

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
Participation by phone is not counted
in quorum or voting.

Status: Issued for Use
Purpose: Informational
Caveat 1 Subject to change
Caveat 2

Version: A
Date: 2018 June 18
Ref/File #:
Page: 1 of 5

- 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.

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

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	P	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 Gorgonio 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.

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

Representation has been delegated as follows:

- (1) To Jon Munger, Garden Hwy WMC
- (2) To Rob Kunde, WRM-WSD

Attachment B to Meeting Minutes - Attendance

Current Voting Reservoir Committee Participants (27):

<i>Participant</i>	<input checked="" type="checkbox"/>	<i>Representative</i>	<input checked="" type="checkbox"/>	<i>Alternate</i>	<i>Others</i>
4M Water District	<input type="checkbox"/>	Wade Mathis	<input type="checkbox"/>		
American Canyon, City	<input type="checkbox"/>	Steve Hartwig	<input type="checkbox"/>	Jason Holley	
AVEK WA	<input type="checkbox"/>	Dwayne Chisam	<input checked="" type="checkbox"/>	Dan Flory	
Cal Water Service	<input type="checkbox"/>	Mike Hurley	<input type="checkbox"/>	Rob Kuta	
			<input checked="" type="checkbox"/>	Dan Flory	
Carter MWC	<input type="checkbox"/>	Ben Carter	<input type="checkbox"/>		
Coachella Valley WD	<input checked="" type="checkbox"/>	Robert Cheng	<input checked="" type="checkbox"/>	Ivory Reyburn	
			<input type="checkbox"/>	Dan Charlton	
Colusa County.	<input checked="" type="checkbox"/>	Mike Azevedo	<input type="checkbox"/>	Gary Evans	
Colusa Co. WD	<input type="checkbox"/>	Shelley Murphy	<input type="checkbox"/>	Joe Marsh	
Cortina WD	<input type="checkbox"/>	Jim Peterson	<input type="checkbox"/>	Chuck Grimmer	
Davis WD	<input checked="" type="checkbox"/>	Jamie Traynham	<input type="checkbox"/>	Tom Charter	
Desert WA	<input checked="" type="checkbox"/>	Mark Krause	<input checked="" type="checkbox"/>	Steve Johnson	
Dunnigan WD	<input type="checkbox"/>	Donita Hendrix	<input type="checkbox"/>		
Garden Highway MWC	<input type="checkbox"/>	Nicole Van Vleck	<input checked="" type="checkbox"/>	Jon Munger	
Glenn-Colusa ID	<input checked="" type="checkbox"/>	Thad Bettner	<input type="checkbox"/>	Don Bransford	
Metropolitan WD	<input checked="" type="checkbox"/>	Randall Neudeck	<input type="checkbox"/>	Arlene Arita	<input type="checkbox"/> Chuching Wang
Orland-Artois WD	<input type="checkbox"/>	John Erickson	<input checked="" type="checkbox"/>	Emil Cavagnolo	
Pacific Resources MWC	<input type="checkbox"/>	Preston Brittian	<input type="checkbox"/>		
Proberta WD	<input type="checkbox"/>	Dan Jones	<input type="checkbox"/>		
RD 108	<input type="checkbox"/>	Bill Vanderwaal	<input type="checkbox"/>		
San Bernardino V MWD	<input checked="" type="checkbox"/>	Doug Headrick	<input checked="" type="checkbox"/>	Bob Tincher	

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

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
San Geronio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input type="checkbox"/>	
Santa Clara Valley WD	<input type="checkbox"/> Cindy Kao	<input checked="" type="checkbox"/> Brad Arnold	<input checked="" type="checkbox"/> Eric Leitterman
Santa Clarita Valley Water Agency	<input type="checkbox"/> Dirk Marks	<input type="checkbox"/> Rick Viergutz	
Western Canal WD	<input type="checkbox"/> Ted Trimble	<input type="checkbox"/> Greg Johnson	
Westside WD	<input checked="" type="checkbox"/> Allan Myers	<input type="checkbox"/> Dan Ruiz <input type="checkbox"/> Blake Vann	
Wheeler Ridge-Maricopa	<input checked="" type="checkbox"/> Rob Kunde	<input type="checkbox"/>	
Zone 7 WA	<input checked="" type="checkbox"/> Amparo Flores	<input type="checkbox"/> Carol Mahoney <input type="checkbox"/> Jarnail Chahal	

Non-Voting Committee Participants (2):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative/Other</i>	<input checked="" type="checkbox"/> <i>Alternate/Other</i>	
Dept of Water Resources	<input checked="" type="checkbox"/> Rob Cooke	<input type="checkbox"/> David Sandino	
	<input type="checkbox"/> Ajay Goyal	<input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh	<input type="checkbox"/> Don Bader	
	<input type="checkbox"/> David Van Rijn	<input checked="" type="checkbox"/> Mike Dietl	<input type="checkbox"/> John Menniti
	<input type="checkbox"/> Shana Kaplan	<input type="checkbox"/> Mike Mosley	<input type="checkbox"/>

Pending Reservoir Committee Participants (1):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
LaGrande WD	<input type="checkbox"/> Matt LaGrande	<input type="checkbox"/> Zachary Dennis

Authority, Non-Signatory (7):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
Glenn County	<input type="checkbox"/> John Viegas	<input type="checkbox"/>
Maxwell ID	<input type="checkbox"/> Mary Wells	<input type="checkbox"/>
PCWA	<input type="checkbox"/> Ed Horton	<input type="checkbox"/> Ben Barker <input type="checkbox"/> Darin Reintjes
Roseville	<input type="checkbox"/> Sean Bigley	<input type="checkbox"/>
Sacramento, City of	<input type="checkbox"/> Jim Peifer	<input type="checkbox"/> Dan Sherry
Sacramento County WA	<input type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson
Tehama-Colusa Canal Authority	<input type="checkbox"/> Jeff Sutton	<input type="checkbox"/>

Staff & Consultants:

<input checked="" type="checkbox"/>	Name	Representing
<input type="checkbox"/>	Barbieri, Janet	JB Comm
<input type="checkbox"/>	Barnes, Joe	AECOM
<input checked="" type="checkbox"/>	Brown, Doug	Stradling
<input checked="" type="checkbox"/>	Brown, Scott	LWA
<input type="checkbox"/>	Bruner, Marc	Perkins Coie
<input type="checkbox"/>	Conant, Ernest	Young Wooldridge
<input type="checkbox"/>	Davis, Kim	Sites Project Authority
<input type="checkbox"/>	Herrin, Jeff	AECOM
<input type="checkbox"/>	Johns, Jerry	Johns
<input type="checkbox"/>	Kuney, Scott	Young Wooldridge
<input checked="" type="checkbox"/>	Montague, Doug	Montague DeRose Assoc.

<input checked="" type="checkbox"/>	Name	Representing
<input type="checkbox"/>	Oliver, Mark	Ch2m
<input type="checkbox"/>	Nicholas, Rebeca	Nicholas Communications
<input checked="" type="checkbox"/>	Spesert, Kevin	Sites Project Authority
<input checked="" type="checkbox"/>	Tirado, Yolanda	Sites Project Authority
<input checked="" type="checkbox"/>	Thomson, Rob	Sites Project Authority
<input checked="" type="checkbox"/>	Trapasso, Joe	Sites Project Authority
<input type="checkbox"/>	Tull, Rob	Ch2m
<input type="checkbox"/>	Van Camp, Marc	MBK
<input checked="" type="checkbox"/>	Watson, Jim	Sites Project Authority
<input type="checkbox"/>		
<input type="checkbox"/>		

Other Attendees: *(Check box to have email address added to the distribution list)*

Name	Representing	Contact (Phone & E-mail)
Ralph Eberts	CDM Smith	<input type="checkbox"/>
Clint Reherrmann	Parsons	<input type="checkbox"/>
Steve Sanders	Sage Eng.	<input type="checkbox"/>
Matt Weil	GEI Consultants	<input type="checkbox"/>
Alex Vdovichanko	DWR	<input type="checkbox"/>
Grace Lui	Fugro	<input type="checkbox"/>
Nancy Walker	Kleinfelder	<input type="checkbox"/>
Mike Forrest	AECOM	<input type="checkbox"/>
Jeff Herrin	AECOM	<input type="checkbox"/>
Monique Briard	ICF	<input type="checkbox"/>
Brian Bullock	Psomas	<input type="checkbox"/>
Ted Hopkins	Shannon & Wilson	<input type="checkbox"/>
Mark Shafer	Granite	<input type="checkbox"/>
		<input type="checkbox"/>

Other Attendees: *(Check box to have email address added to the distribution list)*

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone & E-mail)</i>
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