

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

August 26, 2019 9:00 a.m.

Sites Project Authority

Minutes

The Sites Project Authority Board of Directors met in Regular Session on August 26, 2019 at the hour of 9:00 a.m. **Directors Present:** Fritz Durst, Chairman, Gray Allen, Vice-Chairman, Gary Evans, Leigh McDaniel, Don Bransford, Jeff Sutton, Doug Parker, Don Bader, Rob Cooke. **Directors Absent:** Joe Marsh and Kerry Schmitz. **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: Jeff Herrin, AECOM
Brian Bullock, Scott Bryant, PSOMAS
Craig Fechter, Fechter CPA
Rob Tull, Peter Rude, Jacobs
Oscar Serrano, CICC
Laura Nicholson, Senator Nielsen's Office
Charlene Vaughn, KCOE-Isom
Michael Mosley, USBR
Ed Horton, PCWA
Dan Ruiz, Westside Water District
Bill Vanderwaal, RD 108
Lee Frederiksen, Robert Boling, Julie LaBonte, HDR
Kim Floyd, KF Comm/K&A
Jeff Kivett, Brown & Caldwell
Juleah Cordi, Assemblyman Gallagher's Office

Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

Chairman Durst called for approval of the August 26, 2019 Sites Project Authority Agenda. He noted a change to Agenda Item 7.1 regarding the Authority Employee Handbook, stating this item is before the Board for discussion only and no action would be taken.

Action: It was moved by Director Bransford, seconded by Director Sutton to approve the August 26, 2019, Site Project Authority Agenda, as amended. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

Chairman Durst stated the July 22, 2019 Sites Project Authority Minutes were not included in the Agenda packet and continued approval of the Minutes to the September 23, 2019, Authority Meeting.

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.

Chairman Durst stated a few Reservoir Committee Members were given a presentation by the Irvine Ranch Water District regarding the Kern Fan project which is a ground water storage basin and their interest in Sites participation.

Mr. Watson stated they are interested in coming to the Authority Board and making a presentation. Discussion followed, with Mr. Watson stating he would schedule a presentation for October 2019.

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:

Chairman Durst called for approval of the Consent Agenda, Item Numbers 3.1 through 3.3.

Director Bransford questioned the placement of amended contracts on the Consent Agenda. Discussion followed.

Director Sutton concurred with Director Bransford and suggested they be placed elsewhere on the Agenda.

Action: It was moved by Director Sutton, seconded by Director Allen to approve Consent Agenda Item Numbers 3.1 through 3.3 as follows:

- 3.1 Approval of an amendment to the Gerald E. Johns contract to expand the scope of work and increase the contract amount from \$190,000 to \$230,000 and authorize the General Manager to sign. (**Attachment 3-1A**)
- 3.2 Approval of an amendment to the Larsen Wurzel & Associates contract to extend the period of performance through December 31, 2019 and authorize the General Manager to sign. (**Attachment 3-2A**)
- 3.3 Approval of an amendment to the Montague DeRose and Associates (MDA) contract to expand the scope of work and increase the contract amount from \$520,000 to \$600,000 and authorize the General Manager to sign. (**Attachment 3-3A**)

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 July 2019 as follows:

- Continued planning efforts to advance collection of Geotechnical Data.
- Continued pre-permit application consultations with CDFW.
- Working through (Affordability Analysis) changes in operations, facilities and participation and how these might affect the finance and repayment of the local water share.
- Completed the selection process for the Federal Government Affairs services which was awarded to Ferguson Group/Natural Resources Results.
- Opportunity to speak to Secretary Bernhardt and he expressed interest in a tour of the Sites Project.
- Will be bringing a recommendation on the Engineering Services Procurement.
- Joint Authority Board/Reservoir Committee Workshop, August 15, 2019, discussed the 2020-2021 Work Plan.
- Continued work on developing a Water Storage Policy.

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- Met with the US Department of Agriculture re: Maxwell Intertie.
 - Held a Landowner Meeting/Workshop, August 15, 2019.

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:

- August 27, 2019, the California Water Commission meeting, included two items on their Agenda regarding the proposed Sacramento Regional Water Bank Project and the consistency determination of Prop 1. If approved, could make them eligible for Federal WIIN Act funding and a Listening Session of the Governor's Water Resiliency Portfolio Initiative and are proposing to speak during that Session. Discussion followed with no action taken.
- Working with Santa Clara and Contra Costa Water Districts on a joint letter to the State Water Resources Control Board regarding a mechanism for Prop 1 funding that could be used to help fund staff for the State Board to focus on the applications for the three projects that received early funding. Discussion followed with no action taken.
- Mr. Trapasso provided an update on the invoicing process/progress.

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

Mr. Watson stated a meeting is scheduled with planning staff on August 27, 2019 to work on the timeline to complete an amendment to the Cost Share MOU, as well as a timeline to execute a financial assistance agreement which would allow any congressional appropriations to flow to the Authority to advance aspects of the Project. Discussion followed with no action taken.

4.4 Consider approval of the reallocation of funds within the 2019 Authority's Work Plan & Budget in the amount of \$5,000 and consider executing a sole-source professional services agreement with Darling H2O to perform an organizational assessment for a not-to-exceed amount of \$24,952. These approvals are conditioned upon the Reservoir Committee having approved the \$20,000 budget reallocation and recommending this contract be executed. **(Attachment 4-4A)**

Action: It was moved by Director Allen, seconded by Director Evans to approve the reallocation of funds within the 2019 Authority's Work Plan & Budget in the amount of \$5,000. Motion carried: All Directors present voted yes.

Action: It was moved by Director Allen, seconded by Director Parker to consider executing a sole-source professional services agreement with Darling H2O to perform an organizational assessment for a not-to-exceed amount of \$25,000. These approvals are conditioned upon the Reservoir Committee having approved the \$20,000 budget reallocation and recommendation to execute this contract. Motion carried: All Directors present voted yes.

- 4.5 Consider delegating approval of a professional services agreement for Cultural Resources Monitoring support to the Authority Ad Hoc Coordination Committee and authorize the General Manager to sign.

Action: It was moved by Director Evans, seconded by Director Bransford to delegate approval of a professional services agreement for Cultural Resources Monitoring Support to the Authority Ad Hoc Coordination Committee and authorize the General Manager to sign. Motion carried: All Directors present voted yes.

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

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

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

- 5.3 Consider approval of the Financial Auditor's Report. (**Attachment 5-3 A&B**)

Action: It was moved by Director Sutton, seconded by Director Bransford to approve the Financial Auditor's Report as submitted. Motion carried: All Directors present voted yes.

- 5.4 Discussion and possible direction to staff regarding the Phase 2 (2020 – 2021) Work Plan for both the Authority and Reservoir Committee.

Mr. Robinette provided an update on the Phase 2 (2020-2021) Work Plan for both the Authority and Reservoir Committee as follows:

- Phase 2 Drivers i.e., State Funding (WSIP) and Federal Funding (WIIN).
- 2019 Budget History, milestones haven't changed.
- Progress in 2019 on Improving Operational Certainty and Improving Affordability Certainty.
- Phase 2 Participation Assumptions.
- Interim Financing Assumption.
- Phase 2 (2020-2021) Work Plan: Development.
- Expense Breakdown by Service Area.
- Authority Expenses.
- Phase Work Plan: Current Development.
- Work Plan Integration.

Discussion followed with no action taken.

10:27 a.m. Director McDaniel vacates his seat and leaves the conference room.

- 5.5 Discussion and possible direction to staff regarding the disbursement of final Phase 1 unspent funds and remaining balance of contributed credit correction. **(Attachment 5-5 A,B&C)**

Action: It was moved by Director Sutton, seconded by Director Bransford to approve the correction of credits and balanced contributions resulting from the disbursement of the final Phase 1 unspent funds. Motion carried: All Directors present voted yes.

6. Phase 2 (2019) RESERVOIR COMMITTEE:

- 6.1 Report on the August 22, 2019 Phase 2 (2019) Reservoir Committee meeting **(Attachment 6-1A & B)**.

Mr. Watson provided a review of actions approved and matters discussed at the August 22, 2019 Phase 2 (2019) Reservoir Committee Meeting.

Brief discussion followed.

- 6.2 Discussion and possible direction to staff regarding progress of the **North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigations** and permit applications.

Ms. Forsythe provided an update on the progress of the North of Delta Offstream Storage/sites Reservoir Feasibility Geotechnical Investigations and permit applications as follows:

- Work on the environmental and permitting continues.
- CEQA documents signed and filed with Colusa and Glenn Counties in July 2019.
- Working on Endangered Species Act compliance and Section 106 Cultural Resources compliance. Once completed, we potentially would receive the Biological opinion within three to four weeks.

Discussion followed with no action taken.

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

Ms. Forsythe provided a brief update regarding consultation discussion with the CDFW, stating they have participated in 19 technical meetings with CDFW staff. She also stated staff is being supported by key consultants from Service Area D (Modeling) and Service Areas E and F (Environmental and Permitting), respectively. She stated the purpose of the meetings was to work through items identified in CDFW's comment letter to the Draft Environmental Impact Report/Environmental Impact Statement.

Discussion followed with no action taken.

- 6.4 Discussion and possible direction to staff regarding the status and progress of the Sites Reservoir (and Maxwell Water Intertie) Project's environmental planning and permitting efforts.

Ms. Forsythe provided a brief update on the progress of the Sites Reservoir (and Maxwell Water Intertie) Project's environmental planning and permitting efforts.

Brief discussion followed with no action taken.

- 6.5 Consider approval of the Water Storage Policy and consider adoption of the Water Storage Policy in conjunction with the development of future participation agreements. **(Attachment 6-5A)**

Action: It was moved by Director Sutton, seconded by Director Parker to adopt the Water Storage Policy as amended and pending home board legal review, in conjunction with the development of future participation agreements. Motion carried: All Directors present voted yes.

11:02 a.m. Mr. Trimble vacated his seat and left the conference room.

Agenda Items Numbers 6.6 and 6.7:

Chairman Durst asked whether anyone had any objection to a single motion for Agenda Item Numbers 6.6 and 6.7 regarding the selection panel's recommendation to conditionally select AECOM for Service Area HR – Engineering (Sites Reservoir) and Jacobs Engineering Group (Jacobs) for Service Area HC – Engineering (Conveyance), respectively. Brief discussion followed.

Action: It was moved by Director Sutton, seconded by Director Parker to approve Items 6.6 and 6.7 as follows:

- 6.6 Approve the selection panel's recommendation to conditionally select AECOM for Service Area HR – Engineering (Sites Reservoir) and authorizing the General Manager to enter into negotiations with AECOM, and
- 6.7 Approve the selection panel's recommendation to conditionally select Jacobs Engineering Group (Jacobs) for Service Area HC – Engineering (Conveyance) and authorizing the General Manager to enter into negotiations with Jacobs. Motion carried: All Directors present voted yes.
- 6.8 Discussion and possible direction to staff regarding real estate, land management, site facility activities and early geotechnical explorations.

None.

7. 2019 POLICY & GOVERNANCE AD HOC COMMITTEE:

Mr. Watson stated Item 7.1 regarding the Authority Employee Handbook is before the Board for discussion only.

- 7.1 ~~Consider approval~~ Discussion regarding the Authority Employee Handbook. **(Attachment 7-1A)**

Chairman Durst stated the Authority is looking to become an employer and one of the initial steps is an Authority Employee Handbook. Discussion followed regarding federal and/or state wage regulations, drug policy and benefit plans. Following discussion, it was agreed the Handbook needed further review.

Mr. Watson stated that he expected to present the Authority's Employee Handbook at the September 23, 2019 Board meeting for further consideration.

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 a brief update regarding the trip planned to Washington DC, in September and stated the Ferguson Group, LLC & Natural Resources Results were hired for the Federal Government Affairs Services.

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.

Director Evans stated a Landowner outreach meeting was held last week and spoke to the need to hold these meetings more often.

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)).

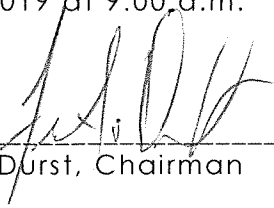
RECESS:

Chairman Durst declared a recess at 11:12 a.m. to convene into Closed Session, adjourned Closed Session at 12:20 p.m., and reconvened into Regular Session at 12:21 p.m.

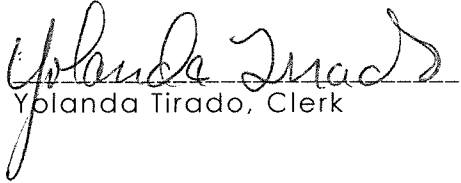
11. REPORT FROM CLOSED SESSION:

Counsel Kuney 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 12:22 p.m., to reconvene on September 23, 2019 at 9:00 a.m.



Fritz Durst, Chairman



Yolanda Tirado, Clerk