

SITES PROJECT AUTHORITY

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Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
GRAY ALLEN, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
DON BRANSFORD, GLENN-COLUSA IRRIGATION DISTRICT
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
JIM JONES, ORLAND ARTOIS WATER DISTRICT
VACANT, TC 4 DISTRICTS/PROBERTA WATER DISTRICT
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, CA DEPARTMENT OF WATER RESOURCES (EX-OFFICIO NON-VOTING)

Associate Member (NON-VOTING)
MARY WELLS, MAXWELL IRRIGATION DISTRICT

September 17, 2018, 1:30 p.m.

Sites Project Authority

Minutes

The Sites Project Authority Board of Directors met in Regular Session on September 17, 2018 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chair, Gary Allen, Jeff Sutton, Don Bransford, Jim Jones, Greg Johnson, Jeff Harris, Gary Evans, Doug Parker, Zachary Dennis. **Directors Absent:** Leigh McDaniel, Joe Marsh, Wade Mathis. **Alternate Directors Present:** Shelly Murphy, Colusa County Water District, Bill Busath, City of Sacramento/Sacramento County Water Agency, Logan Dennis, Glen Colusa Irrigation District. **Alternate Directors Absent:** Michael Azevedo, Colusa County.

Staff present: Jim Watson, General Manager.
Ernest Conant, Counsel.
Kevin Spesert, Joe Trapasso, Rob Thomson, Sites Project Authority.
Jamie Traynham, Treasurer.
Yolanda Tirado, Clerk.

Others present: Laura Nicholson, Krysta Wanner, Senator Nielsen's Office.
Oscar Serrano, CICC.
Charlene Vaughn, KCOE Isom.
Emil Cavagnalo, OAWD.
Scott Brown, LWA.
Juleah Cordi, Assemblyman Gallagher's Office.
Linc To, HDR.
Ed Horton, PCWA.
Nadine Bailey, Richard Miller, FWA.

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

It was moved by Director Johnson, seconded by Director Harris to approve the September 17, 2018 Sites Project Authority Agenda. Motion carried: All Directors present voted yes.

Chairman Durst called for approval of the August 20, 2018 Sites Project Authority Minutes.

Director Jones requests clarification as to why the approval of the Bylaws are on the August 20, 2018 Authority Minutes and on the September 17, 2018 Authority Agenda. Brief discussion followed.

MINUTES APPROVAL:

It was approved by Director Allen, seconded by Director Bransford to approve the August 20, 2018 Sites Project Authority Minutes, as presented. Motion carried: All Directors present voted yes, with the exception of Director Sutton who abstained.

PERIOD OF PUBLIC COMMENT:

Chairman Durst called for public comment. Hearing none, he closed the period of public comment.

1. BOARD MEMBER REPORTS: (No action will be taken)

Director Harris briefly spoke to a conference he attended in China regarding water sustainability.

2. CHAIRPERSON'S REPORT:

None.

3. MANAGER'S REPORT:**3.1 Discussion and possible direction to staff regarding the General Manager's Monthly Status Report. (*Attachment 3-1A*)**

Mr. Watson provided an overview of the activities conducted during the month of August 2018 as follows:

Program Management & Administration

Formally extended end of Phase 1 to February 28, 2019,

Phase 2 Reservoir Project Agreement, one-on-one meetings

And approved Credit Reimbursement Policy,

Finance Plan,

Addressing comments on the USDA loan application,

Phase 2 Services: continue to refine the selection process and prepare the RFQ to enable consultants to submit their qualifications and other

information in nine different service areas,
Bank Credit Facility RFP: continue to finalize the Bank Credit Facility Request for Proposals,
Continued coordination activities with Reclamation,
Continued coordination activities in Engagement & Outreach,
Conducted site tours for DOI/USBR staff, California Congressional delegation staff and the USDA Rural Development Administrator and staff.

- 3.2 Discussion and possible direction to staff regarding Proposition 1 WSIP application activities.

Mr. Watson provided an overview of the Proposition 1 WSIP application activities. Brief discussion followed regarding applicants unable to meet criteria for funds and what happens to the funds originally awarded to applicants/projects, early funding agreement, and continued work on Work Plan. No action was taken.

- 3.3 Discussion and possible direction to staff on ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding.

Mr. Watson provided an overview of continued activities and coordination with Reclamation and efforts to secure WIIN Act Funding. Discussion followed regarding rebalancing process and cost estimates, and hydropower potential. No action was taken.

Mr. Watson also spoke to a letter dated September 4, 2018 received from Senator Feinstein addressed to Reclamation Commissioner Burman and her support of the Sites Reservoir Project and for additional funding under the WIIN Act. Discussion followed with no action taken.

- 3.4 Discussion and possible direction to staff regarding status of the USDA Rural Development Community Facilities Loan application.

Mr. Watson provided an overview as to the status of the USDA Rural Development Community Facilities Loan application for the Maxwell Water intertie project. Brief discussion followed with no action taken.

- 3.5 Discussion and possible direction staff regarding the Phase 2 procurement activities.

Mr. Trapasso provided an overview of the Project Development Support Services RFQ and spoke to the procurement schedule and selection process. Discussion followed with no action taken.

4. 2018 FINANCE & BUDGET AD HOC COMMITTEE:

- 4.1 Consider acceptance of the Treasurer's Report. (**Attachment 4-1A**)

Action: It was moved by Director Jones, seconded by Director Bransford to accept the Treasurer's Report as presented. Motion carried: All Directors present voted yes.

4.2 Consider approval of the Payment of Claims. (**Attachment 4-2A, B, & C**)

Action: It was moved by Director Harris, seconded by Director Sutton to approve Payment of Claims as presented. Motion carried: All Directors present voted yes.

5. PHASE 1 RESERVOIR COMMITTEE:

5.1 Discussion and possible direction to staff on activities regarding the Phase 2 Project Agreement.

Mr. Watson stated the Reservoir Committee has not met this month yet, so no update is available at this time. He noted the Reservoir Committee will meet on Friday, September 21. He spoke to the 2019 proposed schedule for the Reservoir Committee and the Authority Board and noted this would allow the Authority Board to meet after the Reservoir Committee.

Mr. Brown provided an overview of activities regarding the Phase 2 Project Agreement and stated the goal is to have the final document completed by October 1, 2018.

5.2 Discussion and possible direction to staff on activities regarding the Phase 2 Interim Financing Plan.

Mr. Watson provided an overview of the activities regarding the Phase 2 Interim Financing Plan. Discussion followed regarding repayment options, levels of participation, documents required to Lenders and opt out options, with no action taken.

6. PHASE 1 MEMBERSHIP & GOVERNANCE AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of participation in the Authority and/or Reservoir Committee.

6.1 Consider approval of the revised Sites Project Authority Bylaws. (**Attachment 6-1A**)

Action: It was moved by Director Evans, seconded by Director Allen to approve the revised Sites Project Authority Bylaws. Motion carried as follows:

AYES: Directors Durst, Allen, Evans, Bransford, Sutton, Parker, Jones, Dennis, Johnson, Harris, and Alternate Director Murphy.

NOES: None.

ABSENT: Director McDaniel.

- 6.2 Discussion and possible direction to staff regarding the Orland Artois Water Districts' request to withdraw from the Sites Project Authority Board of Directors. (**Attachment 6-2A**)

Action: It was moved by Director Sutton, seconded by Director Evans to accept the Orland Artois Water Districts' request to withdraw from the Sites Project Authority Board of Directors, effective November 20, 2018, and further, approved a refund in the amount of \$4,285.00 in Membership Fees to OAWD. Motion carried: All Directors present voted yes.

7. PHASE 1 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

Discussion and possible direction to staff regarding the status of federal and state legislative activities and the Project's public outreach efforts.

Director Sutton provided an update on the status of federal and state legislative activities.

- 7.1 Report on the Landowner/Community meeting held on September 5, 2018 (**Attachment 7-1A & B**)

Mr. Watson reported on the Landowner/Community meeting held on September 5, 2018 and stated about two dozen landowners attended the meeting with lots of good questions and discussion of what needed from them. He stated these meetings will continue to be held on a quarterly basis.

- 7.2 Presentation from Family Water Alliance on the Sites History Project.

Mr. Miller and Ms. Bailey provided an update on the activities and history of the founder, John Sites, of the town of Sites.

8. PHASE 1 LAND USE AD HOC COMMITTEE:

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.

Director Evans stated there was nothing to report.

9. PHASE 1 COORDINATION COMMITTEES:

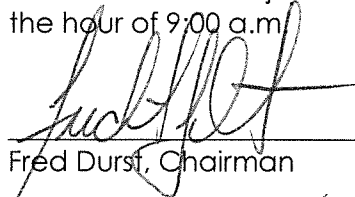
Discussion and possible direction to staff regarding the status of engagement and outreach efforts related to the following areas:

- o Tribal Officials

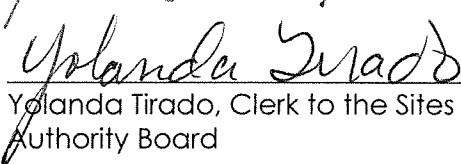
None.

- o Landowner and Community Interests
None.
- o Environmental Interests
Director Bransford provided an overview regarding activities in environmental interests.
- o Business & Labor Interests
None.

Chairman Durst adjourned the meeting at 3:38 p.m. to reconvene on October 22, 2018 at the hour of 9:00 a.m.



Fred Durst, Chairman



Yolanda Tirado, Clerk to the Sites Project
Authority Board