participated on putting together this event), outgoing outreach team and the new outreach team coming on board and working on transition plan, WIIN Act at a pause, and a trip to DC in February 2019. Brief discussion followed with no action taken.

8. PHASE 1 LAND USE AD HOC COMMITTEE:
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.

Mr. Spesert provided an update on the status of engagement and outreach efforts to local agencies i.e., right of entry and policy issues.

9. PHASE 1 COORDINATION COMMITTEES:
Discussion and possible direction to staff regarding the status of engagement and outreach efforts related to the following areas:

- o Tribal Officials

Messrs. Serrano and Spesert provided a brief update on a meeting held earlier this morning.

Mr. Spesert also spoke to the need to appoint a chair to the Coordination Committee.

Mr. Thomson reminded all that staff is doing local coordination with local tribes as a member of the local community not as a member of the federal government to government, so people who live in this community understand what this project is about.

- o Landowner and Community Interests

Mr. Spesert stated staff continues to respond to questions regarding the project and talking to landowners regarding right of entry. He noted the community is aware the Sites office is open five day per week.

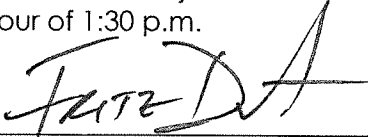
- o Environmental Interests

Chairman Fritz provided a brief overview of NCWA activities. Brief discussion followed with no action taken.

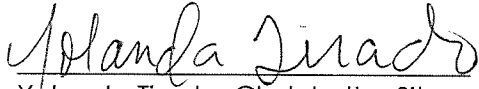
- o Business & Labor Interests

Mr. Spesert informed the Board members of activities in the Business and Labor Interest. Brief discussion followed with no action taken.

Chairman Durst adjourned the meeting at 2:39 p.m., to reconvene on January 28, 2019 at the hour of 1:30 p.m.



Fritz Durst, Chairman


Yolanda Tirado, Clerk to the Sites
Project Authority Board