

Meeting: **Phase 1 Reservoir Project Agreement**

**2018 June 21**

Subject: **Reservoir Committee Meeting**

**2:00 PM – 4:30 PM**

Location: Tsakopoulos Library Galleria (West Meeting Room)  
828 I Street, Sacramento, CA 95814

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)

## **MEETING MINUTES**

### **ROLL CALL & QUORUM:**

Roll was called (see Attachment A), which resulted in 27 eligible representatives. This equated to 79.9% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee. By 2:15 p.m., additional members joined (American Canyon), bringing the participation percentage to 82.2%. Voting members present after 3:30 p.m. 74.1% (Coachella Valley WD & Desert WA) and voting members present after 4:00 p.m. 69.6% (Zone 7 WA).

**ATTENDANCE:** See Attachment B.

### **CALL TO ORDER:**

Chairman Bettner called the meeting to order at 2:00 p.m., followed by the Pledge of Allegiance.

### **INTRODUCTIONS:**

The Sites Reservoir Committee members and staff introduce themselves.

### **AGENDA APPROVAL:**

It was motioned by Traynham and seconded by Vanderwaal to approve the June 21, 2018 Agenda. Motion approved unanimously.

### **MEETING MINUTES APPROVAL:**

It was motioned by Vanderwaal and seconded by Traynham to approve the May 18, 2018 Reservoir Committee Meeting Minutes, as corrected. Motion approved unanimously.

### **PERIOD FOR PUBLIC COMMENT:**

None.

#### **1. Chairpersons' Report:**

Bettner & Headrick

1.1 None.

#### **2. Manager's Report:**

Watson

Action items serve as meeting minutes

Status: Issued for Use

Version: A

Purpose: Informational

Date: 2018 June 18

Participation by phone is not counted

Caveat 1 Subject to change

Ref/File #:

in quorum or voting.

Caveat 2

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

General Manager Watson updates the Committee regarding activities during the month of May 2018 as follows:

- Moving forward on financing as well as contracting in procurement process
- Participation Agreement on Phase 2
- Document distribution standard (**See Attachment 2-1A for specifics**)

- 2.2 Report on status of Prop 1 WSIP application and WIIN Act funding (**Attachment 2-2A**).

General Manager Watson updates the Committee regarding the Prop 1 WSIP application. Lengthy discussion is held. (**See Agenda Attachment 2-2B for specific matters discussed**)

General Manager Watson updates the Committee regarding the WIIN Act funding. He states at the June 18 Authority meeting the Board authorized the Chair to send a letter to the Bureau of Reclamation requesting they adopt Alternative D as their proposed project and briefly speaks to same. He states Reclamation is also collecting applications for new WIIN Act funding and speaks to same, noting one of the requirements is to submit a letter from the Governor regarding same.

- 2.3 Report on submittal of an application for the USDA Rural Development Community Facilities Loan Program and consider making a recommendation to the Authority they submit the loan application by July 31, 2018.

General Manager Watson speaks in support of making a recommendation to the Authority to submit an application for the USDA Rural Development Community Facilities Loan Program by July 31, 2018. Discussion is held.

**Action:** It was motioned by Hartwig and seconded by Traynham to recommend to the Site Project Authority Board to submit an application for the USDA Rural Development Community Facilities Loan Program by July 31, 2018 on the condition the Reservoir Committee's Ad Hoc Finance and Economics Work Group has reviewed the key documents and this Work Group's concerns have been satisfactorily addressed. The motion was approved unanimously.

- 2.4 Report on a technical assistance grant application from the U.S. Department of Energy for pumped-storage hydropower programs, letters of support from participants in the Reservoir Committee and other stakeholders and consider approval to submit by July 12, 2018.

General Manager Watson speaks in support of submitting a technical assistance grant application to the U.S. Department of Energy for pumped-storage hydropower programs. (**See Agenda Attachment 2-4A for specifics**)

**Action:** It was motioned by Vanderwaal and seconded by Headrick to recommend to the Sites Project Authority Board to submit a technical assistance grant application to the U.S. Department of Energy for pumped-storage hydropower programs by July 12, 2018 and to obtain letters of support from participants and other stakeholders. The motion was approved unanimously.

- 2.5 Report on the June 18, 2018 Sites Project Authority Board of Directors Meeting (**Attachment 2-5A**).

General Manager Watson reports on actions taken by the Authority Board at their June 18, 2018 meeting as follows:

- Sites Project Authority's Treasurer position
- Ad Hoc Committee investigate options regarding Sites Project Authority Employer status
- Alternative D option
- Submittal of DOE technical assistance grant application
- Submittal of USDA Rural Development Community Facilities Loan program application
- Treasurer's Report and Claims approved
- Withdrawal of CICC's application for membership to the Authority Board
- Letter of support to amend the Water Resource Development Act (WRDA) of 2018

- 2.6 Discussion and possible direction to staff regarding the updated Phase 1 completion Schedule (**Attachment 2-6A**).

General Manager Watson updates the Committee on activities needed to be completed by the end of Phase 1, currently December 31, 2018. He speaks to the "Working Draft Phase 1 Completion Schedule". Lengthy discussion is held, with no action taken at this time. (**See Agenda Attachment 2-6A for specific matters discussed**)

General Watson also states there will be 2 Workshops held in July, July 9, 2018 for the Authority and July 10, 2018 for the Reservoir Committee and encourages everyone to attend. Brief discussion is held.

**3. Ad Hoc Finance & Economics Work Group:** Traynham

- 3.1 Review Payment of Claims and Treasurer's Report and consider recommending approval to the Authority Board (**Attachments 3-1A, B, and C**).

**Action:** It was motioned by Kunde and seconded by James to recommend approval of payment of Claims and acceptance of the Treasurer's Report to the Authority Board. The motioned was approved unanimously.

- 3.2 Report on Work Group's activities to develop the Phase 2 Work Plan, provide direction to staff, and consider including an approved plan as an exhibit to the Phase 2 Participation Agreement.

General Manager Watson reports on the activities conducted to develop a Phase 2 Work Plan which will be used as the basis for the interim financing plan and the fiscal year 2019 budget. Brief discussion is held, with no action taken at this time.

- 3.3 Report on Work Group's activities to develop the Phase 2 Interim and long-term Financing Plan and provide direction to staff.

Mr. Montague provides an overview of the development of the Phase 2 Interim and long-term Financing Plan and speaks to preparation of the enterprise model, components of same, model becoming a part of the Interim Lender RFPs, timelines for

response from Interim Lenders and selection of a recommended Lender, documenting process and approval of agreement. Discussion is held with no action taken at this time.

- 3.4 Report on the Work Group’s activities to develop the Phase 2 Participation Agreements, provide direction to staff, and consider (1) including an approved Phase 2 Work Plan as an exhibit to the Phase 2 Participation Agreement and (2) if the step-up provision should be based on a select set of signatories or to all signatories.

General Manager Watson states there are 2 items that need action by the Committee as follows: (1) including an approved Phase 2 Work Plan as an exhibit to the Phase 2 Participation Agreement and (2) if the step-up provision should be based on a select set of signatories or to all signatories.

Mr. Brown reports on the Work Group’s activities to develop the Phase 2 Participation Agreements and speaks to deletions and/or additions to the provisions of the Agreement and by-laws. Lengthy discussion is held regarding step-up provisions, default of participants, costs and repayment obligations.

**Action 1:** It was motioned by Arnold and seconded by Vanderwaal to include an approved Summary of the Phase 2 Work Plan as an exhibit to the Phase 2 Participation Agreement. The motion was approved unanimously.

**Action 2:** It was motioned by Traynham and seconded by Hardwick to include all participants/signatories (working assumption) in the step-up provision. The motion was approved unanimously.

- 3.5 Report on Work Group’s activities to develop the Phase 2 Cost Development Model (and associated Credit Reimbursement Policy) as an input to the Rebalancing Process and provide direction to staff.

Mr. Scott Brown provides an overview on activities to develop the Phase 2 Cost Development Model (and associated Credit Reimbursement Policy). Brief discussion is held regarding the Rebalancing Process and class 1 and 2 water, with no action taken at this time.

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 Report on Work Group’s activities regarding Phase 2 procurement and provide direction to staff.

**Reservoir Committee Meeting**

**2018 June 21**

General Manager Watson speaks to the Phase 2 procurement. Brief discussion is held regarding bidder/proposal process, interview process and involvement of entire Committee Members for same.

- 7. Ad Hoc Siting Work Group:** Azevedo  
No Report.
- 8. Ad Hoc Risk Management Work Group:** Vanderwaal  
No Report.
- 9. Recap & Adjourn** Bettner/Headrick

- 9.1 Agenda topics for next meeting?
- July 9, 2018 Authority Workshop
  - July 10, 2018 Reservoir Committee Workshop, Sacramento, CA

- 9.2 Upcoming Reservoir Committee meetings:


Sites Reservoir Committee Meeting


**July 10, 2018 9:30 AM – 12:00 Noon**  
Tsakopoulos Library Galleria (West Meeting Room)  
828 I Street, Sacramento, CA 95814

**July 20, 2018 9:30 AM – 12:00 Noon**  
Maxwell Project Office  
122 Old Highway 99 West  
Maxwell, CA 95955-0517

**ADJOURN**

Meeting adjourned at 4:32 p.m.

  
Chairperson  
Thad Bettner

  
General Manager  
Jim Watson

Topic: **Sites Reservoir Project, Phase 1**

**2018 Jun 21**

Subject: **Reservoir Committee Meeting**

**2:00 – 4:30 PM**

### **Attachment A to Meeting Minutes**

#### **Current Voting Committee Participants (27):**

<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>	<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>
<input type="checkbox"/>	1.93	4M Water District	<input checked="" type="checkbox"/>	4.96	Metropolitan WD
<input checked="" type="checkbox"/>	2.31	American Canyon, City	<input checked="" type="checkbox"/>	5.15	Orland-Artois WD
<input checked="" type="checkbox"/>	2.11	Antelope Valley-East Kern WA	<b>P</b>	3.10	Pacific Resources MWC (2)
<input checked="" type="checkbox"/>	4.03	Cal Water Service	<input type="checkbox"/>	2.35	Proberta WD
<input type="checkbox"/>	1.91	Carter MWC	<input checked="" type="checkbox"/>	5.15	Reclamation District 108
<input checked="" type="checkbox"/>	5.32	Coachella Valley WD	<input checked="" type="checkbox"/>	7.78	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	3.50	Colusa County	<input checked="" type="checkbox"/>	3.69	San Geronio Pass WA
<input type="checkbox"/>	7.14	Colusa Co. WD	<input checked="" type="checkbox"/>	5.00	Santa Clara Valley WD
<input type="checkbox"/>	1.90	Cortina WD	<input checked="" type="checkbox"/>	2.51	Santa Clarita Valley WA
<input checked="" type="checkbox"/>	2.18	Davis WD	<input checked="" type="checkbox"/>	2.43	Western Canal WD (1)
<input checked="" type="checkbox"/>	0.00	Department of Water Resources	<input checked="" type="checkbox"/>	5.97	Westside WD
<input checked="" type="checkbox"/>	2.70	Desert WA	<input checked="" type="checkbox"/>	4.47	Wheeler Ridge-Maricopa WSD
<input type="checkbox"/>	2.68	Dunnigan WD	<input checked="" type="checkbox"/>	0.00	US Bureau of Reclamation
<input checked="" type="checkbox"/>	2.10	Garden Highway MWC	<input checked="" type="checkbox"/>	4.47	Zone 7 WA
<input checked="" type="checkbox"/>	5.15	Glenn-Colusa ID			

20. Voting members present at Meeting start (See Note 1)  
79.9 % Participation percentage in attendance

**21. Voting members present at 2:15 pm (American Canyon)**

**82.2 % Participation percentage in attendance**

19. Voting members present after 3:30 pm 74.1 % Percentage  
in Attendance (Coachella Valley WD & Desert WA)

18. Voting members present after 4:00 pm 69.6 % Percentage  
in Attendance (Zone 7 WA)

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

Status: Meeting Record

Version: 0

Purpose:

Date: 2017 Jun 24

Caveat 1

Ref/File #: 12.221-210.018

Caveat 2

Subject to revision

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