

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
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DOUG PARKER, WESTSIDE WATER DISTRICT
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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)

GREG JOHNSON, WESTERN CANAL WATER DISTRICT
JAMIE TRAYNHAM, TC 4 DISTRICTS

October 21, 2019 9:00 a.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on October 21, 2019 at the hour of 9:00 a.m. **Directors Present:** Gray Allen, Vice-Chairman, Gary Evans, Don Bransford, Doug Parker, Don Bader, Kerry Schmitz, Joe Marsh, Jeff Sutton and Rob Cooke. **Directors Absent:** Leigh McDaniel. **Alternate Directors Present:** Natalie Wolder. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process). **Associate Members Present:** Greg Johnson and 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, Ali Forsythe, Sites Project Authority
Yolanda Tirado, Clerk

Others Present: Robert Boling, Erin Heydinger, HDR
Marcia Kivett, Cheyanne Harris, JP Robinette, Brown & Caldwell
Ed Horton, PCWA
Jeff Herrin, AECOM
Laura Nicholson, Senator Nielsen's Office
Charlene Vaughn, KCOE-Isom
Bill Vanderwaal, RD 108
Kim Floyd, KF Comm/K&A
Rob Tull, CH2M
Brian Bullock, PSOMAS

Pledge of Allegiance.

INTRODUCTIONS:

Vice-Chairman Allen asked those present to introduce themselves.

AGENDA APPROVAL:

Vice-Chairman Allen called for approval of the October 21, 2019 Sites Project Authority Agenda.

Mr. Watson stated the following Agenda Items would be for discussion only and no action would be required:

- Agenda Item Number 6.3 (Revised Phase 2 (2019) Work Plan supporting a revised completion dated from December 31, 2019 to March 31, 2020).
- Agenda Item Number 6.4 (First Amendment to the 2019 Reservoir Project Agreement by and Among the Sites Project Authority and the Project Agreement Members).
- Agenda Item Number 6.7 (the Authority's Principles and Requirements for Feasibility Study).

Action: It was moved by Director Bransford, seconded by Director Parker to approve the October 21, 2019 Site Project Authority Agenda, as amended. Motion carried: All Directors present voted yes.

MINUTES APPROVAL:

Action: It was moved by Director Evans, seconded by Director Bransford to approve the September 23, 2019 Sites Project Authority Minutes, as presented. Motion carried: All Directors present voted yes.

CLOSED SESSION:

Vice-Chairman Allen 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:

Vice-Chairman Allen 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.

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 Sites Project's monthly status report. (Attachment 4-1A)**

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

- Extended pre-application permit consultations with CDFW.
- Facilitated access to allow Reclamation to collect Geotechnical Data. Primarily focused on dewatering and pipeline construction.
- September 5, 2019, participated in a meeting with the LA Times regarding an update on the Sites Project.
- September 12, 2019, Senate Bill 2470 regarding WIIN Act Funding was released and the effects on the Sites Project.
- September 12, 2019, held a Landowner Meeting/Workshop.
- Submitted Invoice Number 1 and associated Progress Report to the California Water Commission.
- Stated Sites would not be applying for the Reclamation's WaterSMART Grant.
- Developed concept level through June 2020.
- Conducted project site tours and presentations with project participants, including Metropolitan Water District and the Ag Leadership DC Exchange Program.
- October 8, 2019, presented project site tour to Legislative Staff.
- October 11, 2019, conducted a LA Times tour of the Sites Project.

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

Mr. Watson stated meetings had not been scheduled for the California Water Commission. He also stated an invoice in the amount of \$2.7 million has been submitted for payment for prior work and should be paid within the next five weeks. He further stated a second invoice is being prepared for submission.

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

Mr. Spesert provided an update on the scheduled geotechnical investigations.

Brief discussion followed with no action taken.

4.4 Consider approval of the proposed 2020 meeting calendar. (Attachment 4-4A)

Action: It as moved by Director Sutton, seconded by Director Parker to approve the Authority Board's calendar for year 2020. 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 Sutton, seconded by Director Evans 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 Bransford, seconded by Director Schmitz 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 October 18, 2019 Phase 2 (2019) Reservoir Committee meeting (**Attachment 6-1A**).

Mr. Watson provided a review of actions approved and matters discussed at the October 18, 2019 Phase 2 (2019) Reservoir Committee Meeting.

Discussion followed with no action taken.

6.2 Consider approval of the "First Amendment to the Memorandum of understanding for Completion of the North-of-Delta Offstream Storage Investigations and Sharing of Costs" (2015 cost Share MOU) as presented in Attachment A. (**Attachment 6-2A & B**)

Action: It was moved by Director Schmitz, seconded by Director Parker to approve the "First Amendment to the Memorandum of Understanding for Completion of the North-of-Delta Offstream Storage Investigations and Sharing of Costs" (2015 Cost Share MOU) as presented in Attachment A. Motion carried: All Directors present voted yes.

6.3 ~~Consider approval~~ Discussion of the revised Phase 2 (2019) Work Plan supporting a revised completion date from December 31, 2019 to March 31, 2020 as presented in Attachment A. (**Attachment 6-3A, B & C**)

Mr. Watson stated the revised Phase 2 (2019) Work Plan supporting a revised completion date from December 31, 2019 to March 31, 2020 is for discussion only. He stated both the Reservoir Committee and the Authority Board members approved a 90 days extension to the current contract at their September meetings. He stated after further review by the Budget and Finance Work Group they agreed a 90 days extension was not sufficient time to complete everything that needed to be done. He discussed the consideration of a 180 days extension. He stated the Reservoir Committee Members at their October 18, 2019 meeting discussed a 180 days extension versus a 90 days extension. He stated after lengthy discussion, the Committee members agreed to the 180 days extension.

Lengthy discussion followed with no action taken.

- 6.4 ~~Consider approval~~ Discussion of the "First Amendment to [the] 2019 Reservoir Project Agreement by and Among [the] Sites Project Authority and the Project Agreement Members Listed Herein, dated as of January 1, 2020" (2019 Agreement) as presented in Attachment A or as further amended by the Reservoir Committee today, October 18, 2019. **(Attachment 6-4A)**

Mr. Watson stated since the Phase 2 (2019) Work Plan was not approved, no action is required regarding the First Amendment to the 2019 Reservoir Project Agreement.

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

Ms. Forsythe stated staff continues to work through items identified in CDFW's comment letter to the Draft Environmental Impact Report/Environmental Impact Statement.

Brief discussion followed with no action taken.

- 6.6 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 an update regarding the progress of the Sites Reservoir Project environmental planning and permitting efforts as follows:

- California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA).
- Federal Endangered Species Act.
- National Historic Preservation Act, Section 106.
- California Endangered Species Act (Fish and Game Code Section 2081.

Brief discussion followed with no action taken.

- 6.7 ~~Consider approval~~ Discussion of the Authority's Principles and Requirements for Feasibility Study – **(Attachment 6-7A)**

Mr. Vanderwaal and Mr. Watson provided a brief update of the Authority's Principles and Requirements for the Feasibility Study.

Brief discussion followed, with Mr. Watson stating this matter would be brought back either in November or December 2019 for further consideration.

- 6.8 Discussion and possible direction to staff regarding the ongoing activities of the Reservoir Operations Workgroup.

None.

9:40 a.m. Chairman Durst is now present and seated.

- 6.9 **Special Study:** Discussion and possible direction to staff regarding the value planning exercise.

Mr. Vanderwaal stated the Reservoir Committee and Authority Board Value Planning Team held two different meetings to discuss items intended to improve the value of the project. He stated discussion was held on the following:

- Assumptions and methods used to support the Affordability Analysis.
- Reservoir size.
- Diversion and filling locations.
- Regulatory reservoirs (TRR, Funks, Fletcher).
- Dam construction techniques.
- Road, bridges and alternatives to maintain transportation access
- Water release/delivery alternatives; pipelines, canals and locations.

Mr. Watson stated the next steps are for staff to provide input on the nine different options, with the goal to narrow down and support a revised project description by the end of December.

Brief discussion followed with no action taken.

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

Chairman Durst stated Mr. Darling was tasked with the organization/structure of the JPA. He stated Mr. Darling interviewed 17 individuals and has since provided his findings. He requested a Joint Authority Board and Reservoir Committee meeting be scheduled for November 21, 2019 at 4:00 p.m. to discuss Mr. Darling's recommendations.

Ms. Traynham provided a brief update on the employee handbook and selection of employee benefit plans. She stated this would be brought back to the Board for further consideration at a later date.

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

- 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 on meetings held with the various federal and state elected officials, various bills before the legislature and the Biological Opinion on the operations of state/federal projects.

Mr. Spesert provided a brief update on the resilience plan/portfolio.

Brief discussion followed with no action taken.

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

- 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 and Mr. Spesert provided a brief update on the status of engagement and outreach efforts as well as geotechnical activities.

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:

Vice-Chairman Allen stated Chairman Durst was now present and declared a recess at 10:15 a.m. to convene into Closed Session.

Chairman Durst adjourned Closed Session at 11:15 a.m. and reconvened into Open Session.

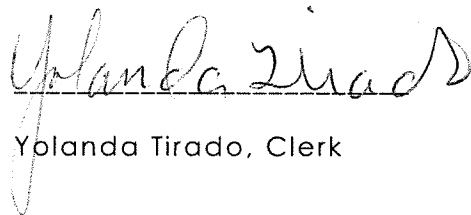
11. REPORT FROM CLOSED SESSION:

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.

Chairman Durst adjourned the meeting at 11:16 a.m. to reconvene on November 25, 2019 at the hour of 1:30 p.m.



Fritz Durst, Chairman



Yolanda Tirado, Clerk