

Chair: Thad Bettner (Glenn-Colusa Irrigation District)

Vice Chair: Jeff Davis (San Geronio Pass Water Agency)

Treasurer: Jamie Traynham (Davis Water District)

MINUTES

CALL TO ORDER:

Chairman Bettner called the meeting to order at 1:00 p.m., followed by the Pledge of Allegiance.

ROLL CALL:

Roll was called (See Attachment A), which resulted in 19 eligible representatives. This equated to 92% of the current participation percentage being in attendance, which is greater than the 50% need to have a quorum of the Reservoir Committee. By 2:07 pm 1 additional member was present bringing the total participation percentage to 98.19%.

INTRODUCTIONS:

The Sites Staff and members of the public introduced themselves.

ATTENDANCE:

See Attachment B.

AGENDA APPROVAL:

It was moved by Tincher, seconded by Vanderwaal to approve the May 21, 2020 Reservoir Committee Agenda, as presented. Motion carried unanimously.

PERIOD OF PUBLIC COMMENT:

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

1. Consent Agenda:

Chairman Bettner made time to consider Consent Agenda Item Numbers 1.1 through 1.5.

Ms. Traynham requested Consent Agenda Item 1.4 be pulled and considered separate from the Consent Agenda as follows:

- 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.

Chairman Bettner so directed.

CONSENT AGENDA:

It was moved by Vanderwaal, seconded by Tincher to approve Consent Agenda Item Numbers 1.1 through 1.3 and 1.5 as follows:

- 1.1 Approve the April 17, 2020 Phase 2 Reservoir Committee Meeting Minutes.
- 1.2 Accept the Sites Project Authority Treasurer's Report as presented in Attachment 1.2A. **(Attachment 1.2 A)**
- 1.3 Approve the Payment of Claims as presented in Attachment 1.3A with supporting details provided in Attachment 1.3B. **(Attachments 1.3 A, B & C)**
- 1.5 Recommend approval of the Authority Board, at their May 27, 2020 meeting, of Resolution No. 2020-01 providing for an application to the USBR for a Financial Assistance Agreement for WIIN Act funds.

Motion carried unanimously.

Chairman Bettner made time to consider Consent Agenda Item Number 1.4 regarding approval of a consulting contract with The Catalyst Group for facilitation services and approval of an existing contract with Darling H2O for a time extension.

Ms. Traynham expressed concern regarding the blending of two different consultant contracts in one action item as well as the dollar amount of the contracts.

Executive Director Brown addressed Ms. Traynham's concerns. Brief discussion followed.

Item Number 1.4: It was moved by Vanderwaal, seconded by Cheng to approve a consulting contract with The Catalyst Group for facilitation services in an amount not to exceed \$50,000 and, further, approve a time extension through December 31, 2020 for the existing contract with Darling H2O. Motion carried unanimously.

1:37 pm. Gary Evans, Alternate representative for Colusa County is now present and seated.

2. Action Items:

- 2.1 Accept 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. 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 out of 192,892 AF (99.5%).
 - Appears full subscription can be achieved, but there is some reduction in participation levels and geographic balance would need to be addressed.
 - Existing participants (SOD) identified interest in 5,000 AF of additional capacity, if available.
 - Prior participants (SOD) 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.
- Preliminary Amendment 2 Participation Table.
- Reservoir Committee 2020 and 2021 Work Plan.
- Amendment 1B budget by Month.
- Amendment 2 Budget by Month.
- Schedule:
 - September 10, 2020: Signed Amendment 2 due.
 - November 1, 2020: Invoice 1, \$60/AF due.

- o April 1,2021: Invoice 2, up to \$40/AF due.
- o Financial incentives for pre-payment of the full \$100/AF on Nov 1 are not planned based on administration cost.
- o Non-financial pre-payment incentives related to maintaining project schedule while accommodating delay payment from other agencies.

Lengthy 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 Kunde, seconded by Vanderwaal to 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. Motion carried unanimously.

- 2.2 Approve the draft Second Amendment to 2019 Reservoir Project Agreement. **(Attachments 2.2 A & B)**

Executive Director Brown stated the contract is being brought back to the Committee to include in the amendment an ability to adjust the participation levels.

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 Work Group and Authority bond counsel, Stradling Yocca Carlson & Rauth.

Discussion followed regarding Section 2.04, Future Development of the Sites Reservoir Project, specifically, a Member's first right of refusal (Credit Reimbursement Policy).

Action: It was moved by Cheng, seconded by Traynham 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 unanimously.

2:07 p.m. Shelly Murphy, representative for Colusa County Water District is now present and seated.

- 2.3 Chairman Bettner made time to consider acceptance of the 2020-2021 Sites Project Federal Government Affairs Priorities. **(Attachment 2.3A)**

Mr. Spesert provided an overview of the Federal Legislative/Government Affairs Priorities. Brief discussion followed.

Action: It was moved by Vanderwaal, seconded by Azevedo to accept the 2020-2021 Sites Project Federal Government Affairs Priorities, as presented. Motion carried unanimously.

- 2.4 Chairman Bettner made time to consider a Resolution commending Mr. Jim Watson for his 5 years of dedicated service to the Sites Reservoir Project.

Chairman Bettner, Executive Director Brown and various Reservoir Committee Members expressed their appreciation to Mr. Watson for his dedication to the project and wished him well in his future endeavors.

General Manager Watson thanked everyone for their well wishes and stated it was a team effort.

Action: It was moved by Davis, seconded by Vanderwaal to adopt Resolution 2020-02 Commending Mr. Jim Watson for his 5 years of dedicated service to the Sites Reservoir Project. Motion carried unanimously. **(Attachment 2.4 A)**

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 and will be reviewed with the Reservoir Committee and 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 the 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 – Will 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 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.
- Clean Water Act Section 404 and 401 - Will be initiated in July.
- Environmental Planning and Permitting Key Milestones through 2022.

Executive Director Brown stated no action was required on this matter and inquired whether Committee Members had any questions or comments. No questions or comments were received.

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 those efforts included the following activities:

- Distribution of press release highlighting the "right-sized" project to Sites' statewide media list, distribution of an e-blast newsletter, distribution of Editorials to regional media outlet and distribution of content on the project's social media platforms.
- Federal & State elected official/staff briefings on the project's value planning process, future funding needs and agency coordination needs.
- Project update briefing with NGOs and public interest organizations to introduce the project's rightsizing and soliciting NGO feedback on the environmental review process and the path forward.
- Landowner coordination activities and briefings with local elected officials introducing the "right-sized" project.

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.

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 letter signed along with 5 other Projects to the California Water Commission regarding a request that they consider making an emergency and temporary modification, on a project by project basis, in their implementation of the Propositions 1 Water Storage Investment Program (WSIP) funding due to the COVID situation. He further stated the Projects requested that CWC direct staff to evaluate administrative and regulatory modifications which were appropriate to mitigate COVID impacts and submit recommendations to the Commission within 60 days for their consideration.

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

Executive Director Brown provided a brief overview of the Reservoir Committee Workgroup and Authority Board Committee Structure and Assignments. Stated the Budget and Finance Committee of the Authority Board will merge, effective immediately, with the Budget and Finance Workgroup of the Reservoir Committee. He stated the Chair of the Reservoir Committee and the Authority Board concurred with the change.

Chairman Bettner stated there are vacancies in all workgroups, with the exception of the Reservoir Operations & Engineering, for those interested in volunteering. 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.

Chairman Bettner stated he did not have anything to report and deferred to Vice-chairman Davis.

Vice-chairman Davis informed the Committee Members of his retirement as General Manager of the San Geronio Pass Water Agency. He stated he would continue as the Vice-chairman of the Reservoir Committee until the end of 2020.

4.1.2 Workgroup Chairpersons' Report:

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

Reservoir Operations and Engineering Ad hoc Work Group: Mr. Kunde provided a brief update regarding a Reservoir Operations and Engineering Ad hoc Work Group meeting held on May 18, 2020 regarding various matters.

4.1.3 Reservoir Committee Participant Reports:

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

None.

4.2 Executive Director's Reports:

Executive Director Brown provided an overview of the following:

- Monthly status report. **(Attachment 4-2 A)**
- DC Legislative Day.
- Coalition letter in support of the SWRCB Water Resilience Portfolio BCP-\$4.5 million for Water Storage Investment Program Water Rights Permitting Staff.
- 2020 Organizational Chart. **(Attachment 4.2 P).**
- Re-opening phases of the Sacramento, Bay Area and Natomas facilities.
- Contract and performance plan (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 Bettner adjourned the meeting at 3:00 p.m.

Chairman
Thad Bettner

Executive Director
Jerry Brown

Attachment A to Meeting Minutes - Roll Call

Current Voting Committee Participants (21):

<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>	<input checked="" type="checkbox"/>	<i>Pct</i>	<i>Participant</i>
<input checked="" type="checkbox"/>	3.42	American Canyon, City	<input checked="" type="checkbox"/>	2.64	LaGrande WD
<input type="checkbox"/>	2.51	Antelope Valley-East Kern WA	<input checked="" type="checkbox"/>	15.34	Metropolitan WD
<input checked="" type="checkbox"/>	2.46	Carter MWC	<input checked="" type="checkbox"/>	3.42	Reclamation District 108
<input checked="" type="checkbox"/>	4.97	Coachella Valley WD	<input checked="" type="checkbox"/>	7.93	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	4.97	Colusa County	<input checked="" type="checkbox"/>	6.01	San Gorgonio Pass WA
<input checked="" type="checkbox"/>	5.49	Colusa Co. WD (1)	<input checked="" type="checkbox"/>	6.53	Santa Clara Valley WD
<input checked="" type="checkbox"/>	2.50	Cortina WD	<input checked="" type="checkbox"/>	3.67	Santa Clarita Valley WA
<input checked="" type="checkbox"/>	2.90	Davis WD	<input checked="" type="checkbox"/>	6.27	Westside WD
<input checked="" type="checkbox"/>	0.00	Department of Water Resources (non-voting)	<input checked="" type="checkbox"/>	3.17	Wheeler Ridge-Maricopa WSD
<input checked="" type="checkbox"/>	4.06	Desert WA	<input checked="" type="checkbox"/>	0.00	US Bureau of Reclamation (non-voting)
<input checked="" type="checkbox"/>	3.09	Dunnigan WD	<input checked="" type="checkbox"/>	4.97	Zone 7 WA
<input checked="" type="checkbox"/>	3.68	Glenn-Colusa ID	100.00 Total		

19. Voting members represented at Meeting’s start
92.7 % Represented participation percentage

20. Represented by 2:07 pm (1)
98.19 % Represented participation percentage

NOTE 1: Participation from a remote location in accordance with the Governor’s EO N-25-20 & N-29-20 (COVID19) are counted in quorum or voting.

Attachment B to Meeting Minutes - Attendance

Current Voting Reservoir Committee Participants (21):

<i>Participant</i>	<input checked="" type="checkbox"/> <i>Representative</i>	<input checked="" type="checkbox"/> <i>Alternate</i>	<i>Others</i>
American Canyon, City	<input checked="" type="checkbox"/> Rick Kaufman	<input type="checkbox"/> Felix Hernandez III <input type="checkbox"/> Jason Holley	
AVEK WA	<input type="checkbox"/> Dwayne Chisam	<input type="checkbox"/> Dan Flory	
Carter MWC	<input checked="" type="checkbox"/> Ben Carter	<input type="checkbox"/> Ann Carter	
Coachella Valley WD	<input checked="" type="checkbox"/> Robert Cheng	<input checked="" type="checkbox"/> Ivory Reyburn	
Colusa County.	<input checked="" type="checkbox"/> Mike Azevedo	<input checked="" type="checkbox"/> Gary Evans	
Colusa Co. WD	<input checked="" type="checkbox"/> Shelley Murphy	<input type="checkbox"/> Joe Marsh	
Cortina WD	<input type="checkbox"/> Jim Peterson	<input type="checkbox"/> Chuck Grimmer	Jamie Traynham
Davis WD	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter	
Desert WA	<input checked="" type="checkbox"/> Mark Krause	<input checked="" type="checkbox"/> Steve Johnson	
Dunnigan WD	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	
Glenn-Colusa ID	<input checked="" type="checkbox"/> Thad Bettner	<input type="checkbox"/> Don Bransford	
LaGrande WD	<input type="checkbox"/> Zach Dennis	<input type="checkbox"/> Ken LaGrande	Jamie Traynham
Metropolitan WD	<input checked="" type="checkbox"/> Randall Neudeck	<input type="checkbox"/> Chandra Chilmakuri	
RD 108	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/> Blair Lewis	
San Bernardino V MWD	<input checked="" type="checkbox"/> Bob Tincher	<input checked="" type="checkbox"/> Heather Dyer	
San Gorgonio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input type="checkbox"/>	
Santa Clara Valley WD	<input checked="" type="checkbox"/> Cindy Kao	<input checked="" type="checkbox"/> Eric Leitterman	
Santa Clarita Valley WA	<input checked="" type="checkbox"/> Dirk Marks	<input type="checkbox"/> Steve Cole	
Westside WD	<input checked="" type="checkbox"/> Allan Myers	<input checked="" type="checkbox"/> Dan Ruiz	
Wheeler Ridge-Maricopa WSD	<input checked="" type="checkbox"/> Rob Kunde	<input type="checkbox"/>	
Zone 7 WA	<input checked="" type="checkbox"/> Amparo Flores	<input type="checkbox"/> Carol Mahoney <input type="checkbox"/> Jarnail Chahal <input checked="" type="checkbox"/> Wes Mercado <input checked="" type="checkbox"/> Valerie Pryor	

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"/> David Sandino	
	<input type="checkbox"/> Ajay Goyal	<input type="checkbox"/> Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh	<input checked="" type="checkbox"/> Don Bader	<input type="checkbox"/> Chris Duke
	<input checked="" type="checkbox"/> Ryan Davis	<input type="checkbox"/> Derya Sumer	<input type="checkbox"/> Mike Mosley
	<input checked="" type="checkbox"/> Natalie Wolder	<input checked="" type="checkbox"/> Mike Dietl	<input type="checkbox"/> Shana Kaplan
		<input checked="" type="checkbox"/> David Van Rijn	

Pending Reservoir Committee Participants (0):

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>
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Authority, Non-Signatory (6):

<i>Participant</i>	✓ <i>Representative</i>	✓ <i>Alternate</i>
Glenn County	<input type="checkbox"/> John Viegas	<input type="checkbox"/>
PCWA	<input checked="" type="checkbox"/> Ed Horton	<input type="checkbox"/> Ben Barker
		<input type="checkbox"/> Darin Reintjes
Roseville	<input type="checkbox"/> Sean Bigley	<input type="checkbox"/> Trevor Joseph
		<input checked="" type="checkbox"/> Jason Marks
Sacramento, City of	<input type="checkbox"/> Jeff Harris	<input type="checkbox"/> Anne Sanger
Sacramento County WA	<input type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson
Tehama-Colusa Canal Authority	<input type="checkbox"/> Jeff Sutton	<input type="checkbox"/>

Staff:

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

✓ <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Trapasso, Joe	Sites Project Authority
<input checked="" type="checkbox"/> Tirado, Yolanda	Board Clerk
<input checked="" type="checkbox"/> Jim Watson	General Manager

