

SITES PROJECT JOINT POWERS AUTHORITY

MINUTES OF MEETING

June 3, 2015

Chair McDaniel called the regular meeting of the Sites Project Joint Powers Authority (Sites JPA) Board of Directors to order at 1:35 p.m. The meeting was held at the Glenn-Colusa Irrigation District, 344 East Laurel Street, Willows, California 95988.

Present:

County of Colusa, Kim Dolbow Vann
County of Glenn, Leigh McDaniel
Glenn-Colusa Irrigation District (GCID), Don Bransford
Maxwell Irrigation District (MID), Rick Richter
Reclamation District 108 (RD 108), Fritz Durst
Tehama Colusa Canal Authority (TCCA), Ken LaGrande
Yolo County Flood Control and Water Conservation District (YCFC&WCD), Mary Kimball

Absent:

None

Also Present:

Tim O'Halloran, YCFC&WD; Gary Evans, Ann Nordyke, County of Colusa; Jeff Sutton, TCCA; Sean Doherty, RD 108; Dan Ruiz, MID; Sandy Denn, Thad Bettner, Mary Spooner Danley, GCID; John Kenny, Kenny Snowden & Norine; Lisa Hunter, Glenn County Ag Department; Mary Fahey, Colusa County Ag Department; Oscar Serrano, Colusa Indian Community; Nadine Bailey, Family Water Alliance; Mike Urkov, TCCA Consultant; Emil Cavagnolo, Orland Artois Water District; Shelly Murphy, Colusa County Water District; Dan Jones, Proberta Water District; Jamie Traynham, Westside Water District; Steven Marsh, Myers Marsh Mutual Water Company; Bill Vanderwaal, USBR; Jim Wieking, DWR; Jeff Herrin, Khaled Chowdhury, AECOM; Mary Wells, Landowner; Juleah Cordi, Assemblyman Gallagher's Office; Blair Voelz, Rick Barnett, Jim Watson, Allen Myers, Interested Parties

Approve Agenda

Director Durst moved to approve the agenda, Director Bransford seconded the motion, and the agenda was unanimously approved by the following vote:

AYES: Directors Vann, McDaniel, Bransford, Richter, Durst, LaGrande and Kimball

NOES: None

Public Participation

Chair McDaniel called for public participation and as no one from the public wished to address the Board, the meeting continued.

Approval of Minutes

Director Durst moved to approve the minutes of the March 4, 2015, regular meeting; March 25, 2015, special meeting; April 1, 2015, regular meeting; April 15, 2015, special meeting;

April 29, 2015, special meeting and May 13, 2015 regular meeting, as corrected. Director Bransford seconded the motion, and the minutes were unanimously approved by the following vote:

AYES: Directors Vann, McDaniel, Bransford, Richter, Durst, LaGrande and Kimball
NOES: None

Report from Family Water Alliance on California Water Commission Process
Nadine Bailey, Chief Operations Officer Family Water Alliance, gave a report on the California Water Commission process and timeline.

FINANCIAL CONSIDERATIONS

Approve Treasurer's Report

Chair McDaniel presented the Treasurer's Report. Director Bransford moved to approve the Treasurer's Report, Director Richter seconded, and the Treasurer's Report was approved by the following vote:

AYES: Directors Vann, McDaniel, Bransford, Richter, Durst, LaGrande and Kimball
NOES: None

Payment of Claims

On motion by Director Durst, and second by Director Bransford, payment of claims #1116 through #1118 in the amount of Seven Thousand, Six Hundred Twenty-One Dollars and Thirty Cents (\$7,621.30) was approved by the following vote:

AYES: Directors Vann, McDaniel, Bransford, Richter, Durst, LaGrande and Kimball
NOES: None

GOVERNANCE AND INTERNAL ORGANIZATION

Discuss and Consider request for membership on Sites JPA by Sites Reservoir Investor Districts of Northern California

Four water districts (Colusa County Water District, Orland Artois Water District, Westside Water District, and Proberta Water District), that have sent letters expressing interest in water supply benefits from, and investing in, Sites Reservoir, have requested to be added as Members to the Sites JPA Board. The Joint Powers Agreement requires a 75% majority vote of the Sites JPA Members to allow additional seats to the Board. Sites JPA Directors will need to have their Member agencies agendaize and vote to add any additional seats to the Board.

Colusa County and TCCA have voted to add the additional seats to the Board. Chair McDaniel reported that Glenn County Board of Supervisors discussed the issue, the consensus of the Board of Supervisors was to support the proposal to add the additional seats, and that the issue will appear on their next Glenn County agenda as an action item. Director Kimball said YCFC&WCD board would like more information regarding the long-term structure of the Board. Director LaGrande recommended to the other members to accept the new board seats. Director Bransford stated that there needs to be clarification of how the Board will be structured for the long-term after adding additional seats to the Board.

Director LaGrande moved to have the Sites JPA recommend that the Member agencies approve the request by the four districts (Colusa County Water District, Orland Artois Water District, Westside Water District, and Proberta Water District) to be added as Members of the Sites JPA, seconded by Director Vann, motion passed by following vote:

AYES: Directors McDaniel, Vann, Richter, and LaGrande

NOES: Directors Kimball, Durst and Bransford

Discuss and Consider Revisions to the Sites Joint Powers Authority Agreement

Counsel has recommended that the Agreement be reviewed and clarified. Discussion was held regarding the questions that have risen regarding the Sites JPA Agreement. TCCA General Manager Jeff Sutton and Counsel John Kenny have been reviewing the document and need additional direction from the Board to address certain sections of the Agreement.

Director Durst moved to have Counsel John Kenny and TCCA General Manager Jeff Sutton propose technical language clarifications to the Sites JPA Agreement, based on the input received from the Board, and to leave the spending limit at its current amount. The motion was seconded by Director Richter and passed by the following vote:

AYES: Directors McDaniel, Bransford, Richter, Durst, and Kimball

NOES: Directors Vann and LaGrande

The Board recessed at 3:28 p.m.

The Board reconvened at 3:35 p.m.

Discuss and Consider roles and responsibilities of the Board Officers and the Executive Committee (Coordinating Committee)

Due to time constraints it was agreed to cover this item under Agenda Item 7d -- Board Structure Concepts.

Consultation Committee Formation

This agenda item was tabled due to time constraints.

REGULAR BUSINESS

Critical Path Items

Department of Water Resources and U.S. Bureau of Reclamation MOU Status

It was reported that the Memorandum of Understanding prepared by the U.S. Bureau of Reclamation (USBR) is ready for signature. USBR will be sending the MOU to the Sites JPA for signature, after which it will be returned to USBR for their signature.

The letter to Department of Water Resources (DWR) was sent on May 15, 2015, and a response has not yet been received.

The General Managers' Technical Group will be meeting later in June to discuss the tasks and budget for presentation to the Sites JPA.

Committee Reports

The Water Users/Investor Ad-Hoc Committee received a letter of interest from the Garden Highway Mutual Water Company. It was also reported that Western Canal Water District may have interest.

Meeting Reports

None.

Board Structure Concepts

Chair McDaniel provided a proposal (see attachment) to clarify the roles and responsibilities of the Board officers. He stated that the Sites JPA Agreement provides minimal definition and direction as to the duties of the officers, and suggested defined duties and responsibilities for each officer of the Board (Chair, Vice Chair and Secretary/Treasurer).

Chair McDaniel discussed his outline (see attachment) of a proposed governance structure for the Sites JPA that would accommodate additional members, separate the Board into three categories, and set the number of seats on the board according to water supply allotments.

CLOSED SESSION

**Closed Session (Government Code Section 54957) Public Employee Appointment
Title: General Manager**

The Board went into closed session at 4:05 p.m.

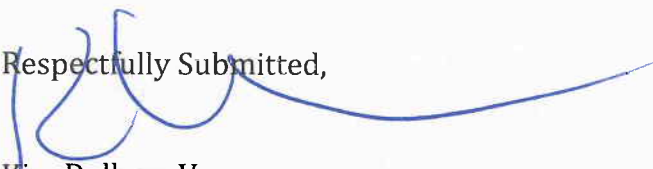
The Board returned to open session at 4:50 p.m.

Chair McDaniel reported that the Board met in Closed Session, pursuant to Government Code Section 54957, during which the Board heard a report and took no action.

A Special Board meeting will be held at 1:30 p.m. on Wednesday, June 17, 2015, at the Westside Water District.

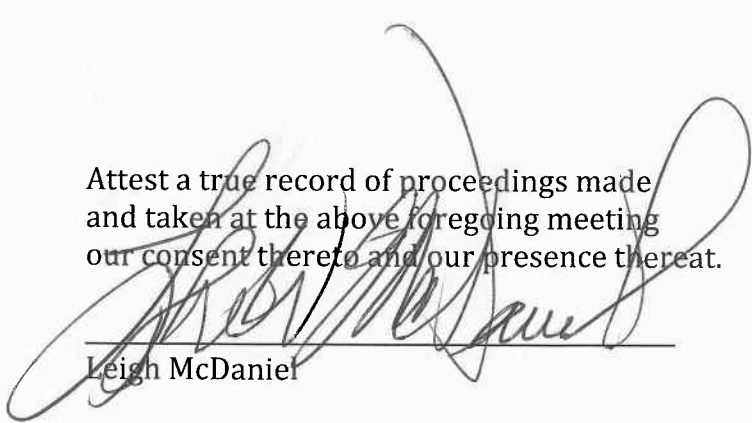
ADJOURNMENT

The meeting adjourned at 4.56 p.m.

Respectfully Submitted,


Kim Dolbow Vann
Secretary to the Board

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



Leigh McDaniel

ATTACHMENT

Item 6 c.

Clarify the roles of the Chair, Vice Chair and Secretary (Treasurer) roles. What are the allowable duties of the officers?

Again the JPA Agreement states the Chair will preside over Board meetings. No other duties are defining in the Agreement. The current Chair recommends the following additions/duties be added to the Agreement to clarify the Chairman duties in Article 3.6.1. Chair's duties will include:

1. Conduct meetings using Roberts Rule of Order
2. Form committees and assign Directors to committees as appropriate.
3. Oversee/prepare agendas with the assistance of the Secretary and Staff.
4. Collaborate closely with the Vice-Chair on all matters of the JPA
5. Call special meetings as needed.

These additions will also apply to the vice chair when the chair is absent.

Add additional clarification the Secretary role in Article 3.6.2.

1. The Secretary shall be responsible for keeping the minutes and will assist the Chair (or Vice-Chair when appropriate) in preparing the agendas for the Directors of the Board. The Secretary may select staff members of JPA Members, as available or provided, to carry out these functions.

Item 7. D. Board Composition

Moving forward and working to add Members to the JPA may ultimately require a larger Board size. This is a major decision and will define the future of the JPA. We should be considering possible scenarios as a decision is imminent.

The Chair suggests one possible concept, based on discussions with fellow Directors and a structure framed using ideas from the TCCA investor group proposal. This is only presented as an item for discussion to stimulate ideas from the Board.

Consider this:

Three type of Board seats using current members as examples:

Foundational Membership

These would be comprised of Agencies involved in the infrastructure of the reservoir.

GCID

TCCA

Colusa County

Glenn County

Maxwell Irrigation District

5 mandatory seats

Water Users Membership

RD 108

Philanthropic or Community Oriented Membership

Yolo County Flood Control

Assume all seats are awarded 20,000 AF of water (or shares) in the project.

Also assume that the political climate dictates Sites will not get a 50% cost share as the state wishes to spread this money about to more candidates for the Prop 1 Bond money. Assume a 40/60 distribution of Prop 1 and private investment is more palatable to the people of the State.

This gives 300,000 AF of water to the private users of the project. It would cap the number of seats on the Board at 15 using the 20,000 AF concept. The Board size could be changed using a different water option block size (30,000 AF from 20,000 AF for example).

Each JPA Member would have 20,000 AF of options of water. They could exercise their option by purchase of the water or contract their water options to others in need of water, or decide to retire from the Board. Non Foundational Members would be required to provide substantial investment dollars.

Using this argument, the Foundational Members would control 33% of the water usage and with RD 108, YCFCD, and the expected TC new members, the majority of control would remain with North State Members, satisfying the North State community. The decision to contract water north or south of Delta would be majority controlled by North State interests.