

SITES PROJECT AUTHORITY
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Board of Directors

Fritz Durst, RECLAMATION DISTRICT 108, CHAIR
GRAY ALLEN, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
LEIGH MCDANIEL, GLENN COUNTY SUPERVISOR
LOGAN DENNIS, GLENN-COLUSA IRRIGATION DISTRICT
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
JEFF HARRIS, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY
DON BADER, U.S BUREAU OF RECLAMATION (COST-SHARE PARTNER, NON-VOTING)
ROB COOKE, CA DEPARTMENT OF WATER RESOURCES (EX-OFFICIO, NON-VOTING)

Associate Members (NON-VOTING)

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

February 26, 2020 1:30 p.m.

Sites Project Authority

MINUTES

The Sites Project Authority Board of Directors met in Regular Session on February 26, 2020, at the hour of 1:30 p.m. **Directors Present:** Fritz Durst, Chair, Jeff Sutton, Vice-Chair, Gary Evans, Logan Dennis, Doug Parker, Leigh McDaniel, Joe Marsh, and Rob Cooke. **Alternate Directors Present:** Michael Azevedo, Brett Ewart, Natalie Wolder, Anne Sanger. (Other Alternate Directors that may be listed as present below, did not participate in the decision-making, process). **Associate Members Present:** Greg Johnson.

Staff Present: Jim, Watson, General Manager
Scott Kuney, General Counsel
Jamie Traynham, Treasurer & TC-4 District Alternate
Kevin Spesert, Joe Trapasso, Ali Forsythe, Sites Project Authority
Yolanda Tirado, Clerk/Secretary

Others Present: JP Robinette, Marcia Kivett, Brown and Caldwell
Bill Vanderwaal, RD 108/DWD
Gary Darling, Darling H2O
Kerry Schmitz, Sacramento County Water Agency
Ken Sinclair, Parsons
Robert Boling, Laura Warner Herson-Phenix, Sites Integration
Thad Bettner, GCID
Treve Campos, Williams
Christy Scofield, Arbuckle
Ed Horton, PCWA
Juleah Cordi, Assemblyman Gallagher's Office

Pledge of Allegiance.

INTRODUCTION:

Chairman Durst asked those present to introduce themselves.

AGENDA APPROVAL:

Chairman Durst called for approval of the February 26, 2020 Sites Project Authority Agenda. He stated Agenda Items under No. 6 Phase 2 (2019) Reservoir Committee would be considered after 5.3, an amendment to a contract with Fechter & Company, Certified Public Accountants.

Action: It was moved by Director Dennis, seconded by Director Sutton to approve the February 26, 2020 Sites Project Authority Agenda, as amended. Motion carried: All those Directors present voted yes.

MINUTES APPROVAL:

Action: It was moved by Director Evans, seconded by Director Parker to approve the January 22, 2020 Sites Project Authority Minutes, as presented. Motion carried: All those Directors present voted yes.

PERIOD OF PUBLIC COMMENT:

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

SPECIAL PRESENTATION:

Informational Presentation regarding on-going or future activities and projects in the Sacramento River System and the Sacramento-San Joaquin Delta.

Mr. Bettner provided an update regarding the status of the Voluntary Agreements. He included ongoing activities and projects in the Sacramento River system and the Sacramento-San Joaquin Delta that may affect the Sites Project, either positively or negatively.

1:50 p.m. Director McDaniel is now present and seated.

Discussion followed, with no action taken at this time.

1. CHAIRPERSONS' REPORT:

This time is set aside to allow the Chair and/or Vice Chair an opportunity to disclose/discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

Chairman Durst provided an update on the following:

- Board representation thanked Board Members leaving and welcomed new Board Members aboard.
- February 11, 2020 presented to the Woodside Atherton Garden Club regarding Sites and the topic of "fix vs fight."

Mr. Darling provided an update on the following:

- Executive Director's Recruitment.
- Facilitator for strategic planning.

Brief discussion followed with no action taken.

1.1 Conduct Authority Board Elections for calendar year 2020.

Chairman Durst stated the matter before the Board was the election of the Chair, Vice-Chair and the appointment of the Secretary/Treasurer.

Chairman Durst opened the nominations for the election of the Chair position. Director Sutton nominated Director Durst as Chairman for calendar year 2020.

Chairman Durst called for further nominations. Hearing none, he closed the nominations for the position of Chairman.

Action: It was moved by Director Evans, seconded by Director Dennis to elect Director Durst as the Chair of the Sites Project Authority for calendar year 2020. Motion carried: All those Directors present voted yes.

Chairman Durst called for nominations for the position of Vice-chairman for calendar year 2020. Director Evans nominated Director Sutton as Vice-chairman for calendar year 2020.

Chairman Durst called for further nominations. Hearing none, he closed the nominations for the position of Vice-chairman.

Action: It was moved by Director Dennis, seconded by Director McDaniel to elect Director Sutton as the Vice-chairman of the Sites Project Authority for calendar year 2020. Motion carried: All those Directors present voted yes.

Chairman Durst called for the appointment of the Secretary position for calendar year 2020. Director Sutton nominated Yolanda Tirado for the Secretary position for calendar year 2020.

Chairman Durst called for further nominations. Hearing none, he closed the nomination for the Secretary position.

Action: It was moved by Director Evans, seconded by Director Sutton to appoint Yolanda Tirado as the Secretary of the Sites Project Authority for calendar year 2020. Motion carried: All those Directors present voted yes.

Chairman Durst called for the appointment of the Treasurer position for calendar year 2020. Director Dennis nominated Associate Member Traynham for the Treasurer position for calendar year 2020.

Chairman Durst called for further nominations. Hearing none, he closed the nominations for the Treasurer position.

Action: It was moved by Director Sutton, seconded by Director Dennis to appoint Jamie Traynham as the Treasurer of the Sites Project Authority for calendar year 2020. Motion carried: All those Director present voted yes.

2. **BOARD MEMBER REPORTS: (No action will be taken)**

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This time is set aside to give the Directors an opportunity to disclose/ discuss items related to the Sites Project; including any meetings with external stakeholders to advance the Sites Project.

Director Evans stated a conference call was held on February 25, 2020 regarding the Value Planning. He expressed concern regarding the consultant's mind set and the need to clarify their (consultants) role within the Sites Project. Chairman Durst suggested he, Director Evans and Mr. Watson meet to discuss this matter further.

3. CONSENT AGENDA:

None.

4. MANAGER'S REPORT:

4.1 Discussion and possible direction to staff regarding the Sites Project's monthly status report.

Mr. Watson provided a brief update on the Governor's Draft Resiliency Portfolio and stated comments closed on February 7, 2020 and the Authority sent a letter in support of same.

Mr. Spesert stated various letters of support from various entities were also submitted.

Mr. Watson also reminded the Board Members of the April 2, 2020 deadline for filing their Form 700s.

Mr. Watson provided an overview of project activities performed in the months of January and February 2020 as follows:

- Continued support of Value Engineering and Affordability Analysis.
- Continued support of Reclamation on completion of their Feasibility Report, including the coordination of biological and cultural monitoring along with the geotechnical investigations.
- Received the third CWC early funding payment in the amount of \$2.1 million.
- January 27, 2020, received a request from Proberta Water District regarding an update on the reimbursement and payment process and stated a response is being prepared.

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

Mr. Watson provided an update regarding the following:

Proposition 1-Early Funding:

- Issued a Quarterly Progress Report (available on the Sites website).
- California Water Commission met on February 19, 2020 and discussed/considered the following:
 - New roles of the Water Commission.

- Water Resilience Portfolio.
- Delta Conveyance (new name for water fix).
- Tribal Engagement in Delta Conveyance.
- Tabled the Annual Review of the State Water Project.

USDA:

- Submitted end of year Status Report for work performed in 2019.

Federal Appropriations:

- Continued work with the California Great Basin Region
- Continued work on getting a funding agreement in place

Ms. Wolder provided a brief update on the proposed schedule for the Feasibility Report. Brief discussion followed with no action taken.

5. 2019 FINANCE & BUDGET AD HOC COMMITTEE:

5.1 Accept the Treasurer's Report. **(Attachment 5-1 A)**

Action: It was moved by Director Dennis, seconded by Director Sutton to accept the Treasurer's Report, as presented. Motion carried: All those Directors present voted yes.

5.2 Consider approval of the monthly Payment of Claims. **(Attachment 5-2A & B)**

Action: It was moved by Director Sutton, seconded by Director Evans to approve the monthly Payment of Claims, as presented. Motion carried: All those Directors present voted yes.

5.3 Consider approval to award a contract amendment to Fechter & Company, Certified Public Accountants, Sacramento (Fechter), for Professional Financial Auditing Services for fiscal year 2019 in an amount not to exceed \$11,846. **(Attachment 5-3 A)**

Action: It was moved by Director Ewart, seconded by Director Dennis to approve and award a contract amendment to Fechter & Company, Certified Public Accountants, Sacramento (Fechter), for Professional Financial Auditing Services for fiscal year 2019 in an amount not to exceed \$11,846. Motion carried: All those Directors present voted yes.

Chairman Durst stated Agenda Items under Agenda Item 6, Phase 2 (2019) Reservoir Committee would be taken out of sequence and heard at this time.

6. Phase 2 (2019) RESERVOIR COMMITTEE:

6.1 Report on the February 21, 2020 Phase 2 (2019) Reservoir Committee meeting. **(Attachment 6-1A)**

Mr. Bettner provided a brief update regarding the Work Plan through the end of 2021, i.e., next cash call, CEQA compliance and Home Board Member packets.

Mr. Watson provided a review of actions approved and matters discussed at the February 21, 2020 Phase 2 (2019) Reservoir Committee Meeting.

- 6.2 Consider approval to re-start efforts on the Environmental Impact Report (EIR) for the Sites Reservoir Project (Project) and consider the most appropriate approach for completing the EIR pursuant to the California Environmental Quality Act (CEQA).

Ms. Forsythe stated the Ad Hoc Environmental and Permitting Work Group met on January 29, 2020 to discuss how to approach restarting efforts on the EIR for the Sites Reservoir, the most appropriate approach for completing the EIR pursuant to CEQA and options to finalize the EIR/EIS as a joint document with the Bureau of Reclamation and provided an overview of same.

Mr. Bruner provided an overview of CEQA standards for recirculation of the EIR/EIS i.e., whether to do a partial or full recirculation and spoke to some examples from Case Law.

Director McDaniel expressed concern with moving forward with recirculation of the EIR without first knowing what the results of the Value Planning efforts. Lengthy discussion followed regarding the Value Planning footprints, risks, operations and full or partial recirculation of the EIR.

Action: It was moved by Director Sutton, seconded by Director Ewart to approve re-starting efforts on the EIR for the Sites Reservoir Project and assessing the most appropriate approach for completing the EIR pursuant to the CEQA. Motion carried: All those Directors present voted yes.

- 6.3 Informational update regarding value Planning efforts to develop an updated project description.

Mr. Vanderwaal provided a brief update on the Value Planning efforts to develop a preferred project and stated a Draft document would be presented for Board consideration at the March meeting.

- 6.4 Discussion and possible direction to staff regarding the development of a work plan and overall schedule of work to be completed through December 31, 2021 and under the current Participation Agreement as Amendment 2.

Mr. Watson provided an overview of the development of the work plan for the period of performance starting September 1, 2020 through December 31, 2021 and spoke to the following:

- Information to be included in the Home Board packet.
- Certainty related to the reservoir's operations and degree of operation integration with the State Water Project and Central Valley Project to produce benefits for both water supply and reliability purposes and water dedicated to environmental purposes.
- Improve certainty related to the project's affordability by advancing the level of engineering and implementing risk management to

improve the accuracy of the cost estimate and to pursue low interest financing and potential grants.

- Continue to cultivate and strengthen partnerships with local landowners and key stakeholders that represent environmental, business labor and other interest.
- Meet the January 1, 2022 Prop 1 (WSIP) milestone to remain eligible to receive construction funding.
- Identify continued participation, Go/No-Go decision points with staggered cash calls.
- Strawman Scenarios (A, B & C).

Lengthy discussion followed on all the above-mentioned issues. Following discussion, Mr. Watson stated the Reservoir Committee's recommendation to the Authority Board was to advance Scenario A and return to the Board at their April meeting for further consideration.

Chairman Durst stated Agenda Items Nos. 5.4 through 5.5 would be considered at this time.

- 5.4 Discussion and possible direction to staff regarding the forward-looking work plan associated with extending the time of the current Participation Agreement from January 1 through August 31, 2020 as Amendment 1B Work Plan.

Mr. Watson provided a brief update regarding extending the time of the current Participation Agreement from January 1 through August 31, 2020 as Amendment 1B Work Plan. He also stated the Reservoir Committee Members recommended approval of same. Brief discussion followed.

Chairman Durst called for approval of Agenda Items Nos. 5.4.1 through 5.4.8, various contract amendments. Brief discussion followed.

Action: It was moved by Director Evans, seconded by Director Sutton to approve Agenda Item Nos. 5.4.1 through 5.4.8 as follows:

- 5.4.1 An amendment to HDR Engineers, Inc.'s (HDR) (Project Integration) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.2 An amendment to Brown and Caldwell's (B&C) (Project Controls) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.3 An amendment to Katz and Associates, Inc.'s (Katz) (Communications) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.4 An amendment to ICF Jones and Stokes, Inc.'s (ICF) (Environmental Planning and Analysis) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.

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- 5.4.5 An amendment to ICF Jones and Stokes, Inc.'s (ICF) (Permitting and Agreements) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.6 An amendment to CH2M Hill Engineers, Inc.'s (CH2M) (Operations Simulation Modeling) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.7 An amendment to Fugro USA Land, Inc.'s (Fugro) (Geology and Geotechnical) contract and task order scope of work, budget and period of performance and authorize the General Manager to sign.
- 5.4.8 An amendment to increase the budget to the AECOM contract and authorize the General Manager to sign.

Motion carried: All those Directors present voted yes.

- 5.5 Discussion and possible direction to staff regarding recent changes to the Service Area G – Real Estate project team and future real estate service area work activities.

Mr. Watson provided a brief update regarding the reorganization of Bender Rosenthal Inc., (BRI) which resulted in a reduction in staff and the layoff of the existing lead Right-of-Way Agent, who served as the BRI's project manager in support of the Sites Reservoir Project's real estate program for the last couple of years. Brief discussion followed.

Action: It was moved by Director Marsh, seconded by Director Dennis to delegate authority to the Coordination Committee on how to proceed with the Service Area G – Real Estate contract. Motion carried: All those Directors present voted yes.

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

None.

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

Discussion and possible direction to staff regarding federal and state governmental affairs/legislative, stakeholder engagement and communications activity.

Director Sutton provided a brief update as follows:

- Meeting with Senator Nielson.
- Scheduling a Legislative Day in late March 2020.
- Senator Garner/Feinstein Bill.

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

Discussion and possible direction to staff regarding real estate, land management, site facility activities and early geotechnical explorations.

Mr. Spesert provided a brief update regarding the BRI situation, Mr. Connor's contribution to the Project, specifically his working relationship with the landowners and stated Sites staff is looking at ways for Mr. Connor to continue with the Project.

Chairman Durst adjourned the meeting at 4:30 p.m. to reconvene on March 25, 2020 at the hour of 1:30 p.m.

Fritz Durst, Chairman

Yolanda Tirado, Clerk/Secretary