

SITES PROJECT AUTHORITY  
P.O. Box 517  
122 OLD HIGHWAY 99 WEST  
MAXWELL, CALIFORNIA 95955  
[www.SitesProject.org](http://www.SitesProject.org)

JERRY BROWN, EXECUTIVE DIRECTOR  
925.260.7417

YOLANDA TIRADO, CLERK  
530.438.2309  
Boardclerk@SitesProject.org

## Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR  
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY, VICE-CHAIR  
GARY EVANS, COLUSA COUNTY SUPERVISOR  
KEN HAHN, GLENN COUNTY SUPERVISOR  
LOGAN DENNIS, GLENN-COLUSA IRRIGATION DISTRICT  
BRUCE HOUDESHEDT, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE  
DOUG PARKER, WESTSIDE WATER DISTRICT  
JOE MARSH, COLUSA COUNTY WATER DISTRICT  
KERRY SCHMITZ, CITY OF SACRAMENTO/SACRAMENTO COUNTY WATER AGENCY  
DON BADER, BUREAU OF RECLAMATION (*COST-SHARE PARTNER, NON-VOTING*)  
ROB COOKE, CA DEPARTMENT OF WATER RESOURCES (*EX-OFFICIO, NON-VOTING*)

## Associate Members (*NON-VOTING*)

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

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# *August 25, 2021 1:30 p.m.* *Sites Project Authority* MINUTES

### **CALL TO ORDER & ROLL CALL:**

Chairman Durst called the August 25, 2021 Authority Board meeting to order at the hour of 1:30 p.m., followed by Roll Call and the Pledge of Allegiance.

### **INTRODUCTIONS:**

Chairman Durst asked those present to introduce themselves.

### **AGENDA APPROVAL:**

It was moved by Director Evans, seconded by Director Hahn to approve the August 25, 2021 Authority Board Meeting Agenda. Motion carried: All Directors present voted yes.

### **ANNOUNCEMENT OF CLOSED SESSION:**

Counsel Kuney announced the Authority Board would consider Closed Session matters as follows:

#### **5. Closed Session:**

- 5.1 Negotiations concerning Sites Project construction and operation terms, conditions and agreements with the State of California, Department of Fish & Wildlife (Govt. Code §§54956.9(c), 54956.9(d)(4)).
- 5.2 Public Employee Performance Evaluation, Executive Director (Govt. Code §§54957).

- 5.3 Negotiations concerning water rights application, conditions and agreements with Colusa and Glenn County (Govt. Code §§54956.9(c) and 54956.9(d)(4)).

**PERIOD FOR PUBLIC COMMENT:**

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

**1. CONSENT AGENDA:**

Chairman Durst made time to consider the Consent Agenda Item Numbers 1.1 through 1.3.

Director Evans stated on page 1 of the July 21, 2021 Authority Board Minutes, it should be corrected from Agenda to Minutes.

**ACTION:** It was moved by Director Houdesheldt, seconded by Director Evans to approve Consent Agenda Item Numbers 1.1 through 1.3 as follows:

- 1.1 Approve the July 21, 2021 Joint Authority Board & Reservoir Committee Meeting Minutes, *as corrected*. **(Attachment A)**
- 1.2 Accept the Sites Project Authority Treasurer's Report. **(Attachment A)**
- 1.3 Approve the Payment of Claims. **(Attachments A, B & C)**

Motion carried: All Directors present voted yes.

**2. Action Items:**

- 2.1 Consider acceptance of the Financial Auditor's Report. **(Attachments A & B)**

Mr. Fechter provided an overview of the Financial Auditor's Report. Discussion followed.

**ACTION:** It was moved by Director Sutton, seconded by Director Hahn to accept the Financial Auditor's Report, as presented. Motion carried: All Directors present voted yes.

**3. Discussion and Information Items:**

- 3.1 Receive an update on status of release of the Revised Draft EIR/Supplemental Draft EIS and public review process.

Ms. Forsythe provided an update on the status of release of the Revised Draft EIR/Supplemental Draft EIS and public review process and spoke as follows:

- Review of Chapter 11, Aquatic Biological Resources continues with the Bureau of Reclamation and the California Department of Fish and Wildlife which is expected to result in some changes to the document.

- Behind about four weeks in the release of the EIR/Supplemental Draft EIS.
- Continue to develop the public review process for the RDEIR/SDEIS.
- Continue to plan for a 60-day public review period and hold three public meetings:
  - One in person meeting to be held in Maxwell with a Spanish interpreter available at this meeting.
  - Two virtual meetings.
- Planning for number of notifications of the release of the document including the required notice under CEQA and NEPA:
  - A joint Authority/Reclamation press release.
  - Postcard mailers to impacted and adjacent landowners.
  - E-blasts and newspaper display ads.
- Preparing written materials to accompany the document including:
  - A fact sheet.
  - A RDEIR/SDEIS community guide and frequently asked questions sheets.
  - The RDEIR/SDEIS Executive Summary, press release and fact sheet will be translated into Spanish.

Discussion followed with no action taken.

### 3.2 Receive an update on status of permitting activities as compared against the Amendment 2 Work Plan approved in February 2021.

Ms. Forsythe provided an update on Amendment 2 Permitting Activities and spoke to the following:

#### **Water Right Application (On Track)**

- Completed or Largely Completed:
  - Key parameters.
  - Workable file to draft and review the application prior to submittal on the new on-line portal.
- In Development:
  - Water Availability Analysis.
    - Developing and discussing approach with State Board staff.
    - Data collection and analysis underway .
  - Coordination with other water right holders.
    - Focus to date has been on Reclamation and DWR.
- Near-term Focus:
  - Complete and review Water Availability Analysis.
  - Begin drafting Water Right Application.
  - Continue regular discussions with State Board Staff.
- Submittal of application in December 2021 remains on track.

#### **Biological Assessment (Potentially Delayed)**

- Completed or Largely Completed:
  - Admin Draft BA.

- In Development:
  - Resolution of scope of operations analysis with Reclamation.
- Near-term Focus:
  - Complete review of Admin Draft BA.
  - Incorporate changes being made in the RDEIR/SDEIS Aquatics Chapter into the BA.
  - Resolve scope of operations analysis by September 1.
  - Continue regular discussions with Reclamation.
- Potentially delayed from November 2021 submittal.

#### **Section 106 Programmatic Agreement (On Track)**

- Completed or Largely Completed:
  - Consultation letters sent to Tribes.
  - Initiation package sent to State Historic Preservation Officer.
- In Development:
  - Draft Programmatic Agreement.
- Near-term Focus:
  - Circulating Draft Programmatic Agreement for review by consulting parties.
  - Continue regular discussions with Reclamation and USACE.
- Final Programmatic Agreement in December 2021 remains on track.

#### **Incidental Take Permits – Section 2081 Permit Applications (On Track)**

- Completed or Largely Completed:
  - Majority of the analysis as this is based largely on RDEIR/SDEIS and Admin Draft BA.
- In Development:
  - Admin Draft ITP Applications (1 for construction; 1 for operations).
- Near-term Focus:
  - Incorporate changes being made in the RDEIR/SDEIS Aquatics Chapter into the Admin Draft Applications.
  - Complete and review Admin Draft Applications.
  - Continue regular discussions with CDFW.
- Submittal of application in December 2021 remains on track.

#### **Clean Water Act 404/401 Applications (On Track)**

- Completed or Largely Completed:
  - Draft wetlands delineation via desktop analysis.
  - Admin Draft 404(b)(1) Analysis Memorandum.
- In Development:
  - Admin Draft permit applications.
- Near-term Focus:
  - Receive comments on and revise wetlands delineation.
  - Revise 404(b)(1) Analysis Memo based on comments.
  - Continue monthly coordination meetings with USACE, State Board and Regional Board.
  - Continue coordination with non-Sites Project facility owners.
- Submittal of draft applications in December 2021 remains on track.

Discussion followed with no action taken.

3.3 Review and comment on the draft Amendment 3 Work Plan with a period of performance from January 1, 2022, through December 31, 2024. **(Attachment A)**

Mr. Maltby provided an update on the draft Amendment 3 Work Plan and spoke to the following:

### **Background**

- Work Period: January 1, 2022 through December 31, 2024.
- Culmination of many months of decisions and discussions regarding the direction of the Project:
  - April Board Meeting:
    - Org Chart.
    - Work Plan Goals and Objectives.
  - May Board Meeting:
    - Initial Amendment 3 Expense and Cash Flow Estimate.
  - June Board Meeting:
    - Decision to Proceed with 36-month Work Plan.
  - July Board Meeting:
    - Approval of Budget Policy (effective January 1, 2022).
- Ongoing Plan of Finance Strategy and Workshops.

### **Key Assumptions**

- Work Plan assumes a 36-month period of performance:
  - Cash calls fund a participants share of all Amendment 3 costs.
  - Bank Financing would trigger a new work plan and agreement.
- Federal Funding (WIIN Act) is based on best information available:
  - Currently estimating \$50M over 36-month work plan.
  - Funding beyond December 31, 2021 is not currently under contract.
  - Timing and quantity of disbursements is yet to be defined.

### **Amendment 3 – Key Deliverables (2022 through 2025)**

- Go/No Go Decisions.
- Cash Call Check in Points.
- Secure Federal Funding.
- Advance Engineering of Feature Encroachments (65% Design).
- Perform Engineering (30% Design) and Geotech Investigations.

### **Revenue Assumptions (Table 3. Forecasted Revenue by Source)**

- Work Plan Funding Source-2022 through 2024:
  - Reservoir Committee Cash Calls.
  - Federal (WIIN Act) Funding.

### **Expense Estimates (Table 4. Budgets by Subject Area – 2022 through 2024)**

- Permitting.
- Program Operations (Ops).

### **Expense Pie Chart – By Subject Area**

- Percentage by subject area with Engineering having the highest percentage

### **Table 1. Work Plan Key Deliverables**

- Target dates for completion

### **Expense Pie Chart – By Management Type**

- Percentage by Management type with Deliverables having the highest percentage.

### **Cash Flow Analysis**

- Quarterly Revenue vs Expenses.
- Restricted and Unrestricted Reserves.

Discussion followed with no action taken.

### 3.4 Review and comment on a potential risk fee for new participants.

Mr. Brown stated the Budget and Finance Workgroup identified the potential need for a risk fee for future new Sites Reservoir Project Investors, noting current participants have financially invested in the Project for many years without any assurances that the project would be built, and as the project development advances, the risk to new participants is reduced.

He further stated the Reservoir Committee recommended that the Budget and Finance Workgroup explore and develop this further and return at a future meeting to discuss further. Brief discussion followed with no action taken.

## **4. Reports:**

### **4.1 Member's Reports:**

#### **4.1.1 Chairpersons' Report:**

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

Chairman Durst expressed his appreciation to Director Sutton for his op-ed in circulation in the Ag Alert. He also wished the Sites JPA a happy 11<sup>th</sup> birthday.

#### **4.1.2 Committee Chairpersons' Report:**

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

### **Budget and Finance**

Ms. Traynham informed the Directors that Fechter has prepared the Audit Report for the Sites Project the last five years and will need to go out for RFPs. Brief discussion followed.

### **Land Management**

Director Evans provided a brief update on a Landowner meeting held on August 20, 2021. Brief discussion followed.

### **Legislative & Outreach**

Director Sutton and Mr. Spesert provided updates on the various Federal/State and outreach activities and upcoming meetings. Brief discussion followed.

### Communications

Ms. Katz provided an overview of the various activities and/or concerns regarding the Sites Project.

#### 4.1.3 Authority Board Participant Reports:

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

Director Hahn stated he had the opportunity to view a video of the Sites Project stating it was very well put together.

#### 4.2 Executive Director's Reports:

Mr. Brown provided a brief update on the following:

- Monthly status report. **(Attachment A)**
- Work Plan Key Deliverables Report. **(Attachment B)**
- Meetings Action Items Summary. **(Attachment C)**

Chairman Durst declared a recess at the hour of 2:53 p.m., to convene into Closed Session to consider the following matters:

### 5. Closed Session:

- 5.1 Negotiations concerning Sites Project construction and operation terms, conditions and agreements with the State of California, Department of Fish & Wildlife (Govt. Code §§54956.9(c), 54956.9(d)(4)).
- 5.2 Public Employee Performance Evaluation, Executive Director (Govt. Code §§54957).
- 5.3 Negotiations concerning water rights application, conditions and agreements with Colusa and Glenn County (Govt. Code §§54956.9(c) and 54956.9(d)(4)).

Chairman Durst adjourned from Closed Session at the hour of 4:39 p.m. and reconvened into Open Session.

### 6. Report from Closed Session

Counsel Kuney announced that no reportable action was taken on the following Closed Session matters:

- 5.1 Negotiations concerning Sites Project construction and operation terms, conditions and agreements with the State of California, Department of Fish & Wildlife (Govt. Code §§54956.9(c), 54956.9(d)(4)).

5.2 Public Employee Performance Evaluation, Executive Director (Govt. Code §§54957).

5.3 Negotiations concerning water rights application, conditions and agreements with Colusa and Glenn County (Govt. Code §§54956.9(c) and 54956.9(d)(4)).

**7. Recap:**

7.1 Suggested Future Agenda Items.

None.

7.2 Upcoming Meetings:

**Plan of Finance & Term Sheets Joint Workshop**

Friday, September 2, 2021, 9:30 AM – 12:00 PM

**Joint Authority Board & Reservoir Committee**

Wednesday, September 22, 2021, 1:30 PM – 4:00 PM

Chairman Durst adjourned the Sites Authority Board meeting at the hour of 4:40 p.m.

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Fritz Durst, Chairman

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Yolanda Tirado, Board Clerk



Topic: **Sites Reservoir Project**

**August 25, 2021**

Subject: **Authority Board Meeting**

**1:30 – 4:00 PM**

Location: **122 West Old Highway 99, Maxwell, CA 95955**

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## Attendance

### Current Voting Authority Board Participants:

<i>Participant</i>	<input type="checkbox"/>	<i>Representative</i>	<input type="checkbox"/>	<i>Alternate</i>	<i>Others</i>
Colusa County	<input checked="" type="checkbox"/>	Gary Evans	<input checked="" type="checkbox"/>	Mike Azevedo	
Colusa County Water District	<input type="checkbox"/>	Joe Marsh	<input type="checkbox"/>	Doug Griffen	
Glenn County	<input checked="" type="checkbox"/>	Ken Hahn	<input type="checkbox"/>	Grant Carmon	
Glenn-Colusa Irrigation District	<input type="checkbox"/>	Logan Dennis	<input checked="" type="checkbox"/>	Don Bransford	Thad Bettner
Reclamation District 108	<input checked="" type="checkbox"/>	Fritz Durst	<input type="checkbox"/>	Sean Doherty	<input type="checkbox"/> Hilary Reinhard
City of Roseville / Placer County Water Agency	<input checked="" type="checkbox"/>	Bruce Houdesheldt	<input type="checkbox"/>	Joshua Alpine	
Tehama-Colusa Canal Authority	<input checked="" type="checkbox"/>	Jeff Sutton	<input type="checkbox"/>		
City of Sacramento / Sacramento County Water Agency	<input checked="" type="checkbox"/>	Kerry Schmitz	<input type="checkbox"/>	Michael Peterson	
Westside Water District	<input type="checkbox"/>	Doug Parker	<input checked="" type="checkbox"/>	Zach Dennis	

### Associate Members (2 non-voting):

<i>Participant</i>	<input type="checkbox"/>	<i>Representative</i>	<input type="checkbox"/>	<i>Alternate</i>	<i>Others</i>
TC-4	<input checked="" type="checkbox"/>	Jamie Traynham	<input type="checkbox"/>	Tom Charter	
			<input type="checkbox"/>	Jason Holley	
Western Canal Water District	<input checked="" type="checkbox"/>	Ted Trimble	<input checked="" type="checkbox"/>	Greg Johnson	

### Non-Voting Committee Participants (2):

<i>Participant</i>	<input type="checkbox"/>	<i>Representative/Other</i>	<input type="checkbox"/>	<i>Alternate/Other</i>	
Dept of Water Resources	<input checked="" type="checkbox"/>	Rob Cooke	<input type="checkbox"/>	David Sandino	<input type="checkbox"/> Jessica Boyt
	<input type="checkbox"/>	Ajay Goyal	<input type="checkbox"/>	Jim Wieking	<input type="checkbox"/> Dave Arrate
Bureau of Reclamation	<input type="checkbox"/>	Richard Welsh	<input type="checkbox"/>	Don Bader	<input type="checkbox"/> Chris Duke
	<input checked="" type="checkbox"/>	Vanessa King	<input type="checkbox"/>	Derya Sumer	<input type="checkbox"/> Mike Mosley
	<input type="checkbox"/>	Natalie Taylor			<input type="checkbox"/> Shana Kaplan

### Authority, Non-Signatory (6):

<i>Participant</i>	<input type="checkbox"/>	<i>Representative</i>	<input type="checkbox"/>	<i>Alternate</i>
PCWA	<input checked="" type="checkbox"/>	Ed Horton	<input type="checkbox"/>	Ben Barker
			<input checked="" type="checkbox"/>	Darin Reintjes
Roseville	<input type="checkbox"/>	Sean Bigley	<input type="checkbox"/>	Trevor Joseph

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>
		<input type="checkbox"/> Jason Marks
Sacramento City	<input type="checkbox"/> Jeff Harris	<input type="checkbox"/> Brett Ewart <input type="checkbox"/> Ann Sanger

**Staff:**

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

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

**Consultants:**

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Grace Lui	Fugro
<input type="checkbox"/> Robert Boling	HDR
<input type="checkbox"/> Monique Briard	ICF
<input type="checkbox"/> Kim Floyd	Floyd
<input type="checkbox"/> Jeff Herrin	AECOM
<input type="checkbox"/> Erin Heydinger	HDR
<input checked="" type="checkbox"/> Sara Katz	Katz & Associates
<input checked="" type="checkbox"/> Scott Kuney	Young Wooldridge

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Henry Luu	HDR
<input checked="" type="checkbox"/> Marcus Maltby	Brown & Caldwell
<input checked="" type="checkbox"/> JP Robinette	Brown & Caldwell
<input checked="" type="checkbox"/> John Spranza	HDR
<input checked="" type="checkbox"/> Hailey Traynham	Brown & Caldwell
<input checked="" type="checkbox"/> Laurie Warner Herson	Phenix
<input checked="" type="checkbox"/> Conner McDonald	CDM West

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

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone &amp; E-mail)</i>
Summer Shadley	Maxwell School District	
Craig Fechter	Fechter & Company	
Dave Watson		
Doug Montague	Montague Derosé	
Juleah Cordi		
Taylor Davies		
Cheyenne Harris	Brown & Caldwell	
Laura Nicholson		