

SITES PROJECT AUTHORITY
P.O. Box 517
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MAXWELL, CALIFORNIA 95955
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JERRY BROWN, EXECUTIVE DIRECTOR
925.260.7417

YOLANDA TIRADO, CLERK
530.438.2309
Boardclerk@SitesProject.org

Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
LOGAN DENNIS, GLENN-COLUSA IRRIGATION DISTRICT
BRUCE HOUDESHEDT, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
JEFF HARRIS, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY
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

May 27, 2020 1:30 p.m. Sites Project Authority Minutes

CALL TO ORDER:

Chairman Durst called the meeting of the Sites Project Authority Board of Directors to order at the hour of 1:30 p.m., followed by the Pledge of Allegiance.

INTRODUCTIONS:

Chairman Durst asked those present to introduce themselves. (See Authority Board Meeting Attendance, **Attachment A**).

AGENDA APPROVAL:

It was moved by Director Sutton, seconded by Director Dennis to approve the May 27, 2020 Sites Project Authority Agenda. Motion carried: All Directors present voted yes.

PERIOD OF PUBLIC COMMENT:

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

CONSENT AGENDA: It was moved by Director Harris, seconded by Director Houdesheldt to approve Consent Agenda Item Numbers 1.1 through 1.5 as follows:

- 1.1 The April 22, 2020 Sites Project Authority Meeting Minutes, as submitted.
- 1.2 Accept the Sites Project Authority Treasurer's Report, as submitted.
(Attachment 1.2 A)

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- 1.3 Approve the monthly Payment of Claims, as submitted. **(Attachment 1.3 A, B, C)**
- 1.4 Approve a consulting contract with The Catalyst Group for facilitation services in an amount not to exceed \$50,000 and approve a time extension through December 31, 2020 for the existing contract with Darling H2O and authorize the Chair to sign.
- 1.5 Adopt Resolution No. 2020-01, providing for an application to the USBR for a Financial Assistance Agreement for WIIN Act funds and authorize the Chair to sign. **(Attachment 1.5A)**

Motion carried as follows:

AYES: Directors Durst, Sutton, Evans, Dennis, Houdesheldt and Harris.

NOES: None.

ABSENT: Directors McDaniel, Parker and Marsh.

2. **Action Items:**

- 2.1 Chairman Durst made time to consider the following:

Consider acceptance of the attached Exhibit B (2020 and 2021 budget) to the Second Amendment to 2019 Reservoir Project Agreement (Amendment 2) and the results of the "soft call". Consider approving one of the following actions:

- A. Approve moving to the "hard call" and the use of the attached participation table to create a draft Exhibit A to be included with Amendment 2.
- B. Direct staff to begin outreach to potential participants based on the priority system defined in participation agreements and the credit reimbursement policy to explore interest in Sites capacity, if available. **(Attachment 2.1 A & B)**

Mr. Brown provided a brief update on the two options available to the Authority Board. He stated the Reservoir Committee voted to proceed with Option B.

Mr. Robinette provided an update of the "Two-Step Cash Call Process" and spoke to the following:

- Soft Call Results as of May 20, 2020:
 - 19 out of 21 agencies responded, representing 191,942 AF of 192,892 AF current participation (99.5%).
 - Appears full subscription can still be achieved, but there is some reduction in participation levels and geographic balance would need to be addressed.
- Existing participants identified interest in 5,000 AF of additional capacity, if available.

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- Prior participants expressed interest in 10,000 AF of capacity, if available.
 - Latest planned home-board date is in October, with majority in June or July.
 - New Participant Outreach Priority:
 1. Goal is total Sacramento Valley participation of 25%. Priority would be given to current, prior and new Sacramento Valley participants in that order.
 2. Existing Reservoir Committee participating members (with sub-priorities by seniority).
 3. Prior Reservoir Committee participating members (with sub-priorities by exit date).
 4. Nonparticipants. Priority for new participants is to Sacramento Valley and others.
 - Prior and Future Commitments.
 - Geographic Balance:
 - Current Participation Levels (Sac Valley 27%, Non-Sac Valley 73%).
 - Amendment 2 Projected participation - Participation Staff Recommended + Additional Interest (Sac Valley 20%, Non-Sac Valley 80%).
 - Schedule:
 - September 10, 2020: Signed Amendment 2 due.
 - November 1, 2020: Invoice 1, \$60/AF due.
 - April 1, 2021: Invoice 2, up to \$40/AF due.
 - Financial incentives for pre-payment of the full \$100/AF on Nov 1 are not planned based on administration cost.
 - Non-financial pre-payment incentives related to maintaining project schedule while accommodating delay payment from other agencies.

Mr. Robinette provided a brief update on the credit reimbursement policy and process of getting back into the project by new, returning and increasing participants. Brief discussion followed. Following discussion, Mr. Robinette requested direction from the Committee Members as to the following 2 options:

- a. Approve moving to the "hard call" and the use of the attached participation table to create a draft Exhibit A to be included with Amendment 2.
- b. Direct staff to begin outreach to potential participants based on the priority system defined in participation agreements and the credit reimbursement policy to explore interest in Sites capacity, if available.
(Attachment 2.1 A & B)

Action: It was moved by Director Sutton, seconded by Director Evans to approve Option B, directing staff to begin outreach to potential participants based on the priority system defined in participation agreements and the credit reimbursement policy to explore interest in Sites capacity, if available. Motion carried: All Directors present voted yes.

2.2 Consider approval of the draft Second Amendment to 2019 Reservoir Project Agreement. **(Attachments 2.2 A & B)**

Mr. Brown stated the amendment to the contract is being brought back to the Committee to include the ability to adjust the participation levels and re-balancing.

Mr. Trapasso provided a brief overview of the Second Amendment to the 2019 Reservoir Project Agreement, stating it was reviewed by the Budget and Finance Workgroup and Authority Bond Counsel, Stradling Yocca Carlson & Rauth. Brief discussion followed.

Action: It was moved by Director Dennis, seconded by Director Evans to approve the Second Amendment to the Reservoir Project Agreement By and Among Sites Project Authority and The Project Agreement Members Listed Herein and authorize the Chairman to sign. Motion carried: All Directors present voted yes.

2.3 Consider acceptance of the 2020-2021 Sites Project Federal Government Affairs Priorities. **(Attachment 2.3A)**

Mr. Spesert stated staff has been working with the Authority Ad Hoc Legislative and Outreach Committee and Government Affairs Team to identify near-term Federal government affairs/legislative priorities. He stated the following represents the staff's proposed Federal government affairs/legislative priorities:

Operations Participation:

- Final completion of Reclamation's Feasibility Report and DOI Secretary determination of feasibility.
- Pursue development of a CVP Coordination Operations Plan.
- Coordination with Reclamation on the development of the Authority's Water Rights Application.
- Continuing partnership with Reclamation as the NEPA lead agency in developing the EIS.

Federal Funding:

- WIFIA/RIFIA.
- WIIN Act.
- Federal Stimulus and other funding.

Brief discussion followed.

Action: It was moved by Director Harris, seconded by Director Sutton to accept the 2020-2021 Sites Project Federal Government Affairs Priorities, as submitted. Motion carried: All Directors present voted yes.

- 2.4 Consider approval of Resolution 2020-02 commending Mr. Jim Watson for his 5 years of dedicated service to the Sites Reservoir Project. **(Attachment 2.4 A)**.

Chairman Durst expressed his appreciation to Mr. Watson for his dedicated service to the Sites Reservoir Project and read the proposed Resolution.

Action: It was moved by Director Houdesheldt, seconded by Director Sutton to adopt Resolution 2020-02 commending Mr. Jim Watson for his 5 years of dedicated service to the Sites Reservoir Project. Motion carried: All Directors present voted yes.

3. Discussion and Information Items:

- 3.1 Review and Comment on Recirculated EIR and key permits milestone schedule and key decision points. **(Attachment 3.1A)**

Ms. Forsythe provided an overview of the Recirculated Environmental Impact Report (EIR) and upcoming activities and key decision points as follows:

- California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) - Project team is currently developing an approach for completing the Recirculated EIR as well as working to formulate a recommended approach to alternatives and baseline conditions that are anticipated will be reviewed with the Reservoir Committee and Authority Board in June. Team is proceeding to coordinate a joint EIR/EIS, with the assumption that the EIS will be supplement and recirculated with the EIR, though Reclamation has not made a final decision.
- Federal Endangered Species Act and California Endangered Species Act (Fish and Game Code Section 2081) - Project team is working to develop an approach for completing the Biological Assessment and Section 2081 Permit applications in coordination with the resource agencies and Reclamation. Environmental and Operations teams continue to work on modeling components and refinement of operation criteria for project diversion from the Sacramento River, with operating regimes for diversion and releases and a review of the storage policy to be brought to the Reservoir Committee and Board in September.
- National Historic Preservation Act, Section 106 (to be initiated in September).
- California Water Right Application (California Water Code) - Working to formulate a recommended approach to identify key components of the water right application for discussion with the Reservoir Committee and Authority Board in September.
 - Key components include Place of Use, Points of Diversion, Points of Re-diversion and Purpose of Use-all of which will form the basis of the application.

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- Clean Water Act Section 404 and 401 - Will be initiated in July.
 - Environmental Planning and Permitting Key Milestones through 2022.

Brief discussion followed with no action taken.

3.2 Review and Comment on Outreach Efforts to Communicate the Rightsized Project.

Mr. Spesert provided an overview of the outreach efforts to communicate the "rightsized project". He stated with the introduction of the new "right-sized" project alternative, staff and Communications and Government Affairs team have been actively engaged in extensive communications and outreach efforts focused on the following activities:

- Introducing the project's new organization and direction.
- Introducing the new "right-sized" project and its statewide benefits.
- Discussion on the proposed revision on the project's environmental review.
- Communications and outreach efforts included:
 - Briefings with Federal & State elected officials.
 - Briefings with NGO's and public interest organizations.
 - Landowner/local community coordination activities and briefings.
 - Media and development of project materials.
 - Update/Revisions to the Message Platform.

He further stated staff would continue to engage elected officials, landowners, project stakeholders and develop and distribute additional media content in support of the rollout of the new proposed project in the coming weeks. Additionally, staff is working on the following:

- A revised version of the Message Platform based on comments received from the Reservoir Committee and Authority Board. Brief discussion followed with no action taken.
- A Webinar in response to a request by members to get project information that highlights the "right-sized" project to individual participants and landowner investors.

Brief discussion followed with no action taken.

3.3 Review and Comment on Efforts to Secure Proposition 1 Water Storage Investment Program implementation modifications in light of the continuing effects of the COVID-19 pandemic on local government and water agency finances. **(Attachment 3.3 A & B)**

Executive Director Brown provided a brief update regarding a joint letter signed along with 5 other Storage Projects to the California Water Commission regarding a request that the CWC consider making an emergency and temporary modifications, on a project by project basis, in their implementation of the Proposition 1 Water Storage Investment Program (WSIP)

funding due to the COVID situation. He stated the matter was on the CWC's May 20, 2020 meeting agenda. He further stated the CWC's Executive Director reported receiving the letter and indicated staff would be considering the request and returning to the Commissioners with a recommendation.

Brief discussion followed with no action taken.

3.4 Review and Comment on the Reservoir Committee Workgroup and Authority Board Committee Structure and Assignments. **(Attachment 3.4 A & B)**

Chairman Durst provided a brief overview of the Reservoir Committee Workgroup and Authority Board Committee Structure and Assignments. He stated there are vacancies in all workgroups, with the exception of the Reservoir Operations & Engineering, for those interested in volunteering.

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.

Chairman Durst provided a brief update on various matters/items related to the Sites Project.

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.

Legislative and Outreach:

Director Sutton provided an update legislative and outreach activities, i.e., "Virtual" Capitol Hill Legislative Day, briefings for key Senate and House Committee staff and 2.0 of Sites Project.

Land Management:

Director Evans provided a brief update regarding a meeting with Yolo County Supervisor Chamberlain regarding the proposed Dunnigan Pipeline/CBD to discuss potential land use issues and stated the Colusa County Board of Supervisors voted 5-0 to re-opening the County of Colusa.

Budget and Finance:

Ms. Traynham stated have received \$1.95 million from last invoice submitted for WSIP funding.

4.1.3 Authority Board Participant Reports:

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

Director Harris briefly spoke to the newspaper Op-eds regarding the benefits of the Sites Reservoir Project and the distribution of a press release highlighting the right-sized project.

4.2 Executive Director's Report:

Executive Director Brown provided an overview of the following:

- Sites Project's monthly status report. **(Attachment 4-2 A)**
- Reservoir Committee update.
- 2020 Organizational Chart.
- Place of Use request made by Wheeler Ridge: followed up with a memo to Wheeler Ridge identifying the plan forward is development of a water rights strategy which will come to Board later this summer.
- Coalition letter to Appropriations Hearing Subcommittee of the State Legislature (Governor's May Revise) in support of the SWRCB Water Resilience Portfolio BCP-\$4.5 million for Water Storage Investment Program Water Rights Permitting Staff.
- Sacramento Office will not be re-opening prior to July 2020.
- Contract and performance plan for Jerry Brown, Executive Director.
- Expressed appreciation to Mr. Kunde for preparation of Mr. Jim Watson's commendation.

5. Future Meetings and Schedules:

5.1 Suggested Future Agenda Items.

None.

5.2 Upcoming meetings:

RESERVOIR COMMITTEE (NOTE DATE CHANGED FROM JUNE 19 TO JUNE 18)

THURSDAY, JUNE 18, 2020 1:00 PM
CALL NUMBER AND LOCATION TBD

AUTHORITY BOARD

WEDNESDAY, JUNE 24, 2020 1:30 PM
CALL NUMBER AND LOCATION TBD

Chairman Durst adjourned the meeting at 3:15 p.m.

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Fritz Durst, Chairman

Yolanda Tirado, Board Clerk

Current Voting Authority Board Participants:

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>	<i>Others</i>
Colusa County	<input checked="" type="checkbox"/> Gary Evans	<input checked="" type="checkbox"/> Mike Azevedo	_____
Colusa County Water District	<input type="checkbox"/> Joe Marsh	<input type="checkbox"/> Doug Griffen	_____
Glenn County	<input type="checkbox"/> Leigh McDaniel	<input type="checkbox"/> John Viegas	_____
Glenn-Colusa Irrigation District	<input checked="" type="checkbox"/> Logan Dennis	<input type="checkbox"/> Don Bransford	Thad Bettner
Reclamation District 108	<input checked="" type="checkbox"/> Fritz Durst	<input type="checkbox"/> Sean Doherty	Bill Vanderwaal
City of Roseville / Placer County Water Agency	<input checked="" type="checkbox"/> Bruce Houdesheldt	<input type="checkbox"/> Joshua Alpine	_____
Tehama-Colusa Canal Authority	<input checked="" type="checkbox"/> Jeff Sutton	<input type="checkbox"/> Halbert Charter	_____
City of Sacramento / Sacramento County Water Agency	<input checked="" type="checkbox"/> Jeff Harris	<input checked="" type="checkbox"/> Brett Ewart <input type="checkbox"/> Ann Sanger	_____
Westside Water District	<input type="checkbox"/> Doug Parker	<input type="checkbox"/> Zach Dennis	_____

Associate Members (2 non-voting):

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>	<i>Others</i>
TC-4	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter <input type="checkbox"/> Jason Holley	_____
Western Canal Water District	<input type="checkbox"/> Dwayne Chisam <input checked="" type="checkbox"/> Ted Trimble	<input type="checkbox"/> Zach Dennis <input type="checkbox"/> Dan Ruiz	_____

Non-Voting Committee Participants (2):

<i>Participant</i>	✓ <i>Representative/Other</i>	✓ <i>Alternate/Other</i>	
Dept of Water Resources	<input checked="" type="checkbox"/> Rob Cooke <input type="checkbox"/> Ajay Goyal	<input type="checkbox"/> David Sandino <input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh <input checked="" type="checkbox"/> Ryan Davis <input checked="" type="checkbox"/> Natalie Wolder	<input checked="" type="checkbox"/> Don Bader <input type="checkbox"/> Derya Sumer <input type="checkbox"/> Mike Dietl <input type="checkbox"/> David Van Rijn	<input type="checkbox"/> Chris Duke <input type="checkbox"/> Mike Mosley <input type="checkbox"/> Shana Kaplan

Authority, Non-Signatory (6):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>
PCWA	<input checked="" type="checkbox"/> Ed Horton	<input type="checkbox"/> Ben Barker Darin Reintjes
Roseville	<input type="checkbox"/> Sean Bigley	<input type="checkbox"/> Trevor Joseph <input checked="" type="checkbox"/> Jason Marks
Sacramento County WA	<input type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson <input type="checkbox"/> William Busath

Staff:

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Brown, Jerry	Sites Project Authority
<input checked="" type="checkbox"/> Forsythe, Ali	Sites Project Authority
<input checked="" type="checkbox"/> Spesert, Kevin	Sites Project Authority

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Trapasso, Joe	Sites Project Authority
<input checked="" type="checkbox"/> Tirado, Yolanda	Sites Project Authority
<input checked="" type="checkbox"/> Kivett, Marcia	Sites Project Authority

Consultants:

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Alexander, Jeriann Fugro	
<input type="checkbox"/> Boling, Robert	HDR
<input type="checkbox"/> Briard, Monique	ICF
<input type="checkbox"/> Floyd, Kim	Floyd
<input type="checkbox"/> Herrin, Jeff	AECOM
<input checked="" type="checkbox"/> Heydinger, Erin	HDR

<input checked="" type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Katz, Sara	Katz & Associates
<input checked="" type="checkbox"/> Kuney, Scott	Young Wooldridge
<input checked="" type="checkbox"/> Robinette, JP	Brown & Caldwell
<input type="checkbox"/> Spranza, John	HDR
<input type="checkbox"/> Tull, Rob	Ch2m
<input type="checkbox"/> Warner Herson, Laurie	Phenix

Other Attendees: *(Check box to have email address added to the distribution list)*

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone & E-mail)</i>
Laura Nicolson	Office of Senator Jim Nielsen	
Henry Luu	HDR, Sites Integration	
Juleah Cordi	Office of Assemblyman Gallagher	