

**SITES PROJECT JOINT POWERS AUTHORITY
SPECIAL MEETING MINUTES
September 9, 2015**

Chair McDaniel called the Special Meeting of the Sites Joint Powers Authority to order at 9:10 a.m. at the Westside Water District, 5005 Highway 20, Williams, California 95987.

Directors Present: Leigh McDaniel, County of Glenn, (Chair)
Don Bransford, Glenn-Colusa Irrigation District
(GCID)
Fritz Durst, Reclamation District 108 (RD 108)
~~Ken LaGrande, Tehama Colusa Canal Authority
(TCCA), **Absent.**~~
Kim Dolbow Vann, Director-County of Colusa,
~~Greg Mensik, Maxwell Irrigation District, **Absent.**~~
Joe Marsh, Director-Colusa County Water
District,
Jim Jones, Director-Orland Artois Water District,
~~Mary Kimball, Yolo County Flood Control & WCD, **Absent**~~
Jamie Traynham, Director-Westside Water District.

Alternates Present: Gary Evans, County of Colusa,
Jeff Sutton, Tehama Colusa Canal Authority
(TCCA), **Not an Alternate, should be listed
under "Others Present".**
Rick Richter, Alternate-Maxwell Irrigation
District (MID).
Tim O'Halloran, Alternate-Yolo County Flood
Control & WCD. arrived @ 10:10

Absent: Ken LaGrande, Director-Wade Mathis, Alternate-
Tehama-Colusa Canal Authority,
Dan Jones, Director-TC 8 District,
Sean Doherty, Trustee-RD 108,
Sandy Denn, Director-Glenn-Colusa ID,
John Viegas, Alternate-Glenn County Board of
Supervisors,
Doug Griffin, Alternate-Colusa County Water
District,
Mike Vereschagin, Alternate-Orland Artois Water
District, and
Doug Parker, Alternate-Westside Water District.

Others Present: Jim Watson, General Manager,
Ann Nordyke, Clerk,
Thad Bettner, GCID,
Jeff Sutton, Manager-Tehama-Colusa Canal Authority.
John Kenny, Kenny Snowden & Norine, (Counsel)
Lisa Hunter, Glenn County Ag Department,
Mary Fahey, Colusa County Ag Department,

Oscar Serrano, Colusa Indian Community,
Emil Cavagnolo, Orland Artois Water District
Mary Wells, Land Owner,
Juleah Cordi, Assemblyman Gallagher's Office,
Mark Oliver, Consultant CH2M Hill,
Scott Brown, Larsen Wurzel & Associates, Inc.
Shelly Murphy, Manager-Colusa County Water Dist.
Jim Bond, Jim Wieking, Nadine Bailey and Ted
Trimble, Interested Parties.

9:10 a.m. (9:00 a.m. item on Agenda) Call to Order

1. **Flag Salute**

2. **Public Participation**

Chair McDaniel calls for public participation. Hearing none, Chair McDaniel closes the period of public participation.

Approval of Agenda

It is moved by Director Jones, seconded by Director Traynham to approve the agenda as presented. Motion carried: All yes. Absent: Directors Ken LaGrande, Director-Wade Mathis, Alternate-Tehama-Colusa Canal Authority and Dan Jones, Director-TC 8 District.

3. **Work Plan & Budget**

a. Chair McDaniel makes time for a presentation of an initial working draft work plan and budget through Phase 1.

Mr. Watson speaks at length to the Cost Commitment Schedule, Phase 1 Budget Summary, assumptions, specific line items in the budget how cost will be allocated and Phase 1 Budget FY 2015.

Discussion is held regarding concerns with allocation, what is an in-kind contribution is and setting up an Ad-hoc Committee to go through the Budget line by line.

Following discussion it is the consensus of those Directors present to form an Ad-hoc Budget Committee to go through the proposed budget with Mr. Watson and bring back to the September 21, 2015 Regular Board of Directors meeting.

10:10 a.m. Tim O'Halloran, Alternate Director-Yolo County Flood Control & WCD, is now present.

Chair McDaniel appoints Directors Kim Vann, Jamie Traynham and Jim Jones to the Ad-hoc Budget Committee and directs them to work with Mr. Watson on a proposed budget.

b. Chair McDaniel makes time to review, discuss and provide direction to staff regarding the following:

1. Proposed FY 2015 operating budget,
2. Budget targets for Phase 1 FY 2016 & FY 2017,
3. Cost center structure & allocation of costs to costs between expense and capital cost centers and

4. Proposed timeline.

Mr. Watson speaks to proposed sequencing of Board actions, proposed cost management by phases and proposed cost management structure. He further states financial true-up occurs at the end of each phase and the next phase cannot start until funding has been secured. Discussion is held, with no action taken.

c. Chair McDaniel makes time to review, discuss, and provide direction to staff regarding proposed ground rules that should apply to cost management and governance.

Director Bransford expresses concern regarding the proposed ground rules for cost management. Discussion is held, with no action taken.

4. **Member Agency Funding Commitment:**

a. Chair McDaniel makes time to review, discuss, & provide direction to staff regarding the proposed use of Project Agreements as contemplated in the Agreement's Article V and that align with proposed cost centers to obtain funding and/or service commitments from each participating member agency.

Discussion is held regarding why the Sites Project Authority needs an agreement regarding financial commitment, sending the agreement to each Member Agency's Counsel and Member Agency's calling out where they want their funding commitment to be allocated.

b. Chair McDaniel requests each Member Agency tentatively identify the following:

- (1) Which capital cost centers they propose to contribute financially and with in-kind services and
- (2) Ability to support the timeline for an October 1 implementation of the FY 2015 budget.

Discussion is held.

Following discussion Chair McDaniel tables discussion and directs the Directors/Alternates to take back to the Member Agency's for further input and bring back input, thoughts and concerns to the September 21, 2015 Regular scheduled meeting for further discussion.

5. **Amendment #2 to Sites Project Authority Agreement**

Chair McDaniel makes time to review and discuss Amendment #2 to the Sites Project Authority Joint Exercise of Powers Agreement in context to budget/cost management, governance, and status of Member Agency Board's approval. Further, provide direction to staff regarding any changes to proposed Amendment #2.

It is moved by Director Traynham, seconded by Director Bransford to strike section 1.4 as follows:

1.4. Supermajority Vote for Certain Obligation: The Authority shall not incur any obligation under Articles 1.3.5., 1.3.6, or 1.3.7 in excess of \$150,000, except upon an affirmative vote of at least seventy five percent (75%) of the total number of the Members.

Motion carried: All yes. Absent: Directors Ken LaGrande, Director-Wade Mathis, Alternate-Tehama-Colusa Canal Authority and Dan Jones, Director-TC 8 District.

6. **Proposition 1 Grants:**

a. **Chapter 8 (\$2.7 Billion) – Funding & Participation:**

Chair McDaniel makes time to provide direction to staff regarding strategy and timing to expand participation in the Sites Reservoir Project.

Discussion is held regarding reaching out to other Agency's to help with the budget for Phase 1, concerns the Authority does not have a budget at this point, bringing back letters of interest and needing a clear idea or policy on how the Authority is going to move forward.

Following discussion direction is given to staff to move forward with expanding participation in the Sites Reservoir Project.

b. **Chapter 6 (misc. funding):**

Chair McDaniel makes time to provide update and analysis of how best to proceed with the following two grant programs:

- CA DFW Watershed Restoration & Delta Water Quality Ecosystem Restoration Grant Program, FY 2015/16, (Due Sept 16, 2015).
- Wildlife Conservation Board: California Streamflow Enhancement Program, FY 2015/16, (Due Sept 30).

Discussion is held with the consensus of those Directors present to move forward with the Wildlife Conservation Board; California Streamflow Enhancement Program, FY 2015/16 grant with the assistance of Westside Water District.

7. **Contracts**

Chair McDaniel makes time to discuss legal review of commercial terms and conditions associated with standard form contracts proposed by AECOM and CH2M. Discussion is held.

It is moved by Director Durst, seconded by Director Vann to accept the commercial terms and conditions associated with standard form contracts proposed by AECOM and CH2M. Motion carried by the following vote:

AYES: Directors Don Bransford, Glenn-Colusa ID, Fritz Durst, Reclamation District 108, Kim Vann, Colusa County Board of Supervisors, Leigh McDaniel, Glenn County Board of Supervisors, Greg Mensik, Maxwell Irrigation District, Mary Kimball, Yolo County Flood Control & WCD, Joe Marsh, Colusa County Water District, Jamie Traynham, Westside Water District.

NOES: None.

ABSENT: Directors Ken LaGrande, Director-Wade Mathis, Alternate-Tehama-Colusa Canal Authority and Dan Jones, Director-TC 8 District.

ABSTAIN: Director Jim Jones, Director, Orland Artois Water District.

8. **Lines of Communications**

Chair McDaniel makes time to discuss and provide direction to staff regarding staff's proposed lines of communication with the Member Agencies.

Mr. Watson speaks briefly to the lines of communication, with no action taken.

9. **Future Board Agenda Topics**

a. Mr. Watson recommends the October Board Meeting to devote time to address governance issues; both outstanding items (e.g. bylaws) and implementation of Project Agreements. Brief discussion is held with no action taken.

b. Mr. Watson suggests that future Board agendas include specific topics related to implementation of the Sites Reservoir Project. Topics to consider include:

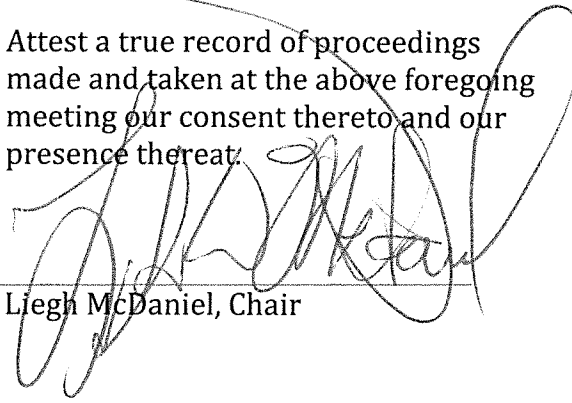
- Dam safety/ownership responsibilities;
- CEQA vs NEPA;
- Insurance for infrastructure projects;
- Financing using traditional and non-traditional methods, and
- Alternative project delivery options.

Brief discussion is held with no action taken.

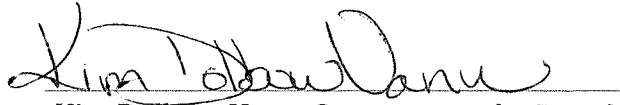
c. Member suggestions.
None.

Chair McDaniel adjourns the meeting at 11:46 a.m. to reconvene in Regular Session on September 21, 2015 at the hour of 9:00 a.m.

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


Liegh McDaniel, Chair

Respectfully submitted,


Kim Dolbow Vann, Secretary to the Board