

Meeting: **Sites Reservoir Project**

2021 January 21

Subject: **Reservoir Committee Meeting**

1:30 PM – 4:00 PM

Location: **By Teleconference**

Call in: **1-213-379-5743**

Code: **414 050 841 #**

Chair: **Thad Bettner (Glenn-Colusa Irrigation District)**

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

Treasurer: **Jamie Traynham (Davis Water District)**

MINUTES

CALL TO ORDER:

Chairman Bettner called the Reservoir Committee Meeting of January 21, 2021 to order at 1:30 p.m., followed by the Pledge of Allegiance.

ROLL CALL:

Roll of the Reservoir Committee was called (Attachment A), which resulted in eligible 21 representatives. This equated to 94.33% of the current participation percentage being in attendance, which is greater than the 50% needed to have a quorum of the Reservoir Committee.

INTRODUCTIONS:

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

AGENDA APPROVAL:

It was moved by Davis, seconded by Vanderwaal to approve the January 21, 2021 Reservoir Committee Agenda. Motion carried unanimously.

ANNOUNCEMENT OF CLOSED SESSION:

Counsel Kuney announced the Reservoir Committee would consider Closed Session as follows:

- 5.1 Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4)) (1item).

PERIOD FOR PUBLIC COMMENT:

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

1. **CONSENT AGENDA:** It was moved by Davis, seconded by Tincher to approve Consent Agenda Item Numbers 1.1 through 1.3 as follows:
 - 1.1 Approve the December 18, 2020 Joint Authority Board & Reservoir Committee Meeting Minutes.
 - 1.2 Accept the Sites Project Authority Treasurer's Report.
 - 1.3 Approve the Payment of Claims.

Motion carried unanimously.

2. ACTION ITEMS:

- 2.1 Approve release of the RDEIR/SDEIS Project Description (with Operations) to regulatory agencies and interested parties, including posting on the Authority's website, to improve Project transparency and facilitate more detailed Project discussions. (**Attachment A**)

Ms. Forsythe provided an overview of the release of the RDEIR/SDEIS Project Description with operations and spoke to the following:

Overview – Actions to be taken:

- Project Description will be Chapter 2 of the Revised Draft EIR/Supplemental Draft EIS.
- Foundation of the analysis in the RDEIR/SDEIS of all our permitting efforts.
- Draft currently under review by team (Sites and Reclamation Staff).
- Recommend release of the Draft Project Description.
 - For information/discussion purposed with regulatory agencies, NGOs and interested parties of the public.
 - Continue to refine until release Revised Draft EIR/Supplemental Draft EIS in July 2021.

Summary of the Alternative in the RDEIR/SDEIS Project Description:

- Includes all 3 Alternatives.

More Substantial Project Description Changes Since Previous Updates:

- Hydropower – All alternatives include power generation incidental upon release up to 40 MW at Funks and up to 40 MW at TRR.
 - Confirmed with FERC staff that this qualifies for a FERC exemption.
- Emergency Release Flows, Alternative 2 – Refinements to emergency release locations.
 - Inlet/Outlet Works, Sites Dam, and Saddle Dam 8B into Hunters Creek watershed.
- Stored Water Release Location, Alternative 3 – Colusa Basin Drain.
- Reclamation Investment, Alternative 2 – Operational exchanges only, not a funding partner.
- Diversion criteria:
 - Refined, shifted upstream for practical operations at diversion locations.
 - Additional pulse protection criteria added to protect migrating juvenile salmon.
 - Analysis underway, but initial results show little changes in flows throughout the system (including Freeport and Net Delta Outflow Index).
- More details on operations added.

Recommended Action:

- Staff is recommending release of the Draft Project Description.
 - For information/discussion purposes with regulatory agencies, NGOs, interested members of the public.
 - Continue to refine until release Revised Draft EIR/Supplemental Draft EIS in July 2021.
 - Post to Authority's website for access and transparency.
 - Include preamble clearly identifying that the Authority is not taking public comments/not responding to comments.

Mr. Kunde stated the Description did go through the Environmental and Permitting Workgroup and they did recommend its release for posting. Discussion followed.

Action: It was moved by Davis, seconded by Marks to approve a recommendation to the Authority Board to release the RDEIR/SDEIS Project Description (with Operations) to regulatory agencies and interested parties, including posting on the Authority's website, to improve Project transparency and facilitate more detailed Project discussions. Motion carried unanimously.

2.2 Accept the 2021 Sites Project State Agency Legislative Activity Priorities. **(Attachment A)**

Action: It was moved by Azevedo, seconded by Tincher to approve a recommendation to the Authority Board to accept the 2021 Sites Project State Agency Legislative Activities Priorities. Motion carried unanimously.

2.3 Consider approval of the disbursement of funds resulting from increased participation to repay contributed credit. **(Attachment A & B)**

Executive Director Brown briefly spoke to approval of the disbursement of funds resulting from increased participation to repay contributed credit. He stated the Joint Budget and Finance Committee recommended Options 1 or 2. Brief discussion followed regarding the following 2 Options:

Option 1: Repaying all participants owed a refund based on the percentage of contributed credit each participant is owed.

Option 2: Foregoing current repayment but allowing contributed credit to be applied to future payments for current participants.

Action: It was moved by Carter, seconded by Vanderwaal to approve a recommendation to the Authority Board to approve disbursement of funds resulting from increased participation to repay contributed credit (Option 1). Motion carried unanimously.

3. **Discussion and Information Items:**

Executive Director Brown stated items 3.1 and 3.2 would be combined for discussion purposes.

3.1 Review a progress update on the development of a Water Storage and Supply Service Contract Term Sheet. **(Attachment A)**

3.2 Review and comment on the participant's processes for securing project funding for incorporation into a successor, post-2021, project agreement.

Mr. Robinette provided a progress update on the development of a Water Storage and Supply Service Contract Term Sheet and a review on the participant's processes for securing project funding for incorporation into a successor, post-2021, project agreement. He spoke to the following:

- Financing Action Plan Schedule and Roadmap.
- Sites Reservoir Project Cash Flow to Construction Completion.
 - Summary Schedule Timeline through 2030

- Road Map
 - Plan of Finance & Participation Agreement, What Do we get? What Does It Cost? and How Do We Pay for It?
- Workshops.
- Successor Agreement: Preparation for Financing.
- Participant Financial Processes (January 1, 2022 through July 1, 2023).
 - Track 1 – Confirm Sites costs can show on SWP statement of charges.
 - Track 2 – Land Based charges/form improvement District. Prop 218 Election.
 - Track 3 – Prop 218 Protest or Other (Build into agency rates and charges).
- July 1, 2023 – Initiate Bank Financing.
- Contract Term Sheet: Balanced Development.
 - Four pillars of the contract will be explored in the term sheet deliverable:
 - Benefits to individual agencies.
 - Allocating project costs for the benefits received.
 - Financing the project.
 - Ownership obligations and responsibilities.
- Balancing Risks and Benefits:
 - Balancing requires a discussion of project benefits and risks for participants and board members.
 - The water Storage and Supply Services Contract is where a common understanding is manifested in writing.
 - Working with B&F Committee to develop the term sheet.
- Sample Terms for Development:
 - Two samples are Offramps and Water Marketplace.
- Financial Model 2.0 List of Changes, March 2021:
 - Move to cost of financing (vs. w/ and w/o WIFIA).
 - Two options – with step-up and without.
 - Update costs estimate due Feb 2021.
 - Incorporate beneficiary pays (cost of facilities).
 - Public benefit OM&R accounting (state and federal).
 - Prop 1 (WSIP) inflationary adjustment, 2.5% (\$20.4M).
 - Update finance assumptions, including rates.
 - Update operating cost assumptions, OM&R.
 - Updated participation levels, local, state, federal.
 - Update operations.
- Preliminary Financing Options (Bring back to RC in March 2021).
 - With step-up and no step-up.

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.

None.

4.1.2 Workgroup Chairpersons’ Report:

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

Reservoir Operations and Engineering Committee

Mr. Kunde provided an update on the various activities of the Reservoir Operations and Engineering Committee.

Environmental and Permitting Committee

Chairman Bettner stated the Committee did not meet in February but would start meeting again in March 2021.

4.1.3 Reservoir Committee Participant Reports:

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

None.

4.2 Executive Director's Reports:

Executive Director Brown spoke to the following items:

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

Mr. Kunde spoke to the WIIN Act Funding within the Monthly Status Report regarding the Federal Feasibility Study which was transmitted to Congress on December 22, 2020. He stated the Bureau of Reclamation staff did a tremendous amount of work on the Value Planning and just wanted to express his appreciation to them.

Executive Director Brown echoed Mr. Kunde's comments.

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

Chairman Bettner declared a recess at 3:03 p.m. to convene into Closed Session to consider the following matter:

5. **CLOSED SESSION:**

- 5.1 Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4)) (1items).

Chairman Bettner adjourned Closed Session at 4:14 p.m., to reconvene into Open Session.

6. **REPORT FROM CLOSED SESSION:**

Counsel Kuney stated as to Closed Session regarding the following matter:

- 5.1 Conference with legal counsel regarding significant exposure to litigation or adjudicatory proceedings (Govt. Code 54956.9(d)(2) and (4)) (1items), no reportable action was taken.

7. **RECAP:**

7.1 Suggested Future Agenda Items.

None.

7.2 Upcoming Meetings:

Townhall Meeting:

Wednesday, January 27, 2021, 10:00 AM – 12:00 PM

Joint Authority Board & Reservoir Committee:

Friday, February 19, 2021, 9:00 AM – 12:00 PM

(Virtual Information will be provided prior to the meeting)

Reservoir Committee:

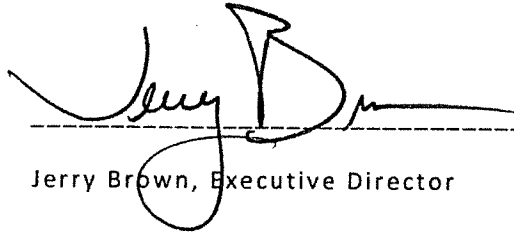
Thursday, March 18, 2021, 1:30 PM – 4:00 PM

(Virtual Information will be provided prior to the meeting)

Chairman Bettner adjourned the Reservoir Committee Meeting at 4:18 p.m.



Thad Bettner, Chairman



Jerry Brown, Executive Director

Current Voting Committee Participants (23):

	<i>Pct</i>	<i>Participant</i>
<input type="checkbox"/>	3.37	American Canyon, City
<input checked="" type="checkbox"/>	2.32	Antelope Valley-East Kern WA
<input checked="" type="checkbox"/>	2.26	Carter MWC
<input checked="" type="checkbox"/>	5.16	Coachella Valley WD
<input checked="" type="checkbox"/>	5.16	Colusa County
<input checked="" type="checkbox"/>	5.18	Colusa Co. WD
<input type="checkbox"/>	2.31	Cortina WD
<input checked="" type="checkbox"/>	2.77	Davis WD
<input checked="" type="checkbox"/>	0.00	Department of Water Resources (non-voting)
<input checked="" type="checkbox"/>	4.11	Desert WA
<input checked="" type="checkbox"/>	3.06	Dunnigan WD
<input checked="" type="checkbox"/>	3.67	Glenn-Colusa ID
<input checked="" type="checkbox"/>	2.47	Irvine Ranch WD

	<i>Pct</i>	<i>Participant</i>
<input checked="" type="checkbox"/>	2.47	LaGrande WD
<input checked="" type="checkbox"/>	17.09	Metropolitan WD
<input checked="" type="checkbox"/>	3.37	Reclamation District 108
<input checked="" type="checkbox"/>	2.32	Rosedale-Rio Bravo WSD
<input checked="" type="checkbox"/>	8.56	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	6.35	San Gorgonio Pass WA
<input checked="" type="checkbox"/>	2.32	Santa Clara Valley WD
<input checked="" type="checkbox"/>	3.67	Santa Clarita Valley WA
<input checked="" type="checkbox"/>	3.78	Westside WD
<input checked="" type="checkbox"/>	3.08	Wheeler Ridge-Maricopa WSD
<input checked="" type="checkbox"/>	.00	US Bureau of Reclamation (non-voting)
<input checked="" type="checkbox"/>	5.16	Zone 7 WA
	100.00	Total

21 Voting members represented at Meeting start

94.33% Represented participation percentage

Representation has been delegated as follows:

(1) To Jamie Traynham, Davis WD and LaGrande WD

(#) Not present after _____

Current Voting Reservoir Committee Participants (23):

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>	<i>Others</i>
American Canyon, City	<input type="checkbox"/> Felix Hernandez III	<input type="checkbox"/> Jason Holley	
AVEK WA	<input type="checkbox"/> Dwayne Chisam	<input checked="" type="checkbox"/> Dan Flory	
Carter MWC	<input checked="" type="checkbox"/> Ben Carter	<input type="checkbox"/> Ann Carter <input type="checkbox"/> Charlie Palmer <input type="checkbox"/> Kendra Carter	
Coachella Valley WD	<input checked="" type="checkbox"/> Robert Cheng	<input type="checkbox"/> Ivory Reyburn	
Colusa County.	<input checked="" type="checkbox"/> Mike Azevedo	<input type="checkbox"/> Gary Evans	
Colusa Co. WD	<input checked="" type="checkbox"/> Shelley Murphy	<input type="checkbox"/> Joe Marsh	
Cortina WD	<input type="checkbox"/> Jim Peterson	<input type="checkbox"/> Chuck Grimmer	
Davis WD	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter	
Desert WA	<input checked="" type="checkbox"/> Mark Krause	<input checked="" type="checkbox"/> Steve Johnson	
Dunnigan WD	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	
Glenn-Colusa ID	<input checked="" type="checkbox"/> Thad Bettner	<input type="checkbox"/> Holley Dawley	
Irvine Ranch WD	<input checked="" type="checkbox"/> Paul Weghorst	<input checked="" type="checkbox"/> Kellie Welch	
LaGrande WD	<input type="checkbox"/> Zach Dennis	<input type="checkbox"/> Ken LaGrande	<input checked="" type="checkbox"/> Jaime Traynham
Metropolitan WD	<input checked="" type="checkbox"/> Randall Neudeck	<input checked="" type="checkbox"/> Nina Hawk	
RD 108	<input checked="" type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/> Blair Lewis	
Rosedale-Rio Bravo WD	<input type="checkbox"/> Dan Bartel (2/9/2021)	<input checked="" type="checkbox"/> Eric Averett	
San Bernardino V MWD	<input checked="" type="checkbox"/> Bob Tincher	<input type="checkbox"/> Heather Dyer	
San Geronio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input checked="" type="checkbox"/> Lance Eckhart	
Santa Clara Valley WD	<input checked="" type="checkbox"/> Cindy Kao	<input type="checkbox"/> Eric Leitterman	<input type="checkbox"/> Katrina Jessop
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	

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<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>	<i>Others</i>
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"/> Valerie Pryor	<input checked="" type="checkbox"/> <input type="checkbox"/> Dee Bradshaw

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 checked="" type="checkbox"/> David Sandino	<input checked="" type="checkbox"/> Alex Vdovichenko
	<input type="checkbox"/> Ajay Goyal	<input checked="" type="checkbox"/> Jessica Boyt	<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"/> Ryan Davis	<input type="checkbox"/> Derya Sumer	<input type="checkbox"/> Shana Kaplan
	<input checked="" type="checkbox"/> Natalie Wolder	<input type="checkbox"/> Mike Mosley	

Authority, Non-Signatory (6):

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <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 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	<input checked="" type="checkbox"/> Mike Grinstead
Tehama-Colusa Canal Authority	<input type="checkbox"/> Jeff Sutton	<input type="checkbox"/> Halbert Charter	

Staff:

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>	<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Jerry Brown	Executive Director	<input checked="" type="checkbox"/> Joe Trapasso	Sites Project Authority
<input checked="" type="checkbox"/> Ali Forsythe	Sites Project Authority	<input checked="" type="checkbox"/> Yolanda Tirado	Board Clerk
<input checked="" type="checkbox"/> Kevin Spesert	Sites Project Authority	<input checked="" type="checkbox"/> Marcia Kivett	Admin

Consultants:

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

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<input type="checkbox"/>	Name	Representing	<input type="checkbox"/>	Name	Representing
<input checked="" type="checkbox"/>	Henry Luu	HDR	<input checked="" type="checkbox"/>	John Spranza	HDR
<input type="checkbox"/>	Connor McDonald	CMD West	<input checked="" type="checkbox"/>	Hailey Traynham	Brown & Caldwell
<input checked="" type="checkbox"/>	JP Robinette	Brown & Caldwell	<input checked="" type="checkbox"/>	Laurie Warner Herson	Phenix
<input type="checkbox"/>	Peter Rude	Ch2m			

Other Attendees:

Name	Representing	Contact (Phone & E-mail)
Laura Nicholson	Office of Senator Nielson	
Juleah Cordi	Office of Assemblyman James Gallagher	
Peter Wiseman	Wiseman Consulting Group	
LaVerne Bill	Yocha Dehe Wintun Nation	
Scott Brown	Larsen Wurzel & Associates	
Ankur Bhattacharya	Bureau of Reclamation	
Charles Gardner	Catalyst Group	
Justin Fredrickson	California Farm Bureau	
Margie Namba	Granite Construction	
Lillian Xie	Zone 7	
Debanik Chaudhuri	Shannon & Wilson	