

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)

MARY WELLS, MAXWELL IRRIGATION DISTRICT

GREG JOHNSON, WESTERN CANAL WATER DISTRICT

JAMIE TRAYNHAM, TC 4 DISTRICTS

July 22, 2019 9:00 a.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on July 22, 2019 at the hour of 9:00 a.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Vice-chair, Gary Evans, Leigh McDaniel, Logan Dennis, Doug Parker, Joe Marsh, Kerry Schmitz, Natalie Wolder and Rob Cooke. **Directors Absent:** Jeff Sutton and Don Bransford. **Alternate Directors Present:** Michael Azevedo. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process). **Associate Members Absent:** Mary Wells and Greg Johnson.

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: Juleah Cordi, Assemblyman Gallagher's Office
Jeriann Alexander, Fugro
Marcia Kivett, Hailey Traynham, Jeff Kivett, Brown & Caldwell
Kim Floyd, KF Comm/Katz & Associates
Laura Nicholson, Senator Nielsen's Office
Oscar Serrano, CICC
John Buttz, HDR
Ed Horton, PCWA

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

It was moved by Director Dennis, seconded by Director Parker to approve the July 22, 2019 sites Project Authority Agenda, as submitted. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

It was moved by Director Allen, seconded by Director Evans to approve the June 24, 2019 Sites Project Authority Minutes, as submitted. Motion carried: All Directors present voted yes.

CLOSED SESSION:

Chairman Durst announced the Board will 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 public comment, hearing none he closed the period of public comment.

AGENDA ITEMS:

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

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

None.

2. CHAIRPERSON'S REPORT:

This time is set aside to allow the Chairperson an opportunity to disclose/discuss items related to the Sites Project.

Chairman Durst updated the Board Members regarding a meeting held between the Authority Members and staff to discuss conducting an organizational assessment/structure for the Sites team. He stated a contract for same would be brought before the Board at the next meeting for consideration.

3. CONSENT AGENDA:

Chairman Durst declared time to consider Consent Agenda Item numbers 3.1, a modification to the AECOM contract extending the period of performance and 3.2, a modification to the Spesert Consulting contract increasing the contractor's monthly fixed fee amount.

Director Marsh requested Consent Agenda item number 3.2, the Spesert Consulting contract be pulled from the Consent Agenda and considered separately. Chairman Durst so directed.

- 3.1 Chairman Durst declared time to consider Consent Agenda Item number 3.1, a modification to the AECOM contract to extend the period of performance from July 31, 2019 through December 31, 2019, with no change in cost and authorize the General Manager to sign. **(Attachment 3-1A)**

Consent Agenda Item Number 3.1: It was moved by Director Allen, seconded by Director McDaniel to approve Consent Agenda Item number. 3.1, a modification to the AECOM contract to extend the period of performance from July 31, 2019 through December 31, 2019, with no change in cost and authorized the General Manager to sign. Motion carried: All Directors present voted yes.

- 3.2 Chairman Durst declared time to consider Consent Agenda Item number 3.2, approval of a modification to the Spesert Consulting contract to increase the Contractor's monthly fixed fee payment amount to \$21,320.00. **(Attachment 3-2A)**

Director Marsh expressed concern regarding the increase to Mr. Spesert's Consulting contract and requested clarification for the increase.

Mr. Watson stated Mr. Spesert started work for the Project in 2016 and at that time the scope of services related to outreach and rights of way were significantly less. He stated the duties since 2016 have increased and the increase is warranted. He further stated that even with the increase Mr. Spesert's salary is still under market value.

Ms. Traynham and Chairman Durst stated the proposed increase to Mr. Spesert's contract was reviewed by the Authority's Ad Hoc Coordination Committee and by the Reservoir Committee. All unanimously agreed to the increase. Brief discussion followed.

Consent Agenda Item Number 3.2: It was moved by Director Dennis, seconded by Director Evans to approve a modification to the Spesert Consulting contract to increase the Contractor's monthly fixed fee payment amount to \$21,320.00 and authorized the General Manager to sign. Motion carried: All Directors present voted yes.

END OF CONSENT AGENDA

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 June 2019:

- Briefings to Senator Nielson's staff and Assemblyman Gallagher's staff.
- Conducting AB52 Tribal Consultation/coordination with the Yocha Dehe Tribe.
- Presented to the Mountain Counties Water Resource Association's on California United Water conference which included urban agencies from Southern California and the Bay area, as well as some participation by elected officials both state and federal.

- Continued federal fishery agency coordination.

Brief discussion followed with no action taken.

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

Mr. Watson provided a review of Proposition 1 WSIP application activities:

- Submitted a draft invoice to the Water Commission for work performed in January through April. Commission staff will review before finalized for payment.
- Developing a draft invoice for work performed in 2018.
- Working on a quarterly report to Water Commissioners for work performed April through June with the report due on July 31, 2019.
- Working with Santa Clara Valley Water District and Contra Costa Water District. Representatives from all three agencies met with the State Water Resources Control Board to discuss how the State Board is prepared to staff all the water right applications coming from the three projects that received early funding.
- June 6, 2019, tour with Water Commission staff and a follow-up tour is being scheduled to see the Red Bluff diversion.

Discussion followed with no action taken.

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

Ms. Wolder informed the Board that Reclamation received a modified proposal from AECOM for additional feasibility level engineering work for just over \$1 million.

Mr. Watson provided a review of ongoing Reclamation activities and WIIN Act Funding:

- June quarterly meeting with Reclamation's Denver Tech Service Center where they agreed with the Fletcher option as the regulating reservoir between Funks and Sites pump generating and should be advanced to feasibility level, currently advanced the appraisal to determine the potential benefits to the project of using that facility.
- Reclamation agreed with Sites' conclusion in advancing it to feasibility which allows Sites to decide on whether to continue with the current Holthouse or go with Fletcher.
- Reclamation engineers agree that Fletcher provides significant benefits that can help reduce risk and costs on project. In working with them on non-contract costs
- Working with Reclamation on two issues as it relates to the feasibility report:
 - a. Construction de-watering costs.

- b. Potential for sedimentation in maintenance to keep the intakes clear when diverting.
- Working with Reclamation on amending the 2015 cost share agreement because the Sites Project has significantly spent more and once that is amended we will start working on a financial assistance agreement.

Discussion followed with no action taken.

9:30 a.m. Director Sutton is now present and seated.

5. 2019 FINANCE & BUDGET AD HOC COMMITTEE:

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

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

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

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

- 5.3 Informational Item regarding a proposed Budget Reallocation for the Reservoir Committee's portion of the approve Phase 2 (2019). (**Attachment 5-3A**)

Mr. Watson provided an update regarding the proposed Budget Reallocation and stated two new line items were added to the budget: one for permitting fees and the second for temporary rights of entry fees; which would provide clarity in the budget.

Brief discussion followed.

6. Phase 2 (2019) RESERVOIR COMMITTEE:

- 6.1 Report on the July 19, 2019 Phase 2 (2019) Reservoir Committee meeting. (**Attachment 6-1A**)

Mr. Watson provided a review of actions approved and matters discussed at the July 19, 2019 Phase 2 (2019) Reservoir Committee meeting.

Discussion followed with no action taken.

- 6.2 Informational item for reviewing the Reservoir Committee's Ad hoc Operations Work Group's discussion and development of a Water Storage Policy. (**Attachment 6-2A**)

Mr. Watson provided an update regarding the development of a Water Storage Policy which establishes proposed operating rules for both the storage of water and release of water among the Sites Storage Partners and the Authority. He stated a revised version of the Water Storage Policy is planned to be brought to the Reservoir Committee at their August 22nd

meeting for further consideration before requesting any action from the Authority's Board.

Brief discussion followed with no action taken.

6.3 Information update regarding the procurement of services for Service Area H – Engineering Services.

Mr. Watson provided a brief update regarding the procurement of services for Service Area H – Engineering Services.

- RFQ was released on July 5, 2019.
- Mandatory bidder's conference was held on July 12, 2019.
- Responses to their questions were distributed on July 17, 2019.
- Statement of Qualifications due no later than July 31, 2019.
- Interviews planned for August 13-14, 2019.
- July 29, 2019, a Joint Water Facilities and Siting Work Groups meeting to discuss the alternative deliveries options.
- Plan to request approval to award contracts in October.

Brief discussion followed with no action taken.

6.4 Informational item regarding progress of the **North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigations** CEQA Notice of Exemption and permit application. Discussion followed with no action taken.

Mr. Watson provided an update on the progress of the North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigations:

- Coordinating with Reclamation to develop a grouping of geotechnical evaluations of soil and bedrock characteristics that are important to reduce uncertainties in the cost estimates in their federal Feasibility Report.
- Continued efforts to define the scope of work for the collection of additional geotechnical data to analyze the potential effects associated with this field data collection.
- CEQA process filed July 8, 2019 (Notice of Exemption).
- Reclamation working on completing a Categorical Exclusion to comply with NEPA.
- Preparation of a Biological Assessment and permit applications are nearing completion and access to landowner's property and rights of way.
- The only outstanding item is the funding for the Geotechnical Investigation.

Discussion followed with no action taken.

6.5 Informational item reviewing consultation discussion with the California Department of Fish and Wildlife.

Ms. Forsythe provided a review of activities with the California Department of Fish and Wildlife i.e. the various aquatic and terrestrial meeting held to work through the items identified in the CDFW's comments on the Draft EIR/EIS and noted that progress is being made by both teams. Mr. Watson stated the next meeting with CDFW is scheduled for August 6, 2019.

Discussion followed with no action taken.

7. 2019 POLICY & GOVERNANCE AD HOC COMMITTEE:

Chairman Durst expressed his appreciation to Ms. Traynham for her work on the policies which would allow the JPA to become an employer.

8. 2019 LEGISLATIVE & OUTREACH AD HOC COMMITTEE:

10:20 a.m. Chairman Durst declared time to consider a recommendation to select the Ferguson Group, LLC & Natural Resources Results, LLC for the Federal Government Affairs Services RFQ No. 19-02 and for approval of a consultation agreement with same. He recused himself due to a possible conflict of interest and left the conference room.

- 8.1 Consider approval of the Authority Ad Hoc Legislative & Outreach committee's recommendation to select The Ferguson Group, LLC & Natural Resources Results, LLC for the Federal Government Affairs Services RFQ No. 19-02 and consider approval of a consulting agreement and initial task order for services through December 31, 2019 and authorize the General Manager to sign.

Action: It was moved by Director Sutton, seconded by Director Dennis to approve selection of The Ferguson Group, LLC & Natural Resources Results, LLC for the Federal Government Affairs Services RFQ No. 19-02 and, further, approved a consulting agreement and initial task order for services through December 31, 2019 and authorized the General Manager to sign. Motion carried: All Directors present voted yes.

10:24 a.m. Chairman Durst is now present and seated.

9. 2019 LAND MANAGEMENT AD HOC COMMITTEE:

- 9.1 Discussion and possible direction to staff regarding real estate, land management, land use and site facilities activities.

Director Evans and Mr. Spesert provided a brief update regarding the development of a fee structure and once approved would be able to meet with the landowners. Mr. Spesert stated a landowner meeting is scheduled for August 15, 2019.

10. CLOSED SESSION:

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).

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RECESS:

Chairman Durst declared a recess at 10:26 a.m. to convene into Closed Session, adjourned Closed Session at 11:45 a.m. and reconvened into Regular Session.

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.

Chairman Durst adjourned the meeting at 11:46 a.m., to reconvene on August 26, 2019 at the hour of 9:00 a.m.

Fritz Durst, Chairman

Yolanda Tirado, Clerk