

Subject: **Reservoir Committee Meeting**

1:00 PM – 4:15 PM

Location: Maxwell Project Office
122 Old Highway 99W, Maxwell, CA 95955

Call in: **1-408-418-9388**
Code: **146 077 0999**
[WebEx Link](#)

Chair: Thad Bettner (Glenn-Colusa Irrigation District)

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

Treasurer: Jamie Traynham (Davis Water District)

AGENDA

Notice: Pursuant to Executive Orders N-25-20 and N-33-20, issued by Governor Newsom on March 12, 2020, and guidance by the California Department of Public Health dated March 11, 2020, this meeting will be conducted by teleconference. The public may attend the meeting and offer public comments by phone, using the call-in number above. Members of the Committee will participate by teleconference from other locations. In addition, the public and members of the Committee may, at their discretion, attend the meeting at the Sites Project Authority's Maxwell Office located at 122 Old Highway 99 West, Maxwell, CA 95955. However, it is requested that everyone wear facial coverings and the room will be arranged to achieve physical distancing standards, and capacity at this site is therefore limited and will not be sufficient to accommodate more than a few members of the public.

ROLL CALL & CALL TO ORDER:

- Introductions.
- Pledge of Allegiance.
- Approval of July 16, 2020 Agenda.
- Announcement of Closed Session.
- Period for Public Comment.

1. Consent Agenda:

Approximate start time 1:10 pm

The following items have been reviewed by the Executive Director. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

- 1.1 Approve the June 18, 2020 Phase 2 Reservoir Committee Meeting Minutes.
- 1.2 Accept the Sites Project Authority Treasurer's Report as presented in Attachment 1.2A. **(Attachment A)**
- 1.3 Approve the Payment of Claims as presented in Attachment 1.3A with supporting details provided in Attachment 1.3B. **(Attachments A, B & C)**
- 1.4 Consider approval of Resolution No. 2020-03, providing all of the duties, authorities and responsibilities to the Authority's Executive Director that were previously delegated to the Authority's General Manager. **(Attachment A)**

- 1.5 Consider approval of the revised changes to the Authority Consulting Services Agreement. **(Attachment A)**
- 1.6 Consider approval of the Coordination, Engineering and Operations, Environmental Planning and Permitting, and Joint Budget and Finance Workgroup Charter Document updates. **(Attachment A & B)**
- 1.7 Consider approval of an amendment to Brown and Caldwell's (Project Controls) contract and task order scope of work and budget. **(Attachment A)**

2. Action Items: Approximate start time 1:15 pm

- 2.1 Accept the Financial Auditor's Report. **(Attachments A & B)**
- 2.2 Recommend approval of release of a Request for Qualifications to initiate the procurement of legal services to support the acquisition of the water rights permits and approvals needed to support the project. **(Attachment A)**

3. Discussion and Information Items: Approximate start time 1:45 pm

- 3.1 Review and comment on the conditionally approved August 2019 Water Storage Policy and consideration of updates to align with Value Planning. Recognize the storage policy serves as the foundational document to 2021 key milestones of creating a Plan of Finance and Operations Plan and refer consideration of updates to the ad hoc Engineering and Operations Workgroup. **(Attachment A)**
- 3.2 Review and comment on the approach being taken for the modeling baseline for the EIR/EIS analysis.
- 3.3 Review and Comment on Credit Reimbursement Policy (Policy) Revisions. **(Attachment A)**
- 3.4 Receive status update on preliminary participation levels, outreach efforts related to maintaining project subscription in Second Amendment to 2019 Reservoir Project Agreement (Amendment 2) and the process of rebalancing participation. **(Attachment A)**
- 3.5 Review and comment on the July 2020 Quarterly Update of the plan and schedule for addressing the Organizational Assessment findings and recommendations. **(Attachment A)**
- 3.6 Review and comment on the Strategic Planning Session Draft Agenda. **(Attachment A)**

4. Reports: Approximate start time 3:15 pm

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.

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.

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.

4.2 Executive Director's Reports:

- Monthly status report. **(Attachment A)**

5. Closed Session

5.1 Executive Director's Three-Month Performance Review (Govt. Code § 54954.5(e)).

6. Future Meetings and Schedules: Approximate start time 4:00 pm

6.1 Suggested Future Agenda Items.

6.2 Upcoming meetings:

Strategic Planning Session

August 13, 2020
TBD
(Teleconferencing and video link will be provided as an option)

Reservoir Committee

Friday, August 21, 2020 9:00 AM
Sites Project Office, 122 Old Highway 99W Maxwell, CA 95955
(Teleconferencing and video link will be provided as an option)

Authority Board

Wednesday, August 26, 2020 1:30pm
Sites Project Office
(Teleconferencing and video link will be provided as an option)

ADJOURN:

PERIOD OF PUBLIC COMMENT: Any person may speak about any subject of concern, provided it is within the jurisdiction of the Reservoir Committee and is not already on today's agenda. The total amount of time allotted for receiving such public

communication shall be limited to a total of 10 minutes per issue and each individual or group will be limited to no more than 3 minutes each within the 10 minutes allocated per issue. **Note:** No action shall be taken on comments made under this comment period.

ADA COMPLIANCE: Upon request, agendas will be made available in alternative formats to accommodate persons with disabilities. In addition, any person with a disability who requires a modification or accommodation to participate or attend this meeting may request necessary accommodation. Please make your request to the Board Clerk, specifying your disability, the format in which you would like to receive this Agenda and any other accommodation required no later than 24 hours prior to the start of the meeting.

Meeting: **Phase 2 Reservoir Project Agreement**

2020 June 18

Subject: **Reservoir Committee Meeting**

1:00 PM – 4:00 PM

Location: Maxwell Project Office
122 Old Highway 99W, Maxwell, CA 95955

Call in: **1-408-418-9388**

Code: **146 887 2482**

[WebEx Link](#)

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:

Vice-Chairman Davis 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 18 eligible representatives. This equated to 88% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee.

ATTENDANCE:

See Attachment B.

AGENDA APPROVAL:

It was moved by Traynham, seconded by Tincher to approve the June 18, 2020 Reservoir Committee Agenda, as presented. Motion carried unanimously.

PERIOD OF PUBLIC COMMENT:

Vice-chairman Davis called for public comment. Hearing none, he closed the period of public comment.

1. CONSENT AGENDA:

Vice-Chairman Davis made time to consider Consent Agenda Item Numbers 1.1 through 1.3.

Ms. Kao stated there was an inaccuracy in the Reservoir Committee Minutes of May 21, 2021, page 3, under Agenda Item 2.1B "Two-Step Cash Call Process" second bullet "... 19 out of 21 agencies...". She stated it was actually 17 out of 21 agencies. Brief discussion followed.

Action: It was moved by Tincher, seconded by Marks to approve Consent Agenda Item Numbers 1.1 through 1.3 as follows:

Status: **Issued for Use**
Purpose: **Informational**
Caveat 1: **Subject to change**
Caveat 2:

Version: **A**
Date: **2020 June 18**
Ref/File #:
Page: **1** of **9**

- 1.1 Approve the May 21, 2020 Phase 2 Reservoir Committee Meeting Minutes.
- 1.2 Accept the Sites Project Authority Treasurer's Report as presented in Attachment 1.2A. **(Attachment A)**
- 1.3 Approve the Payment of Claims as presented in Attachment 1.3A with supporting details provided in Attachment 1.3B. **(Attachments A, B & C)**

Motion carried unanimously.

2. Action Items:

- 2.1 Mr. Spesert stated staff worked with the Authority Ad Hoc Legislative & Outreach Committee to develop a list of State level legislative and government priorities to focus on activities to better align with key project milestones. He stated further State activities would be implemented in coordination with Sites Federal government affairs/legislative priorities and any adjustments would be taken back to the Reservoir Committee (RC) and Authority Board (AB) before being incorporated with updates provided on significant progress. Discussion followed.

Action: It was moved by Cheng, seconded by Tincher to accept the 2020-2021 Sites Project State Agency Legislative Activity Priorities. **(Attachment A)**

Motion carried unanimously.

INTRODUCTIONS:

Executive Director Brown stated Introductions were not taken at the beginning of the meeting and requested that Introductions be done at this time.

The Sites Staff, Consultants and members of the public introduced themselves.

- 2.2 Approve the Authority's negotiation approach for permits and operating agreements. **(Attachment A)**

Executive Director Brown spoke to the need for the Authority Board and the Reservoir Committee to establish an approach on negotiating permits and agreement approvals to advance the project.

Ms. Forsythe provided an overview of the Authority's negotiation approach for permits and operating agreements with state and federal agencies. She spoke to the purpose of the Workgroups, Role of the lead negotiator and negotiating team as well as member involvement. Discussion followed.

Action: It was moved by Nuedeck, seconded by Vanderwaal to approve the Authority's negotiation approach for permits and operating agreements.

Motion carried unanimously.

3. Discussion and Information Items:

- 3.1 Receive status update on preliminary participation levels, outreach efforts related to maintaining project subscription in Second Amendment to 2019 Reservoir Project Agreement (Amendment 2) and the process of rebalancing participation. **(Attachment A, B & C)**

Mr. Robinette stated based on the soft call survey and some informal responses, staff has a working assumption that project participation in the Sacramento Valley will drop about 13,000 AF. He spoke to the following:

- Preliminary Participation Levels.
- Outreach and Rebalancing.
- Schedule.
- Cash Call Timing.
- Process for a participant securing a position in the participation queue and steps involved.

Mr. Robinette spoke to a request from Colusa County regarding an alternate payment plan based on their unique situation. He stated the alternate payment plan proposed by the County was analyzed by the Project team and the Team determined that it was prudent and reasonable to accept the alternate payment plan.

Vice-Chairman Davis stated Dan Ruiz, representative for Westside Water District, through the chat box, wanted it known that the Westside WD Board had no material update.

Ms. Kao expressed concern regarding the 16,000 AF noted in the preliminary soft call survey results and requested that asterisks be placed next to Santa Clara County's column. She stated staff has not established a staff recommendation on the 16,000 AF but are evaluating a 16,000 AF level. Executive Director Brown stated the edit would be made.

Mr. Evans informed the RC members that the Colusa County Board of Supervisors on Tuesday, June 16, 2020 approved the Phase 2 Participation Agreement.

Discussion followed with no action taken.

- 3.2 Receive status update on draft 2020 Final Federal Feasibility Report.

Mr. Brown provided an update on the draft 2020 Final Federal Feasibility Report, stating the approved 2020-2021 Sites Federal Government Affairs Priorities includes completion of the Final Federal Feasibility Report to qualify for federal funding and serves as a basis for the State's feasibility analysis required for WSIP funding. Mr. Brown spoke to the following:

- Potential benefits for north and south of delta, new supplies for incremental level 4 refuges and improvement for migrating fish in north of delta rivers and streams.
- WIIN Act construction funds.

- Differences between the draft 2020 FFR and VP7 (the Authority's preferred alternative).
- Project costs.
- "Right sized" Project.
- WIIN Act deadlines.
- Benefit cost ratio.
- Key WIIN Act criteria (determination of feasibility by December 2020 and initiation of construction by 2022).
- Feasibility Report Review Process.

Mr. Brown stated the draft 2020 FFR is currently going through policy review and will be sent to Washington DC in July where it will undergo numerous reviews by OMB and the Secretary of Interior who will then submit the final determination to Congress.

Discussion followed with no action taken.

3.3 Review and Comment on the objectives and alternatives for the Revised Environmental Impact Report/Environmental Impact Statement (EIR/EIS) to focus efforts in developing a more complete project description on schedule. **(Attachment A & B)**

Ms. Forsythe provided an overview on the objectives and alternatives for the Revised Environmental Impact Report/Environmental Impact Statement. She spoke to the following:

Overview:

- Work on the preparation of the Revised EIR/EIS, updates to the Biological Assessment and design efforts.
- Key first step is the development of a Revised Project Description.
 - Serves as the foundation of the Revised EIR/EIS.
 - Preferred Project is foundation of the Biological Assessment and Sites Feasibility Report.
- Soliciting early input to reduce rework and maintain schedule.

Building Block to September Decision:

- Environmental Planning and Permitting Key Milestones.
 - September, RC and AB to review and approve.
 - More complete project description.
 - Recommendation on Preferred Project.
- Necessity of staying on schedule.

Objectives – Background:

- CEQA Guidelines – require that a project description contain a clear statement of the project objectives, including the underlying purpose of the Project.
- Staff proposing revisions to objectives to:
 - Better reflect goals of RC and AB as described in the Value Planning Report and messaging documents.
 - Add clarity and specificity to improve understanding of the foundation of the Project.
- Improve environmental, agricultural and municipal water supply reliability in a cost-effective manner for Project Participants.
- Improve cold water pool management in Shasta Reservoir through coordination and exchanges with Reclamation to benefit anadromous fish.
- Enhance the Delta ecosystem by providing water to convey food resources from the floodplain to the Delta thereby improving the food chain and quality of the Delta's estuarine habitat for the benefit of pelagic fishes in the north Delta (e.g. Cache Slough).
- Provide improvements in state-wide water supply reliability to enhance opportunities for fish protection, habitat management and other environmental needs.
- Provide local and regional amenities, including development of recreational facilities, reduction of local flood damage and maintaining community connectivity through roadway modifications.

Alternatives – Background:

- CEQA Guidelines require that an EIR analyze a reasonable range of alternatives that would:
 - Satisfy and attain most of the basic objectives of the project.
 - Avoid or substantially lessen any of the significant effects of the project.
- Staff proposing revisions to alternatives to better align with Value Planning Report.
- Alternatives – Key Components and Differences of the Facilities/Operations, Action Alternative 1 (Derived from VP7 and Action Alternative 2 (Includes Parts of VP5 and VP6)).
- Next Steps:
 - Continue development and refinement of more complete project description, including:
 - Objectives.
 - Action Alternatives.
 - No Action Alternatives.

- Recommended Preferred Project.
- Return to RC and AB in September with:
 - More complete project description.
 - Recommend Preferred Project for the purpose of the CEQA analysis.
- Coordinate with Reclamation and Sites legal counsel for input.

Discussion followed regarding Alternative 1 and Alternative 2 (Conveyance Release/Dunnigan Release and Route to West side of Reservoir) and climate change with no action taken.

3.4 Review and comment on the approach for discussions with the California Department of Water Resources on a Sites Coordinated Operations Agreement. **(Attachment A)**

Ms. Forsythe stated Staff is reinitiating technical discussions with DWR on a Sites Coordinated Operations Agreement (COA). She stated the Sites COA would address the following key items:

1. Coordination of Sites water deliveries with DWR's operation of the State Water Project.
2. Sites water accounting in the context of the Coordinated Operations Agreement for the CVP and SWP.
3. Conveyance and operational losses.
4. Exchanges and transfers from Sites-participants to non-Sites SWP contractors.
5. Water rights and point of delivery considerations.

She also spoke to the following:

- Sites Reservoir Project Schedule – Milestones and Scheduled dates.
- DWR/Sites Term Sheet Developments Schedules.
- Next Steps.

Discussion followed with no action taken.

3.5 Receive status update on the Colusa Basin Drain (CBD) evaluation and Dunnigan Pipeline alignment review.

Mr. Luu provided an update on the CBD evaluation and the Dunnigan Pipeline alignment. He stated the Dunnigan Pipeline alignment analysis is progressing well, with no fatal flaws having been identified to date. He stated further the consultant team is refining the alignment to reduce impacts to properties and landowner operations as well as minimizing environmental impacts to Bird Creek. He further stated a hydraulic study of the CBD has been initiated and the analysis would confirm whether releases into the CBD are viable. He said a determination of a go/no-go on releases to the CBD would be made by August

2020. And should the use of the CBD not be feasible an alternative extending the Dunnigan Pipeline alignment to the river would still exist.

Discussion followed regarding environmental benefits and timing of water release south of the Delta with no action taken.

3.6 Receive status update on the approach for Regulatory Agency Technical Working Group. **(Attachment A)**

Ms. Forsythe stated staff have reinitiated efforts on the development and submittal of key permits for the Sites Project as reflected in the Amendment 1B Work Plan. She stated two technical working groups would be established to facilitate regular communication and coordination with state, federal and local agencies with jurisdiction over all or portions of the Project.

She stated Group 1: Interagency General Update and Coordination Meetings would meet on a quarterly basis to update and coordinate with all state, federal and local regulatory and/or partnering agencies; Group 2: Fishery and Operations Technical Meetings would focus, as needed on fishery and operations meetings to review and discuss the modeling approach, analysis approach, operational criteria and the resulting effects to species of the Project. She also spoke to potential attendees of each of the Technical Working Groups.

Brief discussion followed with no action taken.

4. Reports:

4.1 Member's Reports:

4.1.1 Chairpersons' Report:

None.

4.1.2 Workgroup Chairpersons' Report:

Reservoir Operations & Engineering

Mr. Kunde stated the Reservoir Operations and Engineering Workgroup is meeting every three weeks and progress is being made.

Budget & Finance

Ms. Traynham stated the Budget and Finance Workgroup is working on revising the Credit Reimbursement Policy and should be to the Reservoir Committee for consideration in July 2020.

Coordination

Vice-chairman Davis provided a brief update on activities of the Coordination Workgroup.

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:

- Monthly status report. **(Attachment A)**
- Message Platform Update.
- Delta Stewardship letter regarding consistency determination concerns.
- Memo regarding reporting and responsibility requirements as it relates to conduct matters within the workplace.
- Governor's/State Budget.
- Strategic Planning Session updates.
- Communications regarding the following:
 - Revised Message Platform has been added to the Home Board Package.
 - Town Hall meetings to be held on July 14 and July 15, 2020.
 - Landowner Newsletter re: right sized project will be out soon.

5. **Future Meetings and Schedules:**

5.1 Suggested Future Agenda Items.

Brief discussion followed regarding possible Agenda Items for future Agendas.

5.2 Upcoming meetings:

Reservoir Committee

Thursday, July 16, 2020 1:00 PM
Sites Project Office, 122 Old Highway 99W Maxwell, CA 95955
(Teleconferencing and video link will be provided as an option)

Authority Board

Wednesday, July 22, 2020 1:30pm
Sites Project Office
(Teleconferencing and video link will be provided as an option)

Vice-Chairman Davis adjourned the meeting at 3:36 p.m.

Vice-Chairman
Jeff Davis

Executive Director
Jerry Brown

Roll Call

Current Voting Committee Participants (21):

<i>Pct</i>	<i>Participant</i>	
<input checked="" type="checkbox"/>	3.42 American Canyon, City	
<input type="checkbox"/>	2.51 Antelope Valley-East Kern WA	
<input checked="" type="checkbox"/>	2.46 Carter MWC	
<input checked="" type="checkbox"/>	4.97 Coachella Valley WD	
<input checked="" type="checkbox"/>	4.97 Colusa County	
<input type="checkbox"/>	5.49 Colusa Co. WD	
<input checked="" type="checkbox"/>	2.50 Cortina WD	(1)
<input checked="" type="checkbox"/>	2.90 Davis WD	
<input checked="" type="checkbox"/>	0.00 Department of Water Resources (non-voting)	
<input checked="" type="checkbox"/>	4.06 Desert WA	
<input checked="" type="checkbox"/>	3.09 Dunnigan WD	
<input type="checkbox"/>	3.68 Glenn-Colusa ID	

<i>Pct</i>	<i>Participant</i>	
<input checked="" type="checkbox"/>	2.64 LaGrande WD	(1)
<input checked="" type="checkbox"/>	15.34 Metropolitan WD	
<input checked="" type="checkbox"/>	3.42 Reclamation District 108	
<input checked="" type="checkbox"/>	7.93 San Bernardino Valley MWD	
<input checked="" type="checkbox"/>	6.01 San Geronio Pass WA	
<input checked="" type="checkbox"/>	6.53 Santa Clara Valley WD	
<input checked="" type="checkbox"/>	3.67 Santa Clarita Valley WA	(2)
<input checked="" type="checkbox"/>	6.27 Westside WD	
<input checked="" type="checkbox"/>	3.17 Wheeler Ridge-Maricopa WSD	
<input checked="" type="checkbox"/>	0.00 US Bureau of Reclamation (non-voting)	
<input checked="" type="checkbox"/>	4.97 Zone 7 WA	
100.00	Total	

18. Voting members represented at Meeting start

88% Represented participation percentage

Representation has been delegated as follows:

- (1) To Jamie Traynham, Davis WD
- (2) To Amparo Flores, Zone 7

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 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 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 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 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 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 type="checkbox"/> Mike Dietl	<input type="checkbox"/> Shana Kaplan
		<input type="checkbox"/> David Van Rijn	

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 type="checkbox"/> Ed Horton	<input type="checkbox"/> Ben Barker <input type="checkbox"/> Darin Reintjes
Roseville	<input type="checkbox"/> Sean Bigley	<input checked="" type="checkbox"/> Trevor Joseph <input 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 type="checkbox"/> Kivett, Marcia	Admin

Consultants:

✓ <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"/> Katz, Sara	Katz & Associates

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

Other Attendees:

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone & E-mail)</i>
Laura Nicholson	Office of Senator Nielson	
Henry Luu	HDR	
Juleah Cordi	Office of Assemblyman James Gallagher	
Cathy Westcot	HDR	
Laverne Bill		



Topic: **Reservoir Committee Agenda Item 1.2**

2020 July 16

Subject: **Treasurer's Report**

Requested Action:

Accept the Sites Project Authority Treasurer's Report as presented in Attachment 1-2A.

Detailed Description/Background:

Attachment 1-2A incorporates financial information through June 30, 2020.

Prior Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: June 2020 Treasurer's Report.

SITES JOINT POWERS AUTHORITY
TREASURER'S REPORT
 June 30, 2020

2020 July 16 Reservoir Committee,
 Agenda Item 1.2 Attachment A

Savings Account-River City Bank

Beginning Balance	06/01/2020	\$ 2,956,636.65	
Transfer to General Checking to max benefit		\$ (218,086.79)	
Interest Earned		\$ 2,232.05	
River City Bank ICS Savings Account Balance	06/30/2020		\$ 2,740,781.91

General Operating Checking Account-River City Bank

Beginning Balance	06/01/2020	\$ 1,149,966.02	
RECEIVED:			
Refund from Sac Public Library-Meeting Expense	\$	450.00	
Interest Earned	\$	945.78	
TOTAL RECEIVED		\$ 1,395.78	
DISBURSED:			
Bank Fees	\$	(157.77)	
Administrative Support	\$	(4,189.50)	
Computer Service	\$	(1,350.62)	
General Manager	\$	(28,551.26)	
Accounting Fees	\$	(1,765.00)	
Office Expenses	\$	(723.07)	
Professional Fees-Legislative/Regulatory	\$	(8,000.00)	
Professional Fees-Communication	\$	(35,424.99)	
Professional Fees-Organizational Assessment			
Professional Fees-Fed Gov't Affairs Support	\$	(15,000.00)	
Professional Fees-Legal Services	\$	(5,707.14)	
TOTAL DISBURSED		\$ (100,869.35)	
Transfer from Savings to max benefit		\$ 218,086.79	
RCB General Checking Account Balance	06/30/2020		\$ 1,268,579.24

State (WSIP) Fund Checking Account-River City Bank

Beginning Balance	06/01/2020	\$ 5,744,010.94	
DISBURSED:			
Bank Wire Fees			
Annual Audit Fees			
Bus/Comm Manager	\$	(21,320.00)	
Program Op Manager	\$	(28,000.00)	
Professional Fees-Engineering	\$	(8,112.77)	
Professional Fees-Cost Development	\$	(1,374.00)	
Professional Fees-Bond Counsel	\$	(3,970.00)	
Professional Fees-Executive Director Services	\$	(33,750.00)	
Professional Fees-Project Controls	\$	(116,764.80)	
Professional Fees-Operations/SIM Modeling	\$	(97,617.53)	
Professional Fees-EPP Manager	\$	(30,000.00)	
Professional Fees-Geotech Eng	\$	(11,875.58)	
Professional Fees-Project Integration	\$	(168,516.59)	
Professional Fees-Reservoir Operations	\$	(3,185.00)	
Professional Fees-Special Legal	\$	(971.10)	
Professional Fees-Env/Biological Serv & Permit	\$	(96,395.12)	
TOTAL DISBURSED		\$ (621,852.49)	
RCB State Fund Checking Account Balance	06/30/2020		\$ 5,122,158.45

TOTAL CASH ON HAND	June 30, 2020	\$ 9,131,519.60
---------------------------	----------------------	------------------------

**Sites Project Joint Powers Authority
Transactions by Account**

As of June 30, 2020

Type	Date	Num	Name	Memo	Debit	Credit	Balance
River City ICS Savings							2,956,636.65
General Journal	06/24/2020	6-1C		transfer to max ICS		218,086.79	2,738,549.86
General Journal	06/30/2020	6-3C		rec int fme	2,232.05		2,740,781.91
Total River City ICS Savings					2,232.05	218,086.79	2,740,781.91
River City Operating Account							1,149,966.02
Bill Pmt -Check	06/09/2020	2154	Adept Solutions Inc			1,350.62	1,148,615.40
Bill Pmt -Check	06/09/2020	2155	Dunn Consulting			8,000.00	1,140,615.40
Bill Pmt -Check	06/09/2020	2156	J.C. Watson, Inc			28,551.26	1,112,064.14
Bill Pmt -Check	06/09/2020	2157	Katz and Associates, Inc			35,424.99	1,076,639.15
Bill Pmt -Check	06/09/2020	2158	KCoe Isom, LLP			1,765.00	1,074,874.15
Bill Pmt -Check	06/09/2020	2159	M.R. Cleaning Services			400.00	1,074,474.15
Bill Pmt -Check	06/09/2020	2160	Maximun Pest Control			65.00	1,074,409.15
Bill Pmt -Check	06/09/2020	2161	Mt Shasta Spring Water			30.15	1,074,379.00
Bill Pmt -Check	06/09/2020	2162	Recology Butte Colusa Counties			35.95	1,074,343.05
Bill Pmt -Check	06/09/2020	2163	Rush Personnel Services, Inc			4,189.50	1,070,153.55
Bill Pmt -Check	06/09/2020	2164	The Ferguson Group			15,000.00	1,055,153.55
Bill Pmt -Check	06/09/2020	2165	US Bank			191.97	1,054,961.58
Bill Pmt -Check	06/09/2020	2166	Young Wooldridge LLP			5,707.14	1,049,254.44
Deposit	06/24/2020			Sac Public Library	450.00		1,049,704.44
General Journal	06/24/2020	6-1C		transfer to max ICS	218,086.79		1,267,791.23
General Journal	06/30/2020	6-2C		Bank service fee		157.77	1,267,633.46
General Journal	06/30/2020	6-4C		rec int fme	945.78		1,268,579.24
Total River City Operating Account					219,482.57	100,869.35	1,268,579.24
River City State Fund Checking							5,744,010.94
Bill Pmt -Check	06/09/2020	1052	AECOM Technical Services, Inc.			8,112.77	5,735,898.17
Bill Pmt -Check	06/09/2020	1053	Brown and Caldwell			116,764.80	5,619,133.37
Bill Pmt -Check	06/09/2020	1054	CH2M Hill Engineers, Inc			97,617.53	5,521,515.84
Bill Pmt -Check	06/09/2020	1055	Forsythe Group LLC			30,000.00	5,491,515.84
Bill Pmt -Check	06/09/2020	1056	Fugro USA Land, Inc			11,875.58	5,479,640.26
Bill Pmt -Check	06/09/2020	1057	HDR Engineering Inc			168,516.59	5,311,123.67
Bill Pmt -Check	06/09/2020	1058	ICF Jones & Stokes Inc			96,395.12	5,214,728.55
Bill Pmt -Check	06/09/2020	1059	Larsen Wurzel & Associates, Inc			1,374.00	5,213,354.55
Bill Pmt -Check	06/09/2020	1060	MBK Engineers Inc			3,185.00	5,210,169.55
Bill Pmt -Check	06/09/2020	1061	Perkins Coie LLP			971.10	5,209,198.45
Bill Pmt -Check	06/09/2020	1062	Spesert Consulting			21,320.00	5,187,878.45
Bill Pmt -Check	06/09/2020	1063	Stradling Yocca Carlson & Rauth			3,970.00	5,183,908.45
Bill Pmt -Check	06/09/2020	1064	Trapasso Consulting Services			28,000.00	5,155,908.45
Bill Pmt -Check	06/09/2020	1065	Waterology Consulting			33,750.00	5,122,158.45
Total River City State Fund Checking					0.00	621,852.49	5,122,158.45
US Bank Checking							0.00
Total US Bank Checking							0.00
TOTAL					221,714.62	940,808.63	9,131,519.60

Sites Project Joint Powers Authority
Balance Sheet
As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
River City ICS Savings	2,740,781.91
River City Operating Account	1,268,579.24
River City State Fund Checking	5,122,158.45
Total Checking/Savings	9,131,519.60
Accounts Receivable	
Accounts Rec Members	
Membership - Authority	68,000.00
Membership - Reservoir	145,011.80
Total Accounts Rec Members	213,011.80
Total Accounts Receivable	213,011.80
Total Current Assets	9,344,531.40
TOTAL ASSETS	9,344,531.40
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	1,106,991.94
Total Accounts Payable	1,106,991.94
Total Current Liabilities	1,106,991.94
Long Term Liabilities	
Participant Reimbursement Polic	6,064,652.67
Total Long Term Liabilities	6,064,652.67
Total Liabilities	7,171,644.61
Equity	
Net Assets	1,929,216.58
Retained Earnings	3,969,373.85
Net Income	-3,725,703.64
Total Equity	2,172,886.79
TOTAL LIABILITIES & EQUITY	9,344,531.40

Sites Project Joint Powers Authority
A/R Aging Summary
As of June 30, 2020

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
City of American Canyon	0.00	0.00	0.00	0.00	-4,988.20	-4,988.20
County of Colusa	150,000.00	0.00	0.00	0.00	0.00	150,000.00
County of Glenn	0.00	0.00	0.00	0.00	55,000.00	55,000.00
Yolo County Flood Control	0.00	0.00	0.00	0.00	13,000.00	13,000.00
TOTAL	<u>150,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>63,011.80</u>	<u>213,011.80</u>

Sites Project Joint Powers Authority
A/P Aging Summary
As of June 30, 2020

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Adept Solutions Inc	1,011.86	0.00	0.00	0.00	0.00	1,011.86
AECOM Technical Services, Inc.	158,393.74	78,837.14	0.00	0.00	0.00	237,230.88
Brown and Caldwell	98,335.19	0.00	0.00	0.00	0.00	98,335.19
CH2M Hill Engineers, Inc	0.00	206,131.53	0.00	0.00	0.00	206,131.53
Darling H2O Consulting, Inc.	236.25	0.00	0.00	0.00	0.00	236.25
Dunn Consulting	8,000.00	0.00	0.00	0.00	0.00	8,000.00
Fechter & Company CPA	1,275.60	0.00	0.00	0.00	0.00	1,275.60
Forsythe Group LLC	30,251.85	0.00	0.00	0.00	0.00	30,251.85
Fugro USA Land, Inc	13,209.93	0.00	0.00	0.00	0.00	13,209.93
HDR Engineering Inc	202,638.30	0.00	0.00	0.00	0.00	202,638.30
ICF Jones & Stokes Inc	0.00	78,982.06	0.00	0.00	0.00	78,982.06
Katz and Associates, Inc	31,549.15	20,979.99	0.00	0.00	0.00	52,529.14
KCoe Isom, LLP	1,997.00	0.00	0.00	0.00	0.00	1,997.00
Larsen Wurzel & Associates, Inc	13,006.25	0.00	0.00	0.00	0.00	13,006.25
Maximun Pest Control	65.00	0.00	0.00	0.00	0.00	65.00
MBK Engineers Inc	0.00	7,785.75	0.00	0.00	0.00	7,785.75
Montague DeRose and Associates, LLC	0.00	4,568.75	0.00	0.00	0.00	4,568.75
Mt Shasta Spring Water	102.40	0.00	0.00	0.00	0.00	102.40
Perkins Coie LLP	597.60	0.00	0.00	0.00	0.00	597.60
Recology Butte Colusa Counties	35.95	0.00	0.00	0.00	0.00	35.95
Rush Personnel Services, Inc	5,115.60	0.00	0.00	0.00	0.00	5,115.60
Spesert Consulting	21,320.00	0.00	0.00	0.00	0.00	21,320.00
Stradling Yocca Carlson & Rauth	0.00	3,450.00	0.00	0.00	0.00	3,450.00
The Catalyst Group	11,100.88	0.00	0.00	0.00	0.00	11,100.88
The Ferguson Group	0.00	15,000.00	0.00	0.00	0.00	15,000.00
Trapasso Consulting Services	28,000.00	0.00	0.00	0.00	0.00	28,000.00
US Bank	251.13	0.00	0.00	0.00	0.00	251.13
US Postal Service	120.00	0.00	0.00	0.00	0.00	120.00
Waterology Consulting	33,750.00	0.00	0.00	0.00	0.00	33,750.00
William Avery & Associates	0.00	0.00	13,271.36	0.00	11,623.68	24,895.04
Young Wooldridge LLP	5,998.00	0.00	0.00	0.00	0.00	5,998.00
TOTAL	666,361.68	415,735.22	13,271.36	0.00	11,623.68	1,106,991.94

Sites Project Joint Powers Authority
Profit & Loss
June 2020

	Jun 20	Jan - Jun 20
Ordinary Income/Expense		
Income		
Membership Admin/Authority	0.00	505,000.00
Membership Water	150,000.00	150,000.00
Prop 1 Funding	0.00	0.00
Total Income	150,000.00	655,000.00
Gross Profit	150,000.00	655,000.00
Expense		
Accounting Expense	1,997.00	15,961.00
Admin Support Gen Manager	5,115.60	30,627.45
Audit Fees	1,275.60	12,036.00
Bank Service Fees	157.77	1,006.96
General Manager	0.00	186,514.66
Insurance - Property	0.00	250.00
Insurance Liability	0.00	1,604.25
Office Expenses		
Cleaning	0.00	900.00
Misc Office & Operating Exp	-78.87	2,753.42
Pest Control & Maintenance	65.00	390.00
Trash Service	35.95	215.70
Water Expense	102.40	301.10
Total Office Expenses	124.48	4,560.22
Professional Fees		
Bond Counsel	3,450.00	7,420.00
Bus/Comm Manager	21,320.00	130,041.85
Communication	52,529.14	138,060.28
Cost Development Model	13,006.25	15,548.85
Cultural Study	0.00	3,885.55
Engineering & Technical Service	314,554.77	429,073.15
Env/Biological Services	43,590.12	186,461.40
EPP Manager	30,251.85	182,310.94
Executive Director	33,750.00	101,250.00
Federal Government Affairs Supp	15,000.00	90,000.00
General Legal Counsel	5,998.00	49,277.62
Geotechnical Engineering	13,209.93	62,058.45
Legislative/Reg/Strategic	8,000.00	48,000.00
Municipal Advisor	4,568.75	24,568.75
Operations/Simulation Modeling	128,807.64	479,842.28
Organizational Assessment	236.25	29,929.66
Permitting & Agreements	35,391.94	183,622.35
Personel Recruiter	0.00	24,895.04
Program Ops Manager	28,000.00	170,510.24
Project Controls	98,335.19	675,155.11
Project Integration	202,638.30	1,046,628.97
Real Estate	0.00	761.67
Reservoir Operations	7,785.75	27,988.50
Special Legal	597.60	31,971.60
Strategic Planning	11,100.88	11,100.88
Total Professional Fees	1,072,122.36	4,150,363.14
Website, Data, Computer Support	1,011.86	7,695.86
Total Expense	1,081,804.67	4,410,619.54
Net Ordinary Income	-931,804.67	-3,755,619.54
Other Income/Expense		
Other Income		
Interest Income		
Interest Income-River City	3,177.83	29,915.90

FOR MANAGEMENT PURPOSES ONLY

Sites Project Joint Powers Authority

Profit & Loss

June 2020

	Jun 20	Jan - Jun 20
Total Interest Income	3,177.83	29,915.90
Total Other Income	3,177.83	29,915.90
Net Other Income	3,177.83	29,915.90
Net Income	<u>-928,626.84</u>	<u>-3,725,703.64</u>

Sites Project Joint Powers Authority Transaction Detail By Account

June 2020

Type	Date	Num	Name	Memo	Class	Debit	Credit	Balance
Membership Water								
Invoice	06/19/2020	SPA-2020-14	County of Colusa	Sites Reservoir Participation ...	Reservoir		150,000.00	150,000.00
Total Membership Water						0.00	150,000.00	150,000.00
Accounting Expense								
Bill	06/30/2020	KC090345	KCoe Isom, LLP	6/20	Authority	399.40		-399.40
Bill	06/30/2020	KC090345	KCoe Isom, LLP	6/20	Reservoir	1,597.60		-1,997.00
Total Accounting Expense						1,997.00	0.00	-1,997.00
Admin Support Gen Manager								
Bill	06/15/2020	0137562	Rush Personnel Services, ...	6/20	Authority	246.96		-246.96
Bill	06/15/2020	0137562	Rush Personnel Services, ...	6/20	Reservoir	987.84		-1,234.80
Bill	06/15/2020	0137563	Rush Personnel Services, ...	6/20	Authority	282.24		-1,517.04
Bill	06/15/2020	0137563	Rush Personnel Services, ...	6/20	Reservoir	1,128.96		-2,646.00
Bill	06/29/2020	0137791	Rush Personnel Services, ...	6/20	Authority	211.68		-2,857.68
Bill	06/29/2020	0137791	Rush Personnel Services, ...	6/20	Reservoir	846.72		-3,704.40
Bill	06/29/2020	0137792	Rush Personnel Services, ...	6/20	Authority	282.24		-3,986.64
Bill	06/29/2020	0137792	Rush Personnel Services, ...	6/20	Reservoir	1,128.96		-5,115.60
Total Admin Support Gen Manager						5,115.60	0.00	-5,115.60
Audit Fees								
Bill	06/22/2020	Letter	Fechter & Company CPA	6/20	Reservoir	1,275.60		-1,275.60
Total Audit Fees						1,275.60	0.00	-1,275.60
Bank Service Fees								
General J...	06/30/2020	6-2C		Bank service fee	Authority	88.35		-88.35
General J...	06/30/2020	6-2C		Bank service fee	Reservoir	69.42		-157.77
Total Bank Service Fees						157.77	0.00	-157.77
Office Expenses								
Misc Office & Operating Exp								
Deposit	06/24/2020			refund	Reservoir		450.00	450.00
Bill	06/30/2020	Onlin 7/1	US Bank	6/20	Authority	251.13		198.87
Bill	06/30/2020	Letter	US Postal Service	7/20 Box rent	Authority	120.00		78.87
Total Misc Office & Operating Exp						371.13	450.00	78.87
Pest Control & Maintenance								
Bill	06/26/2020	51183	Maximun Pest Control	6/20	Authority	65.00		-65.00
Total Pest Control & Maintenance						65.00	0.00	-65.00
Trash Service								
Bill	06/30/2020	37438579	Recology Butte Colusa Co...	6/20	Authority	35.95		-35.95
Total Trash Service						35.95	0.00	-35.95
Water Expense								
Bill	06/05/2020	401027	Mt Shasta Spring Water	6/20	Authority	30.15		-30.15
Bill	06/26/2020	407049	Mt Shasta Spring Water	6/20	Authority	72.25		-102.40
Total Water Expense						102.40	0.00	-102.40
Total Office Expenses						574.48	450.00	-124.48
Professional Fees								
Bond Counsel								
Bill	06/18/2020	365299-0001	Stradling Yocca Carlson &...	5/20	Reservoir	3,450.00		-3,450.00
Total Bond Counsel						3,450.00	0.00	-3,450.00
Bus/Comm Manager								
Bill	06/30/2020	07-20	Spesert Consulting	6/20	Reservoir	21,320.00		-21,320.00
Total Bus/Comm Manager						21,320.00	0.00	-21,320.00
Communication								
Bill	06/15/2020	413789	Katz and Associates, Inc	5/20 (C)	Authority	11,538.00		-11,538.00
Bill	06/15/2020	413789	Katz and Associates, Inc	5/20 (C)	Reservoir	9,441.99		-20,979.99
Bill	06/30/2020	413822	Katz and Associates, Inc	6/20 (C)	Authority	17,349.28		-38,329.27
Bill	06/30/2020	413822	Katz and Associates, Inc	6/20 (C)	Reservoir	14,199.87		-52,529.14
Total Communication						52,529.14	0.00	-52,529.14
Cost Development Model								
Bill	06/15/2020	1609000-0520	Larsen Wurzel & Associat...	5/20	Reservoir	3,623.50		-3,623.50
Bill	06/30/2020	1609000-0620	Larsen Wurzel & Associat...	6/20	Reservoir	9,382.75		-13,006.25
Total Cost Development Model						13,006.25	0.00	-13,006.25
Engineering & Technical Service								
Bill	06/10/2020	200369389	AECOM Technical Service...	5/20 (Reservoir) (HR)	Reservoir	78,837.14		-78,837.14
Bill	06/17/2020	D3380600-001	CH2M Hill Engineers, Inc	5/20 (Conveyance) (HC)	Reservoir	77,323.89		-156,161.03
Bill	06/30/2020	200378520	AECOM Technical Service...	6/20 (Reservoir) (HR)	Reservoir	157,711.74		-313,872.77
Bill	06/30/2020	200377940	AECOM Technical Service...	6/20	Reservoir	682.00		-314,554.77
Total Engineering & Technical Service						314,554.77	0.00	-314,554.77
Env/Biological Services								
Bill	06/15/2020	0147510	ICF Jones & Stokes Inc	5/20 (Environ.) (E)	Reservoir	43,590.12		-43,590.12

Sites Project Joint Powers Authority Transaction Detail By Account

June 2020

Type	Date	Num	Name	Memo	Class	Debit	Credit	Balance
Total Env/Biological Services						43,590.12	0.00	-43,590.12
EPP Manager								
Bill	06/25/2020	SPA-202006	Forsythe Group LLC	6/20	Reservoir	30,251.85		-30,251.85
Total EPP Manager						30,251.85	0.00	-30,251.85
Executive Director								
Bill	06/30/2020	3	Waterology Consulting	6/20	Reservoir	33,750.00		-33,750.00
Total Executive Director						33,750.00	0.00	-33,750.00
Federal Government Affairs Supp								
Bill	06/01/2020	0620149	The Ferguson Group	6/20	Authority	7,500.00		-7,500.00
Bill	06/01/2020	0620149	The Ferguson Group	6/20	Reservoir	7,500.00		-15,000.00
Total Federal Government Affairs Supp						15,000.00	0.00	-15,000.00
General Legal Counsel								
Bill	06/30/2020	66804	Young Wooldridge LLP	6/20	Authority	3,353.25		-3,353.25
Bill	06/30/2020	66804	Young Wooldridge LLP	6/20	Reservoir	2,644.75		-5,998.00
Total General Legal Counsel						5,998.00	0.00	-5,998.00
Geotechnical Engineering								
Bill	06/30/2020	04.7219003...	Fugro USA Land, Inc	6/20 (I)	Reservoir	13,209.93		-13,209.93
Total Geotechnical Engineering						13,209.93	0.00	-13,209.93
Legislative/Reg/Strategic								
Bill	06/30/2020	Letter	Dunn Consulting	6/20	Authority	4,000.00		-4,000.00
Bill	06/30/2020	Letter	Dunn Consulting	6/20	Reservoir	4,000.00		-8,000.00
Total Legislative/Reg/Strategic						8,000.00	0.00	-8,000.00
Municipal Advisor								
Bill	06/04/2020	4888SITES	Montague DeRose and As...	4/20	Reservoir	4,568.75		-4,568.75
Total Municipal Advisor						4,568.75	0.00	-4,568.75
Operations/Simulation Modeling								
Bill	06/15/2020	D3205400-014	CH2M Hill Engineers, Inc	5/20 (Operations) (D)	Reservoir	128,807.64		-128,807.64
Total Operations/Simulation Modeling						128,807.64	0.00	-128,807.64
Organizational Assessment								
Bill	06/30/2020	127	Darling H2O Consulting, Inc.	6/20	Authority	236.25		-236.25
Total Organizational Assessment						236.25	0.00	-236.25
Permitting & Agreements								
Bill	06/15/2020	0147511	ICF Jones & Stokes Inc	5/20 (Permitting) (F)	Reservoir	35,391.94		-35,391.94
Total Permitting & Agreements						35,391.94	0.00	-35,391.94
Program Ops Manager								
Bill	06/30/2020	SPA 17-33	Trapasso Consulting Servi...	6/20	Reservoir	28,000.00		-28,000.00
Total Program Ops Manager						28,000.00	0.00	-28,000.00
Project Controls								
Bill	06/30/2020	17376336	Brown and Caldwell	6/20 (B)	Reservoir	98,335.19		-98,335.19
Total Project Controls						98,335.19	0.00	-98,335.19
Project Integration								
Bill	06/30/2020	1200277979	HDR Engineering Inc	6/20 (A)	Reservoir	202,638.30		-202,638.30
Total Project Integration						202,638.30	0.00	-202,638.30
Reservoir Operations								
Bill	06/19/2020	20-05-4941.0	MBK Engineers Inc	5/20	Reservoir	7,785.75		-7,785.75
Total Reservoir Operations						7,785.75	0.00	-7,785.75
Special Legal								
Bill	06/23/2020	6208406	Perkins Coie LLP	5/20	Reservoir	597.60		-597.60
Total Special Legal						597.60	0.00	-597.60
Strategic Planning								
Bill	06/30/2020	492	The Catalyst Group	6/20	Reservoir	11,100.88		-11,100.88
Total Strategic Planning						11,100.88	0.00	-11,100.88
Total Professional Fees						1,072,122.36	0.00	-1,072,122.36
Website, Data, Computer Support								
Bill	06/30/2020	MSP-139657	Adept Solutions Inc	7/20	Authority	152.04		-152.04
Bill	06/30/2020	MSP-139657	Adept Solutions Inc	7/20	Reservoir	608.16		-760.20
Bill	06/30/2020	139699	Adept Solutions Inc	5/20	Authority	50.33		-810.53
Bill	06/30/2020	139699	Adept Solutions Inc	5/20	Reservoir	201.33		-1,011.86
Total Website, Data, Computer Support						1,011.86	0.00	-1,011.86
Interest Income								
Interest Income-River City								

**Sites Project Joint Powers Authority
Transaction Detail By Account**

June 2020

Type	Date	Num	Name	Memo	Class	Debit	Credit	Balance
General J...	06/30/2020	6-3C		rec int fme	Reservoir		2,232.05	2,232.05
General J...	06/30/2020	6-4C		rec int fme	Authority		529.64	2,761.69
General J...	06/30/2020	6-4C		rec int fme	Reservoir		416.14	3,177.83
Total Interest Income-River City						0.00	3,177.83	3,177.83
Total Interest Income						0.00	3,177.83	3,177.83
TOTAL						1,082,254.67	153,627.83	-928,626.84

Sites Project Joint Powers Authority
Balance Sheet by Class
As of June 30, 2020

	Authority	Reservoir	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
River City ICS Savings	0.00	2,740,781.91	2,740,781.91
River City Operating Account	708,746.64	559,832.60	1,268,579.24
River City State Fund Checking	0.00	5,122,158.45	5,122,158.45
Total Checking/Savings	708,746.64	8,422,772.96	9,131,519.60
Accounts Receivable			
Accounts Rec Members			
Membership - Authority	68,000.00	0.00	68,000.00
Membership - Reservoir	0.00	145,011.80	145,011.80
Total Accounts Rec Members	68,000.00	145,011.80	213,011.80
Total Accounts Receivable	68,000.00	145,011.80	213,011.80
Total Current Assets	776,746.64	8,567,784.76	9,344,531.40
TOTAL ASSETS	776,746.64	8,567,784.76	9,344,531.40
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	71,071.19	1,035,920.75	1,106,991.94
Total Accounts Payable	71,071.19	1,035,920.75	1,106,991.94
Total Current Liabilities	71,071.19	1,035,920.75	1,106,991.94
Long Term Liabilities			
Participant Reimbursement Polic	0.00	6,064,652.67	6,064,652.67
Total Long Term Liabilities	0.00	6,064,652.67	6,064,652.67
Total Liabilities	71,071.19	7,100,573.42	7,171,644.61
Equity			
Net Assets	114,674.93	1,814,541.65	1,929,216.58
Retained Earnings	351,952.54	3,617,421.31	3,969,373.85
Net Income	239,047.98	-3,964,751.62	-3,725,703.64
Total Equity	705,675.45	1,467,211.34	2,172,886.79
TOTAL LIABILITIES & EQUITY	776,746.64	8,567,784.76	9,344,531.40

FOR MANAGEMENT PURPOSES ONLY

Sites Project Joint Powers Authority
Profit & Loss by Class
June 2020

	Authority	Reservoir	TOTAL
Ordinary Income/Expense			
Income			
Membership Water	0.00	150,000.00	150,000.00
Total Income	0.00	150,000.00	150,000.00
Gross Profit	0.00	150,000.00	150,000.00
Expense			
Accounting Expense	399.40	1,597.60	1,997.00
Admin Support Gen Manager	1,023.12	4,092.48	5,115.60
Audit Fees	0.00	1,275.60	1,275.60
Bank Service Fees	88.35	69.42	157.77
Office Expenses			
Misc Office & Operating Exp	371.13	-450.00	-78.87
Pest Control & Maintenance	65.00	0.00	65.00
Trash Service	35.95	0.00	35.95
Water Expense	102.40	0.00	102.40
Total Office Expenses	574.48	-450.00	124.48
Professional Fees			
Bond Counsel	0.00	3,450.00	3,450.00
Bus/Comm Manager	0.00	21,320.00	21,320.00
Communication	28,887.28	23,641.86	52,529.14
Cost Development Model	0.00	13,006.25	13,006.25
Engineering & Technical Service	0.00	314,554.77	314,554.77
Env/Biological Services	0.00	43,590.12	43,590.12
EPP Manager	0.00	30,251.85	30,251.85
Executive Director	0.00	33,750.00	33,750.00
Federal Government Affairs Supp	7,500.00	7,500.00	15,000.00
General Legal Counsel	3,353.25	2,644.75	5,998.00
Geotechnical Engineering	0.00	13,209.93	13,209.93
Legislative/Reg/Strategic	4,000.00	4,000.00	8,000.00
Municipal Advisor	0.00	4,568.75	4,568.75
Operations/Simulation Modeling	0.00	128,807.64	128,807.64
Organizational Assessment	236.25	0.00	236.25
Permitting & Agreements	0.00	35,391.94	35,391.94
Program Ops Manager	0.00	28,000.00	28,000.00
Project Controls	0.00	98,335.19	98,335.19
Project Integration	0.00	202,638.30	202,638.30
Reservoir Operations	0.00	7,785.75	7,785.75
Special Legal	0.00	597.60	597.60
Strategic Planning	0.00	11,100.88	11,100.88
Total Professional Fees	43,976.78	1,028,145.58	1,072,122.36
Website, Data, Computer Support	202.37	809.49	1,011.86
Total Expense	46,264.50	1,035,540.17	1,081,804.67
Net Ordinary Income	-46,264.50	-885,540.17	-931,804.67
Other Income/Expense			
Other Income			
Interest Income			
Interest Income-River City	529.64	2,648.19	3,177.83
Total Interest Income	529.64	2,648.19	3,177.83
Total Other Income	529.64	2,648.19	3,177.83
Net Other Income	529.64	2,648.19	3,177.83
Net Income	-45,734.86	-882,891.98	-928,626.84

FOR MANAGEMENT PURPOSES ONLY

Sites Project Joint Powers Authority
Profit & Loss by Class - YTD
January through June 2020

	Authority	Reservoir	TOTAL
Ordinary Income/Expense			
Income			
Membership Admin/Authority	505,000.00	0.00	505,000.00
Membership Water	0.00	150,000.00	150,000.00
Prop 1 Funding	0.00	0.00	0.00
Total Income	505,000.00	150,000.00	655,000.00
Gross Profit	505,000.00	150,000.00	655,000.00
Expense			
Accounting Expense	3,192.20	12,768.80	15,961.00
Admin Support Gen Manager	6,125.49	24,501.96	30,627.45
Audit Fees	0.00	12,036.00	12,036.00
Bank Service Fees	441.59	565.37	1,006.96
General Manager	26,752.05	159,762.61	186,514.66
Insurance - Property	200.00	50.00	250.00
Insurance Liability	0.00	1,604.25	1,604.25
Office Expenses			
Cleaning	900.00	0.00	900.00
Misc Office & Operating Exp	1,227.61	1,525.81	2,753.42
Pest Control & Maintenance	390.00	0.00	390.00
Trash Service	215.70	0.00	215.70
Water Expense	301.10	0.00	301.10
Total Office Expenses	3,034.41	1,525.81	4,560.22
Professional Fees			
Bond Counsel	0.00	7,420.00	7,420.00
Bus/Comm Manager	0.00	130,041.85	130,041.85
Communication	80,206.19	57,854.09	138,060.28
Cost Development Model	0.00	15,548.85	15,548.85
Cultural Study	0.00	3,885.55	3,885.55
Engineering & Technical Service	0.00	429,073.15	429,073.15
Env/Biological Services	0.00	186,461.40	186,461.40
EPP Manager	0.00	182,310.94	182,310.94
Executive Director	0.00	101,250.00	101,250.00
Federal Government Affairs Supp	45,000.00	45,000.00	90,000.00
General Legal Counsel	25,133.25	24,144.37	49,277.62
Geotechnical Engineering	0.00	62,058.45	62,058.45
Legislative/Reg/Strategic	24,000.00	24,000.00	48,000.00
Municipal Advisor	0.00	24,568.75	24,568.75
Operations/Simulation Modeling	0.00	479,842.28	479,842.28
Organizational Assessment	29,929.66	0.00	29,929.66
Permitting & Agreements	0.00	183,622.35	183,622.35
Personel Recruiter	24,895.04	0.00	24,895.04
Program Ops Manager	0.00	170,510.24	170,510.24
Project Controls	0.00	675,155.11	675,155.11
Project Integration	0.00	1,046,628.97	1,046,628.97
Real Estate	0.00	761.67	761.67
Reservoir Operations	0.00	27,988.50	27,988.50
Special Legal	0.00	31,971.60	31,971.60
Strategic Planning	0.00	11,100.88	11,100.88
Total Professional Fees	229,164.14	3,921,199.00	4,150,363.14
Website, Data, Computer Support	1,539.17	6,156.69	7,695.86
Total Expense	270,449.05	4,140,170.49	4,410,619.54
Net Ordinary Income	234,550.95	-3,990,170.49	-3,755,619.54
Other Income/Expense			
Other Income			
Interest Income			
Interest Income-River City	4,497.03	25,418.87	29,915.90

FOR MANAGEMENT PURPOSES ONLY

Sites Project Joint Powers Authority
Profit & Loss by Class - YTD
January through June 2020

	Authority	Reservoir	TOTAL
Total Interest Income	4,497.03	25,418.87	29,915.90
Total Other Income	4,497.03	25,418.87	29,915.90
Net Other Income	4,497.03	25,418.87	29,915.90
Net Income	<u>239,047.98</u>	<u>-3,964,751.62</u>	<u>-3,725,703.64</u>



Requested Action:

Approve the Payment of Claims as presented in Attachment 1.3A with supporting details provided in Attachment 1.3B.

Detailed Description/Background:

Attachment A presents the warrants to be drawn against the invoices received by the Sites Project Authority through July 6, 2020.

Attachment B summarizes details of the invoices received through July 6, 2020 and how the incurred costs are allocated between the Authority and Reservoir Committee.

Attachment C presents a budget status report of key consultants' task orders and tasks through the period of performance of the invoices presented in Attachment B.

Prior Action:

None.

Fiscal Impact/Funding Source:

Total Payment of Claims is \$1,106,991.94 with \$71,071.19 of costs being assigned to the Authority and \$1,035,920.75 assigned to the Reservoir Committee.

For the Reservoir Committee assigned amount, \$991,634.57 will be paid through the WSIP account and \$44,286.18 through the JPA/Sites account as shown in Attachment B.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: July 2020 Report on warrants to be drawn for Payment of Claims.

Attachment B: July 2020 Monthly Consultant and Vendor Invoice table.

Attachment C: July 2020 Key Consultant Budget Status Report.

**WARRANTS DRAWN AGAINST
Sites Project Authority- General Fund
July 22, 2020**

2020 July 16 Reservoir Committee,
Agenda Item 1.3 Attachment A

Warrant Number	Check Date	Vendor	Invoice Description	Amount Paid
2167	07/09/2020	Adept Solutions	IT & Related Services	1,011.86
2168	07/09/2020	Darling H2O	Organizational Assessment	236.25
2169	07/09/2020	Dunn Consulting	Legislative/Regulatory/Strategic Support	8,000.00
2170	07/09/2020	Katz and Associates Inc.	Communications	52,529.14
2171	07/09/2020	K-Coe-Isom, LLP	Accounting	1,997.00
2172	07/09/2020	Maximum Pest Control	Pest Control	65.00
2173	07/09/2020	Mt Shasta Spring Water	Office Water	102.40
2174	07/09/2020	Recology Butte Colusa Counties	Office Trash Pickup	35.95
2175	07/09/2020	Rush Personnel Services Inc.	Administrative Services	5,115.60
2176	07/09/2020	The Ferguson Group	Fed Govt Affairs Support	15,000.00
2177	07/09/2020	U.S. Bank	Misc. Expenses	251.13
2178	07/09/2020	US Postal Service	Box Fee	120.00
2179	07/09/2020	William Avery & Associates	Personnel Recruiter	24,895.04
2180	07/09/2020	Young Wooldridge LLP	Legal Counsel	5,998.00

THE FOREGOING CLAIM, NUMBERED 2167-2180 ARE APPLIED TO THE
GENERAL FUND OF SITES PROJECT AUTHORITY AND ARE WARRANTS AUTHORIZED THERETO.

Total Amount 115,357.37

County of Colusa

Westside Water District

Colusa County Water District

Placer County Water Agency/City of Roseville

County of Glenn

Sacramento County Water Agency/City of Sacramento

Glenn-Colusa Irrigation District

Reclamation District No. 108

Tehama Colusa Canal Authority

**WARRANTS DRAWN AGAINST
Sites Project Authority-WSIP Fund
July 22, 2020**

Warrant Number	Check Date	Vendor	Invoice Description	Amount Paid
1066	07/09/2020	AECOM Inc.	Engineering	237,230.88
1067	07/09/2020	Brown and Caldwell	Project Controls	98,335.19
1068	07/09/2020	CH2M	Operations/SIM Modeling	206,131.53
1069	07/09/2020	Fechter & Company CPA	Accounting	1,275.60
1070	07/09/2020	Forsythe Group LLC	EPP Manager	30,251.85
1071	07/09/2020	Fugro USA Land, Inc.	Geotechnical Engineering Services	13,209.93
1072	07/09/2020	HDR Engineering Inc.	Project Integration	202,638.30
1073	07/09/2020	ICF Jones & Stokes Inc.	Env/Biological Services & Permitting	78,982.06
1074	07/09/2020	Larsen Wurzel & Associates, Inc.	Cost Development	13,006.25
1075	07/09/2020	MBK Engineers Inc.	Reservoir Operations	7,785.75
1076	07/09/2020	Montague DeRose and Associates, LLC	Municipal Advisor	4,568.75
1077	07/09/2020	Perkins Coie, LLP	Special Legal	597.60
1078	07/09/2020	Spesert Consulting	Bus/Comm Manager	21,320.00
1079	07/09/2020	Stradling Yocca Carlson & Rauth	Bond Counsel	3,450.00
1080	07/09/2020	The Catalyst Group	Strategic Planning Services	11,100.88
1081	07/09/2020	Trapasso Consulting Services	Program Operations Manager	28,000.00
1082	07/09/2020	Waterology Consulting	Executive Director Services	33,750.00

THE FOREGOING CLAIM, NUMBERED 1066-1082 ARE APPLIED TO THE
WSIP FUND OF SITES PROJECT AUTHORITY AND ARE WARRANTS AUTHORIZED THERETO.

Total Amount **991,634.57**

County of Colusa

Westside Water District

Colusa County Water District

Placer County Water Agency/City of Roseville

County of Glenn

Sacramento County Water Agency/City of Sacramento

Glenn-Colusa Irrigation District

Reclamation District No. 108

Tehama Colusa Canal Authority



July 9, 2020

Topic: **Program Operations - Finance**

Subject: Consultant/Vendor Invoices Received for July 2020 Board Authority and Reservoir Committee

Purpose: Summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following consultant and vendor invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their July monthly meetings.

Consultant/Vendor	Invoice #		Total	\$ Authority Board	\$ Reservoir Committee	Review by
	Date	Period				
Board Approval Items						
Adept Solutions	MSP-139657		\$760.20	\$152.04	\$608.16	KMS
<i>IT Related Services/Computer Equipment</i>	7/1/20	07/20				
Adept Solutions	139699		\$251.66	\$50.33	\$201.33	KMS
<i>IT Related Services/Computer Equipment</i>	7/1/20	5/20				
AECOM (Reservoir) (HR)	2000369389		\$78,837.14		\$78,837.14	HL
<i>Engineering Services</i>	6/10/20	5/20				
AECOM (Reservoir) (HR)	2000378520		\$157,711.74		\$157,711.74	HL
<i>Engineering Services</i>	7/7/20	6/20				
AECOM Technical Services, Inc.	2000377940		\$682.00		\$682.00	HL
<i>Engineering/Tech</i>	7/6/20	6/20				
Brown and Caldwell (B)	17376336		\$98,335.19		\$98,335.19	JAT
<i>Project Controls</i>	7/2/20	6/20				
CH2M Hill Engineers (Operations) (D)	D3205400-014		\$128,807.64		\$128,807.64	AEF
<i>Operations / Simulation Modeling</i>	6/15/20	5/20				
CH2M/Jacobs (Conveyance) (HC)	D3380600-001		\$77,323.89		\$77,323.89	HL
<i>Engineering Services</i>	6/17/20	5/20				
Colusa Indian Community Council	No Invoice					SPE
<i>Tribal Council</i>						
Darling H2O Consulting, Inc.	127		\$236.25	\$236.25		FD
<i>Organizational Assessment</i>	6/30/20	6/20				
Dunn Consulting	Letter		\$8,000.00	\$4,000.00	\$4,000.00	KMS
<i>Legislative/Regulatory/Strategic Support</i>	7/2/20	6/20				
Fechter and Company, CPAs	Letter		\$1,275.60		\$1,275.60	JAT
<i>Accounting Services</i>	6/22/20	6/20				
Forsythe Group, LLC	SPA-202006		\$30,251.85		\$30,251.85	JB
<i>EPP Manager</i>	6/25/20	6/20				
Fugro (I)	04.72190035-15		\$13,209.93		\$13,209.93	HL
<i>Geotechnical Engineering Services</i>	7/6/20	6/20				
Gerald (Jerry) Johns	No Invoice					AEF
<i>Project Operations</i>						



Topic: Program Operations - Finance

Subject: Consultant/Vendor Invoices Received for July 2020 Board Authority and Reservoir Committee

Purpose: Summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following consultant and vendor invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their July monthly meetings.

Consultant/Vendor	Invoice #		Total	\$ Authority Board	\$ Reservoir Committee	Review by
	Date	Period				
HDR (A) <i>Project Integration</i>	1200277979	7/6/20 6/20	\$202,638.30		\$202,638.30	JAT
ICF Jones & Stokes, Inc. (Environ.) (E) <i>Env/Biological Services</i>	0147510	6/15/20 5/20	\$43,590.12		\$43,590.12	AEF
ICF Jones & Stokes, Inc. (Permitting) (F) <i>Permitting and Agreements</i>	0147511	6/15/20 5/20	\$35,391.94		\$35,391.94	AEF
Katz & Associates (C) <i>Communications</i>	413789	6/15/20 5/20	\$20,979.99	\$11,538.00	\$9,441.99	KMS
Katz & Associates (C) <i>Communications</i>	413822	7/6/20 6/20	\$31,549.15	\$17,349.28	\$14,199.87	KMS
K-Coe Isom, LLP <i>Accounting</i>	KC090345	6/30/20 6/20	\$1,997.00	\$399.40	\$1,597.60	JAT
Larsen Wurzel & Associates, Inc. <i>Cost Development</i>	1609000-0520	6/15/20 5/20	\$3,623.50		\$3,623.50	JAT
Larsen Wurzel & Associates, Inc. <i>Cost Development</i>	1609000-0620	7/2/20 6/20	\$9,382.75		\$9,382.75	JAT
M.R. Cleaning Service <i>Office Cleaning</i>	No Invoice					KMS
Maximum Pest Control <i>Pest Spraying</i>	51183	6/26/20 6/20	\$65.00	\$65.00		KMS
MBK Engineers <i>Reservoir Operations</i>	20-05-4941.0	6/19/20 5/20	\$7,785.75		\$7,785.75	AEF
Montague DeRose & Associates, LLC <i>Municipal Advisor</i>	4888SITES	6/4/20 4/20	\$4,568.75		\$4,568.75	JAT
MT Shasta Water <i>Office Water</i>	401027	6/5/20 6/20	\$30.15	\$30.15		KMS
MT Shasta Water <i>Office Water</i>	407049	6/26/20 6/20	\$72.25	\$72.25		KMS
Perkins Coie, LLP <i>Special Legal</i>	6208406	6/23/20 5/20	\$597.60		\$597.60	AEF
Recology Butte Colusa Counties <i>Office Trash Pickup</i>	37438579	6/30/20 6/20	\$35.95	\$35.95		KMS

Topic: **Program Operations - Finance**
Subject: Consultant/Vendor Invoices Received for July 2020 Board Authority and Reservoir Committee

Purpose: Summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following consultant and vendor invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their July monthly meetings.

Consultant/Vendor	Invoice #		Total	\$ Authority Board	\$ Reservoir Committee	Review by
	Date	Period				
Rush Personnel <i>Yolanda Tirado Services</i>	IVC000000137562		\$1,234.80	\$246.96	\$987.84	KMS
	6/15/20	6/20				
Rush Personnel <i>Yolanda Tirado Services</i>	IVC000000137563		\$1,411.20	\$282.24	\$1,128.96	KMS
	6/15/20	6/20				
Rush Personnel <i>Yolanda Tirado Services</i>	IVC000000137791		\$1,058.40	\$211.68	\$846.72	KMS
	6/29/20	6/20				
Rush Personnel <i>Yolanda Tirado Services</i>	IVC000000137792		\$1,411.20	\$282.24	\$1,128.96	KMS
	6/29/20	6/20				
Spesert Consulting <i>Bus/Communications Manager</i>	07-20		\$21,320.00		\$21,320.00	JB
	7/3/20	6/20				
Stradling, Yocca, Carlson & Rauth <i>Bond Counsel</i>	365299-0001		\$3,450.00		\$3,450.00	JAT
	6/18/20	5/20				
The Catalyst Group <i>Strategic Planning Services</i>	492		\$11,100.88		\$11,100.88	JB
	7/2/20	6/20				
The Ferguson Group <i>Federal Government Affairs Support</i>	0620149		\$15,000.00	\$7,500.00	\$7,500.00	KMS
	6/1/20	6/20				
Trapasso Consulting Services <i>Program Operations Manager</i>	SPA 17-33		\$28,000.00		\$28,000.00	JB
	7/5/20	6/20				
U.S. Bank - Credit Card <i>Misc. Expenses</i>	Online 7/1		\$251.13	\$251.13		KMS
	7/1/20	6/20				
U.S. Postal Service <i>P.O. Box</i>	Letter		\$120.00	\$120.00		KMS
	7/1/20	7/20				
Waterology Consulting <i>Executive Director Services</i>	3		\$33,750.00		\$33,750.00	JT/ FD /JS
	7/1/20	6/20				
William Avery & Associates <i>Personnel Recruiter</i>	2939		\$8,400.00	\$8,400.00		JAT
	1/21/20	1/20				
William Avery & Associates <i>Personnel Recruiter</i>	2940		\$3,223.68	\$3,223.68		JAT
	1/21/20	1/20				
William Avery & Associates <i>Personnel Recruiter</i>	3013		\$5,500.00	\$5,500.00		JAT
	5/8/20	5/20				
William Avery & Associates <i>Personnel Recruiter</i>	3014		\$5,500.00	\$5,500.00		JAT
	5/8/20	5/20				

Topic: **Program Operations - Finance**
Subject: Consultant/Vendor Invoices Received for July 2020 Board Authority and Reservoir Committee

Purpose: Summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following consultant and vendor invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their July monthly meetings.

Consultant/Vendor	Invoice #		Total	\$ Authority Board	\$ Reservoir Committee	Review by
	Date	Period				
William Avery & Associates <i>Personnel Recruiter</i>	3015		\$2,271.36	\$2,271.36		JAT
	5/8/20	5/20				
Wiseman Consulting Group <i>ROW/Land Management</i>	No Invoice					KMS
Young Wooldridge, Law Offices, LLP <i>Legal Counsel</i>	66804		\$5,998.00	\$3,353.25	\$2,644.75	JAT
	6/30/20	6/20				

	Total	\$ Authority Board	\$ Reservoir Committee
	Total	\$ Authority Board	\$ Reservoir Committee
	Cash Accounts	1,106,991.94	1,035,920.75
July 2020 Monthly Totals	JPA/Sites	115,357.37	44,286.18
	WSIP	991,634.57	991,634.57
Cumulative Summary	WSIP To Date	3,950,210.53	(4) Fund Checks Received
	Balance	4,130,583.88	8,080,794.41

Notes: *



JULY KEY CONSULTANT BUDGET REPORT
FOR AUTHORITY BOARD AND RESERVOIR COMMITTEE,
FINANCE AND ECONOMICS AD HOC COMMITTEE

Area / Consultant	Task ID	Task Name	\$ Contract Ceiling	\$Task Budget Authorized (2020)	\$ Spent to date (2020)	\$ Budget Remaining (2020)	Spent %	Task % Complete	8 Month Plan (2020)
a) HDR		Costs and Task % as of 06/20 Services	1,499,864	1,499,864	1,046,629	453,235	70%		
	A01	Communications Int.		-	-	-	-	100%	
	A02	Ops Modeling Int.		181,007	43,269	137,738	24%	70%	
	A03	Env. Planning Int.		149,357	157,369	(8,012)	105%	75%	
	A04	Permitting Int.		243,884	217,610	26,274	89%	75%	
	A05	Real Estate Int.		139,718	69,768	69,950	50%	60%	
	A06	Engineering Int.		299,476	198,972	100,504	66%	75%	
	A07	Geotech Int.		-	-	-	-	100%	
	A08	Controls Int.		224,387	170,737	53,650	76%	75%	
	A09	General Int.		98,267	119,639	(21,372)	122%	75%	
	A10	Authority's Engineer		-	-	-	-	100%	
	A11	Health, Safety & Loss Prevention		-	-	-	-	100%	
	A12	Quality Management		-	-	-	-	100%	
	A13	Risk Management		49,890	18,901	30,989	38%	50%	
	A14	IT		15,831	12,033	3,798	76%	75%	
	A15	GIS		-	765	(765)	-	100%	
	A16	Document Management		3,734	3,654	80	98%	75%	
	A17	Staff Support		14,004	2,402	11,602	17%	75%	
	A18	Satellite Project Office		-	-	-	-	100%	
	A19	Land Conservation Approach		-	-	-	-	100%	
	A98	HDR Project Management		40,309	23,242	17,067	58%	75%	
	A99	Expenses		40,000	8,267	31,733	21%	75%	
b) BC		Costs and Task % as of 06/20 Services	899,156	899,156	675,155	224,001	75%		
	B01	Project Controls		113,645	60,036	53,609	53%	80%	
	B02	Contract Administration and Compliance		492,414	365,670	126,744	74%	75%	
	B03	Work Planning and Scheduling		100,341	99,410	931	99%	90%	
	B04	Project Administrative Support		117,516	105,160	12,356	89%	90%	
	B05	PMP Sections		-	-	-	-	-	
	B98	Project Management		73,240	42,370	30,870	58%	60%	
	B99	Expenses		2,000	2,510	(510)	125%	100%	



JULY KEY CONSULTANT BUDGET REPORT
 FOR AUTHORITY BOARD AND RESERVOIR COMMITTEE,
 FINANCE AND ECONOMICS AD HOC COMMITTEE

7/9/2020

Area / Consultant	Task ID	Task Name	\$ Contract Ceiling	\$Task Budget Authorized (2020)	\$ Spent to date (2020)	\$ Budget Remaining (2020)	Spent %	Task % Complete	8 Month Plan (2020)
c) K&A		Costs and Task % as of 06/20 Services	199,930	199,930	138,060	61,870	69%		
	C01	Local/Landowner Outreach		14,083	4,499	9,584	32%	50%	
	C02	Statewide Outreach		22,000	17,286	4,714	79%	70%	
	C03	NGO Outreach		12,166	1,085	11,081	9%	-	
	C04	Strategic Communications		19,666	12,844	6,822	65%	50%	
	C05	Message Development/Training		11,831	3,778	8,054	32%	60%	
	C06	Informational Materials Distribution		38,500	34,496	4,004	90%	60%	
	C07	Website Modifications and Management		18,600	7,393	11,208	40%	65%	
	C08	Video & Photography		-	73	(73)	-	-	
	C09	Authority/Reservoir Committee Public Affairs Support		14,500	15,828	(1,328)	109%	50%	
	C10	Media Relations		13,084	10,995	2,089	84%	65%	
	C11	Social Media		5,000	1,500	3,500	30%	35%	
	C98	Project Management		30,500	25,828	4,673	85%	65%	
	C99	Expenses		-	2,457	(2,457)	-	-	
d) CH2-d		Costs and Task % as of 05/20 Services	993,000	993,000	479,843	513,157	48%		
	D01	Permitting and Resource Agency Technical Support		100,000	71,586	28,414	72%	90%	
	D02	Environmental Document Support		356,853	140,676	216,177	39%	35%	
	D03	Total Operations Technical Support		300,000	125,048	174,952	42%	65%	
	D04	Value Planning		88,000	79,921	8,079	91%	100%	
	D98	Project Management		31,147	32,091	(944)	103%	60%	
	D99	Expenses & Subconsultants		117,000	30,520	86,480	26%	45%	
e) ICF-e		Costs and Task % as of 05/20 Services	428,000	428,000	186,461	241,539	44%		
	E01	Draft EIS/EIR Review and Strategic Consultation		-	-	-	-	-	
	E02	Prepare Admin Final Responses to Comments		-	-	-	-	-	
	E03	Prepare Administrative Final EIR/EIS		15,000	14,967	33	100%	100%	
	E04	Begin Preparation of Administrative Record for Fin		-	-	-	-	-	
	E05	Engagement		-	-	-	-	-	
	E06	Geotechnical Environmental Document		-	-	-	-	-	
	E07	Develop Environmental Document Work Plan		110,000	85,759	24,241	78%	75%	
	E08	Support Development of EIR/EIS Project Description		180,000	57,124	122,876	32%	30%	
	E09	Prepare Annotated Outline		88,000	-	88,000	-	-	
	E98	Project Management		31,500	28,611	2,889	91%	75%	
	E99	Expenses		3,500	-	3,500	-	-	



JULY KEY CONSULTANT BUDGET REPORT
 FOR AUTHORITY BOARD AND RESERVOIR COMMITTEE,
 FINANCE AND ECONOMICS AD HOC COMMITTEE

7/9/2020

Area / Consultant	Task ID	Task Name	\$ Contract Ceiling	\$Task Budget Authorized (2020)	\$ Spent to date (2020)	\$ Budget Remaining (2020)	Spent %	Task % Complete	8 Month Plan (2020)
f) ICF-f		Costs and Task % as of 05/20 Services	708,300	708,300	183,622	524,678	26%		
	F01	Finalize Joint Biological Assessment		-	-	-	-	-	
	F02	Finalize Geotechnical Permits and Fieldwork		297,120	37,628	259,492	13%	50%	
	F03	Prepare Section 106 Documents		-	-	-	-	-	
	F04	Begin Preparation of Permits and Agreements		26,000	25,976	24	100%	100%	
	F05	Prepare for 2020 Field Work Studies		-	-	-	-	-	
	F06	Strategize on Mitigation and Adaptive Management P		-	-	-	-	-	
	F07	Early Coordination and Development of Key Permits		333,740	82,890	250,850	25%	30%	
	F98	Project Management		35,000	30,734	4,266	88%	75%	
	F99	Expenses		16,440	6,395	10,045	39%	15%	
hc) CH2-hc		Costs and Task % as of 05/20 Services	597,023	597,023	77,324	519,699	13%		
	HC01	Project Coordination		15,378	4,211	11,167	27%	25%	
	HC02	Engineering Support for Proj. Description of Preferred Proj. from Value Planning		370,475	44,050	326,426	12%	15%	
	HC98	Project Management		55,469	21,204	34,265	38%	25%	
	HC99	Expenses & Subconsultants		155,700	7,859	147,841	5%	15%	
hr) AEC-hr		Costs and Task % as of 06/20 Services	599,379	599,379	236,549	362,830	39%		
	HR01	Project Coordination		7,339	1,487	5,852	20%	20%	
	HR02	Engineering Support for Project Description of Preferred Project		567,000	212,462	354,538	37%	48%	
	HR98	Project Management		25,040	22,600	2,440	90%	95%	
i) FUG		Costs and Task % as of 06/20 Services	85,995	85,995	62,058	23,937	72%		
	I01	Data Review and Develop 2019 Feasibility Study Work Plan		-	-	-	-	-	
	I02	- Obsolete -		-	-	-	-	-	
	I03	2019 Site Investigation		-	-	-	-	-	
	I04	Future Site Investigation Work Plan for Design		-	-	-	-	-	
	I05	Assessment of Proposed Field Data Collection Points		50,786	31,736	19,050	62%	62%	
	I98	Project Management		35,209	30,322	4,887	86%	86%	
	I99	Expenses		-	-	-	-	-	

Notes: *



Topic: **Reservoir Committee Agenda Item 1.4**

2020 July 16

Subject: **Reassignment of Staff**

Requested Action:

Consider approval of Resolution No. 2020-03, providing all of the duties, authorities and responsibilities to the Authority's Executive Director that were previously delegated to the Authority's General Manager.

Detailed Description/Background:

As a result of the organizational assessment, the duties and responsibilities of the General Manager were reassigned to an interim Executive Director in December 2019 and a new Executive Director was selected and a contract for these services was executed in March 2020. There is no longer a General Manger role on the project. The proposed attached resolution memorializes the change from General Manager to Executive Director to affect all agreements, contracts, and any other documents that the Authority has previously executed identifying the General Manager position.

Prior Action:

None

Fiscal Impact/Funding Source:

There is no fiscal impact associated with this change.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Resolution No. 2020-03



**BEFORE THE BOARD OF DIRECTORS OF THE
SITES PROJECT AUTHORITY**

RESOLUTION NO. 2020-03

In the Matter of:

Authorizing the Executive Director as having all of the duties, responsibilities and authorities previously directed upon the General Manager.

WHEREAS, the Authority has previously assigned certain duties, responsibilities and authorities to the General Manager in the oversight of the Project and has identified such in its agreements, contracts, permits, and other business documentation related to the Project; and

WHEREAS, in December 2019 the Authority created the "interim" Executive Director position as the replacement for the General Manager position; and

WHEREAS, in March 2020 the Authority entered into a contract for services with the Authority's Executive Director (the "Contract"), which provided for the Executive Director's fulfillment of duties, responsibilities, and authorities that were previously fulfilled by the former General Manager, and thereby replaced the General Manager position on a permanent basis with the position of Executive Director.

NOW, THEREFORE BE IT RESOLVED by this Board of Directors as follows:

1. The Executive Director position replaces the previous General Manager position within the Project's organization and, pursuant to the Contract, has been delegated all of the duties, responsibilities, and authorities previously assigned to the former General Manager.
2. All references to the term "General Manager" in any agreements, contracts, permits or other business documents shall be understood to mean "Executive Director", if and as applicable, and all such agreements, contracts, permits or other business documents shall, as appropriate, be revised to replace the term "General Manager" with the term "Executive Director". Such amendments shall be considered



ministerial and not subject to further agreement or negotiation between effected parties, and is fully within the rights of the Authority to unilaterally authorize.

3. The Authority's officers and Executive Director are authorized to do all things necessary and proper to carry out and implement the above reference matters.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Sites Project Authority this 22th day of July 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I, Fritz Durst, Chair Authority Board of the Site Project Authority, do hereby certify that the resolution set forth above is true and accurate copy of the resolution adopted by the Board of Directors of the Sites Project Authority at a duly called meeting of the Board on July 22, 2020 and that said resolution has not been rescinded, amended or modified and is in full force and effect as of the date hereof.

In Witness Whereof, I have executed this certificate this 22th day of July 2020.

Fritz Durst, Chair Authority Board, Sites Project Authority



Topic: **Reservoir Committee Agenda Item 1.5** **2020 July 16**

Subject: **Consulting Service Agreements Terms and Conditions**

Requested Action:

Consider approval of the revised changes to the Authority Consulting Services Agreement.

Detailed Description/Background:

The Sites Project Authority's staff, in coordination with General Counsel, previously developed the Sites Standard Consulting Services Agreement which has been used as the standard contract for consultant services since July 2018.

Recently a need was determined to expand compliance with all applicable laws, specifically incorporating any agreement and agreement amendments between the Authority and a state or federal agency funding agreement into the agreements of the Authority's consultants. Attachment A covers the standard conditions in the consulting agreements. Similar provisions will be added to agreements with other service providers where state and/or federal funding is involved.

Prior Action:

At the July 20, 2018 Reservoir Committee meeting, the Sites Consulting Services Agreement was approved.

Fiscal Impact/Funding Source:

The additional standard conditions are not expected to increase costs for consulting services since the consultants working on the Sites project also perform work for State and Federal agency's which means they already have workplace programs in place to meet these requirements.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: Proposed Language Revisions.



ADDITIONAL LANGUAGE TO AUTHORITY CONSULTING SERVICES AGREEMENT July 2020

Minor language additions to the Authority's Standard Consulting Services Agreement are in red which has been approved by Authority legal counsel.

1. Services g. Use of Employees, Subconsultants and Subcontractors. Consultant shall furnish sufficient qualified personnel necessary to perform the Services and shall provide and employ all required equipment, materials and supplies necessary to perform the Services in accordance with the completion schedule for the Services. Any subconsultant or subcontractor that will provide services shall be listed in the Task Order with a corresponding Hourly Rate Schedule. Consultant shall not commission the services of any new or additional subconsultant or subcontractor without the approval of the Authority, which approval the Authority may withhold or condition in its reasonable discretion to ensure adherence to the terms and conditions of this Agreement, and which approval shall, if granted, be memorialized in the form of a Change Order. Consultant shall determine the method, details, and means of performing the Services and may at its own cost, employ such employees, subconsultants and subcontractors as it deems necessary to perform the Services. Authority may not control, direct or supervise Consultant's employees, subconsultants or subcontractors in the performance of the Services, and Authority shall not be liable for any expenses or costs relating to Consultant's employees, subconsultants or subcontractors unless Authority has agreed in writing, prior to the time such expenses or costs are incurred, to reimburse Consultant for such expenses. Consultant shall ensure that any contract entered into with any subconsultant or subcontractor is expressly subject to all applicable terms and conditions of this Agreement, which applicable terms and conditions include, without limitation, those governing insurance, **applicable laws**, indemnification, ownership of work product, confidentiality and conflicts of interest.

8. Compliance with Laws. The Services shall conform to the requirements of all governmental agencies having jurisdiction over the Services. Consultant shall also comply with all federal, state and local laws, ordinances, rules, regulations and orders applicable to the performance of its obligations under this Agreement, including all licensing requirements and occupational, health, safety, employment and environmental laws. **Such applicable laws, ordinances, rules, regulations and orders shall include, without limitation, those that are specifically incorporated into any agreement between Authority and a state or federal agency pertaining to the Services, which agency agreement and any amendments thereto the Authority will provide to Consultant following their execution.** Consultant shall bear all costs, expenses and liabilities related to any changes in the Services to conform to such laws, ordinances, rules, regulations and orders.



Topic: **Reservoir Committee Agenda Item 1.6** **2020 July 16**

Subject: **Workgroup Charter Documents**

Requested Action:

Consider approval of the Coordination, Engineering and Operations, Environmental Planning and Permitting and Joint Budget and Finance Workgroups Charter Document updates.

Detailed Description/Background:

The Reservoir Committee and the Authority Board each recently went through a process to re-evaluate and establish their respective workgroup and committee structures for the upcoming 18 months of project work. Each workgroup has met and considered its charter and is recommending Reservoir Committee approval of updated documents.

Along with the individual workgroup charters, there is an overarching charting document that the Reservoir Committee previously established to generally inform the purpose, roles and responsibilities and participation guidelines for workgroups (Attachment B). No changes are being proposed to this document at this time.

The Authority Board has gone through a similar process relative to the charter documents of its committees and will be asked to approve their updates at its July 2020 meeting. According to Section 9 of the November 2016 Authority Bylaws, the charter documents must be approved by the Authority Board.

Prior Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Individual Charter Documents.
Attachment B: Charter Document Attachment A.

Coordination Work Group Chartering Document

Status: **Ad Hoc**

Leader Thad Bettner (GCID, Chair)

Members Jeff Davis (SGPWA, Vice Chair)

Leaders from each chartered working group of the Reservoir Committee, and any other members of the Reservoir Committee designated by the Chairperson (or their respective designated representative)¹

Budget & Finance Jamie Traynham (Davis WD, Chair & Treasurer)

Robert Cheng (CVWD, Vice Chair)

Res. Ops. & Eng. Rob Kunde (WR-M WSD, Chair)

Mike Azevedo (Colusa Co., Vice Chair)

Env. & Permits Thad Bettner (GCID, Chair)

Heather Dyer (SBVMWD, Vice Chair)

Staff Support:

1. The Executive Director and/or his/her designated representative.
2. Legal counsel on an as needed basis.
3. Specialty advisors or experts on an as need basis.

Formation: April 3, 2020 (Elections)

Expires: Annually, commensurate with elections, which occur in February or March, and in any event, expires at the end of the Phase 2 (2019) Agreement.

NOTES: The Authority's Joint Exercise of Powers Agreement (Section VI) - including the Bylaws - allow for the creation of specific Project Agreement Committees to be assigned the responsibility to perform specific functions associated with advancing the Sites Reservoir Project

Related Documents:

- Attachment A: Work Group Chartering Process, General Requirements.

¹ The total number of participating agencies on this Work Group shall not exceed the Project Agreement Committee's quorum threshold.

Purpose: To facilitate the Reservoir Committee's ability to perform the functions delegated to it by the Authority, which are defined in the Reservoir Project Agreement; the Work Group's role is advisory and may make no binding decisions for the Reservoir Committee or Authority.

Meeting Frequency: When either the Chair or Vice-Chair deems necessary.

Work Group's Roles and Responsibilities:

- Acting in an administrative role, serves as the clearinghouse to assign and/or prioritize matters of interest to the most-appropriate work group; who will then prepare a recommendation to the Reservoir Committee for consideration and possible action.

Should either the likelihood for potential duplication of effort between work groups exist or the need to ensure integration between work groups exist, assign one work group to be the overall lead.

- To ensure each work group is performing their duties efficiently, effectively, timely reporting to the Reservoir Committee, and in accordance with their respective chartering document. In addition, to prevent the duplication of effort between multiple work groups.

NOTES: Agreement by the Chair and Vice-chair is needed to appoint or replace a Work Group Leader

- To ensure the status of the Reservoir Committee's efforts are being reported in a timely manner. This may include requesting specific items be included in the Authority's meeting agenda for the Authority's consideration.
- To ensure information from the Authority is presented to the Reservoir Committee for their consideration on a timely manner. This may include oversight of the Reservoir Committee's meeting agenda.
- Maintain and recommend interpretation of the Reservoir Committee's governance documents.

Workgroup Chartering Document

Status: **Ad Hoc**

- Leaders: Chair Vice Chair
WR-M WSD, Rob Kunde Colusa County, Mike Azevedo
- Members (10): GCID, Thad Bettner SCVWD, Eric Leitterman
Cindy Kao
CVWD, Robert Cheng Dunnigan, Bill Vanderwaal
Ivory Reyburn
Westside WD, Dan Ruiz SBVMWD, Bob Tincher
Heather Dyer
Zone 7, Amparo Flores MWDSC, Randall Neudeck

NOTE: Should a work group member not be able to participate, one of the alternates will be asked to participate. Should more than 10 participants to the Phase 2 (2019) Reservoir Project Agreement plan to attend, at least 3 days prior, the meeting will be publicly noticed along with posting of the agenda.

- Alternates (3): Davis WD/TC4, Jeff Sutton SCVWA, Dirk Marks
American Canyon, Rick Kaufman
- Non-Voting (2): Rob Cooke – DWR TBD - Reclamation
- Expertise: Staff from participating agencies who have specific expertise that is relevant to the matter being addressed by this work group.
- Staff Support:
 1. The Executive Director and the EPP Manager.
 2. Legal counsel on an as needed basis.
 3. Other specialty advisors or experts on an as needed basis.
- Formation: March 19, 2020

- Expires: End of the Phase 2 Amendment Reservoir Project Agreement

Related Documents:

- Attachment A: Work Group Chartering Process, General Requirements

Purpose: To advise the Reservoir Committee on matters related to

1. The proposed reservoir operation to include in the EIR/S, permit applications, Project Operations Plan, the Authority-led Feasibility, to comply with other statutory requirements, and WSIP-related agreements for public benefits.
2. The proposed cooperative or integrated operations with Reclamation and Department of Water Resources that will be needed to optimize both consumptive water supplies and water-based public benefits as defined, respectively in Reclamation's Feasibility Report and to provide the water-based public benefits as approved by the California Water Commission as part of their administration of Prop 1, Chapter 8 (WSIP).
3. The feasibility-level engineering of the reservoir, conveyance facilities, and appurtenant structures for incorporation into both the Final EIR/S, the Authority-led Feasibility Study to fulfill Prop 1 funding eligibility requirements, and the integration of Reclamation's feasibility studies.

Meeting Frequency: When either a Leader determines or a Reservoir Committee Chairperson requests that a potential issue exists to warrant convening the work group to develop a recommended resolution or response for the Reservoir Committee to then consider and act upon.

Work Group's Roles and Responsibilities:

- The primary focus areas of this workgroup are
 - a. The new or expanded facilities that will convey water to/from the Sacramento River for storage in the proposed Sites Reservoir. This includes canals, pipelines, regulating reservoirs, pumping plants, both the primary and saddle dams, and grid interconnection facilities.
 - b. Providing input and reviewing the engineering documents that will be relied upon in the EIR/S, and permit applications, and the Authority-led Feasibility Study.
 - c. Input to the development of an over-arching procurement strategy by project phases and to solicit proposals from consultants to

perform work to advance the project in Phase 2. This will include preparation and review of solicitation documents, participation in the proposal reviews and rankings, interviews with short-listed firms, and development of a recommendation to execute selective contracts.

- d. Developing and refining the range of operational strategies addressing the anticipated competing uses for consumptive and public benefit allocations for consideration by the Reservoir Committee.
- e. Developing the details of the water supply components of the operational strategies to produce a refined approach that will serve as the foundation to work with USBR and DWR to initially develop foundational operating principles that will eventually become the basis for a cooperative operating agreement to coordinate Sites operations (both consumptive and Prop 1) with the CVP operations and SWP operations.
- f. Refining the range of the Prop 1 water-related public benefits (i.e. ecosystem, water quality, and emergency response) for inclusion into the WSIP-related agreements and serve as the basis for initial pre-application discussions with the permitting agencies.
- g. Review of Reclamation's Feasibility to ensure consistency with the Authority-led feasibility studies.
- h. Input & review of the WSIP-related agreements for water-related benefits
- i. Support the development of pre-application work efforts anticipating the need for:
 - A revised water right application to the SWRCB,
 - Incidental take authorization from state and federal wildlife agencies (involving the CDFW, NMFS, and USFWS),
 - Modification of the flood protection and Sacramento River water quality (involving the Central Valley Flood Protection Board, US Army Corps of Engineers, and RWQCB)
 - Compliance with other regulatory requirements

Work Group Chartering Document

Status: Ad Hoc

- Leaders: Chair Vice Chair
Thad Bettner, GCID Heather Dyer (SBVMWD)
- Members (9): Mike Azevedo (Colusa Co.) Randall Neudeck (MWD)
Robert Cheng (CVWD) Bill Vanderwaal (DWD)
Jeff Davis (SGPWA)
Rob Kunde (WR-M WSD)
Eric Leitterman (Valley Water)
- Expertise: PCWA/Roseville for Lower American River
Staff from participating agencies who have specific expertise that is relevant to the matter being addressed by this work group.
- Staff Support:
 1. Environmental Planning and Permitting Manager.
 2. Legal counsel on an as needed basis.
 3. Other specialty advisors or experts, including consultant team members on an as needed basis.
- Re-Adoption of Charter: June 17, 2020
- Expires: End of the Phase 2 Reservoir Project Agreement

Related Documents:

- Attachment A: Work Group Chartering Process, General Requirements

Purpose: To advise the Reservoir Committee on all environmental planning and permitting aspects of the development and implementation of pre-construction, construction, and mitigation actions for the Sites Reservoir Project.

Meeting Frequency: When either the Leader determines or the Reservoir Committee Chairperson requests that a potential issue exists to warrant convening the work group to develop a recommended resolution or response for the Reservoir Committee to then consider and act upon.

Work Group's Roles and Responsibilities:

- The primary focus of this work group is to review and provide input to:
 1. The Authority's adoption of CEQA Guidelines, revisions to those Guidelines, if any, and proposed environmental policies.
 2. The Authority's development, completion, and implementation of all environmental planning and permitting aspects of pre-construction, construction, environmental commitments, and mitigation actions for the Sites Reservoir Project.

NOTE: The review of operations or construction permits, and approvals has been assigned to the Reservoir Operations and Engineering Work Group (e.g., Dam Safety, Traffic).

Committee Chartering Document

Status:

Ad Hoc

- Chair: Jamie Traynham (Davis WD)
- Vice Chair: Robert Cheng (CVWD)
- Members (6): Thad Bettner (GCID)
Katrina Jessop (SCVWD)
Rob Kunde (WR-M WSD)
Shelly Murphy (Colusa County WD)
Dan Ruiz (Westside WD)
Bill Vanderwaal (RD-108)
- Staff Lead: Joe Trapasso
- Staff Support: Legal counsel on an as needed basis
Other specialty advisors or experts on an as needed basis
- Formation: May 27, 2020
- Expires: End of the Phase 2 (2019) Reservoir Project Agreement

Related Documents:

- Attachment A: Work Group Chartering Process, General Requirements

Purpose: To advise the Reservoir Committee and Authority Board on:

- a. Status of expenditures,
- b. Progress related to implementation of Work Plans,
- c. Contract and task order documents,
- d. Agreements such as the 2019 Reservoir Participation Agreement
- e. Credit Reimbursement Policy,
- f. Proposed finance plan, and

- g. Project's overall economics for inclusion in the Feasibility Report and WSIP-required state feasibility assessment.

Meeting Frequency: When either the Chair determines, or an Authority Chairperson requests that a potential issue exists to warrant convening the Committee to develop a recommended resolution or response for the Authority to then consider and act upon.

Committee's Roles and Responsibilities:

- The primary focus areas of this work group are:
 - a. Serve as the Authority's budget committee to manage the planned, actual, and forecast costs for Phase 2.

Maintaining both the Cost Development Model and Credit reimbursement Policy;
 - c. Assessment of the Project's overall economic feasibility;
 - d. Recommending a financing strategy for each subsequent project phase;
 - e. Recommending how requests to participate should proceed; including the rebalancing processes that will occur prior to the end of August 2020 and December 31, 2021.
 - f. Review monthly payment of claims for adequacy to recommend approval to the Reservoir Committee and Authority Board.
 - g. Review of Reclamation's Feasibility Study for both economic and financial feasibility.

NOTE: The review for technical feasibility has been assigned to the Water Facilities Work Group.

Work Group Chartering Process, General Requirements
(Attachment A to each Work Group's Chartering Document)

Introduction: Advancing the Sites Reservoir Project (Project) requires the integration of both multiple disciplines and the respective values each participant expects to obtain through this and potentially subsequent phases. Given the size and complexity of this Project, the work has been organized into major categories of work (e.g. cost centers) that serve as the basis for executing specific Project Agreements, such as the Reservoir Committee for the Project's Phase 2 (2019)¹.

In anticipation of the need to expeditiously and cost-effectively resolve issues, the Reservoir Committee has been further organized into work groups by key topic areas. Each work group will be advisory to the Reservoir Committee and be responsible for developing recommendations for the Reservoir Committee's consideration regarding the specific matter assigned to them by an over-arching Coordination Work Group. The Coordination Work Group's purpose is to (a) perform ministerial functions that are intended to ensure integration and facilitate timely decision-making by the Reservoir Committee and (b) both maintenance of and recommend interpretation of the Reservoir Committee's governance documents.

Chartering Document's Purpose:

- To define the primary roles and responsibilities applicable to each work group to address specific matters and to avoid the potential for duplication of effort among multiple work groups;
- To establish a timeline for completion of the specific assignment with the expectation its role be revisited and, as appropriate, the chartering document either be amended or a new work group be created.

Work Group Roles and Responsibilities: Each work group's primary roles and responsibilities include the following, which are in addition to specific assignment identified in their respective chartering document:

¹ Since Phase 1, the Authority and Reservoir Committee have been deemed to each be a legislative body as referred to in the Brown Act. Should there be a need for an Authority Committee to meet with a Reservoir Committee's Work Group, so long as both are advisory, the resulting meeting does not have to be noticed.

- To keep the Reservoir Committee's Leadership Team apprised of the work group's progress and the escalation of issues in a timely manner.
- To incorporate the Reservoir Committee's direction to their respective work group; to then provide recommendations back to the Reservoir Committee for their consideration and eventual disposition (e.g. adoption of a document or recommended policy).
- To review staff and consultant developed work products and/or deliverables for:
 - a. Acceptability with the applicable standard of practice related primarily to technical and quality considerations;
 - b. Identification of potential scope changes that may affect – both positively and negatively – the approved annual budget, target work plan, and/or schedule;
 - c. Identification of potentially significant changes in risk and/or the reallocation of risk;
 - d. Identification of potential policy issues; and,
 - e. Ensuring a consolidated set of comments is maintained and final acceptance of how subsequent versions have addressed prior comments.
- Where issues require an integrated response from multiple work groups, the Reservoir Committee's leadership team may assign a lead who will then coordinate with each of the required work groups to develop an integrated response for the Reservoir Committee's consideration.
- Each work group's activities are ad hoc in nature in that they are limited in scope to that which is provided for in the accompanying "Work Group Chartering Document" and presently anticipated to be completed within a phase (or year), generally through review of portions of drafts of feasibility studies, the EIR/S and the WSIP application and related documents.

Participation: Organizations² who are signatory to the Reservoir Committee and deemed to be in good standing by the Coordination Work Group, have been approved to provide in-kind services to the Reservoir Committee, may designate personnel to represent their interests and serve in an active capacity to any Work Group. Reservoir Committee Work Groups may also include as technical advisors who are not signatory to the Reservoir Committee, but whose specific knowledge and expertise is deemed essential to advise on specific issues. This can

² Refer to Project Agreement Committee's chartering document, which defines membership types applicable to allow participation in the respective Project Agreement Committee.

include Authority Members, Associate Members, and non-voting cost-share partners or Ex Officio Members.



Topic: **Reservoir Committee Agenda Item 1.7**

2020 July 16

Subject: **Contract Amendment for Professional Services (Brown and Caldwell)**

Requested Action:

Consider approval of an amendment to Brown and Caldwell's (Project Controls) contract and task order scope of work and budget in the amount of \$31,881 for a new total contract authority of \$1,942,399.

Detailed Description/Background:

The Project Controls contract supports the Project Operations Manager providing primarily staff augmentation to cover financial and administrative activities. Brown and Caldwell was competitively selected for these services in March 2019 and an Amendment 1B task order was issued in February 2020 to carry these services through August 2020. Through the past six months, additional work was incurred in these areas developing work plans, leading the rebalancing and outreach efforts, and supporting early funding agreement changes with the CWC. Also, the Executive Director has been delegating more of the administrative activities to the B&C support staff to free up his time for higher value activities. Staff tried to stretch the contract authority through to August 2020 but has come up short and a modest increase is necessary to continue to provide these important functions in August.

Prior Action:

February 26, 2020: Approved Project Controls task order amendment of \$899,156 for the period of January 1, 2020 through August 31, 2020.

January 17, 2020: Approved Amendment 1B Work Plan for the period of January 1, 2020 through August 31, 2020 as part of a no cost time extension to the then current Participation Agreement. The Amendment included summary-level descriptions of the deliverables with estimated Reservoir Committee budgets. Each deliverable budget was further defined in the document by the level of effort required to complete each deliverable by consultant for use in developing amended consultant task orders intended to be submitted for approval to the Reservoir Committee and Authority Board in February 2020.

December 19, 2019: Approved a recommendation to the Sites Project Authority to approve an amendment to Brown and Caldwell's (B&C) (Project Controls) contract period of performance by extending their task order from December 31, 2019 through June 30, 2020 with no change in their cost.

March 22, 2019: Approved a recommendation to the Sites Project Authority to approve the Brown and Caldwell Phase 2 (2019) task order and budget for project controls services from April 1, 2019 through December 31, 2019.

January 18, 2019: Delegated responsibility to the Ad Hoc Finance and Economics Work Group to review and consider accepting the terms and conditions and recommending to the Sites Project Authority to approve the agreement negotiated by staff.

November 16, 2018: Approved a recommendation to the Sites Project Authority to accept the evaluation panel's selection of B&C for Service Area B – Project Controls.

August 16, 2018: Approved a recommendation to the Sites Project Authority to the release of the Project Development Support Services RFQ-18-04.

Fiscal Impact/Funding Source:

The BC contract ceiling is proposed to increase by \$31,881 with this amendment to complete the additional scope of work. This additional budget would increase the contract budget ceiling to a not to exceed amount of \$1,942,399.

This change will be accommodated within the Amendment 1B Work Plan total budget. \$31,881 will be reallocated from the General Manager (GM) budget (Reservoir Committee share). The Reservoir Committee share of the GM budget in the Amendment 1B Work Plan is \$258,400. Actual spend to date for the GM is \$159,763 and no further invoices are anticipated, leaving \$98,637 remaining. This reallocation does not impact the Amendment 1B carryover funds previously discussed as part of the cash call process.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: Task Order Amendment.



Sites Project Authority
Project Controls
Task Order Amendment

Consultant: Brown and Caldwell

Task Order No. 2.4

Task Order No. 2.4 amends the current Brown and Caldwell Consulting Agreement and task order work activities with the Authority for Project Controls Services for the period of performance through August 31, 2020. This task order amendment expands the scope of work and increases the budget as presented below.

Scope of Work

Brown and Caldwell has been providing additional administrative support to the Authority's new Executive Director and has supported changes to the Early Funding Agreement with the California Water Commission (CWC) to provide increased project revenue. Additional administrative support is required in support of planned town hall meetings and strategic planning sessions. Brown and Caldwell has developed Participation Agreement work plans for the Reservoir Committee, and has supported recent rebalancing efforts. Finally, additional changes are required to the Amendment 2 Work Plan based on increased CWC revenue, cash call timing due to COVID-19, project rebalancing, and negotiated task orders.

Budget

The Brown and Caldwell contract ceiling is increased by \$31,881 with this amendment to complete the additional scope of work. This additional budget increases the contract budget ceiling to a not to exceed amount of \$1,942,399.

Period of Performance

The period of performance of the task order does not change with this amendment and remains as August 31, 2020.

Brown and Caldwell

Sites Project Authority

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____



Topic: **Reservoir Committee Agenda Item 2.1** **2020 July 16**

Subject: **2019 Financial Audit Report**

Requested Action:

Accept the Financial Auditor's Report.

Detailed Description/Background:

Fechter and Company, CPA, was awarded a contract to conduct an audit of the Authority's financial information for the fiscal years 2016, 2017 and 2018. The audit for the fiscal years 2016 and 2017 were initiated in April 2018 and completed in early July. The fiscal year 2018 audit report was initiated in April 2019 and completed in July 2019.

The Authority approved Fechter and Company to conduct the fiscal year 2019 audit. It was started April 2020 and concluded June 2020.

The report for fiscal year 2019 concludes: "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America."

It should be noted current liabilities increased from \$2,146,939 as of December 31, 2018 to \$6,793,111 as of December 31, 2019, due primarily to an increase in the Authority's Participant Reimbursement Policy liability.

Prior Reservoir Committee Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A – 2019 Financial Audit Report.

Attachment B – 2019 Management Report.

2020 July 16 Reservoir Committee,
Agenda Item 2.1 Attachment A

SITES PROJECT AUTHORITY
ANNUAL FINANCIAL REPORT
With
Independent Auditor's Report Thereon
DECEMBER 31, 2019

SITES PROJECT AUTHORITY

Annual Financial Report
December 31, 2019

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Organization of Authority and List of Board of Directors	1
<u>Financial Section</u>	
Independent Auditor’s Report	2-3
Management’s Discussion and Analysis	4-7
<u>Basic Financial Statements</u>	
Statement of Net Position	8
Statement of Activities	9
Balance Sheet – Governmental Funds.....	10
Statements of Revenues, Expenditures, and Changes in Fund Balances	11
Notes to Basic Financial Statements	12-17
<u>Required Supplementary Information</u>	
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget to Actual – General Fund	18
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget to Actual – Reservoir Fund	19
Notes to Required Supplementary Information.....	20
<u>Other Reports</u>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	21-22

SITES PROJECT AUTHORITY

Organization of Authority and List of Board of Directors
December 31, 2019

Sites Project Authority (the Authority) was established on August 26, 2010, when seven regional entities, including several local water agencies and Counties, executed the Joint Exercise of Power Agreement. The primary purpose of the Authority, as stated in the agreement, is to pursue the development and construction of the Sites Reservoir Project, which has long been viewed as an ideal location for additional off stream storage to provide direct and real benefits to instream flows, the Delta ecosystem, and water supply. In keeping their commitment to move the project forward on behalf of the region, the Authority has spent the last nine years working towards this goal by engaging the public, various stakeholders, state and federal agencies and landowners, initiating the required environmental planning process, and conducting feasibility studies, among other efforts.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Member Represented</u>
Fritz Durst	Chair	Reclamation District 108
Gray Allen	Vice Chair	Placer County Water Agency
Gary Evans	Member	County of Colusa
Joe Marsh	Member	Colusa County Water District
Leigh McDaniel	Member	County of Glenn
Logan Dennis	Member	Glenn-Colusa Irrigation District
Jeff Harris	Member	City of Sacramento
Jeff Sutton	Member	Tehama-Colusa Canal Authority
Doug Parker	Member	Westside Water District
Jamie Traynham	Treasurer	TC 4 Districts
Greg Johnson	Member - Non-Voting	Western Canal Water District
Don Bader	Cost-Share Partner - Non-Voting	U.S. Bureau of Reclamation
Rob Cooke	Ex-Officio - Non-Voting	CA Department of Water Resources

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sites Project Authority
Maxwell, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sites Project Authority (the Authority), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors
Sites Project Authority
Maxwell, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2019, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, and the budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Fechter & Company
Certified Public Accountants



Sacramento, California
June 15, 2020

SITES PROJECT AUTHORITY

Management's Discussion and Analysis December 31, 2019

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Sites Project Authority (the Authority) provides an introduction to the financial statements of the Authority for the year ended December 31, 2019, and a comparison to the prior audited financial statements for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The Authority's assets exceed liabilities by \$5,898,590 as of December 31, 2019.
- The Authority's revenues exceeded expenditures by \$4,436,226 for the year ending December 31, 2019. The Authority's largest expense was for professional services. Professional services were 67% of total expenses for the year ending December 31, 2019.

Required Financial Statements

This annual report consists of a series of financial statements. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities and performance of the Authority using accounting methods similar to those used by private sector companies.

The *Statement of Net Position* includes all of the Authority's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current period's revenue and expenses are accounted for in the *Statement of Activities*. This statement measures the success of the Authority's operations over the past year and can be used to determine if the Authority has successfully recovered all of its costs through its revenues. This statement can also be used to evaluate profitability and credit worthiness.

More detailed information about the Authority's most significant funds – not the Authority as a whole, is provided in the fund financial statements. Funds are accounting devices the Authority uses to keep track of specific sources of funding and spending on particular programs. The *Balance Sheet* for governmental funds presents financial information by fund types showing money left at year-end available for spending. The *Statement of Revenues, Expenditures, and Changes in Fund Balances* for all governmental fund types focuses on how money flows into and out of the various funds.

Financial Analysis of the Authority

One of the most important questions asked about the Authority finances is, "Is the Authority better off or worse off as a result of this year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the Authority in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Authority's net assets and changes in them. You can think of the Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health or financial position. Over time, increases or decreases in the Authority's

SITES PROJECT AUTHORITY

Management's Discussion and Analysis December 31, 2019

net assets are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State regulations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Statement of Net Position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets			
Cash and investments	\$ 7,342,108	\$ 3,567,974	\$ 3,774,134
Other current assets	5,349,593	41,329	5,308,264
Total Assets	<u>12,691,701</u>	<u>3,609,303</u>	<u>9,082,398</u>
Liabilities			
Current liabilities	<u>6,793,111</u>	<u>2,146,939</u>	<u>4,646,172</u>
Total Liabilities	<u>6,793,111</u>	<u>2,146,939</u>	<u>4,646,172</u>
Net Position			
Unrestricted	<u>5,898,590</u>	<u>1,462,364</u>	<u>4,436,226</u>
Total Net Position	<u>\$ 5,898,590</u>	<u>\$ 1,462,364</u>	<u>\$ 4,436,226</u>

As discussed earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$5,898,590 and \$1,462,364 as of December 31, 2019 and 2018, respectively.

The largest portion, 58%, of the Authority's assets was cash in bank as of December 31, 2019.

Current liabilities increased from \$2,146,939 as of December 31, 2018, to \$6,793,111 as of December 31, 2019, due primarily to an increase in the Authority's Participant Reimbursement Policy liability.

At the end of fiscal years 2019 and 2018, the Authority showed a positive balance in its unrestricted net position of \$5,898,590 and \$1,462,364, respectively.

SITES PROJECT AUTHORITY

Management's Discussion and Analysis December 31, 2019

Statement of Activities

	<u>2019</u>	<u>2018</u>	<u>Change</u>
General Revenues			
Membership Admin/Authority	\$ 506,294	\$ 691,795	\$ (185,501)
Membership - Water	11,456,740	-	11,456,740
Prop 1 funding	8,080,794	-	8,080,794
Interest revenue	121,535	1,183	120,352
Total Revenues	<u>20,165,363</u>	<u>692,978</u>	<u>19,472,385</u>
Operating Expenses			
Authority/Admin	494,930	427,934	66,996
Reservoir	15,234,207	5,951,648	9,282,559
Total Expenditures	<u>15,729,137</u>	<u>6,379,582</u>	<u>9,349,555</u>
Change in Net Position	<u>\$ 4,436,226</u>	<u>\$ (5,686,604)</u>	<u>\$ 10,122,830</u>

The *Statement of Activities* shows how the Authority's net position changed during the periods. In the case of the Authority, net position increased by \$4,436,226 for the year ending December 31, 2019, and decreased by \$5,686,604 for the year ending December 31, 2018, respectively.

A closer examination of the sources of changes in net position reveals that:

Total revenue, which consisted of member dues and assessments, increased by \$19,472,385 from the year ending December 31, 2018, to the year ended December 31, 2019, due primarily to the billing of Phase 2 of the Project (\$11.6 million) and Prop 1 funding (\$8.1 million). Total expenses also increased by \$9,349,555 from the year ending December 31, 2018, to the year ended December 31, 2019, to match the Authority's scope of work in 2019.

Authority/Admin expenses comprised 3.15% and 6.71% of total expenses for the years ending December 31, 2019 and 2018, respectively. Reservoir expenses comprised 96.85% and 93.29% of total expenses for the years ending December 31, 2019 and 2018, respectively.

General Fund Budgetary Highlights

The Authority's total budget for the General Fund for the year ended December 31, 2019, showed excess revenues over expenditures of \$258 compared to the actual amount of \$24,264. The difference was primarily due to the determination of critical tasks that were required to be postponed.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	\$ 519,194	\$ 515,000	\$ 4,194
Operating Expenses	494,930	514,742	(19,812)
Net Increase	<u>\$ 24,264</u>	<u>\$ 258</u>	<u>\$ 24,006</u>

SITES PROJECT AUTHORITY

Management's Discussion and Analysis
December 31, 2019

Conditions Affecting Current Financial Position

The Authority continues to plan and expand project activities to build the large water infrastructure project. Expanding activities results in a continuation of increases to the annual financial budgets.

The California Water Commission's Early Funding Agreement (EFA) with the Authority was approved mid-2019 for the maximum amount payable by the State to not exceed \$40,818,884 for activities reasonably related to the completion of environmental documentation and permitting. In 2019, the Authority processed and received a State payment of \$2,769,021 towards the not to exceed amount for eligible activities. In 2020, the Authority will continue to prepare and submit EFA invoices for payment.

The current phase of the project is anticipated to be completed by August 31, 2020, and is fully funded. The Authority is planning to finalize the next phase of the project in mid-2020 to initiate work on September 1, 2020 through December 31, 2021. The current plan is to fund the next phase of the project through a Participants' cash call and additional received EFA dollars.

Future Plans for the Sites Reservoir Project

As an ongoing part of the EFA funding process, the Authority will continue to prepare and submit invoices for payment on a quarterly basis.

The Authority will continue to expand its governance and member participation.

The Authority will be developing a detailed work plan and financing plan for the remainder of Phase 2 through December 31, 2021.

The Authority will secure additional necessary professional services contracts such as engineering contracts to support the implementation of the Phase 2 Work Plan and beyond. Critical Phase 2 activities that need to be performed by the professional services includes further work to secure necessary environmental permits and agreements, additional operations simulation modeling, and detailed engineering work.

Requests for Information

This financial report is designed to provide the Authority's funding sources, customers, stakeholders, and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Authority's Treasurer at P.O. Box 517, Maxwell, California 95955 or view the website of the Authority at www.sitesjpa.org.

**SITES PROJECT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

ASSETS

Cash and investments	\$ 7,342,108
Due from other governments	35,293
Grants receivable	5,311,774
Prepaid expenses	<u>2,526</u>

TOTAL ASSETS

12,691,701

LIABILITIES

Accounts payable	728,458
Participant reimbursement policy	<u>6,064,653</u>

TOTAL LIABILITIES

6,793,111

NET POSITION

Unrestricted	<u>5,898,590</u>
--------------	------------------

NET POSITION

\$ 5,898,590

The accompanying notes are an integral part of these financial statements.

**SITES PROJECT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

GOVERNMENTAL ACTIVITIES:

EXPENSES:

Authority/Admin	\$ 494,930	
Reservoir	15,234,207	
 Total expenses	 \$ 15,729,137	

GENERAL REVENUES:

Membership Admin/Authority	\$ 506,294	
Membership Water	11,456,740	
Prop 1 funding	8,080,794	
Interest revenue	121,535	
 Total general revenues	 20,165,363	
 Change in net position	 4,436,226	
 Net position, beginning of fiscal year	 1,462,364	
 Net position at end of fiscal year	 \$ 5,898,590	

The accompanying notes are an integral part of these financial statements.

**SITES PROJECT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General Fund - Authority</u>	<u>Special Revenue - Reservoir</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 504,957	\$ 6,837,151	\$ 7,342,108
Due from other governments	12,863	22,430	35,293
Grants receivable	-	5,311,774	5,311,774
Prepaid expenses	334	2,192	2,526
	<u>334</u>	<u>2,192</u>	<u>2,526</u>
TOTAL ASSETS	<u>\$ 518,154</u>	<u>\$ 12,173,547</u>	<u>\$ 12,691,701</u>
LIABILITIES			
Accounts payable	\$ 51,526	\$ 676,932	\$ 728,458
Participant reimbursement policy	-	6,064,653	6,064,653
	<u>-</u>	<u>6,064,653</u>	<u>6,064,653</u>
Total liabilities	<u>51,526</u>	<u>6,741,585</u>	<u>6,793,111</u>
FUND BALANCES			
Fund balance:			
Assigned to development of the reservoir	-	5,431,962	5,431,962
Unassigned	466,628	-	466,628
	<u>466,628</u>	<u>-</u>	<u>466,628</u>
Total fund balance	<u>466,628</u>	<u>5,431,962</u>	<u>5,898,590</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 518,154</u>	<u>\$ 12,173,547</u>	<u>\$ 12,691,701</u>

The accompanying notes are an integral part of these financial statements.

SITES PROJECT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund - Authority	Special Revenue - Reservoir	Total
REVENUES			
Membership Admin/Authority	\$ 506,294	\$ -	\$ 506,294
Membership Water	-	11,456,740	11,456,740
Prop 1 funding	-	8,080,794	8,080,794
Interest revenue	12,900	108,635	121,535
Total revenues	519,194	19,646,169	20,165,363
EXPENDITURES			
Current:			
Accounting services	8,527	34,111	42,638
Audit fees	-	11,892	11,892
Administrative support	13,437	53,749	67,186
General manager	50,532	385,369	435,901
Insurance	200	585	785
Office expenses	8,197	4,509	12,706
Rent expense	-	2,500	2,500
Dues and Subscriptions	15,799	6,981	22,780
Professional fees	395,821	10,064,129	10,459,950
Reimbursements	-	4,660,713	4,660,713
Website, computer support	2,182	8,729	10,911
Miscellaneous	235	940	1,175
Total expenditures	494,930	15,234,207	15,729,137
Net changes in fund balances	24,264	4,411,962	4,436,226
Fund balances, beginning of year	442,364	1,020,000	1,462,364
Fund balances, end of year	\$ 466,628	\$ 5,431,962	\$ 5,898,590

The accompanying notes are an integral part of these financial statements.

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Sites Project Authority (the Authority) was established as an independent special agency in August of 2010 under the Joint Exercise of Powers Act, California Government Code, Section 6500.

As of December 31, 2019, 11 public entities, filling 9 Board seats with 2 government agencies serving ex-officio positions and 2 Associate Members, were approved members of the Authority as follows:

Reclamation District 108	Westside Water District
Placer County Water Agency/ City of Roseville	Colusa County Water District
County of Colusa	Sacramento County Water Agency/ City of Sacramento
County of Glenn	California Department of Water Resources
Glenn-Colusa Irrigation District	TC 4 Districts (Associate Member)
Tehama-Colusa Canal Authority	Western Canal Water District (Associate Member)
U. S. Bureau of Reclamation	

The Authority is a public entity district and therefore, falls under the guidelines of a special district governmental entity. The Authority is governed by a board of directors that consists of one representative of each member.

The Authority was developed with the purpose to effectively study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and the related facilities. The purpose of pursuing and developing the Sites Reservoir are to: (a) increase surface water storage and enhance water management flexibility in the Sacramento Valley, (b) provide flood control benefits, (c) improve conditions for fish and wildlife in the Sacramento Valley and (d) improve the operation of the State's water system.

Financial Statement Presentation: The *Statement of Net Position* and *Statement of Activities* display information about the primary government (the Authority). These statements include the financial activities of the overall government. These statements report the governmental activities of the Authority, which are normally supported by inter-governmental revenues. The Authority had no business-type activities as of and for the year ended December 31, 2019.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include operating grants. Revenues that are not classified as program revenues are presented instead as general revenues.

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund financial statements of the Authority are organized into one fund which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The Authority reports two funds, the General Fund, which accounts for all revenues and expenditures necessary to carry out the administrative activities of the Authority, and the Reservoir Fund, a special revenue fund used to account for specific work activities for the development of the Sites Reservoir Project and is funded by contributions from the Project Agreement Members.

Basis of Accounting and Measurement Focus: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Charges for services, operating grants, and use of money and property are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Cash: The Authority's cash includes demand deposits. The Authority had no investments during the year ending December 31, 2019.

The governing board has not formally adopted any deposit and investment policies that limits the Authority's allowable deposits or investments and addresses the specific type of risk to which the Authority is exposed.

Due from Other Governments: Amounts due from other governments represent amounts due from member agencies that has been earned but not received by the end of the period.

As of December 31, 2019, the Authority has determined that all amounts are collectable and therefore, no doubtful account allowance was deemed necessary as of December 31, 2019.

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets: The Authority defines capital assets as property, plant, equipment, and infrastructure assets with an initial individual cost of \$5,000 and a useful life of three years or more. As of December 31, 2019, the Authority had no capital assets.

Unearned Revenue: This represents amounts received from members that will be applied to future billings.

Revenue: The Authority's revenue is comprised of the following:

General Fund – Authority Revenue

Authority members pay an annual membership fee which is established by the Authority. The membership fee for 2019 was \$55,000 per member.

Special Revenue – Reservoir Fund

Revenue is recognized according to the Project's board-approved operating budget for each phase of the Project. The Project Agreement Members are billed in accordance with their pro-rata share of the budgeted costs for activities undertaken pursuant to the Project Agreement.

To withdraw from this Project Agreement, a Project Agreement Member shall give the Authority and other Project Agreement Members written notice of such withdrawal not less than 30 days prior to the withdrawal date. As of the withdrawal date, all rights of participation in this Project Agreement shall cease for the withdrawing Project Agreement Member. The financial obligation as prescribed in the Bylaws' Section 5.10 in effect on the withdrawal date, shall consist of the withdrawing Member's share of the following costs: (a) payment of its share of all non-contract costs incurred prior to the date of the written notice of withdrawal, and (b) those contract costs associated with funds approved.

Government-Wide Net Position:

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Government-wide net position is reported in three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Unrestricted – This component consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets”, as defined above.

Governmental Fund Balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by formal action of the Authority.

Assigned – Amounts that are designated by the Authority to be used for specific purposes, but are neither restricted nor committed. The board of directors has the authority to assign amounts to be used for specific purposes.

Unassigned – All amounts not included in other spendable classifications.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Demand Deposits: The carrying amount and the bank balance of the Authority’s cash as of December 31, 2019, were \$7,342,108 and \$7,853,942, respectively. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000. As of December 31, 2019, \$7,603,942 was in excess of the insurance coverage.

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The California Government Code and the Authority’s investment policy do not contain legal or policy requirements limiting exposure to custodial risk for deposits or investments. The California Government Code requires that a bank secures deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure the Authority’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 3: PROFESSIONAL FEES

Professional fees for the year ended December 31, 2019, consisted of the following:

	General Fund - Authority	Special Revenue - Reservoir	Total
Env/Biological Services	\$ -	\$ 1,265,952	\$ 1,265,952
Environmental/Project Operation	-	326,300	326,300
Bond Counsel	3,835	4,747	8,582
Bus/Comm Manager	-	236,373	236,373
EPP Manager	-	215,834	215,834
Federal Government Affairs Supp	25,000	25,000	50,000
General Legal Counsel	65,517	74,956	140,473
Geotechnical Engineering	-	193,371	193,371
Legislative/Reg/Strategic	55,000	33,000	88,000
Program Ops Manager	-	349,666	349,666
Project Controls	-	1,331,250	1,331,250
Project Delivery Advisor	2,970	1,035	4,005
Project Integration	-	2,378,561	2,378,561
Communication	191,653	194,107	385,760
Cost Development Model	-	12,753	12,753
Cultural Study	-	19,024	19,024
Engineering & Technical Service	-	244,092	244,092
Env Planning/Permits Manager	-	391,160	391,160
Public Outreach & Engagement	13,184	8,272	21,456
Real Estate	-	207,176	207,176
Reservoir Operations	-	25,574	25,574
ROW/Land Management	-	16,932	16,932
Special Legal	-	61,934	61,934
Municipal Advisor	-	176,709	176,709
Operations/Simulation Modeling	-	927,470	927,470
Organizational Assessment	38,662	-	38,662
Permitting & Agreements	-	1,269,631	1,269,631
Project Operations	-	73,250	73,250
	<u>\$ 395,821</u>	<u>\$ 10,064,129</u>	<u>\$ 10,459,950</u>

SITES PROJECT AUTHORITY

Notes to the Financial Statements
December 31, 2019

NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks and general liabilities. The Authority participates in a public entity risk pool as a member of Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA). Each ACWA-JPIA member agency shares surpluses and deficits proportional to their participation. The Authority pays retrospectively rated annual premiums to ACWA-JPIA for its insurance coverage and has met all obligations since participation began.

NOTE 5: PARTICIPANTS REIMBURSEMENT POLICY

According to the Authority's participants reimbursement policy, the participants who withdrew or decreased their participation in the project are entitled to a credit equal to the contribution they made up to the date of withdrawal or reduction. That credit was applied toward future contribution requirements or booked as a liability on the Authority's books to be paid when it is determined that such reimbursements will not have an adverse impact on the financial viability or overall implementation of the Project. The amount due to participants under the reimbursement policy at December 31, 2019, was \$6,064,653.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount of expenditures, if any, which may be disallowed by the grantor, cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority has outstanding contracts related to EIR/EIS and feasibility study. The remaining commitments on these contracts as of December 31, 2019, were minimal as the contracts can be canceled with a thirty-day notice.

NOTE 7: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 15, 2020, the date which the financial statements were available to be issued. Based upon this evaluation, except for the following, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

In January 2020, the virus SARS -CoC-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent with transmission rates as yet unknown. The economic impact in the State of California as yet has not been determined and therefore any potential impact on the Authority is not yet known.

REQUIRED SUPPLEMENTARY INFORMATION

**SITES PROJECT AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Membership Admin/Authority	\$ 515,000	\$ 515,000	\$ 506,294	\$ (8,706)
Interest revenue	-	-	12,900	12,900
Total revenues	515,000	515,000	519,194	4,194
EXPENDITURES				
Current:				
Accounting services	6,300	6,300	8,527	(2,227)
Audit fees	-	-	-	-
Administrative support	24,000	24,000	13,437	10,563
General manager	71,640	71,640	50,532	21,108
Insurance	3,250	3,250	200	3,050
Office expenses	23,330	23,330	8,197	15,133
Dues and Subscriptions	5,000	5,000	15,799	(10,799)
Professional fees	315,222	315,222	395,821	(80,599)
Reimbursements	-	-	-	-
Website, computer support	6,000	6,000	2,182	3,818
Miscellaneous	60,000	60,000	235	59,765
Total expenditures	514,742	514,742	494,930	19,812
Excess of revenues over expenditures	\$ 258	\$ 258	\$ 24,264	\$ 24,006

See notes to required supplementary information.

**SITES PROJECT AUTHORITY
RESERVOIR FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Membership Water	\$ 16,111,534	\$ 13,032,023	\$ 11,456,740	\$ (1,575,283)
Prop 1 funding	18,854,260	1,880,000	8,080,794	6,200,794
Interest revenue	-	-	108,635	108,635
Total revenues	34,965,794	14,912,023	19,646,169	4,734,146
EXPENDITURES				
Current:				
Accounting services	35,692	46,800	34,111	12,689
Audit fees	-	-	11,892	(11,892)
Administrative support	24,000	43,200	53,749	(10,549)
General manager	304,470	283,500	385,369	(101,869)
Insurance	-	-	585	(585)
Office expenses	8,198	3,240	4,509	(1,269)
Rent expense	124,000	-	2,500	(2,500)
Dues and Subscriptions	4,000	-	6,981	(6,981)
Professional fees	32,368,676	13,020,319	10,064,129	2,956,190
Reimbursements	2,067,094	1,472,023	4,660,713	(3,188,690)
Website, computer support	10,182	5,760	8,729	(2,969)
Miscellaneous	-	-	940	(940)
Total expenditures	34,946,312	14,874,842	15,234,207	(359,365)
Excess of revenues under expenditures	\$ 19,482	\$ 37,181	\$ 4,411,962	\$ 4,374,781

See notes to required supplementary information.

SITES PROJECT AUTHORITY

Notes to the Required Supplementary Information
December 31, 2019

Note 1 - Budgetary Basis of Accounting

Budgets are prepared on the cash and expenditures or encumbrances basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis, with no material differences between them.

Annual budget requests are submitted by the Authority's staff to the board of directors for preliminary review and approval. After public hearing, a final budget is approved by the board of directors, with a resolution adopting said budget. Copies of the approved budget are sent to all required agencies.

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Sites Project Authority
Maxwell, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Sites Project Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Sites Project Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fechter & Company
Certified Public Accountants

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is written in a cursive, flowing style.

Sacramento, California
June 15, 2020

**SITES PROJECT AUTHORITY
MANAGEMENT REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2019**

SITES PROJECT AUTHORITY

Management Report
For the Year Ended December 31, 2019

Table of Contents

	<u>Page</u>
Introduction.....	1
Required communication	2-4

Board of Directors of the
Sites Project Authority
Maxwell, California

In planning and performing our audit of the financial statements of the Sites Project Authority for the year ended December 31, 2019, we considered the Authority's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We thank the Authority's staff for its cooperation on this audit.

Fechter & Company,
Certified Public Accountants



June 15, 2020
Sacramento, California

SITES PROJECT AUTHORITY
Required Communications
For the Year Ended December 31, 2019

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 3, 2020, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Authority financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our audit did not disclose any sensitive estimates affecting the financial statements.

SITES PROJECT AUTHORITY
Required Communications
For the Year Ended December 31, 2019

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Authority's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the Authority's financial reporting process:

Audit adjustments for the year ended December 31, 2019:

- To record additional payables of \$182,938 relating to 5 invoices that pertained to the year ended December 31, 2019.
- To record a grant receivable of \$1,957,712 for Prop 1 Funding received on May 14, 2020, which pertained to the year ended December 31, 2019.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2020.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

SITES PROJECT AUTHORITY
Required Communications
For the Year Ended December 31, 2019

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Other Matters

During our audit, we became aware of the following deficiencies in internal control, other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

1. Recording Expense Accruals: In order to present a more accurate picture of the Authority's operations, it is important to record revenues and expenditures in the period in which they were incurred, not necessarily when they were paid. During our audit of the Authority, we found 5 instances in which an expenditure had not been recorded in the proper period. We recommend that the Authority perform a more thorough review of transactions subsequent to year-end to accurately reflect revenues and expenditures in the correct period.
2. Written Financial Policies and Procedures: Financial policies can provide a solid foundation for sound fiscal practices by a local agency. They should be in writing and adopted by the governing body. As such, they provide:
 - a. A means through which the governing body can communicate its policies and goals to staff, the public, and others;
 - b. Direction to staff and standards against which current practices can be measured and changes in practices can be evaluated; and
 - c. A way to optimize credit for borrowing. Ratings agencies who assess local agencies' credit for borrowing review their written financial policies. Well-documented policies can mean higher rating grades and lower borrowing costs.

Board members and staff need to understand why they are doing the things they are doing and be committed to doing them correctly and completely. Written policies and procedures enhance this understanding. Specific policies will vary depending upon the nature and scope of a district's operations. Nevertheless, having a range of policies (from big picture to practical and operational) helps an agency chart a wise course financially and avoid operational missteps.

During the audit, we became aware that the Authority does not have written policies and procedures. We recommend that the Authority prepare written financial policies and procedures and make these available to all parties that initiate, authorize, and record transactions for the Authority.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Sites Project Authority and is not intended to be, and should not be, used by anyone other than these specified parties.



Topic: **Reservoir Committee Agenda Item 2.2** **2020 July 16**

Subject: **Water Rights Attorney Procurement**

Requested Action:

Recommend approval of release of a Request for Qualifications to initiate the procurement of legal services to support the acquisition of the water rights permits and approvals needed to support the project.

Detailed Description/Background:

As part of the Amendment 2 work plan, a team of technicians, engineers and an attorney are needed to secure the necessary permits and approvals related to the water rights for the project. Previously, the Authority competitively procured the services of the technicians and engineers but has not yet secured an attorney of the water rights team.

Staff recommends issuing a Request for Qualifications (RFQ) to competitively procure a water rights attorney at this time. A short list of specialized water rights attorneys (see attached) known to have the qualifications to complete the assignment has been created and these firms will be invited to provide a statement of qualifications. Having a short list does not preclude other statements of qualifications. The RFQ will be publicly advertised on the website. The objective will be to select the best qualified firm for the assignment and an individual that can work effectively with the existing team. Also, since the number of qualified attorneys practicing in this area within California is limited, consideration of potential conflicts will be a key factor for selection. A summary of the scope, schedule, budget and the short list of firms is attached.

The selection panel will consist of the Executive Director, the EPP Manager, and the Chairs of the Reservoir Committee and Authority Board. Other Reservoir Committee members interested in participating can do so. We would like to keep the panel manageable at 6-8 participants.

Prior Action:

None.

Fiscal Impact/Funding Source:

The Amendment 2 work plan includes approximately \$200,000 for legal services associated water rights acquisition during this initial phase of planning and preparation of an administrative draft water rights application by the end of 2021. Subject to acceptable performance, the services would be continued through acquisition of all water rights permits and approvals expected to occur by 2024.

Staff Contact:

Jerry Brown/Ali Forsythe

Attachments:

Attachment A: Summary of the scope, schedule, budget and short list of firms.



Water Right Legal Services For the Sites Project authority

Scope: To assist the Authority in securing all necessary water rights for the Sites Reservoir Project. This initial stage of work involves working with the water right team to complete the water right strategy, ensuring water right matters are properly analyzed in the revised and recirculated Draft EIR/EIS, and lead the preparation of a water right application to the State Water Resources Control Board to be submitted in early 2022. Depending upon performance, future stages of work may involve serving as legal representative for the Authority to the State Water Resources Control Board in their proceedings to issue a water right permit and approvals for the Project which is expected no later than Spring 2024.

The current primary water right team members consist of the following firms: MBK Engineers, ICF International, CH2MHill/Jacobs Engineering and Authority Agents.

Schedule:

Activity	Date (2020)
Release of RFQ	July 22
Submission of Written RFQ Questions	July 28 Noon
Response to Written Questions Emailed to Respondents	July 31
Proposals Due to Authority	August 20 Noon
Authority Review of Qualifications/Firms Selected for Interview	August 23
Notification of Interviews, if Appropriate	August 28
Interviews, at Authority's Discretion	September 3-4
Reservoir Committee Reviews and Recommends Approval to the Authority Board	September 17
Authority Board Reviews and Approves Contract Award	September 23
Execution of Contract Completed	September 30

Budget: There is \$200,000 for water right legal services in the current Amendment 2 Work Plan which is intended to cover the initial stage of work. However, the proposer is encouraged to identify any other work products and budget needs they feel would be advantageous to the Project in regard to acquisition of water



rights. Future stages of work will include sufficient funds and the provider will assist in developing the scope and budget.

The selection panel will involve the Executive Director, and 4-6 members of the Reservoir Committee and Authority Board Coordinating Committees. The selection criteria will generally involve the following elements:

- Results of the proposers comprehensive conflict check must reasonably demonstrate the attorney and the firm are sufficiently cleared of material conflicts with any Reservoir Committee and Authority Board participating member agencies, or conflicts with any other parties that may be interested in the Sites Reservoir Project water right process.
- Level of demonstrated experience (attorney and firm) providing similar legal services and successfully completing a water right proceeding of a nature and magnitude similar to that of the Sites Reservoir Project.
- Capability to work effectively with the water right team and deliver an end product meeting the requirements of the Authority.

Invited Firms: The following list of firms will be invited to propose for the water right legal services:

Bartkiewicz, Kronick & Shanahan
1011 22nd Street, Sacramento, CA 95816

Best, Best & Krieger
500 Capitol Mall, Sacramento, CA 95814

Downey Brand LLP
621 Capital Mall 18th Floor, Sacramento, CA 95814

Ellison Schneider Harris & Donlan LLP
2600 Capital Ave, Suite 400, Sacramento, CA 95816

Kronick Moskovitz Tiedemann & Girard
400 Capital Mall, 27th Floor, Sacramento, CA 95814

Somach Simmons & Dunn
500 Capital Mall, Suite 1000, Sacramento, CA 95814



Topic: **Reservoir Committee Agenda Item 3.1**

2020 July 16

Subject: **Review Approved Water Storage Policy**

Requested Action:

Review and comment on the conditionally approved August 2019 Water Storage Policy and consideration of updates to align with Value Planning. Recognize the storage policy serves as the foundational document to 2021 key milestones of creating a Plan of Finance and Operations Plan and refer consideration of updates to the ad hoc Engineering and Operations Workgroup.

Detailed Description/Background:

In August 2019, the Reservoir Committee conditionally approved the attached Water Storage Policy (Policy) that broadly describes allocation of Project benefits and costs including how the Reservoir Committee and each Sites participant would be able to manage water diversions to, storage in, and releases from Sites Reservoir. The Policy highlights the fundamental concept that Sites participants are purchasing storage space in a reservoir that can be used with discretion, subject to permitting and operating constraints. The Policy also identifies that the Sites participants are seeking to secure a source of supply that would be equitably allocated to participants. It broadly outlines how storage and releases are scheduled, the sharing and leasing of storage space, and the allocation of operations and maintenance costs.

The establishment of the Policy in 2019 was an important step in providing greater certainty for Sites participants related to reservoir storage, but the Policy has not been updated since the Value Planning effort. Generally, the Value Planning highlighted individual participant constraints and needs which the Reservoir Committee may wish to consider in the Policy. State and Federal involvement is another consideration. Also, there are technical changes that have occurred requiring changes in the Policy. For example, the Policy identifies the reservoir size as 1.81 million acre-feet and includes the possibility of power generation and pump-back storage.

This is the right time to consider Storage Policy updates since the Policy is a foundational building block to accomplishing key 2021 milestones. The Storage Policy will inform the benefit/cost mechanics and detailed technical operating aspects to be included in the Plan of Finance and Operations Plan respectively. Both of these documents, along with updates to the Storage Policy, will be developed during the Amendment 2 Work Plan. Staff recommends the Reservoir Committee refer the Storage Policy updating process to the ad hoc Operations and Engineering Workgroup for consideration of updates.

Status: Draft	Preparer: Heydinger	Phase: 2	Version: A
Purpose: Staff Report	QA/QC: Brown	Date: 2020 July 16	
Caveat: Decision	Authority Agent: Forsythe	Ref/File #: 	
Notes:		Page: 1	of 2

Prior Reservoir Committee Action:

August 26, 2019: A draft was provided at the Reservoir Project Committee meeting and was adopted at that time, pending minor modifications included in Attachment A and pending home board legal review.

August 15, 2019: Draft Storage Policy presented and discussed at the Joint Workshop.

July 19 & 22, 2019: Draft Storage Policy was provided to for review to the Reservoir Committee and Authority Board meetings to allow all Sites Participants to review, discuss and comment.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Ali Forsythe

Attachments:

Attachment A - Storage Policy by the Sites Project Authority.

The Storage Policy was adopted by the Reservoir Project Committee on August 22, 2019 and by the Sites Project Authority on August 26, 2019. The attached Policy reflects the revisions 'as amended' referenced in the Reservoir Project Committee Minutes of August 22, 2019, to wit:

“Consider approval of a recommendation the Reservoir Committee approve the Water Storage policy and then recommend the Sites Project Authority consider adoption of the Water Storage Policy in conjunction with the development of future participation agreements. (Attachment 7-1A)

Action: It was moved by Ruiz, seconded by Davis to adopt the Water Storage Policy as amended and pending home board legal review. Further, recommend the Sites Project Authority also consider adoption of the Water Storage Policy in conjunction with the development of future participation agreement and further legal review of the Policy by Counsel. The motion carried unanimously.”

Please also note the findings described in the August 22, 2019 memorandum to the Reservoir Project Committee “Topic: Reservoir Committee Agenda Item 7-1, Subject: Operations Workgroup - Draft Water Storage Policy”, to wit:

“It is noted such approval of this policy does not result in the implementation of any Project operation or action resulting in a significant effect on the environment nor does it preclude future changes to the Water Storage Policy which are likely to be necessary as the Project proceeds.”

8/31/19

Storage policy

BY

THE SITES PROJECT AUTHORITY

(1) This Storage Policy was adopted by the Sites Authority on 26th day of August 2019, to assist in the development and operation of the Sites Reservoir Project (Project) by the Sites Project Authority and the Sites Storage Partners listed in Attachment 1.

INTRODUCTION

(2) The Sites Project Authority (Authority) will apply for and expects to hold the water rights and be responsible for the operation of the Sites Reservoir Project with the Reservoir Committee being responsible for the planning, permitting and real-time operations implementation. There are numerous financial participants in the Sites Reservoir Project. These participants will receive water supply benefits, water supply related environmental benefits and other benefits from Sites Reservoir operation. These participants include the (1) State of California, (2) United States Bureau of Reclamation, (3) Northern California agencies and organizations, and (4) water agencies both west and south of the Sacramento-San Joaquin Delta. The participants in the Sites Reservoir Project who receive (a) water supply related benefits or (b) water supply related environmental benefits are considered Sites Storage Partners. The Sites Storage Partners will enter into agreements with the Authority for the funding of the Project and the benefits derived from the Project and may specify each Sites Storage Partner's storage space in Sites Reservoir. To the extent allowed by natural conditions, permit requirements and physical capabilities of the Project, each of these Sites Storage Partners will have control over the use of their storage allocation space based on the conditions set forth in this policy. The water supply related benefits derived from these storage allocation spaces will depend in large part on how the each Sites Storage Partner manages the water stored and released from their allocated storage space. The Reservoir Committee is responsible for accounting for all the water placed into each Sites Storage Partner's allocated storage space, water released from that storage space and any losses on a daily basis.

DEFINITIONS

(3) Sites Participants – Government Agencies, Water Organizations and others who financially contribute to the planning and construction of the Sites Reservoir Project.

(4) Sites Storage Partners – The Sites Participants who have funded and receive water supply or water supply related environmental benefits from the Sites Reservoir Project (see Attachment 1 for the list of Sites Storage Partners).

(5) Active Storage – That portion of Sites Reservoir above dead pool that can be exercised to create water supply related benefits. The total maximum storage in Sites Reservoir is expected to be 1.81 MAF. Firm dead pool storage is expected to be about 60 TAF. However, operationally another 60 TAF will likely be needed to prevent water quality issues in the storage releases. Therefore, the operational dead pool is considered to be 120 TAF. For this Policy the Active Storage for Sites Reservoir is considered to be about 1.69 MAF. These values are approximate and subject to change in the future.

(6) Water Year - The California Water Year is from October 1 through September 30.

(7) Operation and Maintenance and Replacement- (O&M) or (O&M&R). Those costs associated with the operations of the Sites Reservoir Project. These can be broken down into:

8/31/19

- (a) Fixed operations and maintenance and replacement costs that are more stable year-to-year and that are not significantly influenced by varying diversions or releases of water, and
- (b) variable operations and maintenance costs that reflect annual operations and maintenance costs that vary based on actual operations each year.

ROLES

(8) Sites Project Authority (Authority) - The Authority will apply for and expects to hold the water rights for the Sites Reservoir Project and be responsible for its operation.

(9) Reservoir Committee - The Reservoir Committee is a standing committee of the Authority and oversees the planning, permitting, and day-to-day operations and accounting of Sites Reservoir storage, releases and losses and related activities including coordination with each of the Sites Storage Partners. This will be done in a way that is open and transparent to all the Sites Storage Partners.

(10) State and Federal Agencies:

(a) The State of California - As described in Proposition 1 (2014) and associated regulations, the Sites Authority expects that the State of California will work through the California Water Commission and the Resources Agency to manage, at their request, the water held in the Sites storage allocation space obtained by the Water Commission for environmental purposes. In addition, the State of California will cooperate with the Reservoir Committee's operation of Sites Reservoir and that of the State Water Project (and if appropriate the Central Valley Project) to maximize the water supply and water supply related benefits of Sites Reservoir.

(b) The United States – To be provided.

STORAGE OF WATER

(11) Water Storage by the Appropriation of Water: The Authority will be responsible for compliance with water right provisions and other conditions that control the appropriation of water into storage in Sites Reservoir. The Authority through the Reservoir Committee will take all actions necessary to maximize the appropriation of water into storage consistent with regulatory requirements, physical constraints and hydrologic conditions. Water appropriated will be placed into Sites Reservoir and then allocated into each Sites Storage Partners contractual storage space proportional to their acquired storage space amount.¹

Based on the water accounting system approved by the Reservoir Committee, if a Sites Storage Partner's storage volume is not available (whether due to being completely filled, filled up to the requested amount by a Storage Partner, or any other reason), the available water will be allocated to the remaining Sites Storage Partners who still have available storage allocation space and the water will be used to fill the other Sites Storage Partner's storage allocation spaces (based on their storage space allocation) until all Sites Storage Partners storage allocation spaces are filled up to each Partner's requested amount of fill within that Partner's space. Each Sites Storage Partner will be responsible for the Operation and Maintenance (O&M) costs associated with the

¹ For example, if only 340 TAF of water is able to be appropriated into Sites Reservoir in any one year, this represents 20% of the total allocated storage of Sites Reservoir (340/1.69 MAF) = 20%. In that year each Sites Storage Partner will receive an amount of water equal to 20% of their allocated storage space amount.

8/31/19

use of their storage allocation space as set forth below. However, a Sites Storage Partner may opt out of having water appropriated into their storage space and avoid the variable O&M costs if they so inform the Reservoir Committee at the beginning of the Water Year or as otherwise established by the Reservoir Committee. The appropriation of water into storage will take priority over the release of stored water. If needed, a dispute resolution process will be developed.

(12) Water Storage from Other Sources: There are opportunities for the Sites Storage Partners to request that the Reservoir Committee place water from sources other than that by appropriation by the Project into their storage allocation space. These other sources could include among other things: the re-diversion of previously stored water, water transfers, exchanges between Sites Storage Partners, exchanges with other entities, etc. The Reservoir Committee will take all reasonable steps to help facilitate these requests. The Sites Storage Partners will be responsible for the costs of obtaining/storing these other sources of water including any costs associated with water right changes, environmental compliance, and Reservoir Committee costs associated with reviews. Also, the Sites Storage Partner is responsible for all O&M costs of placing this water into their storage allocation space as set forth below. Placing water into storage from other sources shall not impact the ability of the Reservoir Committee to appropriate water or release water from Sites Reservoir.

(13) Storage/Release Conflict Resolution: If there is a conflict between placing water into storage in Sites Reservoir from other sources of water and the release of water from Sites Reservoir at the same time, an "in lieu storage" option may be used by the parties involved provided the water rights issues are addressed on a case-by-case basis.

ACCOUNTING FOR LOSSES

(14) Allocation of Losses: Losses of water held in Sites Reservoir storage including evaporation and seepage will be accounted for on a daily basis. These losses will be allocated to each Sites Storage Partner based proportionally on the amount of their water in storage that day.

SHARING OR LEASING OF STORAGE SPACE

(15) Sharing or Leasing of Storage Allocation Space: The Sites Storage Partners are allowed to share or lease their storage allocation space with other Sites Storage Partners or other entities. This sharing or leasing could span multiple years and will be subject to several conditions set forth below.

- Any sharing or leasing of storage allocation space shall be coordinated with the Reservoir Committee so that proper water accounting can be maintained.
- If the Sites Storage Partner's allocated storage space fills, then any shared or leased water held in that storage space that day will stay in the shared or leased space unless the Reservoir Committee receives written instructions otherwise from the Sites Storage Partner.
- The responsibility for collecting payment for the use of a Sites Storage Partners shared storage space will be the responsibility of the Sites Storage Partner and not that of the Reservoir Committee.
- The Sites Storage Partner maintains the responsibility to the Reservoir Committee for all the O&M costs of placing water of any source into its storage allocation space. However, the Sites Storage Partner will likely collect costs of placing water into any shared storage space from the party making use of that shared space.

RELEASES OF WATER FROM STORAGE

8/31/19

(16) Water Released From Storage: The Sites Storage Partners have total discretion on the amount of water held in their storage allocation space that they wish to be scheduled for release in any calendar year for their use. These requested stored water releases and their schedule for release shall be coordinated with the Reservoir Committee so the Reservoir Committee can coordinate this request with the other Sites Storage Partners, State Water Project, Central Valley Project and any regulations related to the release of water from Sites Reservoir.

The Reservoir Committee will work with the Department of Water Resources and the U. S. Bureau of Reclamation to manage these releases with those of the State Water Project and Central Valley Project to maximize the benefits to the above parties when possible.

It is anticipated water will be released from storage for environmental/public benefits (e.g. on behalf of the State of California per their WSIP funding investment; e.g. on behalf of the United States per WIIN Act funding investment). The Authority's intent is that the non-consumptive use of water for environmental/ public benefits will remain under the control of the Sites Authority and its Storage Partners for further allocation to another in-basin or out-of-basin uses.

(17) Scheduling Stored Water Releases: No later than February 20th of each water year, the Reservoir Committee will make a water storage forecast for each Sites Storage Partner for that water year based on each Sites Storage Partner physical storage to date and several examples of projected hydrologic conditions ranging from critically dry to far above normal. These forecasts will be updated each month by the 20th of every month until April 20th. Each Sites Storage Partner will provide the Reservoir Committee the monthly schedule and amounts of the water they wish to be released that calendar year based upon each of these forecasts 15 days after the receipt of these forecasts. These schedules will be updated monthly as needed until June and changes after that will be accommodated to the extent it does not conflict with those of other Sites Storage Partners. Any water held in a shared/leased allocation space will be the responsibility of the Sites Storage Partner to communicate the requested release of that water to the Reservoir Committee unless other arrangements are provided to the Reservoir Committee in writing.

The Reservoir Committee will work with each Sites Storage Partner, the State Water Project, Central Valley Project and regulatory agencies and make all reasonable efforts to satisfy the water release schedules requested by each Sites Storage Partner. If there is a Sites Reservoir release constraint affecting the ability of meeting the requested water release schedules from Sites Reservoir, the Reservoir Committee will first work with those conflicted Sites Storage Partners to see if accommodations can be made. If the conflict cannot be resolved, the priority for the releases will be in proportion to the Storage Allocation space as divided among the conflicted Sites Storage Partners.

OPERATION, MAINTENANCE AND REPLACEMENT

(18) Operation and Maintenance Cost Allocations: Operation and Maintenance (O&M) costs will be divided into fixed O&M&R and variable O&M. Fixed O&M&R will cover those O&M&R costs that are generally stable from year to year like monitoring costs, routine maintenance, Reservoir Committee staff costs, repair funds, replacement of equipment funds etc. These costs will be calculated by the Reservoir Committee and paid by the Sites Storage Partners for the coming Water Year in advance. They will be allocated to all the Sites Storage Partners in the same manner as the capital costs.

Annual variable O&M costs include pumping costs to appropriate water into storage, pumping water from other sources into storage, other costs related to the placement of water into storage

8/31/19

and the costs, if any, of releasing water from storage. These costs will be assessed to each Sites Storage Partner based on the amount of water placed into their storage allocation that year. An estimate of these costs will be made by the Reservoir Committee. These costs will be assessed to each Sites Storage Partner and paid for the coming Water Year in advance. However, a Sites Storage Partner may opt out of having water appropriated into their storage space and avoid the variable O&M costs if they so inform the Reservoir Committee at the beginning of the Water Year. At the end of each Water Year any revenue received in excess of costs will be returned to the Sites Storage Partners or applied as a credit to the next year's variable O&M costs. However, the Reservoir Committee will retain a reasonable reserve fund to cover any unforeseen variable O&M costs that may come up in any year.

(19) Power Revenue. It is recognized that the Sites Reservoir Project could generate power revenues. The use of these revenues is not part of this Storage Policy at this time.

FUTURE STORAGE POLICY CHANGES

(20) Future Storage Policy Changes - This policy is intended, at this time, for use in the Sites Participation Agreements that will be developed in the near future. This policy will likely evolve and change as the Sites Reservoir Project develops. This policy may be modified in the future by the Authority with approval by the Reservoir Committee. Under the current Bylaws, such Reservoir Committee approval requires a 75% affirmative vote.

DATE

August 26, 2019_____

8/31/19

ATTACHMENT 1

SITES STORAGE PARTNERS

ENVIRONMENTAL

WSIP - California Water Commission

WIIN- United States Bureau of Reclamation

WATER USERS

America Canyon, City of
Antelope Valley-East Kern WA
Carter Mutual Water Company
Coachella Valley Water District
Colusa County
Colusa County Water District
Desert Water Agency
Glenn-Colusa Irrigation District
MWD of So. California
Reclamation District 108
San Bernardino Valley MWD
San Geronio Pass WA
Santa Clara Valley WD
Santa Clarita Valley WA
TC-4 Cortina Water District
TC-4 Davis Water District
TC-4 Dunnigan Water District
TC-4 LaGrange Water District
Westside Water District
Wheeler Ridge-Maricopa WSD
Zone 7 Water Agency



Topic: **Reservoir Committee Agenda Item 3.2** **2020 July 16**

Subject: **Key Operational Analysis Factors - Baseline**

Requested Action:

Review and comment on the approach being taken for the modeling baseline for the EIR/EIS analysis.

Detailed Description/Background:

OVERVIEW

As work progresses on the analysis for the Revised Draft EIR/EIS, the operations team is developing modeling parameters and criteria required for assessing the alternatives in the Revised EIR/EIS. One of the foundational decisions related to the operations modeling for the EIR/EIS analysis is the description of the modeling baseline. An adequate description of the baseline is critical to the CEQA/NEPA evaluation and to describe the of project's benefits.

Issuance of the U.S. Fish and Wildlife Service and National Marine Fisheries Service Biological Opinions for the Reinitiation of Consultation on the Coordinated Operations of the Central Valley Project (CVP) and State Water Project (ROC on LTO BiOps) and the issuance of the Incidental Take Permit for Long-Term Operations of the State Water Project (SWP) in the Sacramento-San Joaquin Delta (SWP ITP) has modified baseline conditions for the CVP-SWP system from the previous BiOp and ITP. The ROC on LTO BiOps and the SWP ITP are also subject to pending litigation by a number of parties. There is disagreement regarding the implementation of the ROC on LTO BiOps and the SWP ITP between water users, environmental stakeholders, and the federal and state water management and permitting agencies. This disagreement will likely persist throughout the Sites Project planning and permitting process. As the CEQA Lead Agency, we need to balance all of the external and internal constraints, demands and needs and identify what would provide the public and our members with the highest quality information for evaluating the project.

After careful consideration, Staff is initially proceeding with model development with the ROC on LTO BiOps baseline and incorporate the SWP ITP actions after release of DCR2019 joint model implementation as the best course at the present time. This approach provides:

1. The most defined and expedient starting point for analysis of Sites Project operations while accomplishing a high-quality analysis that meets adequacy tests under CEQA/NEPA and provides the public with a reasonable evaluation of effects from the Project.
2. Best represents Shasta Lake tiered cold water pool management which is a key operating feature to be considered when evaluating possible exchanges and coordinated operations with Sites Reservoir.

3. Use of the merged Sites version of the model developed for the Reclamation Feasibility Report will expedite model development to meet the required schedule.

Operations criteria for the SWP ITP actions will be incorporated based on DCR2019 if it is available in time to meet the Project's schedule. In addition, the team will be performing additional gap and sensitivity analyses to evaluate additional operations that are needed to support the Sites Project planning and permitting process.

As more detailed analysis is completed, staff will continue to evaluate the baseline approach and may make modifications to the approach to meet the requirements of CEQA/NEPA and provide the public with a reasonable evaluation of effects from the Project.

ALTERNATIVE APPROACHES CONSIDERED

Given the uncertainties surrounding operations of the SWP and CVP, staff has identified three possible modeling baseline options, each having their own pros and cons:

1. Use of ROC on LTO Alternative 1/Proposed Action only – This baseline would be based on the ROC on LTO Proposed Action Calsim II model released by the Bureau of Reclamation (Reclamation) in December 2019.
 - a. Pros:
 - i. Most recent representation of Shasta Lake tiered cold water pool management.
 - ii. Expedited development of the modeled baseline using existing Sites model developed for Reclamation Feasibility Report.
 - b. Cons:
 - i. Excludes additional actions that are included in the SWP ITP.
 - ii. Potential lack of acceptance by the State since the model does not include the SWP ITP.
2. Use of SWP ITP Alternative 2b/Proposed Project only – This baseline would be based on the SWP ITP Calsim II model released by the Department of Water Resources (DWR) in March 2020.
 - a. Pros:
 - i. Use of a model representing the SWP ITP in the baseline for analysis in the Sites ITP application.
 - b. Cons:
 - i. May require additional updates to include all of the actions described in the SWP ITP.
 - ii. Excludes changes made in the updated final ROC on LTO Alternative 1/Proposed Action published in December 2019.
 - iii. Potential lack of acceptance by Reclamation since the model does not include ROC on LTO.
3. Combination of 2019 State Water Project Delivery Capability Report (DCR2019) / ROC on LTO / SWP ITP – DWR is currently working on a joint representation of the ROC on LTO BiOps and the SWP ITP as part of DCR2019, which would include the potential future combined CVP/SWP operations. This is expected to be released in July 2020.

- a. Pros:
 - i. Comprehensive representation of baseline operations currently in development.
 - ii. Allow for the possibility of greater acceptance to a wider range of agencies and stakeholders.
 - iii. Provide a State/Federal supported baseline.
- b. Cons:
 - i. Schedule for release of DCR2019 has been and may continue to be delayed (DWR originally tentatively planning for a June release).
 - ii. Delays associated with developing Sites Project ITP implementation based on DCR2019 (at least four week).

Prior Action:

None

Fiscal Impact/Funding Source:

Model development is part of the Amendment 2 work plan and is a key component to other 2021 milestones within the work plan. There is sufficient funding to conduct efficient modeling whereby the baseline approach is established, and the modeling results are used to inform the EIR/EIS analysis. Multiple revisions of the modeling baseline or excessive iterations would be additional cost and time delay to the project.

Staff Contact:

Ali Forsythe

Attachments:

None



Topic: **Reservoir Committee Agenda Item 3.3** **2020 July 16**

Subject: **Funding Credit and Reimbursement Policy Implementation**

Requested Action:

Review and comment on the Draft Funding Credit and Reimbursement Policy (Policy) Revisions.

Detailed Description/Background:

When the Reservoir Committee was formed, one of the requirements included the development of this Policy to ensure equity among participants and be an important component to the rebalancing process. The initial Policy went through a thorough development and review process and was approved by the Authority in August 2018. A revised Policy is now required as the Authority continues to progress into new phases of the project.

A subgroup of the Joint Budget and Finance Committee was convened to review the current Policy and develop draft revisions as needed to reflect the status of the current Sites Project. The Subgroup developed a draft revised Policy and examples of applying the draft Policy which were reviewed and commented on by the Joint Budget and Finance Committee during their July 10, 2020 meeting. A revised draft has been prepared based on the comments received (Attachments 1 and 2).

The Joint Budget and Finance Committee is requesting comments to the draft revised Policy from the Reservoir Committee and Authority Board during their July meetings. Comments from these meetings will be incorporated into a revised draft which will be reviewed by Authority General Counsel, and then brought to the Joint Budget and Finance Committee, Reservoir Committee, and Authority Board at their August 2020 meetings for approval.

The most significant changes being proposed in the draft revised Policy are:

- Revisions to Section 6 "Participation Priority" include the addition of two new priority rounds. A revision was also made to clarify the application of "Last in / First Out" approach should the available participation be reduced below the amount of participation by Project Agreement Members.
- Revisions to Section 10.3 "Limitation on Reimbursements" provides additional clarity to when the Authority would make reimbursement payments.
- The new Section 14 "Provision for Buy-in After Phase 1" was added to specify the requirement that additional or new participation pay the equivalent funding of prior phases upon executing the Project Agreement.
-

- The new Section 15 "Provision for Phase 2 Rebalancing and True-up Process" was added to provide a process for Project Agreement Members to change their level of participation at the conclusion of each incremental Phase 2 Project Agreement. The provision is similar to the Phase 1 True-up with the exception of Class 2 Water conversion.

Additional revisions were made to expand the application of the policy to Phase 2, provide flexibility for allowing incremental Project Agreements and associated participation changes, and clarify/specify previous provisions and requirements.

Prior Action:

At the August 16, 2018 Reservoir Committee, the Credit Reimbursement Policy was approved.

At the June 25, 2018 Reservoir Committee meeting, the status was discussed with direction provided to the Ad Hoc Finance and Economics Work Group.

Fiscal Impact/Funding Source:

The Policy's requirement to reimburse Project Agreement Members for partial or complete withdrawal from the Project would be funded by new revenue for the "Buy-in" payments received from an existing Project Agreement Members that increase their amount participation or from new/returning Project Agreement Members initiating participation. Reimbursement payments would only be made once the Reservoir Committee and Authority Board determine that funds are available to make such payments without impacting the implementation of the Project.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: Working Draft Funding Credit and Reimbursement Policy (with redline strikeout of proposed changes).

Attachment B: Examples of Applying Draft Policy.

Sites Reservoir Project, Phases 1 and 2 Funding Credit and Reimbursement Policy

Table of Contents

1. PURPOSE OF POLICY	2
2. ADMINISTRATIVE.....	2
3. DEFINITIONS	3
4. PROJECT PHASES	5
5. UNDERLYING ASSUMPTIONS.....	5
6. PARTICIPATION PRIORITY	6
7. PROVISION FOR ENCOURAGING NORTHERN CALIFORNIA PARTICIPATION	8
8. CREDITING POLICY FOR ADVANCE FUNDING	8
9. USE OF CONTRIBUTION CREDIT	8
10. REIMBURSEMENT POLICY FOR CONTRIBUTION CREDIT	9
11. PROVISIONS FOR WITHDRAWAL FROM PROJECT	10
12. PROVISION FOR CLASS 2 CONVERSION TO CLASS 1 PRIOR TO THE TRUE-UP PROCESS	10
13. PROVISION FOR REBALANCING PHASE 1 PARTICIPATION AND TRUE-UP OF THE CLASS 1 COST BASIS ...	10
14. PROVISION FOR BUY-IN AFTER PHASE 1	11
15. PROVISION FOR PHASE 2 REBALANCING AND TRUE-UP PROCESS	12
16. FAIR SHARE FUNDING STUDY	13

APPENDIX A – Participating Members and Respective Priority

Status: **Adopted by Authority**
Purpose: **Phase 2 Revisions**
Caveat:
Notes:

Preparer: **Scott Brown**
Checker:
QA/QC:

Phase: **1** Version: **1D2**
Date: **2020 July 10**
Ref/File #: **10.790-112.210.2**
Page: **1** of **14**

1. PURPOSE OF POLICY

The Sites Project Authority (Authority) has adopted bylaws¹ that establish use of a Cost Development Model to track each participating agency's funding contributions and anticipated funding requirements as the Sites Reservoir Project (Project) is developed.

The purpose of this Funding Credit and Reimbursement Policy (Policy) is to establish the rules and procedures for contributing funds for the Project that will be used to inform the Cost Development Model ~~that will be used as part of the Phase 1 rebalancing process² as the project advances.~~ The specific objectives of the Policy are to define the provisions and terms for:

- Defining contribution credit to participating agencies (Project Agreement Members, see **Section 3.8**) for having contributed funds to advance the Project;
- Defining allowable conditions for the use and/or reimbursement of credit;
- Providing an equitable exchange in participation levels between Project Agreement Members; ~~and~~
- Defining the process for recalculating the equivalent cost basis among Phase 1 Project Agreement Members for Class 1 and Class 2 water³; ~~and-~~
- Defining the process for recalculating the equivalent cost basis for future phases of the project that are funded on a "cash call" basis.

It is the intent of this Policy to ensure that all Project Agreement Members ~~proceeding into Phase 2~~ will each have paid the same amount on an equivalent cost basis as the Project advances.

2. ADMINISTRATIVE

2.1 Role of the Authority and Reservoir Committee

Through its Bylaws, the Authority considers this process to be a foundational part of advancing the Project. Development of the requirements has been delegated to the participants in each phase of the Phase 1 Reservoir Project Agreement (Reservoir Committee). Acceptance of this document by the Authority is required before ~~it's~~ requirements can be implemented.

¹ November 21, 2016 Amended and Restated Bylaws of the Sites Project Authority for Phase 1 of the Sites Reservoir Project, Section 3.9.

~~² For use in subsequent phases, this document will be amended to incorporate additional information gained during Phase 2.~~

³ Participation in voting and funding is based on a Members' participation as measured in acre-feet that is used to apportion the project's development costs. Until the completion of Phase 2, the annualized volumes of water that could be released from storage can't be finalized until the Project has acquired the prerequisite permits needed for construction and operations and both state and federal agencies have committed to fund their equitable share in the Project.

2.2 Amendments to this Policy

It is the Authority's intent that this policy be updated as needed (i.e. is a "living" document) to ensure the Project is implemented equitably, efficiently and cost-effectively. The Authority may amend this Policy to reflect changes to the funding structure for the Project (e.g. separate participation in water storage versus water supply). Any amendment to this Policy will not reduce or increase any participant's contribution credit (as defined below) for having contributed funds to advance the Project.

2.3 Precedence of Documents

This document is subordinate to both the Authority's and Reservoir Committee's governance documents. Should a conflict exist, the Authority's Joint Exercise of Powers Agreement - including the Bylaws - shall take precedence, followed by the Reservoir Committee's Phase 1 sequential Reservoir Project Agreement -including Exhibit for each phase of the Project (Requirements).

Further and in keeping with the *Mission and Project's Primary Goals established in Phase 1*⁴, should a conflict exist between this document and the Phase 2 any Reservoir Project Agreement, which will may include the terms and conditions for the interim finance plan, the Phase 2 Reservoir Project Agreement Agreements shall control, and this document shall be amended to remove the conflict.

2.4 Document Revision History

A record of approved changes to this document shall be recorded in this section, starting with its original approval for use, which is revision 0.

<u>Rev.</u>	<u>Effective Date</u>	<u>Status of Authorizing Action</u>
0	August 20, 2018	Approved by Reservoir Committee and adopted by the Authority.
<u>1</u>	<u>TBD</u>	<u>Revised to include Phase 2 considerations.</u>

3. DEFINITIONS

The following definitions are used in this Policy:

- 3.1. "Class 1 Water" Water supply reserved for Project Agreement Members based on 50% of the total average annualized volume of water released from storage (250 ~~TAF~~TAF⁵).
- 3.2. "Class 2 Water" Additional 170 TAF⁵ of water supply that may be available to Project Agreement Members, of which the State of California and/or the United States Government will be given the first

⁴ Refer to Exhibit B of the Phase 1 Reservoir Project Agreement, General Requirements.

⁵ These acre footage values are based on original project yield projection at the onset of Phase 1 in 2016 and are subject to change throughout the duration of the project.

right to acquire for ecosystem and water quality “public” benefit(s).

- 3.3. “Contribution Credit” The accumulated funding provided by a Project Agreement Member for both Class 1 and Class 2.
- 3.4. “Equivalent Cost Basis” The equivalent cost per acre-foot for Class 1 water established by the Reservoir Committee.
- 3.5. “Equivalent Required Funding” The amount of funding required by each Project Agreement Member at the Phase 1 True-up event (**Section 1213**) equal to the Equivalent Cost Basis times the Project Agreement Member’s participation in Class 1 water.
- 3.6. “Fully Subscribed Project” Full participation in the total amount of Class 1 water available. The associated amount may change between the end of Phase 1 and end of Phase 2. Further, it is contemplated that in Phase 2, consideration will be given to shift from the current delivery-based method (FOB Holthouse Reservoir) to a storage-based method.
- 3.7. “Funding Obligation” A Project Agreement Member’s semi-annual pro-rata share of funding required. The Authority may elect to waive any Project Agreement Member from a semi-annual obligation by excluding that particular Project Agreement Member’s participation in the Project when determining the basis for the pro-rata share of the remaining Project Agreement Members.
- 3.8. “Project Agreement Member” Any agency or entity that has executed ~~the Phase 1a~~ Project Agreement and not withdrawn from the project.⁶
- 3.9. “Good Standing” Meeting the requirements to actively participate in the Project according to Section 8.1 of Authority’s Bylaws.
- 3.10. “Participation” A Project Agreement Member’s elected participation rate expressed in terms of acre-feet of average annual water supply, or other metric utilized to determine the pro-rata share of funding required from each Member.

⁶ Ibid, Section 7.3 for membership types. A list of current Project Agreement Members is provided in Exhibit A1 of the Phase 1 Reservoir Project Agreement.

3.11. "Priority"

The ranking of participation in the Project, Class 1 and/or Class 2, used to determine the order in which participation changes take effect. Highest priority is associated with earliest date the Phase 1 Reservoir Project Agreement was executed (i.e. Round 1). Lowest priority is the latest date this agreement was executed (Round 4).

4. PROJECT PHASES

The Project is being advanced by Project Agreement Members on a workplan based phased approach. The phases of the project associated with each Project Agreement are defined as:

- Phase 1: Phase 1 Project Agreement, November 2016 through March 31, 2019
- Phase 2A: Phase 2 Project Agreement plus Amendments 1A/1B, April 1, 2019 through August 31, 2020
- Phase 2B: Phase 2 Project Amendment 2, September 2020 through December 31, 2021

4.5. UNDERLYING ASSUMPTIONS

The following underlying assumptions predicate the establishment of credits and reimbursements:

- 4.1 As of August 1, 2015, funding provided by Members of the Authority has been divided into two separate categories: 1) Authority administration, and 2) Implementation of the Project.
- 4.2 Funding provided for Authority administration is not eligible for Credit, whereas funding for implementation of the Project is eligible.
- 4.3 Funding provided between January 1 and July 31, 2015 was applied first to Administration requirements in 2015 and the balance was applied to Project funding as of August 1, 2015.
- 4.4 All other funding received before December 31, 2014 was provided for advocacy of the Project and is not eligible for credit.
- 4.5 Prior to starting Phase 2 and after the California Water Commission has made its "Maximum Conditional Eligibility Determination (MCED)"⁷, a formal process will be conducted to enable Project Agreement Members to change their participation. These changes will become the basis for the Phase 1 True-Up ~~and the Phase 2 Reservoir Project Agreement.~~
- 4.6 As the Project advances, each additional phase of the project will require Project Agreement Members commit funding through execution of a new Project Agreement. Changes in participation may be allowed at the conclusion of each phase, subject to the credit and reimbursement conditions established by this policy.

⁷ ~~Refer to California Code of Regulations, Title 23, Division 7, Chapter 1, Section 6011.7~~ See Ibid, Section 7.3 for membership types.

5.

6. PARTICIPATION PRIORITY

As more or less Class 1 water becomes available, each Project Agreement Member's allocation of Class 1 and/or Class 2 water may be impacted based on the priority assigned to their participation. Should the level of participation need to be reduced, participation will be eliminated on a "last in / first out" basis. Each Project Agreement Member will be assigned a priority based on the following criteria:

- Round 1 Priority: Founding members of the Authority who also elected to execute the Phase 1 Reservoir Project Agreement. Project Agreement Members in this round received Class 1 water.
- Round 2 Priority: New members of the Authority seated prior to the 2016 on-boarding process who elected to execute the Phase 1 Reservoir Project Agreement. Project Agreement Members in this round received Class 1 water.
- Priority 2.1: Existing members of the Authority seated prior to the 2016 on-boarding process, who had executed the Phase 1 Reservoir Project Agreement, and who elected to change their participation quantities in advance of the August 1, 2016 deadline that closed the On-boarding process. These changes were approved by the Authority on June 13, 2016.
- Round 3 Priority: Additional participation beginning with the 2016 On-Boarding process and extending through execution of a funding agreement with the State (~~anticipated by December 2018~~). Project Agreement Members in this round receive either:
- 1) For Public Water Agencies: A combination of Class 1 and/or Class 2 water dependent upon the availability of Class 1 water; or
 - 2) For Non-Member Participating Parties: Mutual Water Companies who submitted a request to participate as part of the 2016 On-Boarding process received Class 2 water.

Note that a rounding error in the original allocation of Class 1 and Class 2 water was found November 2017. The correction to the rounding error was applied retroactively to Priority 3 participants.

The following sub-priority within Round 3 will be based on the date that additional participation is established, which is the date the Phase 1 Reservoir Project Agreement was authorized to be executed by the Project Agreement Member.

- Priority 3.1 Prior to executing the Phase 1 Reservoir Project Agreement, 10,000 acre-feet of Class 1 water became available and was allocated to those Project Agreement Members who had initially agreed to accept fractional shares of Class 1 and Class 2 totaling the amount requested in their On-boarding letter of intent. For

each of these Project Agreement Members, the result was a reduction in Class 2 water and a corresponding increase in Class 1 water.

Priority 3.2 Prior to executing the Phase 1 Reservoir Project Agreement, Project Agreement Members who requested to increase their participation received Class 2 water.

Priority 3.3 California Water Service request during the 2016 On-Boarding process requiring CPUC approval before executing the Reservoir Project Agreement.

Priority 3.4 Metropolitan Water District of Southern California elected to not specify an acre-ft as the basis of their participation in the 2016 On-Boarding process, but subsequently requested to participate in Class 2 water through execution of the Reservoir Project Agreement.

Priority 3.5 After Project Agreement Members had executed the Phase 1 Reservoir Project Agreement, 6,285 acre-feet of Class 1 water became available after April 28, 2017 that was allocated to those Project Agreement Members who had initially agreed to accept fractional shares of Class 1 and Class 2 totaling their participation amount (Priority 3). Project Agreement Member's in this priority received a pro-rata share of the Class 1 water and a corresponding decrease in their Class 2 water.

Priority 3.6 After Project Agreement Members had executed the Phase 1 Reservoir Project Agreement, an additional 6,285 acre-feet of Class 1 water became available after May 31, 2017 that was allocated to those Project Agreement Members who had initially agreed to accept fractional shares of Class 1 and Class 2 totaling their participation amount (Priority 3.0). Project Agreement Member's in this priority received a pro-rata share of the Class 1 water and a corresponding decrease in their Class 2 water.

Round 4 Priority: Additional Phase 1 participation following execution of the funding agreement with the State ~~(anticipated by December 2018)~~. Project Agreement Members in this round would only receive Class 2 water unless participation changes result in the availability of Class 1 water.

This round ~~of~~ will also include additional Class 1 water required to maintain the minimum participation threshold from water agencies located in the Sacramento River Hydrologic Region (see **Section 67**).

Note that there no participation changes or new participation occurred during Phase 2A. All Project Agreement Members that signed the Phase 2 Project Agreement in April 2019 continued their level of participation through August 2020.

Round 5 Priority: This round includes additional participation from existing or new Project Agreement Members following the completion of Phase 2A and prior to

execution of the Phase 3 Project Agreement. Sub-priority within this round will be established as follows:

Priority 5.1 Additional or new participation from agencies in the Sacramento River Hydrologic Region. This priority was established to encourage Northern California participation (Section 7).

Priority 5.2 Additional participation from existing Project Agreement Members.

Priority 5.3 New participation from prior Project Agreement Members that completely withdrew during a prior phase of the Project.

Priority 5.4 New participation from agencies that have not participated in prior phases of the Project.

Round 6 Priority: New or additional participation just prior to execution of the Phase 3 Project Agreement.

Any established priority will be forfeited commensurate with a reduction in participation. Priority is only valid for the participation commitment under the active Project Agreement, less any amount subtracted by a reduction in participation or project withdrawal.

Additional rounds may be established by the Authority Board as the Project develops. The current list of priority participation is included in Appendix A.

6.7. PROVISION FOR ENCOURAGING NORTHERN CALIFORNIA PARTICIPATION

The Authority desires to maintain a minimum threshold for participation by agencies within the Sacramento River Hydrologic Region equal to approximately 25% of the total water supply. Should the participation from Project Agreement Members in this region drop below the threshold, the Authority may solicit additional interest from Project Agreement Members or agencies that are not currently participating in the Project, both of which are located in the Sacramento River Hydrologic Region. The additional ~~Class 1~~ participation will be established within ~~Priority 4~~the current round of priority at the time the Project Agreement is executed (Section 6).

7.8. CREDITING POLICY FOR ADVANCE FUNDING

The Crediting Policy describes the process of how Contribution Credit is earned by each Project Agreement Member by fulfilling its funding obligations. Funding obligations will be established through the Authority's annual budgeting process and will be apportioned to Project Agreement Members based on their respective participation. Each Project Agreement Member will accumulate Contribution Credit equal to its cumulative funding for both Class 1 and Class 2 participation throughout all phases of the project.

8.9. USE OF CONTRIBUTION CREDIT

Contribution Credit will be utilized to determine any payment or reimbursement due as result of the following events:

- Withdrawal ~~from or reduction in Project~~ participation ~~in the Project~~, as further described in **Section 1011**; or

- True-up of Class 1 Cost Basis and Retirement of Class 2 participation, as further described in **Section 1213 and Section 15**.

9.10. REIMBURSEMENT POLICY FOR CONTRIBUTION CREDIT

The Authority will provide reimbursements⁸ under the following conditions.

9.1-10.1. Reimbursements from Rebalancing Process

Based on the Rebalancing Process (**Section 1213 or Section 15**) results, ~~The~~^{the} Authority will reimburse certain Project Agreement Members for excess Contribution Credit. The Authority will only reimburse such members once all payments have been received from Project Agreement Members that owe additional funds as ~~the~~^a result of the Rebalancing Process.

9.2-10.2. Reimbursements from Withdrawal from Participation

A Project Agreement Member partially or completely withdrawing their participation in the Project will be reimbursed for its accumulated Contribution Credit based on the Provision for Withdrawal (**Section 1011**). The Authority will provide such reimbursement once all payments have been received from Project Agreement Members electing to increase its participation to offset the withdrawn participation.

10.3. ~~Reimbursements from~~ Limitation on Reimbursements

~~The Authority is not required to provide any reimbursement payment until the Authority determines that such payment will not have an adverse impact on the financial viability or overall implementation of the Project. Partial reimbursement payments may be made based on available funding with the remaining amount maintained as a liability for the Authority to pay at such time sufficient funding exists. As funding from new participation (Section 14) becomes available, the Authority may pay down the liabilities on a pro-rata basis following the order in which the liabilities occurred (e.g. Phase 1 liabilities are paid prior to Phase 2A liabilities).~~

9.3-10.4. ~~Reimbursements due to~~ Project Termination

In the event that the Project cannot be completed or in the event the Authority ~~has~~^{terminated}~~terminates~~ the ~~Phase 1~~^{then active} Reservoir Project Agreement, the Authority will disperse any available Project funds according to the participation percentages as defined in the current version of ~~Exhibit A1 of the~~^{then active} Reservoir Project Agreement. Note that this exhibit is a “living document” that has been updated as participation changes have occurred throughout ~~Phase~~^{Phases 1 and 2}.

9.4.1.1. Limitation on Reimbursements

⁸ ~~Under no circumstances will the Authority finance any portion of any amounts that may be reimbursed.~~

~~The Authority is not required to provide any reimbursements of any kind until the Authority determines that such reimbursements will not have an adverse impact on the financial viability or overall implementation of the Project.~~

11. PROVISIONS FOR WITHDRAWAL FROM PROJECT ~~BEFORE THE START OF PHASE~~

9.5-11.1. ~~Withdrawal or Reduction Before the Start of Phase 2~~ OBLIGATIONS/Obligations

A Project Agreement Member may reduce or completely withdraw their participation in Class 1 and/or Class 2 within the window associated with Assumption 4.5 and the Phase ~~2~~^{2A} Reservoir Project Agreement. ~~(Dated April 1, 2019)~~. In order to maintain equity among all Members, all changes in project participation will be accommodated through the provisions of the Phase 1 True-Up Process (**Section ~~12~~¹³**).

11.2. ~~Withdrawal Before the Start of Phase 3~~ Obligations

Following Phase 2, project funding will most likely involve debt issuance and require full financial commitment by Project Agreement Members for Phase 3 and Phase 4. Consequently, the last opportunity for a Project Agreement Member to withdraw or reduce participation under this policy will be prior to execution of the Phase 3 Reservoir Project Agreement. In order to establish equity prior to debt issuance, all final changes in project participation will be accommodated through the provision of the Phase 2 True-Up Process (Section 15).

10.12. PROVISION FOR CLASS 2 CONVERSION TO CLASS 1 PRIOR TO THE TRUE-UP PROCESS

Prior to the Phase 1 True-up Process (**Section ~~12~~¹³**), the conversion of Class 2 water will occur only when additional Class 1 water becomes available. Project Agreement Members with Class 2 participation will be allowed to convert their Class 2 water in order of highest to lowest priority.

The cost for each Project Agreement Member to convert its Class 2 to Class 1 will be equal to the difference between the Class 1 and Class 2 funding obligations on a per acre-foot basis, multiplied by the quantity (acre-feet) of Class 2 being converted to Class 1.

11.13. PROVISION FOR REBALANCING PHASE 1 PARTICIPATION AND TRUE-UP OF THE CLASS 1 COST BASIS

At the conclusion of the Phase 1 Rebalancing Process, the Authority will establish the final amount of Class 1 available for participation and establish an equivalent cost basis per acre-foot (the True-Up Process). The final Phase 1 participation will be established as follows:

- The minimum threshold for participation from agencies in the Sacramento River Hydrologic Region (**Section ~~67~~**) will be considered prior to the conversion of Class 2.

- Any voluntary change in participation shall be fully recognized prior to the calculation of conversion of Class 2 to Class 1.
- Class 2 will be converted to Class 1 in order of highest to lowest priority until the final amount of Class 1 participation is fulfilled. The cost to convert Class 2 water shall be paid by each member separate from the determination of the Equivalent Required Funding for Phase 1. Funding associated with Class 2 conversion will be included in the Project Agreement Member's cumulative Contribution Credit.
- Any remaining Class 2 participation will be retired. Project Agreement Members with retired Class 2 water will be placed on a stand-by list for future participation based on their original priority.
- Should the total amount of Class 1 participation be less than the amount available, the Authority will solicit interest from current Project Agreement Members for additional participation. If the additional Class 1 participation is still available, the Authority will solicit interest from other non-participating agencies.

An equivalent cost basis per acre-foot will be established for all Project Agreement Members at the conclusion of Phase 1 as follows:

- The Equivalent Cost Basis for Class 1 participation has been established by the Project Reservoir Committee as \$48.50 per acre-foot.
- The Equivalent Required Funding for each Project Agreement Member will be the Equivalent Cost Basis multiplied by the Project Agreement Member's Class 1 participation at the end of Phase 1.
- If the Equivalent Required Funding is greater than the Project Agreement Member's cumulative Contribution Credit, a true-up payment will be due from the Project Agreement Member to the Authority equal to the Equivalent Required Funding minus the Member's cumulative Contribution Credit.
- If the Equivalent Required Funding is less than the Project Agreement Member's cumulative Funding Obligation, a reimbursement will be due from the Authority to the Project Agreement Member equal to the Project Agreement Member's cumulative Contribution Credit minus its Equivalent Required Funding.

14. PROVISION FOR BUY-IN AFTER PHASE 1

During Phase 2, if Class 1 water is available, existing or new Project Agreement Members may increase their participation. In order to maintain equity among Project Agreement Members, additional participation carries a "buy-in" cost equal to the equivalent cost basis at the time that new or additional participation is requested. The equivalent cost basis has been established by the Reservoir Committee as:

Phase 1: \$48.50 per acre-foot

Phase 2A: \$60.00 per acre-foot

Total: \$108.50 per acre-foot

Additional increments may be added as the project progresses through Phase 2.

The buy-in cost for additional/new participation is equal to the Equivalent Cost Basis per acre-foot multiplied by the amount of additional/new participation requested less any reimbursement liability due from the Authority from prior withdrawal/reduction in participation. The buy-in payment will be invoiced upon execution of the Reservoir Project Agreement.

The additional/new participation will be assigned the current round of priority at the time the Reservoir Project Agreement is executed (Section 6).

The Authority may utilize the buy-in payments to reduce any outstanding reimbursement liabilities from prior phases.

15. PROVISION FOR PHASE 2 REBALANCING AND TRUE-UP PROCESS

At the conclusion of each incremental Phase 2 agreement, the Authority will declare any change to the Fully Subscribed Project and Project Agreement Members will identify their preferred Participation moving forward in the Project.

With respect to the Fully Subscribed Project, any available Class 1 water will be offered according to the Round 5 sub-priorities (Section 6). Project Agreement Members that increase their participation and new Project Agreement Members must “buy-in” to the Project at the current Equivalent Cost Basis (Section 14).

With respect to the Fully Subscribed Project, if the total preferred Participation exceeds the Fully Subscribed Project, Project Agreement Members with a proposed participation increase will only receive a pro-rata share of their proposed increase. If the total preferred Participation still exceeds the Fully Subscribed Project, the Participation of Existing Project Agreement Members will be reduced on a “last in / first out” basis according to the participation priorities (Section 6) and on a pro-rata basis within the same priority or sub-priority.

Once the final participation is established for each incremental Phase 2 Project Agreement, true-up payments and reimbursements will be determined for each Project Agreement Member:

- The Equivalent Required Funding at the completion of each incremental Phase 2 Project Agreement will be the Equivalent Cost Basis multiplied by the Project Agreement Member’s participation.
- If the Equivalent Required Funding is greater than the Project Agreement Member’s cumulative Contribution Credit, a true-up payment will be due from the Project Agreement Member to the Authority equal to the Equivalent Required Funding minus the Member’s cumulative Contribution Credit.
- If the Equivalent Required Funding is less than the Project Agreement Member’s cumulative Funding Obligation, a reimbursement will be due from the Authority to the Project Agreement Member equal to the Project Agreement Member’s cumulative Contribution Credit minus its Equivalent Required Funding.

12.16. FAIR SHARE FUNDING STUDY

The Authority will prepare a funding study upon completion of Phase 1 to document each Project Agreement Member's funding contributions, equivalent cost basis and Contribution Credit. The "Phase 1 Fair Share Funding Study" will summarize the conversion and/or retirement of Class 2 water and the true-up of the Class 1 cost basis at the end of Phase 1.

The Fair Share Funding Study will be updated to document changes in Participation, Priority and Equivalent Cost Basis for each Project Agreement Member through completion of Phase 2.

|

Appendix A – Participating Members and Respective Priority

Sites Reservoir Project
Credit & Reimbursement Policy - Phase 2

	Phase 1 & Phase 2A				Phase 2B				Cummulative Totals	
	Phase 2A Participation (AF)	Phase 1 Contribution Credit (\$48.50/AF)	Phase 1 Reimbursement Liability	Phase 2A Contribution Credit (\$60/AF)	Participation (AF)	Buy-in Cost (\$108.50/AF)	Phase 2B Contribution Credit (\$100/AF)	Phase 2A Reimbursement Liability	Contribution Credit (\$208.50/AF)	Outstanding Reimbursement Liability
Hypothetical Examples										
<u>Example 1 - No Change in Phase 2B Participation</u>										
District 1A	5,000	\$242,500	-	\$300,000	5,000	-	\$500,000	-	\$1,042,500	-
District 1B	5,000	\$242,500	\$(187,500)	\$300,000	5,000	-	\$500,000	-	\$1,042,500	\$(187,500)
<u>Example 2 - Increase in Phase 2B Participation</u>										
District 2A	5,000	\$242,500	-	\$300,000	6,000	\$108,500	\$600,000	-	\$1,251,000	-
District 2B	5,000	\$242,500	\$(187,500)	\$300,000	6,000	-	\$600,000	-	\$1,251,000	\$(79,000)
<u>Example 3 - Reduction in Phase 2B Participation</u>										
District 3A	5,000	\$242,500	-	\$300,000	4,000	-	\$400,000	\$(108,500)	\$834,000	\$(108,500)
District 3B	5,000	\$242,500	\$(187,500)	\$300,000	4,000	-	\$400,000	\$(108,500)	\$834,000	\$(296,000)
<u>Example 4 - New Participation</u>										
District 4A	0	-	-	-	5,000	\$542,500	\$500,000	-	\$1,042,500	-
District 4B	0	-	\$(187,500)	-	5,000	\$355,000	\$500,000	-	\$1,042,500	-



Requested Action:

Receive status update on preliminary participation levels, outreach efforts related to maintaining project subscription in Second Amendment to 2019 Reservoir Project Agreement (Amendment 2) and the process of rebalancing participation.

Detailed Description/Background:

Preliminary Participation Levels:

Soft call results and participation agreement status have been updated and are included in Attachment A. In summary:

- Based on initial results, full subscription can be achieved.
- Based on projected, reduced participation from Sacramento Valley, approximately 13,000 AF may be available. The Reservoir Committee and Authority Board in May 2020 requested that outreach be conducted to try to achieve the 25% goal for Sacramento Valley participation.
- Outside of the Sacramento Valley, current participants identified interest in 5,000 AF and prior participants expressed interest in 10,000 AF of additional capacity, if available.

Outreach and Rebalancing:

Staff has initiated outreach to existing, prior, and new participants in the Sacramento Valley to determine interest in additional capacity. Existing members Colusa County Water District and Westside Water District are in the process of polling for increased participation interest. No prior or new interested parties have stepped forward within the Sacramento Valley at this time. Staff is moving to priority two and three of outreach and will provide an update at the August meeting. As a reminder, new and returning participants must be approved for admission according to Section 10 of the Participation Agreement, which includes a 75% weighted approval at the Reservoir Committee and 75% of Authority Board director approval as well as other requirements.

For reference, the approved priority system is as follows:

1. The goal is total Sacramento Valley participation of ~25%. Priority is 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)

Status:	Draft	Preparer:	Robinette	Phase:	2	Version:	A
Purpose:	Staff Report	QA/QC:	Brown	Date:	2020 July 16		
Caveat:	Informational	Authority Agent:	Brown	Ref/File #:	12.221		
Notes:				Page:	1	of	3

4. Nonparticipants. Priority for new participants outside of Sacramento Valley.

The process for a participant securing a position in the participation queue involves the following steps:

- Participants submit a letter of intent for new or increased participation prior to September 10, 2020 to secure a position in the queue. The letter should acknowledge the potential financial commitment. Attachment A shows the remaining contributed credit that participants can apply to prior participant payments.
- Staff prioritizes requests based on the approved rebalancing priority system.
- At the September meetings, the Reservoir Committee and Authority Board direct staff to offer capacity to participants in the queue.

Schedule:

The following items will be considered at the Reservoir Committee and Authority Board at their monthly meetings:

- August: Outreach update.
- September: Final participation levels for current members (executed agreements), approval of participation queue, vote to onboard new participants.
- October: Final participation levels for new members (executed agreements), approval of the final Exhibit A to the Participation Agreement, invoices sent for payment.

Prior Action:

June 18, 2020: The Reservoir Committee received a status update on preliminary participation levels, outreach efforts related to maintaining project subscription in Second Amendment to 2019 Reservoir Project Agreement (Amendment 2) and the process of rebalancing participation.

May 21, 2020: The Reservoir Committee accepted Exhibit B (2020 and 2021 budget) to the Second Amendment to 2019 Reservoir Project Agreement and directed staff to begin outreach to potential participants based on the proposed priority system to explore interest in Sites capacity, if available.

May 5, 2020: At a Reservoir Committee workshop, staff provided information on changes to the cash call process and schedule in light of potential economic impacts of the COVID-19 natural disaster on participating member agencies. A two-step cash call process including a "Soft Call" and a "Hard Call" will be used to better plan for changes in participation. The due date of the first cash call of \$60/AF will be moved two months out to November 1, 2020. The due date of the second cash call will be moved two months out to April 1, 2021 and will be up to \$40/AF. The Amendment 2 work will still begin on September 1, 2020.

April 17, 2020: The Reservoir Committee approved the Amendment 2 Work Plan for the purposes of planning cash calls for participants totaling \$100/AF,

producing a draft budget exhibit to the participation agreement, and developing consultant task orders.

March 30, 2020: At a joint workshop, staff provided information that included a process overview of task order development; an updated project schedule; cash flows for Reservoir Committee and Authority Board; and preliminary task budgets including assigned resources.

March 19, 2020: Staff provided information on the goals, schedule, cash flow, and preliminary budget allocation by subject assuming a cash call of \$100/AF. Staff provided a preliminary cash call schedule of \$60/AF due September 1, 2020 and \$40 due February 1, 2021.

February 21, 2020: Staff provided information on three possible revenue scenarios and a task list for Amendment 2 (September 1, 2020 and ending December 31, 2021). Staff received direction to continue to develop the \$100/AF revenue scenario.

January 17, 2020: Staff provided information regarding the proposed process for developing a work plan. This work plan proposes to focus on improving certainty related to project operations, permitting, and affordability, and to meeting the January 1, 2022 Prop 1 (WSIP) milestone to remain eligible to receive funding.

Fiscal Impact/Funding Source:

The total cash call remains unchanged from the approved Amendment 2 work plan in the total amount of \$100/AF. With the Amendment 1B carryover funds it may be possible to reduce the total cash call. However, Staff proposes to keep the first call at \$60/AF and reassess the second call currently projected at \$40/AF midway through the Amendment 2 work. At that time, any adjustments to the second call can be considered based on the then current projections. Participating members can consider the second call to be an “up to” amount since the Amendment 1B carryover represents previously unanticipated funds for the Amendment 2 work plan.

Staff Contact:

Jerry Brown

Attachments:

Attachment A – Preliminary Amendment 2 Participation Table.

Preliminary Amendment 2 Participation Table Reservoir Committee

Based on preliminary soft call survey results as of 12pm Wednesday, 7/1/2020

Working Draft, Subject to Change

Participant	Amendment 2 Agreement Status	Phase 2 (2019) Participation Level (Ref, AF)	Participation Level (AF) Staff Recommendation	Variance (AF)	Participation Increase Interest (AF)
Antelope Valley East Kern WA		500	500	0	
Carter Mutual Water Company		300	300	0	
City of American Canyon		4,000	4,000	0	
Coachella Valley Water District		10,000	10,000	0	
Colusa County	Approved	10,000	10,000	0	
Colusa County WD**		11,975	11,000	-975	Possibly
Cortina WD		450	450	0	
Davis Water District		2,000	2,000	0	
Dunnigan WD		2,717	2,717	0	
Desert WA		6,500	6,500	0	
Glenn Colusa Irrigation District		5,000	5,000	0	
LaGrande water district		1,000	1,000	0	
Metropolitan Water District of Southern California		50,000	50,000	0	
RD-108		4,000	4,000	0	
San Bernardino Valley Municipal Water District	Approved	21,400	21,400	0	
San Geronio Pass Water Agency		14,000	14,000	0	
Santa Clara Valley WD***		16,000	16,000	0	
Santa Clarita Valley Water Agency		5,000	5,000	0	5,000
Westside W.D.**		15,000	2,000	-13,000	
Zone 7 Water Agency		10,000	10,000	0	
Wheeler Ridge-Maricopa WSD		3,050	3,050	0	
Pacific Resources MWC*		0	0	0	10,000
Total		192,392	178,417	-13,975	15,000

*Phase 1 participant, no survey response received. Interest expressed by a responding Phase 2 participant.

**Indicated possibility for higher participation, lower projected participation level shown

***Response is pending, full participation assumed by Sites staff



Topic: **Reservoir Committee Agenda Item 3.5** **2020 July 16**

Subject: **Organizational Assessment Quarterly Update**

Requested Action:

Review and comment on the July 2020 Quarterly Update of the plan and schedule for addressing the Organizational Assessment (OA) findings and recommendations.

Detailed Description/Background:

The approved OA Report includes findings and recommendations aimed at improving the overall effectiveness of the organization. The Authority Board directed Staff to provide a plan and schedule for addressing the report findings. Staff recommended a plan and schedule, including quarterly progress updates to the Reservoir Committee (RC) and Authority Board (AB). The RC and AB accepted the recommendation at their respective April 2020 meetings. This provides the first quarterly update to the plan and schedule.

Staff reviewed all items in the plan and schedule and generally made the following adjustments to reflect current circumstances:

1. Status column has been completed to reflect the current status for each action.
2. "Target Board Item Date" has been reviewed and updated for some action based on the detailed Project schedule and status of project activities.

Staff continues to work diligently to address the Organizational Assessment findings and recommendations. As reflected in the attached July 2020 update to the plan and schedule, of the 43 total actions, 9 have been completed, 3 are completed and in on-going tracking status, 2 are partially completed, 12 are in progress, 8 will be starting shortly, and 9 are items that have been assigned to the RC and AB to complete (most of these will be accomplished in the Strategic Planning effort).

The next Quarterly Update is scheduled for October 2020. For the October update, staff will be consolidating the matrix to continue tracking only those items that have not been completed and group items by major category to align with 2021 key milestones (i.e., Plan of Finance, Strategic Plan, Permit Discussions, Revised EIR, and Federal/State Involvement).

Prior Action:

April 17, 2020: Accepted plan and schedule for addressing the Organizational Assessment findings and recommendations.

Status: Final	Preparer: Ali Forsythe	Phase: 2	Version: A
Purpose: Sites Staff Report	QA/QC: Jerry Brown	Date: 2020 July 16	
Caveat: Informational	Authority Agent: Ali Forsythe	Ref/File #:	
Notes:		Page: 1	of 2

November 21, 2019: Darling H2O Consulting, Inc. presented the draft Organizational Assessment.

August 26, 2019: Approved a budget reallocation for the organizational assessment and execution of a sole-source professional services agreement with Darling H2O to perform an organizational assessment.

July 22, 2019: Discussed working on an organizational assessment plan to evaluate the structure of the Sites Project's program management team, Reservoir Committee and the Authority.

Fiscal Impact/Funding Source:

Efforts to address the findings and recommendations are being made within the Amendment 1B and Amendment 2 work plans. No additional funds are needed to support these efforts at this time.

Staff Contact:

Ali Forsythe

Attachments:

Attachment A: Organizational Assessment Matrix – July 2020 Quarterly Update.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
1.1	F	Prepare an analysis of the major regulatory decisions being made regarding flow in the Sacramento River and Delta and determine flow-related permitting strategy with identification of risks.	Permitting strategy memo was prepared by ICF in May 2019 and updated through CDFW meetings in fall/winter 2019. A revised version that will include updates with recent relevant changes is in progress.	Staff will review prior related materials and prepare the analysis identified.	High	October 2020	Ali Forsythe	Starting shortly. Will begin after development of the Revised EIR/EIS project description and identification of the Preferred Project in September.
1.2	E	Prepare an analysis of the major comments received on the draft EIR/S. Identify approach to addressing those comments and working with specific commenters.	<ul style="list-style-type: none"> March 29, 2019 – Jacobs provided a memo that included Draft EIR/EIS Comments Matrix, Master Response Topics, Key Comment Letter Summaries, and draft Initial Responses. April 12, 2019 – Strategy meetings were initiated with ICF, Reclamation and Authority to address overall approach as well as specific topics. Based on these strategy sessions, an outline for the Final EIR/EIS was prepared and an approach for responding to comments, including master responses to comments was identified and forwarded to both CEQA (Authority) and NEPA (Reclamation) legal counsel. June 5, 2019 – ICF provided master response annotated outlines and commenced preparing responses. In addition, the Authority EPP began meeting with key commenters, (e.g., CDFW, NRDC, Humboldt County, etc.) to clarify issues of concern. 	<ul style="list-style-type: none"> The work that has been completed to date in responding to comments will be utilized in either the completion of a Final EIR/EIS or in preparing a Recirculated Draft EIR/EIS. Assuming recirculation of the Draft EIR/EIS is the preferred approach for moving forward based on the status of the Value Planning effort, ICF is in the process of preparing a strategy/work plan to be completed in May 2020. The Authority EPP will also continue outreach to Draft EIR/EIS commenters and Agencies as efforts move forward. 	High	<ul style="list-style-type: none"> Analysis completed under original work plan and to be updated April 2020 with preparation of EIR/EIS Work Plan Meetings with specific commenters – ongoing throughout 2020 and 2021 	Ali Forsythe	Partially completed. <ul style="list-style-type: none"> Revised EIR/EIS Work Plan completed. As part of this effort, all comments were reviewed and approaches to revising the EIR/EIS to address prior comments were identified. General meetings with some commenters completed. Additional meetings planned for post September 2020.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
1.3	E	Identify legal requirements of the environmental laws that Sites will be required to comply with.	Preliminary list of permit requirements and other approvals were included in the Draft EIR/EIS released in August 2017.	The preliminary list will be updated in the development of the Revised Draft EIR/EIS.	Medium	December 2020	Ali Forsythe	Starting shortly. Will begin after development of the Revised EIR/EIS project description and identification of the Preferred Project in September.
1.4	F	Establish a permitting flow chart with realistic timelines.	In 2019, the Environmental Planning and Permitting team developed and maintained an MS Project schedule.	<ul style="list-style-type: none"> Environmental Planning and Permitting team along with the Operations and Engineering teams is currently developing a detailed project schedule focusing on activities thru the end of 2021. Develop planning / permitting flow chart and add in key dates from schedule effort. Present summary schedule and flow chart to Res Com and Board and then track progress monthly thereafter. 	High	<ul style="list-style-type: none"> April 2020 Res Com and Board meetings – Detailed and summary schedule completed along with flow chart On-going – Track and report on progress 	Ali Forsythe	<p>On-going Tracking.</p> <ul style="list-style-type: none"> A detailed project schedule that includes activities through the end of 2021 has been developed and was presented to the Reservoir Committee and Authority Board in the “Work Plan for September 1, 2020, to December 31, 2021” at the April 2020 Reservoir Committee and Authority Board meetings. A summary of the schedule was developed and provided to the Reservoir Committee and Authority Board at the May 2020 meetings. Tracking will be ongoing.
1.5	E/F	Prepare analysis of the draft EIR/S for use by all of the permitting agencies to issue permits upon the finalization of the EIR/S. Identify schedule for document completion.	A preliminary list of permit requirements and other approvals were included in the Draft EIR/EIS released in August 2017.	<ul style="list-style-type: none"> Analysis – As the team works to develop a revised project description and revise the Draft EIR/EIS, the permitting agency comments will be reviewed in response to Action 1.2 and a regulatory agency technical team will be formed in response to Action 2.4. These two efforts will collectively address the analysis request in this action. Schedule – See Action 1.4 for schedule development. 	Addressed thru other Actions	--	--	See Status for Actions 1.2, 1.4, and 2.4.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
1.6	Executive Director	Determine if Water Commission has authority to grant schedule relief. If yes, then formally request schedule relief. If no, then figure out a legislative fix and timing.	The relevant deadlines are specific in the voter approved bond language. The current COVID -19 situation presents an opportunity for possible adjustment.	Work with Legal Counsel, and Gov't Relations Team to review statute in detail and determine options. Action plan being developed.	High	May 2020	Jerry Brown	In-progress. It was determined that the schedule requirements were in the bond language which means it cannot be changed without going to the voters. A joint letter with other WSIP grant recipients was submitted to the CWC for consideration of releasing additional funding sooner. Also, defining what constitutes feasible and 75% local cost share commitment is being pursued.
1.7	C	Prepare an analysis of the pros and cons along with a staff recommendation to present to the governance bodies on whether to spend additional time and money pursuing WIIN Act funding.	Extensive coordination with Reclamation has been conducted to date and Reclamation anticipates providing its final review process of their Feasibility Report in April. Staff has also developed a strategy on how to bring the Federal Feasibility Report in line with the Value Planning effort by next summer (2021).	Staff will prepare the analysis requested and elevate for decision-making to the Reservoir Committee and Board.	High	June 2020	Kevin Spesert	Completed. Federal Legislative Priority and State Legislative Priority were presented at the May and June 2020, Reservoir Committee and Authority Board meetings, respectively.
1.8	--	Determine if there is a viable strategy to phasing, which could allow for additional project partners.	The Value Planning exercise has formulated potential projects around meeting the needs of current participants with the opportunity to expand in the future.	Reservoir Committee/Board will be selecting a preferred project in April. All alternatives have the ability to be phased should the Reservoir Committee/Board chose to do that.	No Action	--	--	--
2.1	F	Develop an interest, science based permitting strategy.	See Action 1.1.		High	October 2020	Ali Forsythe	Starting shortly. Will begin after development of the Revised EIR/EIS project description and identification of the Preferred Project in September.
2.2	F	Determine when appropriate for project staff and governance members to be involved in the permitting process and at what level.	--	This will be addressed in the strategic planning exercise.	--	June 2020	--	Completed. A negotiations approach for permits and operating agreements, which identifies the roles of governance members in the permitting process, was approved by the Reservoir Committee and Authority Board meetings in June 2020.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
2.3	F	Determine if overall project provides a “net environmental benefit” beyond cold water pool in Shasta. If yes, then work to get agency and NGO buy in.	Outside of the Refuge water supply and Delta smelt benefits, net environmental benefits were identified in the WSIP application related to cold water pool management in Shasta. CDFW expressed concerns with using these net environmental benefits to offset impacts in their 2081 permit – requesting “assurances” that benefits would occur.	<ul style="list-style-type: none"> Revised net environmental benefits will be determined as part of the development of operational criteria. Agency and NGO discussions are planned to occur throughout 2020. 	High	December 2020	Ali Forsythe	Starting shortly. Will begin with the development of the operations and biological modeling efforts for the Revised EIR/EIS.
2.4	F	Establish a regulatory agency technical advisory committee at the staff level that meets regularly.	A number of meetings were held with CDFW, USFWS, and NMFS in 2019, including the CDFW “60-day” process that included technical, management, and executive level meetings.	A regulatory agency technical team will be established in spring / early summer 2020 as environmental planning and permitting activities are restarted. In addition, the internal Sites team (EPP, Integration and ICF) hold regularly established coordination and work planning meetings.	High	June 2020	Ali Forsythe	Completed. Two groups were established for near-term activities and discussed at the Reservoir Committee and Authority Board meetings in June 2020.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
3.1	D	Quantify and get agreement from the state and feds as to what the benefits are to an integrated operation with the SWP and CVP.	Modeling of Sites Reservoir operations scenarios have assumed an integrated operation of the SWP and CVP. Numerous discussions have occurred with DWR and Reclamation on operations criteria and benefits.	<ul style="list-style-type: none"> Development of a revised operational scenario is scheduled to be completed in June 2020. Modeling and analysis to quantify benefits of the revised operational scenario is scheduled to be completed in December 2020. Sites staff will be working with Reclamation and DWR throughout the development and analysis of the revised scenarios to both quantify and obtain agreement on criteria and resulting benefits of an integrated operation with the SWP and CVP. Discussions with SWP and CVP should be memorialized in draft agreements and the Operations Plan, Version 1.0 in 2020. 	High	December 2020	Ali Forsythe	Starting shortly. Will begin with the development of the operations and biological modeling efforts for the Revised EIR/EIS.
3.2	C	Establish a strategy to get state and federal agencies to be storage investors.	<ul style="list-style-type: none"> The State is committed to being an investor in the project through the WSIP program. Federal participation is addressed in Action 1.7. 	<ul style="list-style-type: none"> Build schedule to meet the current requirements of the CWC WSIP to maintain state current level of investment Continue to position with CWC to get additional funding through WSIP should funds come available. Working with government affairs work group to position for potential funds in a November state water bond. Address Federal participation through Action 1.7. 	High	June 2020	Kevin Spesert	See Status for Action 1.7.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
4.1	H	Review all facility planning previously completed by DWR to make certain that there are not missed opportunities to integrate new facilities with existing facilities.	The Value Planning effort has taken a close look at project facility needs and costs and has re-evaluate all of the previously identified facilities.	Complete the Value Planning Report and adopt a new Preferred Alternative.	High	April 2020	Jerry Brown	Completed. Value Planning Report was adopted by the Reservoir Committee and Authority Board at their April 2020 meetings. Additional review of applicable facilities is included in the scope of effort for Amendments 1B and 2.
5.1	B	Once a schedule is developed, then make certain to include all anticipated Board decisions that are critical path to project development.	The work plan through December 2021 includes a detailed schedule that is nearing complete and will serve as the basis for adding in key board decision dates.	See Action 1.4	High	May 2020	Jerry Brown	See Status for Action 1.4 since critical path is currently environmental planning and permitting.
5.2	Board / Res Comm	Once a new schedule is agreed to, governance members need to dedicate enough time to keep up with the agreed upon pace of this project.	--	See Action 1.4	--	--	--	See Status for Action 1.4.
5.3	Executive Director	Get materials to governance members at least a week in advance that clearly identifies decisions to be made, any analysis being made in support of the authority staff recommended decisions, and other options that were considered.	Staff have previously developed templates for Reservoir Committee and Authority Board materials.	<ul style="list-style-type: none"> • Actions to implement a more inclusive and effective policy making process have been initiated. • Progress to be evaluated as part of strategic planning exercise. 	High	April 2020 (with further adjustments thereafter)	Jerry Brown	<p>Completed.</p> <ul style="list-style-type: none"> • Adjustments to the Reservoir Committee and Authority Board meeting agendas and staff report format have been made in response to this Action. • Continuous improvements will be made based on feedback and as identified by members and Authority Agents.
5.4	Board / Res Comm	As part of the new schedule, each governance member should identify which decisions warrant staff making a presentation to their individual agency to make certain that they are in concurrence with the direction the project tis moving.	--	--	--	--	Fritz Durst / Thad Bettner	-- Currently, the focus is on completing the cash call process.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
5.5	--	Use joint Board workshops and individual agency meetings to walk thru assumptions and anticipated outcomes so that when a decision comes to governance members for approval, the information will not be new.	Staff has started to utilize joint Board / Reservoir Committee workshops in 2019.	<ul style="list-style-type: none"> Staff will continue to propose and utilize joint Board / Reservoir Committee workshops as appropriate for specific topics. Individual agency meetings may be initiated by staff or by an individual agency and tracked thru the process developed under No additional specific action will be taken to address this Action. 	--	Ongoing	--	In Progress. Workgroups and committees are meeting with the necessary frequency to support effective decision making at the Reservoir Committee and Authority Board level.
5.6	C	Review the costs and deliverables accrued to date and tie future cash calls to anticipated deliverables.	Staff worked to tie cash calls to deliverables in Amendment 1B efforts. However, some activities are more ongoing business that do not necessarily result in a deliverable. Draft Amendment 2 Workplan includes deliverables by service area and explains areas where there may not be a "deliverable".	<ul style="list-style-type: none"> Draft 2019 Annual Report prepared addressing items such as accomplishments and expenditures in 2019. Waiting review and comments from Authority and staff will finalize April 2020. Draft Amendment 2 will be finalized end of April 2020. 	High	April 2020	Joe Trapasso	<p>In-progress.</p> <ul style="list-style-type: none"> 2019 Annual Report was approved by the Reservoir Committee and Authority Board at their April 2020 meetings. Reservoir Committee and Authority Board approved the Amendment 2 Work Plan at their April 2020 meetings. Amendment 2 Task Orders are expected to be reviewed at the August 2020 Reservoir Committee and Authority Board meetings.
6.1	A	Determine process and schedule to deliver cost per acre-foot and long-term debt information to project investors.	Cost per acre-foot has historically been developed and shared with members. In late 2019, staff developed a "Cash Flow" tool to help show long-term debt information.	<ul style="list-style-type: none"> Continue to present cost per acre-foot when discussing affordability. Update Cash Flow tool periodically as assumptions change or become outdated. 	High	<ul style="list-style-type: none"> April 2020 – Updates as a result of Value Planning efforts Future – Periodic updates as changes occur 	Jerry Brown	<p>Completed.</p> <ul style="list-style-type: none"> The Value Planning Report, which included updated cost per acre-foot, was adopted by the Reservoir Committee and Authority Board at their April 2020 meetings. Costs will be refined with the Plan of Finance expected to be initiated in September 2020 and be completed in summer 2021.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
7.1	--	Determine process and schedule to deliver how long-term costs of this project compare to other sources of water.	Information on costs of other sources of water is difficult to obtain. In addition, the "value proposition" for each member agency will be different depending on a number of factors including ag, M&I uses, water located north or south of Delta, length of agreement, and risks.	As this is different for each member and information is difficult to obtain, no additional work is proposed.	Low	--	--	--
8.1	A	Prepare a financial plan that lays out the potential sources of funding including California IBank.	<ul style="list-style-type: none"> The scope and budget for the development of a financial plan was deferred by the Reservoir Committee / Board to a later date. Exploratory conversations with IBank date back to September 28, 2017. Changes to their program would be needed for members to use this source. 	<ul style="list-style-type: none"> Develop finance plan as part of Amendment 2. Continue to identify potential grant and other funding sources - at both the state and federal levels - that could reduce the project's finance costs. Continue to work with Water Commission on timing of additional Prop 1 funds becoming available, since the original funding amount was less than the amount they deemed Sites to be eligible to receive. 	Medium	July 2021	Joe Trapasso	Starting shortly. This effort is planned as part of Amendment 2.
9.1	F	Prepare a Board briefing on the comparative costs of mitigation from comparable projects to help determine a level of reasonableness.	Mitigation cost technical memorandum was prepared by CH2M Hill in 2016. Additional mitigation cost reviews were prepared in October of 2019 and February 2020 for the Value Planning Process.	Mitigation planning and a class 4 cost estimate are scoped to occur in Amendment 2 (late 2020/early 2021).	High	Late 2020	Ali Forsythe	<p>In Progress.</p> <ul style="list-style-type: none"> The Value Planning report included a review of the mitigation cost estimate and comparison to other projects. Further refinement of these estimates will occur as part of Amendment 2.
10.1	Executive Director	Determine process and schedule to deliver information regarding the cost of storage versus the cost of yield in the context of developing a tiered pricing approach.	--	The approved Storage Policy addresses this issue. Additional work is needed to allocate costs according to storage benefits.	Medium	Nov 2020	Jerry Brown	Starting shortly. This effort will be part of the Plan of Finance development.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
11.1	B	Once the governance members agree on a project schedule then have staff only focus on scope thru permitting and come up with a budget.	Work Plans are developed by staff and approved by the Authority Board. These Work Plans identify specific tasks and priorities and Authority staff work to execute these plans as written.	Draft Amendment 2 work plan completed and will be reviewed and commented on by Authority in April 2020. Staff will make necessary changes and finalize. Focus activities thru December 2021 on those activities identified in the Amendment 2 Work Plan.	High	April 2020	Joe Trapasso	See Status for Action 5.6.
12.1	Board / Res Comm	Hold team building sessions to better understand how governance members process information and make decisions with the anticipated outcome for governance members and Authority staff to agree upon their respected roles and responsibilities.	--	--	--	--	Fritz Durst / Thad Bettner	In Progress. This will be addressed as part of the strategic planning session in August 2020.
12.2	Executive Director	Authority staff should work to make Board meetings more of a final sign off or endorsement of a policy decision or budget approval.	This Action is similar to Action 5.5.	See Action 5.5.	--	Ongoing	Jerry Brown	See Status for Action 5.5.
13 (13.1 to 13.5)	B	Staff will document and track all governance member questions and provide responses to the governance members.	--	Staff initiated work on a tracking tool to track member questions and information requests and update it on a regular basis.	High	Ongoing	Joe Trapasso	In-progress. Staff are documenting all questions and reviewing the list internally to ensure member questions are addressed and appropriate follow up is completed.
14.1	F	Concerns with the structure and information flow from the CDFW discussions.	--	<ul style="list-style-type: none"> Hold more frequent Environmental and Permitting Work Group meetings to provide updates on the CDFW efforts. Continue to provide updates at the Operations Work Group meetings on the CDFW efforts. 	High	Throughout 2020	Ali Forsythe	In-progress. <ul style="list-style-type: none"> Discussions with CDFW have been reinitiated to ensure the coverage within the Revised Draft EIR is sufficient for permitting purposes. A check-in schedule with the CDFW Director has been prepared.
15.1	Executive Director	Prepare a discussion paper on what lessons have been learned by other similar projects that can potentially be adopted for use by the Sites Project.	--	Staff continuously monitors other projects for lesson learned and applies them to this Project as appropriate.	Low	Ongoing, verbal	Jerry Brown	In-progress.

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
15.2	Board / Res Comm	Create a joint strategic plan for the Reservoir Committee and Board.	--	Issue a Request for Proposal for a Strategic Plan effort and contract with a Strategic Planner.	High	December 2020	Jerry Brown	In-progress. <ul style="list-style-type: none"> A contract for strategic planning services was approved by the Reservoir Committee and Authority Board at their May 2020 meeting. A strategic planning session is planned for August 2020.
16.1	C	Create a strategy to get Reclamation to the table to describe what the local investment will do for their contracts.	See Action 1.7.	Such as strategy will be coordinated with Action 1.7.	High	June 2020	Kevin Spesert	See Status for Action 1.7.
16.2	B	Explore the concept of beneficiary pays to accurately account for the benefits received by each investor and consider a tiered pricing system.	The concept of beneficiary pays has been discussed a number of times. Once a Preferred Project has been selected and additional design / use / beneficiary information is better understood, the concept of beneficiary pays can be explored further. See Action 10.1.	<ul style="list-style-type: none"> Explore the concept of beneficiary pays as design and cost information progresses. Refine and have an agreed upon approach for Phase 3 (post 2021). Governance considerations including potential tiered pricing will be discussed in the strategic planning exercise. 	Medium	Late 2020 / Mid 2021	Joe Trapasso	See Status for Action 8.1 and 10.1. This will be addressed as part of the Plan of Finance development.
16.3	Board / Res Comm	Formally request south of Delta investors to identify ways of keeping north of Delta ag in the project.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--
17.1	B	Perform analysis to validate if increased partnerships would result in the project becoming more affordable.	--	Dependent on approval of upcoming funding request results.	Medium	April 2020	Joe Trapasso	See Status for Action 6.1
18.1	Board / Res Comm	Celebrate and memorialize the cooperative relationship between north of Delta and south of Delta participants on the Project.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--
19.1	Board / Res Comm	Formalize the roles and responsibilities between the Res Comm and Board and look for ways to reduce duplication.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--
20.1	Board / Res Comm	Complete analysis of the legal requirements for the Res Comm and Board governance. Consult with other Prop 1 recipients that have multiple partners to see how they are set up.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--
20.2	Board / Res Comm	Depending on the results of Action 21.1, have a policy level discussion to decide if the Res Comm and Board make-up can be and should be changed.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--

**Action Items and Schedule in Response to Organization Assessment
Quarterly Update – July 7, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
21.1	Board / Res Comm	Rules for membership on the Authority Board are not understood. Get a legal and policy review of the composition of the Board to inform a discussion and decision on Board composition.	--	This will be discussed as part of the Strategic Planning effort.	--	--	--	--
22.1	Executive Director	Prepare a legal analysis of what are appropriate materials to be covered in closed session.	--	The analysis will be prepared and presented to the Res Comm and Board.	High	August 2020	Scott Kuney	On schedule.



Topic: **Reservoir Committee Agenda Item 3.6** **2020 July 16**

Subject: **Strategic Planning Session Agenda**

Requested Action:

Review and comment on the Strategic Planning Session Draft Agenda.

Detailed Description/Background:

The Catalyst Group was hired by the Authority to prepare a strategic plan and facilitate a strategic planning session. The consultant has reviewed the organizational assessment findings and has conducted interviews with coordinating committee members (Reservoir Committee (RC) and Authority Board (AB)) and key staff. Based on this input, the attached draft agenda has been prepared for the strategic planning session and the consultant would like the RC's feedback before finalizing pre-meeting activities and plans for the day.

In addition, before the meeting, the Catalyst team will be soliciting additional input regarding the strategic plan through an online survey to be distributed to the Authority Board, Reservoir Committee, agents and select consultants. The purpose of the joint workshop is to discuss and affirm the Authority's vision, mission, values, goals, and objectives.

Currently, the strategic planning session is scheduled to occur Thursday, August 13, 2020. Due to uncertainties of the COVID situation, accommodations were attempted for a north and a south meeting location along with virtual meeting accommodations. However, only a north location has been secured at this time.

Staff wanted to hold the meeting in-person but sees the upsides of having the meeting sooner in line with ongoing project activity outweighing the downsides of waiting for the COVID situation to pass. The consultant will have a live facilitator and video capabilities at each facility. The consultant is also evaluating options for making the virtual participation as interactive as possible. This will be a joint meeting of the RC and the AB and members will have the option of attending in the manner they are most comfortable with.

The strategic plan document will be written following the session and a draft is scheduled to be delivered in September 2020.

Fiscal Impact:

Sufficient funds for the strategic plan and facilitation are included in the Amendment 1B work plan. Funds and contract authority previously authorized by the board for Catalyst and Darling H2O to assist with strategic plan implementation are being held for these activities.

Prior Action:

Status:	Final	Preparer:	Jerry Brown	Phase:	2	Version:	A
Purpose:	Sites Staff Report	QA/QC:		Date:	2020 July 16		
Caveat:	Informational	Authority Agent:	Jerry Brown	Ref/File #:			
Notes:				Page:	1	of	2

May 27, 2020: Approved 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.

April 22, 2020: Approved the Organization Assessment Report as follows: the plan and schedule for addressing the report findings and recommendations, the scope, schedule and budget for strategic planning facilitation services and release a Request for Proposals for strategic planning facilitation services.

December 20, 2019: Approved Darling H2O to expand the scope of work to support the recruitment of a facilitator for Strategic Planning.

November 21, 2019: Darling H2O Consulting, Inc. presented the draft Organizational Assessment.

August 26, 2019: Approved a budget reallocation for the organizational assessment and execution of a sole-source professional services agreement with Darling H2O to perform an organizational assessment.

July 22, 2019: Discussed working on an organizational assessment plan to evaluate the structure of the Sites Project's program management team, Reservoir Committee and the Authority.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Proposed Draft Agenda.

Joint Strategic Planning Workshop

8:30 **I. Welcome, Agenda Overview, Introductions — Jerry Brown & Charles Gardiner**

Workshop Purpose: Identify & affirm Authority **vision, mission, and values** and **project and organizational goals** to achieve our mission.

Objectives:

- Review and affirm Vision, Mission, and Values statements.
- Identify, modify, and affirm the high-level goals to achieve an *approved, funded project*.
- Identify, modify, and affirm *organizational* needs to lead the project.

Introductions: Board and Reservoir Committee members introduce themselves and state their objectives for the day.

Protocols: Review meeting process guidelines

8:50 **II. Review Strategic Plan Intent, Content & Progress to Date — Facilitator**

Strategic plan purpose and timeframe:

- Sets vision, mission, values, and broad project goals and organizational....
- Will be used to....
- To be addressed today....and in future work.

Key Findings: Review key findings emerging from staff and Coordinating Committee interviews/meetings.

Discussion: Q&A on Strategic Plan, findings, and agenda.

9:15 **III. Review and Affirm Strategic Plan “Vision, Mission & Values” — Facilitator**

10:20 ~ ~ ~ ~ ~ **BREAK 10 mins** ~ ~ ~ ~ ~

10:30 **IV. Review & Affirm Content of the Strategic Plan Goals & Objectives — Facilitator**

Goals and Objectives: Present, discuss, and affirm 3-5 strategic plan goals for the project and organization.

11:50 **V. Review Work Task and Break into Work Groups — Facilitator**

12:00 ~ ~ ~ ~ ~ **Working Lunch** ~ ~ ~ ~ ~

12:15 **VI. Breakout Session #1 – Identify Core Challenges/Needs for 2-3 Goals (Breakout Group for each Goal)**

What is needed to achieve the high-level project goals – approaches, relationships, teams, knowledge, deliverables, etc.?

1:30 **VII. Breakout Session #2 – Identify Challenges/Needs for the Organizational Goal(s) (2-3 breakouts)**

How does the organization need to grow and develop to own and lead the project?

2:15 **VIII. Reconvene as Full Group – Summarize Outcomes & Agree on Broad Themes**

Reports from breakout groups. Refinement and direction to work groups/staff to refine the goals and develop implementation strategies.

2:55 **Next Steps & Adjourn**

Topic: **Sites Reservoir Project, Phase 2**

Subject: **Monthly Status Report**

Report Period: **2020 June**

Monthly Status Summary:

The development of the Sites Project continues to make progress in the critical areas including the following activities:

WSIP Funding:

- Meetings were conducted with CWC staff to evaluate administrative actions that could be taken to accelerate early funding to the project. Of these measures, release of retention has been authorized and a revised scope of work that redistributes funds within existing tasks is being reviewed. Combined these actions would accelerate approximately \$2-\$3M of state funding to the project in the Amendment 2 work plan that was not previously anticipated. A third action to temporarily allow higher state cost share is under consideration as well. Staff continue to pursue further definition from CWC on the 1/1/2021 requirements for feasibility and 75% local cost share commitment.

WIIN Act Funding:

- See "Coordination with Reclamation" section below.

USDA Funding:

- No update.

Engineering:

- Engaged PG&E and WAPA in power delivery discussions.
- Continued feasibility analysis and design of project alternatives.
- Continue supporting data needs for preparation of the Project Description.

Coordination with Reclamation:

- Began coordinating with Reclamation for in-kind work associated with Geologic & Geotechnical exploration efforts in support of the feasibility design.
- Continued to work with Reclamation planning and environmental teams on the National Environmental Policy Act approach, including identification of schedule for Reclamation review process assuming joint environmental document.
- Provided updated materials for Financial Assistance Agreement application for WIIN Act funding.

•

Environmental Planning and Permitting:

- Continued development of the project description for use in the Revised Environmental Impact Report / Environmental Impact Statement (Revised EIR/EIS) and the Biological Assessment.
- Finalized the Revised EIR/EIS Work Plan. The Revised EIR/EIS Work Plan identifies the approach and technical work (environmental, operations and engineering)

Status:	Issued for Use	Preparer:	JB, JT, KMS, AF	Phase:	2	Version:	A
Purpose:	Informational	QA/QC:		Date:	2020 July 16		
Caveat:	Subject to change	Authority Agent:	Jerry Brown	Ref/File #:	10211-016.000		
Notes:				Page:	1	of	2

that will be needed to support the analysis performed under Amendment 2.

- Updated the CEQA project objectives in response to feedback to support alternatives selected for the Revised Draft EIR/EIS analysis.
- Completed approach to permit and agreement negotiations for Environmental Planning, Permitting and Operations.
- Continued technical discussions and planning activities for the water right permitting and a 2020 initial meeting with state Board Staff
- Completed approach for Regulatory Agency Technical Working Group.
- Continued data exchange, water quality and geotechnical small technical working groups to facilitate development of those project components for use in the Revised EIR/EIS, Biological Assessment and Sites Feasibility Report.
- Continued technical discussions and planning activities for state and federal Endangered Species Act and Clean Water Act permitting.

Operations:

- Refined negotiations approach for working on operational agreements with the Department of Water Resources and the Bureau of Reclamation.
- Progressed the development of operations criteria that will be built into the models for use in the Revised EIR/EIS and Biological Assessment. Criteria in development include determining the modeling baseline, modeling of Shasta exchanges, diversion criteria, water demand, and coordination with the State Water Project.

Stakeholder Engagement, Public Outreach & Real Estate:

- Planning and logistics for the July 14th & 15th Sites Town Hall meetings.
- Facilitated a project update meeting for the Water Education Foundation.
- Continued engagement and outreach efforts with landowners, local community members, state and federal elected officials, non-governmental organizations and coalitions of regional and statewide organizations to introduce the Value Planning Report and the new "rightsized" project.
- Responded to landowner requests for project information, facilitated coordination activities with local government agencies and organizations and planned for future landowner, stakeholders and general public outreach activities and events.

Program Management & Administration:

- Provided update to Reservoir Committee and Authority Board on project rebalancing process.
- Supported WSIP Funding Strategy and options for leveraging State Funds via coordination meetings with Water Commission Staff.
- Implemented process and templates for Amendment 2 Work Plan Task Orders for service area providers.