

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
KERRY SCHMITZ, SACRAMENTO COUNTY WATER AGENCY/CITY OF SACRAMENTO
DON BADER, U.S BUREAU OF RECLAMATION (*COST-SHARE PARTNER, NON-VOTING*)
ROB COOKE, CA DEPARTMENT OF WATER RESOURCES (*EX-OFFICIO, NON-VOTING*)

Associate Members (*NON-VOTING*)

TED TRIMBLE, WESTERN CANAL WATER DISTRICT
JAMIE TRAYNHAM, TC 4 DISTRICTS

September 23, 2019 9:00 a.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on September 23, 2019 at the hour of 9:00 a.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Vice-Chairman, Gary Evans, Don Bransford, Doug Parker, Don Bader, Kerry Schmitz, Shelly Murphy and Rob Cooke. **Directors Absent:** Leigh McDaniel, Joe Marsh and Jeff Sutton. **Alternate Directors Present:** Michael Azevedo and Natalie Wolder. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process). **Associate Members Present:** Ted Trimble.

Staff Present: Jim Watson, General Manager
Scott Kuney, General Counsel
Jamie Traynham, Treasurer & TC-4 District Alternate
Kevin Spesert, Rob Thomson, Joe Trapasso, Alicia Forsythe, Sites Project Authority
Yolanda Tirado, Clerk

Others Present: Robert Boling, John Spranza and Erin Heydinger HDR
Jeff Kivett and JP Robinette, Brown & Caldwell
Juleah Cordi, Assemblyman Gallagher's Office
Jeff Herrin, AECOM
Gary Darling, Darling H2o
Peter Rude, Jacobs
Oscar Serrano, CICC
Laura Nicholson, Senator Nielsen's Office
Charlene Vaughn, KCOE-Isom
Ed Horton, PCWA
Bill Vanderwaal, RD 108
Kim Floyd, KF Comm/K&A

Nadine Bailey, FWA

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

Chairman Durst called for approval of the September 23, 2019 Sites Project Authority Agenda. He stated Agenda Item Number 6.3 (Authority's Project Feasibility Analysis), would be heard after Agenda Item Number 4.3 (USBR Feasibility) and Agenda Item Number 6.5.3 (Project Description) would be heard after Agenda Item Number 10 (Closed Session) and, by inference, that Agenda Number 11 (Report Out from Closed Session) would occur next.

Action: It was moved by Director Evans, seconded by Director Parker to approve the September 23, 2019 Site Project Authority Agenda, as amended. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

Action: It was moved by Director Schmitz, seconded by Director Bransford to approve the July 22, 2019 Sites Project Authority Minutes, as presented. Motion carried: All Directors present voted yes.

Action: It was moved by Director Evans, seconded by Director Parker to approve the August 26, 2019 Sites Project Authority Minutes, as presented. Motion carried: All Directors present voted yes.

CLOSED SESSION:

Counsel Kuney announced the Board would consider Closed Session after the Regular Meeting as follows:

Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (2 items)).

PERIOD OF PUBLIC COMMENT:

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

1. CHAIRPERSONS' REPORT:

This time is set aside to allow the Chair and/or Vice-Chair an opportunity to disclose/discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

None.

- 1.1 Consider approval to extend the contract with J.C. Watson, Inc., through November 30, 2019. **(Attachment 1-1A)**

Action: It was moved by Director Bransford, seconded by Director Allen to approve the Fifth Amendment to Independent Contractor Agreement between Sites Project Authority and J.C. Watson, Inc., to extend the performance term through November 30, 2019, with all other terms and conditions to remain in full force and effect and authorized the Chairman to sign.

Motion carried: All Directors present voted yes.

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

This time is set aside to give the Directors an opportunity to disclose/discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

None.

3. **CONSENT AGENDA:**

None.

4. **MANAGER'S REPORT:**

4.1 Discussion and possible direction to staff regarding the General Manager's Monthly Status Report. (**Attachment 4-1A**)

Mr. Watson provided a review of project activities performed in the month of August and September 2019 as follows:

- Extended pre-application permit consultations with CDFW.
- August 15, 2019, Joint Authority Board/Reservoir Committee Workshop, discussed the proposed Phase 2 (2020-2021) Work Plan, Plan of Finance, and Water Storage Policy.
- August 15, 2019, held a Landowner Meeting/Workshop.
- Facilitated access to allow Reclamation to collect Geotechnical Data primarily focused on Delevan pipeline, Terminal Regulating Reservoir and proposed Fletcher Reservoir concepts.
- Continued efforts on evaluate how changes in operations, facilities sizes and participation affect the Project's affordability.
- September 5, 2019, participated in a meeting with the LA Times editorial board regarding an update on the Sites Project.
- September 12, 2019, Senate Bill 2470 regarding WIIN Act Funding was released and includes an appropriation for the Sites Project.
- September 12, 2019, Joint Authority Board/Reservoir Committee Workshop.
- Provided an update regarding Reclamation's WaterSMART Grant to support long term water resiliency. Brief discussion followed with no action taken.

4.2 Discussion and possible direction to staff regarding Proposition 1, WSIP activities.

Mr. Watson provided an overview of Proposition 1 and WSIP activities as follows:

- September 13, 2019, met with California Commission Staff regarding status of invoicing process/progress and minor items needed to be cleared up before submitting final invoice for processing of payment.
- Discussions with Commission Staff were held regarding Regulations and Technical Reference documents related to the Water Commission's

determination of feasibility, which must be submitted by January 1, 2022 to be eligible. Brief discussion followed with no action taken.

- Updated Commission Staff regarding the 60 Day process with Fish and Wildlife.
- Updated Commission Staff regarding the status of the description of the preferred Project and potential to adopt a phased construction approach.

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

Ms. Wolder stated the Feasibility Report has been submitted to Management. Further, Reclamation is schedule to begin the geotechnical investigations on October 2, 2019, pending completion of temporary rights of entry and acceptance of permits.

9:40 a.m. Director Sutton is now present and seated.

Mr. Watson provided a review of ongoing U.S. Bureau of Reclamation activities and WIIN Act Funding as follows:

- Scheduled monthly meetings with Mid-Pacific management. The next meeting on Thursday, September 26, 2019, to advance concepts addressing feasibility analysis for a non-federal project.

Discussed Sites Project producing its own Feasibility Report versus going through the CalFed process and presenting the same to the Interior's Secretary for a secretarial determination declaring the project is feasible. Discussion followed. Following discussion, Mr. Watson recommended the Project produce its own Feasibility Report to try to get a secretarial determination.

- Met with the Office of Management and Budget who stated that in order to receive additional federal funding under the WIIN Act, they would need a feasibility determination from Interior. They also asked for an analysis of how much has been spent since CalFed. Discussion followed.
- Continued work on the amendment to the 2015 Cost Share MOU.

6.3 Discussion and possible direction to staff regarding completing a Site's Authority Project Feasibility Analysis.

Mr. Watson provided an overview regarding the submission and process of a non-federal feasibility study and the requirements by Reclamation versus the State requirements. Lengthy discussion followed with no action taken.

Mr. Watson stated guidelines would be prepared that outline the requirements needed to prepare a feasibility report/study for the Board's consideration. These guidelines will be presented at an upcoming Board meeting.

5. **2019 FINANCE & BUDGET AD HOC COMMITTEE:**

5.1 Accept the Treasurer's Report. (***Attachment 5-1A***)

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

- 5.2 Consider approval of the monthly Payment of Claims. (**Attachment 5-2 A&B**)

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

6. Phase 2 (2019) RESERVOIR COMMITTEE:

- 6.1 Report on the September 20, 2019 Phase 2 (2019) Reservoir Committee meeting (**Attachment 6-1A**).

Mr. Watson provided a review of actions approved and matters discussed at the September 20, 2019 Phase 2 (2019) Reservoir Committee Meeting. When the meeting was called to order at 9:00 am, there were 12 of 21 members represented, which resulted in 57.3% of the participation percentage. By 9:50 am 15 members were represented, which resulted in an 81.1% of the participation percentage.

Brief discussion followed.

- 6.2 Discussion and possible direction to staff regarding consultation discussion with the California Department of Fish and Wildlife.

Ms. Forsythe stated they met with the executive level at the California Department of Fish and Wildlife earlier in September and they were asked to continue efforts with the aquatics technical team to bring forth proposed operational parameters). She stated they would be meeting with Mr. Chuck Bonham, Director of CDFW on September 26, 2019 and plan to discuss a proposed operational plan.

- 6.3 Discussion and possible direction to staff regarding completing a Site's Authority Project Feasibility Analysis.

Mr. Watson stated Agenda Item 6.3 was discussed under Agenda Item 4, Manager's Reports, so there were no additional details to provide.

- 6.4 Discussion and possible direction to staff regarding progress regarding real estate, land management, site facility activities and early Geotechnical explorations.

Mr. Spesert provided an update regarding real estate, land management, site facility activities and early Geotechnical explorations:

- Stated the geotechnical work is mainly being done on public rights-of-way and working on access to Refuge property.
- Working with two local Tribes to finalize a Standard Monitoring Agreement.

Mr. Watson stated the work is being funded through Reclamation with funds reprogrammed.

Brief discussion followed with no action taken.

6.5 Participation:

- 6.5.1 Consider approval to extend the Phase 2 (2019) Participation Agreement by three months at no addition cost. And, if a time extension is approved, provide direction to staff regarding a revised work plan through the completion of Phase 2 (2019). **(Handout)**

Action: It was moved by Director Sutton, seconded by Director Evans to approve the recommendation of the Reservoir Committee to extend the Phase 2 (2019) Participation Agreement (and work plan) by three months at no additional cost.

Motion carried: All Directors present voted yes.

- 6.5.2 Regarding the Phase 2 (2020-2021) Participation Agreement and related documents, should a time extension be approved (refer to item 6.5.1), provide direction to staff regarding the Phase 2 (2020-2021) Participation Agreement and Work Plan as well as the draft plan of finance, and Bank RFP. Or, should the time extension not be approved, consider approval of the Participation Agreement and Bank RFP as presented. **(Attachment 6.5-2A, B, C & D)**

Mr. Watson stated no action would be required on this Agenda Item since Agenda Item 6.5.1 was approved.

- 6.5.3 Consider approving an updated executive-level description for the preferred Project and provide direction to staff to advance the level of detail.

Mr. Watson stated Agenda Item Number 6.5.3 would be considered after Agenda Item Number 10, Closed Session.

7. **2019 POLICY & GOVERNANCE AD HOC COMMITTEE:** Durst

Chairman Durst provided an update regarding the Employee Handbook. He stated the Sites JPA has engaged Mr. Gary Darling to look at the organizational structure.

8. **2019 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:** Sutton

- 8.1 Discussion and possible direction to staff regarding federal and state governmental affairs/legislative, stakeholder engagement and communications activity.

Director Sutton provided an update on the trip to Washington D.C. regarding meetings and discussions held with the various State/Federal and Elected officials.

Discussion followed with no action taken.

9. **2019 LAND MANAGEMENT AD HOC COMMITTEE:** Evans

- 9.1 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.

None.

10. CLOSED SESSION:

10.1 Counsel Kuney announced the Authority Board would consider a Closed Session matter as follows:

Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (2 items)).

RECESS:

Chairman Durst declared a recess at 10:25 a.m. to convene into Closed Session. He adjourned Closed Session at 11:43 a.m. and reconvened into Open Session.

11. REPORT FROM CLOSED SESSION:

Chairman Durst announced as to the conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4) (2 items)), there was no reportable action taken.

6.5.3 Consider approving an updated executive-level description for the preferred Project and provide direction to staff to advance the level of detail.

Mr. Watson distributed a document entitled "Strawman - An updated description for the preferred Project" and provided an overview of same.

Brief discussion followed with no action taken. Document on file in the Sites Project Office.

Chairman Durst adjourned the meeting at 11:50 a.m. to reconvene on October 21, 2019 at the hour of 9:00 a.m.

Fritz Durst, Chairman

Yolanda Tirado, Clerk