

SITES JOINT POWERS

AUTHORITY

JIM WATSON, GENERAL MANAGER

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Board of Directors

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FRITZ DURST, RECLAMATION DISTRICT 108, VICE-CHAIR

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JIM JONES, ORLAND ARTOIS WATER DISTRICT

JAMIE TRAYNHAM, WESTSIDE WATER DISTRICT

DAN JONES, TC 8 DISTRICTS

WESTSIDE WATER DISTRICT

5005 HIGHWAY 20

WILLIAMS, CALIFORNIA 95987

September 21, 2015

Minutes

The Sites Joint Powers Authority Board meets in Regular Session this 21st day of September 2015 at the hour of 9:00 a.m. **Directors Present:** Leigh McDaniel, Chair, Don Bransford, Fritz Durst, Kim Dolbow Vann, Mary Kimball, Joe Marsh, Jaime Traynham and Dan Jones. **Directors Absent:** Ken LaGrande, Wade Mathis-Alt. (Tehama-Colusa Canal Authority), Greg Mensik (Maxwell Irrigation Dist.) and Jim Jones (Orland Artois Water Dist.). **Alternate Directors Present:** Rick Richter (Maxwell Irrigation Dist.), Mike Vereschagin (Orland Artois Water Dist.). *(Other Alternate Directors that may be listed as Present below, did not participate in the decision making process/voting)*

Chairman McDaniel calls to order the September 21, 2015 Regular Session at 9:07 a.m., with all Directors present, except LaGrande, Mathis and Mensik. Alternate Directors Richter and Vereschagin are seated. **(Tehama-Colusa Canal Authority was not represented at this meeting)**

Staff Present: Jim Watson, General Manager.
Jim Bond, Bond Tax.
Ann Nordyke, Clerk.

Others Present: Jeff Herrin, AECOM.
Jeff Sutton, TCCA.
Ted Trimble, WCWD.
Scott Brown, LWA.
Jeff Nelson.
Lewis Bair, RD 108.
Juleah M. Cordi, Assemblyman Gallagher's Office.
Shelly Murphy, CCWD.
Oscar Serrano, CICC.
Mary C. Wells, Holb Holzapfel Land owners.
Doug Parker, Westside Water District, Alt. Director.
Dan Ruiz, MID & Westside Water District.
Rick Barnett, Chico resident.
Michael Azevedo, Colusa County Public Works.

Mike Urkov, Investor Districts.
 Emil Cavagnolo, Orland Artois Water District.
 Mary Fahey, Colusa County Ag Department.
 Lisa Hunter, Glenn County.
 Bill Vanderwaal, USBR.

Pledge of Allegiance.

APPROVAL OF AGENDA

It is moved by Director Bransford, seconded by Director Richter to approve the September 21, 2015 Agenda as presented. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

APPROVAL OF MINUTES

It is moved by Director Bransford, seconded by Director Richter to approve the following minutes, with corrections.

August 5, 2015 Regular meeting,
 August 24, 2015 Special meeting,
 September 9, 2015 Special meeting.

Motion Carried by the following vote:

AYES: Directors, McDaniel, Bransford, Durst, Vann, Kimball, Marsh, Traynham, Richter and Jones.

NOES: None.

ABSENT: Director LaGrande and Alt. Director Mathis (Tehama-Colusa Canal Authority).

ABSTAIN: Director Mike Vereschagin-Alt. (Orland Artois Water Dist.).

PERIOD OF PUBLIC COMMENT

Chair McDaniel makes time for Public Comment. Hearing none, Chair McDaniel closes the period of Public Comment.

1. STAFF REPORTS- **Note: 3 minutes allowed per Staff Report.**

Ms. Cordi speaks to an upcoming North State Water Action Forum, to be held Tuesday, September 22, 2015, at the Chico Elks Lodge, No. 423, 1705 Manzanita Ave., Chico. She states Assemblyman James Gallagher, Senator Jim Nielsen, Congressman Doug LaMalfa, & a panel of Northern California Water experts will be there. Brief discussion is held with no action taken.

2. ADMINISTRATION

a. It is moved by Director Traynham, seconded by Director Durst to re-approve a letter of support to the Northern Sacramento Valley IRWM Board and authorize the Chair to sign. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

b. It is moved by Director Durst, seconded by Director Kimball to approve Treasurer's Report. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

c. It is moved by Director Bransford, seconded by Director Richter to approve payment of Claims. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

3. GOVERNANCE

a. Chair McDaniel makes time to consider, upon Member Agency's respective Board's approval of Amendment #2 & Restated Sites Project Authority Joint Exercise of Powers Agreement, authorize their Representative or designated Alternate to sign. (Upon submittal to the Sites Project Authority Clerk, Resolution/Minute Order reflecting approval by respective Board)

Discussion is held, regarding Member Agency's authorization to their respective Representatives to sign the 2nd Restated Sites Project Authority Joint Exercise of Powers Agreement and a Board Order/Minute Order or Resolution reflecting the same.

Following discussion it is the consensus of those Directors present, upon approval from the "Member Agency's", Representatives are to sign the 2nd Restated Agreement and send to Ms. Nordyke, (Clerk) along with a Board Order/Minute Order or Resolution of the Member Agency's action.

b. Chair McDaniel makes time to Consider the formation of an Ad-hoc Governance Committee of no less than three (3) and no more than five (5) Board members to serve on the Committee to work with the General Manager and Legal Counsel, too prepare a recommended set of Bylaws and/or changes to the Joint Exercise of Powers Agreement.

1. Identify top priority topics for the Ad-hoc Governance Committee to address, including those raised in the proposed ground rules for cost management, which was distributed to the Board for comment at the Sept. 9, 2015 Special Board meeting.

Discussion is held regarding items that need to be clarified, policy input, and bylaws.

Following discussion Chair McDaniel appoints Directors Traynham, Vann, Durst, Bransford, Mr. Watson, General Manager and himself to the Ad-hoc Governance Committee.

c. Chair McDaniel makes time to consider delegating authority to execute contract(s) and task order(s) in an amount not to exceed \$500,000.00 of contractual cost, contingent upon the condition Fiscal Year Operating Budget and sufficient funds exist and or executed Letters of Commitment exist to maintain a positive cash flow.

Discussion is held regarding the not to exceed amount, not exceeding the amount budgeted, needing to be project specific, contingent upon the condition of Fiscal Year Operating Budget, delegation being memorialized in the bylaws and clarification of language.

Following discussion it is the consensus of those Directors present to clean up the language and bring back to the October 19, 2015 Regular meeting; with proposed limits to be memorialized in the bylaws.

4. BUDGET COMMITTEE REPORT(S)

a. Chair McDaniel makes time to receive report regarding actions taken to develop Phase 1 Work Plan and Budget.

Ms. Traynham goes over the budget process at length with those Directors present. Lengthy discussion is held, with no action taken.

b. Chair McDaniel makes time to consider approving proposed method of cost allocation to apply for Phase 1, which consolidates the cost center into two (2) accounts as follows:

- Day-to-day operation of the Sites Project Authority plus regional support cost center and
- Water, operations, and renewable power capital cost centers.

Brief discussion is held, with those Directors present, agreeing the proposed method of cost allocation to apply for Phase I to be satisfactory.

c. It is moved by Director Traynham, seconded by Director Durst to approve FY 2015 operating budget & budget targets for FY 2016, FY 2017, & Phase 1 contingent upon either (a) sufficient funds in the bank account that exceed the proposed amount of uncommitted dollars to be spent in FY 2015 and/or (b) executed letters of commitment by sufficient member agencies that exceed the proposed amount of uncommitted dollars to be spent in FY 2015. Contingent upon Grant Management being moved to Water Operation. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

d. Chair McDaniel makes time to consider approving proposed in-kind services that will be provided by respective Member Agencies, but for Phase 1 will not be used as in-lieu of financial commitments; however will be used to track effort (i.e. labor hours) contributing to the total effort to implement the Sites Reservoir Project.

Discussion is held regarding a number of Member Agency's having committed services, Prop 1 grant and in-kind services.

Following discussion it is the consensus of those Directors present, that Member Agency's in-kind services will not be used as in-lieu for financial commitments, but should be tracked for Prop 1 purposes.

Chairman McDaniel declares a recess at 10:34 a.m. and reconvenes at 10:45 a.m. with all Directors present except Directors LaGrande, Mathis and Mensik. Alternate Directors Richter and Vereschagin are seated. **(Tehama-Colusa Canal Authority is not represented at this meeting)**

Staff Present: Jim Watson, General Manager.
 Jim Bond, Bond Tax.
 Ann Nordyke, Clerk.

Others Present: Jeff Herrin, AECOM.
Jeff Sutton, TCCA.
Ted Trimble, WCWD.
Scott Brown, LWA.
Jeff Nelson.
Lewis Bair, RD 108.
Juleah M. Cordi, Assemblyman Gallagher's Office.
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Emil Cavagnolo, Orland Artois Water District.
Mary Fahey, Colusa County Ag Department.
Lisa Hunter, Glenn County.
Bill Vanderwaal, USBR.

5. MEMBER AGENCY FUNDING COMMITMENTS

a. Chair McDaniel makes time to consider approving the issuance of the draft letter agreements to each of the Member Agencies memorializing the following:

For Phase 1;

1. Commit to annually fund their share of cost for the continued operation of the Sites Project Authority (and regional economic cost center) and
2. Those Member Agencies interested in acquiring water from the Sites Reservoir Project, to commit to annually fund their pro-rata share of the cost to prepare a grant proposal to the CA Water Commission under Proposition 1, Chapter 8 (i.e. effort associated with the Water, Operations, and Renewable Power cost centers, respectively). This approval should be conditioned upon Board's approval of the following
 - o Amendment #2,
 - o Phase 1 Work Plan and FY 2015 Operating Budget (refer to Agenda Item 4 Budget Committee), and
 - o Sufficient funds exist and/or executed letters of commitment exist to maintain a positive cash flow.

Mr. Watson states the letter has been updated, Attachment 1 is the Budget, Attachment 2 is where the Member Agency chooses their level of participation and Attachment 3 is the Funding Agreement. Discussion is held, with no action taken.

(b) Chair McDaniel makes time to consider requesting each Member Agency to execute the Letter of Agreement on or before October 1, 2015 and make payment to the Sites Project Authority, of the Member Agencies share of the cost for FY 2015, as identified in the letter, no later than October 15, 2015.

Discussion is held regarding time lines and meeting dates of Member Agency's not aligning with the proposed dates.

Following discussion, direction is given to Mr. Watson; General Manager to move forward with the requests of Member Agency's to execute the Letter of Agreement.

6. SITES PROJECT AUTHORITY CONTRACTS

a. It is moved by Director Durst, seconded by Director Bransford to approve a contract between the Sites Project Authority and **AECOM**, for Sub-Phase 1 (Tasks #1, 2, 3), as SPA's Task Order #1, and approve Scope and Budget contingent upon approval of the FY 2015 Operating Budget and sufficient funds exist and/or executed Letters of Commitment exist to maintain a positive cash flow, in an amount not to exceed \$47,357.00, effective September 31, 2015, and authorize the General Manager to sign on behalf of the Sites Project Authority. Motion carried: All yes. Absent: Director Ken LaGrande and Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

b. It is moved by Director Durst, seconded by Director Bransford to approve a contract between the Sites Project Authority and CH2M, for Tasks #1,2 3, 4, 5.1 & 6.1, as SPA's Task Order #1, and approve Scope and Budget contingent upon approval of FY 2015 Operating Budget and sufficient funds exist and/or executed Letters of Commitment exist to maintain a positive cash flow, in an amount not to exceed \$485,458.00, effective September 31, 2015, and authorize the General Manager to sign on behalf of the Sites Project Authority. Motion carried: All yes. Absent: Director Ken LaGrande, Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

c. Sole Source Justification to perform a GIS Assessment

It is moved by Director Durst, seconded by Director Richter to approve a contract between the Sites Joint Powers Authority and **Black & Veatch** (A sole source justification contract) for the sole purpose of assessing the Geospatial Information System (GIS) used by DWR and to be provided to the Sites Project Authority meets industry standards. The scope would also include recommendations of improvements needed to bring this work up to industry standards and since this is a rapidly evolving technology, how best the Sites Project Authority should maintain and manage the data for the expected life of the Sites Reservoir Project. Motion carried: All yes. Absent: Director Ken LaGrande, Alt. Director Wade Mathis (Tehama-Colusa Canal Authority).

7. MANAGERS REPORT

Mr. Watson reports on the following items:

- o Manager's meeting
- o CA Water Commission
- o ACWA Storage Investigation Workgroup
- o Outreach/Engagement

Chair McDaniel adjourned the meeting at 11:43 a.m. to reconvene in Regular Session on October 19, 2015 at Glenn Colusa Irrigation District, located at 344 East Laurel Street, Willows at the hour of 9:00 a.m.

Respectfully submitted:

Leigh McDaniell, Chair

Kim Dolbw Vann, Secretary to the Board