

SITES JOINT POWERS AUTHORITY

P.O. Box 517
122 OLD HIGHWAY 99 WEST
MAXWELL, CALIFORNIA, 95955
www.SitesProject.org

JIM WATSON, GENERAL MANAGER
530.410.8250

ANN NORDYKE, CLERK
530.458.0508
boardclerk@countyofcolusa.org

Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
GRAY ALLEN, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE, VICE-CHAIR
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GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
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JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY
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WADE MATHIS, PROBERTA WATER DISTRICT/TC 6 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, CALIFORNIA DEPARTMENT OF WATER RESOURCES – EX-OFFICIO MEMBER **(NON-VOTING)**

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

April 23, 2018 Sites Project Authority Minutes 1:30 p.m.

The Sites Project Authority Board meets in Regular Session this 23rd day of April 2018 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Jamie Traynham, Gary Evans, Leigh McDaniel, Don Bransford, Mary Wells, Jim Jones, Joe Marsh, Wade Mathis, and Jim Peifer. **Directors Absent:** Jeff Sutton, Blake Vann, Tehama-Colusa Canal Authority; Greg Johnson, Ted Trimble, Western Canal Water District. **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 April 23, 2018 Regular Meeting at 1:30 p.m., with all Directors present, except Tehama-Colusa Canal Authority and Western Canal Water District. (Tehama-Colusa Canal Authority 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, Kim Davis,
Yolanda Tirado, Sites JPA.
Ann Nordyke, Clerks.

Others Present: Brian Bullock, PSOMAS.
Juleah Cordi, Assemblyman Gallagher.
Lady Bug, Self.
Zach Barr, Kearns & West.
Ed Horton, Ben Barker, PCWA.
Jacob Spooner Donita Hendrix, Dunnigan Water District.
Jim Murphy, Owner.

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Laura Nicholson, Senator Jim Nielsen.
 Sean Doherty, Bill Vanderwaal, RD 108.
 Doug Montague, Montague DeRose & Associates.
 John Spranza, HDR.
 Dan Ruiz, MID/WS.
 Mark Oliver, Rob Tull, CH2M Hill.
 Oscar Serrano, CICC.
 Nadine Bailey, Family Water Alliance.
 Mike Azevedo, County of Colusa.
 Emil Cavagnolo, OAWD.
 Janet Barbieri, JB Comm. Inc.
 Charlene Vaughn, KCoe Isom.
 Kerry Schmitz, Sacramento County Water Agency.
 Steve Hartwig, City of American Canyon.
 Jeff Herrin, AECOM.

Pledge of Allegiance

INTRODUCTIONS

None.

AGENDA APPROVAL

It is moved by Director Bransford, seconded by Director Jones to approve the April 23, 2018 Sites Project Authority Agenda as presented. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District

MINUTES APPROVAL

It is moved by Director Wells, seconded by Director Traynham to approve the March 19, 2018 Sites Project Authority Minutes as corrected. Motion carried by the following vote:

AYES: RD 108, City of Roseville, Westside Water District, Colusa County, Glenn-Colusa Irrigation District, Maxwell Irrigation District, Colusa County Water District, Orland Artois Water District, Proberta Water District/TC6 Districts, City of Sacramento/Sacramento County Water Agency.

NOES: None.

ABSENT: Tehama-Colusa Canal Authority and Western Canal Water District.

ABSTAIN: Glenn County.

PERIOD OF PUBLIC COMMENT

None.

1. BOARD MEMBER REPORTS:

Chairman Durst acknowledges the work Ms. Nordyke has done for the Sites Project Authority over the last few years and presents her with a

bouquet of flowers and thanks her for her service, noting, this will be her last meeting as the Clerk to the Sites Project Authority Board.

2. CHAIRPERSON'S REPORT:

Chairman Durst states Mr. Watson and Ms. Wells and he worked with Channel 3 on a story called the Good the Bad and the Ugly, which will be on at 6:00 to 6:30 ~~tonight~~ tomorrow on Channel 3.

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 speaks to contract management and compliance, Municipal Financial Advisor services, Bond Counsel services, and services and staffing needed for Phase 2, with no action taken.

3.2 Chairman Durst makes time for a report on status of Prop 1 WSIP application and WIIN Act Funding.

Mr. Watson states he attended the monthly Water Commission meeting to request their technical reviewers to meet with the applicants in advance of the April 20, 2018 posting of staff's evaluation of the appeal that was submitted on February 23, 2018 and to request additional meetings with technical reviewers to clarify elements in the August 14, 2017 application related to the other three component scores that will be evaluated by the Water Commissioners in June. Discussion is held with not action taken.

3.3 Chairman Durst makes time for a report on the status of a potential USDA Rural Development loan or grant.

Mr. Watson states based on an exploratory meeting with the US Department of Agriculture's Rural Development program, staff provided information for their consideration to determine if the Project could be eligible for either a low-interest loan and/or grant opportunity. Noting, the USDA has available funding for water projects that benefit rural communities both directly (water supply) and indirectly (source of employment, business support function, and consumers). Discussion is held with no action taken.

3.4 Chairman Durst makes time for a report on the status to retain Bond Counsel.

Mr. Watson updates those Board members present on the status of a Request for Proposal that was released on April 11, 2018 to retain Bond Counsel to assist with the development of the financing plan, drafting of debt policies and guidelines, providing advice on Propositions 218 and 26 matters, development of Phase 2 participation agreement and agreements that will serve as the basis for the payment of operating costs and the repayment of Authority debt. Brief discussion is held, with no action taken.

3.5 Chairman Durst makes time for discussion and possible direction to staff regarding the Draft Phase 2 Work Plan.

Mr. Watson gives a brief update on the activities conducted to develop the project's draft Phase 2 Work Plan and cost. Discussion is held, with no action taken.

4. 2018 FINANCE & BUDGET AD HOC COMMITTEE:

4.1 It is moved by Director Jones, seconded by Director Wells to accept the Treasurer's Report as presented. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District.

4.2 It is moved by Director Bransford, seconded by Director Mathis to approve the Payment of Claims. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District.

4.3 Chairman Durst makes time to consider revisions to the FY 2018 budget to either increase the planned expenditures or to reduce the annual fees per Authority Member should the number of Authority Members be increased.

Director Traynham states the FY 2018 budgets was approved based on 12 voting seats and the potential to increase to 13 voting seats.

Discussion is held regarding the current 13 seats and the consideration to increase to 14 voting members, and the budget including items that were placed "on hold" to keep the annual fees at \$60,000 per voting seat.

Following discussion Chairman Durst directs this matter be sent to the Finance Committee and for them to make a recommendation to this Board at a later date.

4.4 Chairman Durst makes time for a report on the status to develop an interim financing plan.

Discussion is held regarding pooled ratings, private funding banks, participation agreements, moving forward with gathering ratings, and send this item to the Reservoir Committee for their recommendation, with no action taken.

5. PHASE 1 RESERVOIR COMMITTEE:

5.1 Chairman Durst makes time for a report on April 19, 2018 Reservoir Committee Meeting.

Mr. Watson states the Reservoir Committee is in the Agenda Packet and inquires if there are any questions.

Hearing none, Chairman Durst moves on to the next Agenda item.

5.2A It is moved by Director Traynham, seconded by Director McDaniel to approve sole source justification to retain Independent Finance Advisor services and approve an agreement with **David G. Houston** for same, in an amount not to exceed \$450.00 per hour, effective April 23, 2018

and authorize the General Manager to sign. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District.

5.2B It is moved by Director Traynham, seconded by Director McDaniel to approve sole source justification to retain Independent Advisor services related to alternative deliver and approve an agreement with **Capital Project Strategies, LLC** for same, in an amount not to exceed \$450.00 per hour, effective April 23, 2018, and authorize the General Manager to sign. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District.

5.3 Chairman Durst makes time for a report on the Reservoir Committee's activities regarding Phase 2 Procurement.

Mr. Watson states work is continuing to make progress and staff is working on technical standards, noting, there is information in the agenda packet regarding Design-build. Brief discussion is held, with no action taken.

5.4 Chairman Durst makes time for a report on the Reservoir Committee's activities to perform a risk assessment.

Mr. Vanderwaal states a workshop was held where they came up with high and low confidence levels, noting, work is being done on a Draft mitigated Risk Assessment which will be provided to the Authority Board once completed. Brief discussion is held, with no action taken.

6. PHASE 1 MEMBERSHIP & GOVERNANCE AD HOC COMMITTEE:

6.1 It is moved by Director Evans, seconded by Director Marsh to approve forwarding the Colusa Indian Community Council's request to become an Authority Member to the member agency boards for membership approval on the condition that the Colusa Indian Community Council executes the perquisite agreement and submits a limited waiver of the Tribe's sovereign immunity related to the Sites Project. Motion carried: All yes. Absent: Tehama-Colusa Canal Authority and Western Canal Water District

7. PHASE 1 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

▪ Chairman Durst makes time for discussion and possible direction to staff regarding the status of federal and state legislative activities and the Project's public outreach efforts.

Discussion is held regarding work being done on a Water Commission announcement, follow up meetings with the NGO's, press statement, and KCRA story that will be on tomorrow, with no action taken.

▪ Chairman Durst makes time for discussion of updates to website.

Discussion is **held** regarding changes to the Sites Project Authority website, with no action taken.

8. PHASE 1 LAND USE AD HOC COMMITTEE:

Chairman Durst makes time for 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.

Discussion is held regarding setting up meetings with the Schools and Community groups, with no action taken.

9. PHASE 1 CONSULTATION COMMITTEES:

Chairman Durst makes time for discussion and possible direction to staff regarding the status of engagement and outreach efforts related to the following areas:

- Tribal Officials
Nothing to report at this time.
- Landowner and Community Interests
Brief discussion is held regarding setting up meetings in late May or early June.
- Environmental Interests
Nothing to report at this time.
- Business & Labor Interests
Nothing to report at this time.

Chairman Durst adjourned the meeting at 3:29 p.m. to reconvene in Regular Session on May 21, 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