

SITES PROJECT AUTHORITY
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Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY, VICE-CHAIR
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DON BADER, 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

April 22, 2020 1:30 p.m. Sites Project Authority Minutes

The Sites Project Authority Board of Directors met in Regular Session on April 22, 2020 at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chair, Jeff Sutton, Vice-Chair, Gary Evans, Logan Dennis, Doug Parker, Bruce Houdesheldt, Jeff Harris, Leigh McDaniel, Don Bader and Rob Cooke. **Directors Absent:** Joe Marsh. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making process).

Staff present: Jerry Brown, Executive Director
Jim Watson, General Manager
Scott Kuney, General Counsel
Jamie Traynham, Treasurer
Kevin Spesert, Joe Trapasso, Ali Forsythe, Lee Frederiksen,
Yolanda Tirado, Sites Project Authority

Associate Members present: Jamie Traynham, TC-4
Ted Trimble, Western Canal Water District

Alternate Directors present: Brett Ewart, City of Sacramento/Sacramento County Water

Others present: Natalie Wolder, Bureau of Reclamation
JP Robinette, Marcia Kivett, Brown and Caldwell
Ed Horton, PCWA
Erin Heydinger, Robert Boling, HDR
Connor McDonald, CDM West
Thad Bettner, GCID
Laurie Warner Herson, Phenix
Sara Katz, Katz and Associates

Mr. Brown provided a brief update on the process to be used for this meeting (Remotely held). He also spoke to the restructuring of the Agenda.

Pledge of Allegiance.

INTRODUCTION:

Chairman Durst asked those present to introduce themselves.

Chairman Durst made time to consider approval of the April 22, 2020 Sites Project Authority Agenda.

Mr. Brown requested Agenda Item 2.1c be removed from the April 22, 2020 Agenda. He also briefly spoke to the structure of the Agenda.

Mr. Kuney stated there was a typo on the Government Code Section of Agenda Item 5.1 Closed Session and noted 54857 (b)(1) should be 54957(b)(1)).

AGENDA APPROVAL:

Action: It was moved by Director Evans, seconded by Director Harris to approve the April 22, 2020 Sites Project Authority Agenda, as amended. Motion carried: All Directors present voted yes.

ANNOUNCEMENT OF CLOSED SESSION:

Mr. Kuney announced the Authority Board would be considering Closed Session as follows:

Independent Contractor/Public Employee/Discipline/Dismissal/Release (Gov. Code, § 54954.5(e) and 54957(b)(1)).

PERIOD OF PUBLIC COMMENT:

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

1. **Consent Agenda:** It was moved by Jeff Harris, seconded by Jeff Sutton to approve Consent Agenda Item Numbers 1.1 through 1.5 as follows:

1.1 Approval of the March 25, 2020 Sites Project Authority Meeting Minutes.

1.2 Acceptance of the Sites Project Authority Treasurer's Report.

1.3 Approval of the monthly Payment of Claims.

1.4 Approval of a consulting agreement with CH2M Hill Engineers, Inc. (CH2M) for Service Area HC – Engineering Conveyance and approve an initial task order and budget in the not to exceed amount of \$597,023.00 for services through August 31, 2020.

- 1.5 Approval of a consulting agreement with AECOM for Service Area HR – Engineering Reservoir and approve an initial task order and budget for services in the not to exceed amount of \$599,381.00 for services through August 31, 2020. Motion carried: All Directors present voted yes.

2. Action Items:

- 2.1 Consider acceptance of the following items that reflect the direction to be taken in advancing the Project through the next stage of development:
- a. Consider approval of the final report titled “Sites Project Value Planning Alternatives Appraisal Report, dated April 13, 2020” and the recommendations presented within and a recommendation to the Sites Project Authority to approve the final report titled “Sites Project Value Planning alternatives Appraisal Report, April 13, 2020” and the recommendations presented within. **(Attachment 2-1.a A)**
 - b. Consider approval of the work plan with a period of performance of September 1, 2020 to December 31, 2021 for the following uses: Planning cash call timing for participating agencies, Producing a draft Exhibit A, “Amendment 2 Work Plan”, to the Second Amendment to 2019 Reservoir Project Agreement and Developing consultant task orders for the next stage of project development. **(Attachment 2-1.b A)**
 - c. Consider approval of the draft Second Amendment to the 2019 Reservoir Project Agreement. **(Attachment 2-1.c A)**
 - d. Consider direction for staff to revise and recirculate a Draft Environmental Impact Report (EIR) to analyze the environmental effects of the options identified in the Final Sites Project Value Planning Alternatives Appraisal Report dated April 13, 2020 (Report), including VP7. **(Attachment 2-1.d A)**
- 2.1.a Consider approval of the final report titled “Sites Project Value Planning Alternatives Appraisal Report, dated April 13, 2020” and the recommendations presented within and a recommendation to the Sites Project Authority to approve the final report titled “Sites Project Value Planning Alternatives Appraisal Report, April 13, 2020” and the recommendations presented within. **(Attachment 2-1.a A)**

Mr. Brown provided an update regarding the Sites Project Value Planning Alternatives Appraisal Report, dated April 13, 2020, which, incorporated all prior comments by the Authority Board and Reservoir Committee members from the March 30, 2020 Workshop. He stated this report is the final resolve to the project as it relates to all the different alternatives and analyses completed. Discussion followed regarding conveyance, reservoir size and decrease/increase of subscription/participation, repayment costs and hydropower capacity.

Action: It was moved by Sutton, seconded by Harris to approve the final report titled “Sites Project Value Planning Alternatives Appraisal Report, dated April 13, 2020” and the recommendations presented within and a recommendation to the Sites Project Authority to approve the final report titled “Sites Project Value Planning Alternatives Appraisal Report, April 13, 2020” and the

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recommendations presented within. Motion carried: All Directors present voted yes.

Chairman Durst expressed his appreciation to Mr. Watson, AECOM and staff on their hard work to get to this point.

2.1.b Consider approval of the work plan with a period of performance of September 1, 2020 to December 31, 2021 for the following uses: Planning cash call timing for participating agencies, Producing a draft Exhibit A, "Amendment 2 Work Plan", to the Second Amendment to 2019 Reservoir Project Agreement and Developing consultant task orders for the next stage of project development. **(Attachment 2-1.b A)**

Mr. Robinette provided an overview of the Work Plan (Amendment 2) from September 1, 2020 through December 31, 2021 and spoke to the following:

- Work Plan Goals and Schedule Targets.
- Project Schedule Targets.
- Deliverables.
- Rebalancing process.
- Revenue Budget which includes Cash calls, annual seat dues, State and Federal Funding.
- Expense Budget.
- Work Plan Cash Flow (\$60/AF, due September 1, 2020 and \$40/AF, due February 1, 2021).
- Activities needed to complete the Planning Phase.

Brief discussion followed as to whether the repayment/reimbursement credit was included in the financial plan. Mr. Brown stated it was not included in the financial plan.

Action: It was moved by Houdesheldt, seconded by Sutton to approve the work plan with a period of performance of September 1, 2020 to December 31, 2021 for the following uses: Planning cash call timing for participating agencies, Producing a draft Exhibit A, "Amendment 2 Work Plan", to the Second Amendment to 2019 Reservoir Project Agreement and Developing consultant task orders for the next stage of project development.

Motion carried: All Directors present voted yes.

2.1.c Consider approval of the draft Second Amendment to the 2019 Reservoir Project Agreement. **(Attachment 2-1.c A)**

Pursuant to Mr. Brown's request, Chairman Durst removed the approval of the draft Second Amendment to the 2019 Reservoir Project Agreement from the Agenda.

2.1.d Consider direction for staff to revise and recirculate a Draft Environmental Impact Report (EIR) to analyze the environmental effects of the options

identified in the Final Sites Project Value Planning Alternatives Appraisal Report dated April 13, 2020 (Report), including VP7. **(Attachment 2-1.d A)**

Action: It was moved by Harris, seconded by Evans to direct staff to revise and recirculate a Draft EIR to analyze the environmental effects of the options identified in the Final Sites Project Value Planning Alternatives Appraisal Report dated April 13, 2020 (Report), including VP7.

Motion carried: All Directors present voted yes.

- 2.2 Consider approval of the Sites Project message platform which has been incorporated into informational materials describing the results of the value planning effort and the proposed work plan and will be used for communicating the Project to all audiences. **(Attachments 2-2 A, B, C & D)**

Mr. Brown and Mr. Spesert provided an update regarding the Sites Project message platform and it's 5 key message themes and proof statements that will serve as the foundation of all future messaging for the project and in informational materials.

Mr. Spesert spoke to the 5 Key messages as follows:

- Key Message 1: Sites Reservoir is a 21st Century Multi-Benefit Solution to California's Water Reliability Challenges.
- Key Message 2: Our Strength is in our diverse statewide Participation.
- Key Message 3: Sites Reservoir is a "Right Sized" Project that will meet our water supply needs for today and in the future.
- Key Message 4: Sites Reservoir provides environmental, water supply, flood protection and recreation benefits for the State of California for generations to come.
- Key Message 5: We are on-track to deliver this vital project for the people of California.

Mr. Spesert also spoke to a rollout plan within the next few months, e.g. press release, E-blast, Landowner newsletter, meeting with Yolo County Supervisor Dwayne Chamberlin and various other media activities.

Brief discussion followed.

Action: It was moved by Harris, seconded by Dennis to approve the Sites Project message platform which has been incorporated into informational materials describing the results of the value planning effort and the proposed work plan and will be used for communicating the Project to all audiences.

Motion carried: All Directors present voted yes.

- 2.3 Consider acceptance of the following actions by the Authority Board relative to the approved Organization Assessment (OA) Report as follows:

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- a. Consider acceptance of the plan and schedule for addressing the report findings and recommendations. **(Attachment 2-3 A)**
 - b. Consider concurrence with the scope, schedule and budget for strategic planning facilitation services. **(Attachment 2-3 B)**
 - c. Consider approval to release a Request for Proposals for strategic planning facilitation services.

Mr. Brown provided a brief update on the approved OA Report which included findings and recommendations aimed at improving the overall effectiveness of the organization. Brief discussion followed regarding the RFP. He stated the Selection Committee would be conducting interviews and asked whether anyone would be interested in serving on the Selection Committee. Brief discussion followed as to whether the RFPs would be available to others of the public who would be interested in submitting and RFP.

Ms. Dyer volunteered to serve on the Selection Committee for strategic planning facilitation services.

Action: It was moved by Houdesheldt, seconded by Harris to accept the following actions by the Authority Board relative to the approved Organization Assessment (OA) Report as follows:

- a. Acceptance of the plan and schedule for addressing the report findings and recommendations.
- b. Concurrence with the scope, schedule and budget for strategic planning facilitation services.
- c. Approval to release a Request for Proposals for strategic planning facilitation services.

Motion carried: All Directors present voted yes.

3. Discussion and Information Items:

- 3.1 Review and comment on the letter received from participating member Wheeler Ridge-Maricopa Water Storage District (Wheeler Ridge) requesting a broad water right place of use commitment from the Project. **(Attachment 3-1 A & B)**

Mr. Brown provided a brief update regarding a letter received from participating member Wheeler Ridge-Maricopa Water Storage District in which they were requesting a broad water right place of use commitment from the Project. He stated Wheeler-Ridge is satisfied with their response to this matter and no action is required at this time.

- 3.2 Review and comment on status of the Service Area G – Real Estate contract.

Mr. Spesert provided an update on the Service Area G – Real Estate contract. He stated this matter was delegated to the Joint Authority/Reservoir Committee Coordination Committee on how to proceed, which resulted in

the decision to allow the existing Real Estate contract to expire June 30, 2020. He further stated Real Estate services through 2021 will be limited to securing temporary right of entry (TROE) permits in support of engineering and environmental field activities and to support landowner engagement activities. Authority agents would be taking care of any real estate activities.

Brief discussion followed with no action taken.

4. Reports:

4.1 Member's Reports:

4.1.1 Chairpersons' Report:

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

Policy and Governance:

Chairman Durst stated due to the COVID-19 situation different modes of communication with State and Federal members have come about (remotely held meetings). He provided a brief update on the following:

- Discussions/meetings with Congressman LaMalfa and Congressman Garamendi.
- Working on scheduling meetings with staff from Senator Feinstein, Senator Nielsen and Assemblyman Gallagher's offices.
- Expressed appreciation to Sara Katz, Katz & Associates for messaging assistance.
- Need to reach out to NGOs.
- Coordination Committee twice per month meetings.

Legislative & Outreach Ad hoc Committee:

Vice-chairman Sutton concurred with Chairman Durst regarding the need to reach out to the NGOs. He spoke to exploring funding opportunities that arising from the stimulus and the Messaging Platform.

Mr. Spesert stated in addition to the meeting with staff from Senator Feinstein's office, a meeting with staff from Congressman Huffman's office is also scheduled. He stated further a meeting with the Legislative and Outreach Committee to discuss refining and prioritizing federal funding strategy will be scheduled within the next week or two.

4.1.2 Committee Chairpersons' Report:

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

Land Management Ad hoc Committee:

Director Evans stated a meeting has been scheduled for April 23, 2020 with Yolo County Supervisor Chamberlain regarding the pipeline. He stated further contact with individual landowners regarding the pipelines has also been initiated.

Budget and Finance Ad hoc Committee:

Ms. Traynham stated the 2019 Annual Audit is almost completed and a Report on same will be presented at the May 27, 2020 Authority meeting.

4.1.3 Authority Board Participant Reports:

This time is set aside to allow Directors or their Alternates an opportunity to disclose/discuss items related to the Sites Project.

None.

4.2 Executive Director's Report:

Director Brown provided a brief overview of the following:

- Sites Project's monthly status report. **(Attachment 4-2 A)**
- Sites Project's monthly Proposition 1, WSIP activities and WIIN Act Funding. **(Attachment 4-2 B)**
- Reservoir Committee update.

RECESS:

Chairman Durst declared a recess at 3:20 p.m. and convened into Closed Session at 3:25 p.m. to consider the following matter:

5. Closed Session:

- 5.1 Independent Contractor/Public Employee/Discipline/Dismissal/Release (Govt. Code §§ 54954.5(e) and 54957(b)(1)).

Chairman Durst adjourned Closed Session at 3:40 p.m. and reconvened into Open Session.

6. Report from Closed Session:

Mr. Kuney stated as to Closed Session regarding the Independent Contract/Public Employee/Discipline/Dismissal/Release (Gov. Code Section 54954(e) and 54957(b)(1)), he announced the Authority Board voted to approve an agreement between the Authority and JC Watson, Inc with regard to the Sites Project.

7. Future Meetings and Schedules:

- 7.1 Mr. Brown stated this is on for any Board member who might want to add an item to the May 27, 2020 Agenda.

7.2 Upcoming meetings:

RESERVOIR COMMITTEE

THURSDAY, MAY 21, 2020 1:00 PM
CALL NUMBER AND LOCATION TBD

AUTHORITY BOARD

WEDNESDAY, MAY 27, 2020 1:30 PM
CALL NUMBER AND LOCATION TBD

Chairman Durst adjourned the meeting at 3:45 p.m.

Fritz Durst, Chairman

Yolanda Tirado, Board Clerk