

Meeting: **Sites Reservoir Project**

**August 20, 2021**

Subject: **Reservoir Committee Meeting**

**9:00 AM – 12:00 PM**

Location: [Click here to join the meeting](#)

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

ID: **422 025 360#**

Chair: Jeff Davis (San Geronio Pass Water Agency)

Vice Chair: Bill Vanderwaal (Reclamation District 108 and Dunnigan Water District)

Treasurer: Jamie Traynham (Davis Water District)

## **MINUTES**

### **CALL TO ORDER:**

Chairman Davis called the Reservoir Committee Meeting of August 20, 2021 to order at the hour of 9:00 a.m., followed by the Pledge of Allegiance.

### **ROLL CALL:**

Roll of the Reservoir Committee was called (Attachment A), which resulted in 17 eligible representatives. This equated to 68.54 of the current participation percentage being in attendance which is greater than the 50% needed to have a quorum of the Reservoir Committee. By 9:30 a.m., 1 additional participant was present bringing the total participation percentage to 85.63.

### **INTRODUCTIONS:**

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

### **AGENDA APPROVAL:**

It was moved by Tincher, seconded by Leitterman to approve the August 20, 2021 Reservoir Committee Agenda. Motion carried unanimously.

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

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

- 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 Davis called for a period for public comment. Hearing none, he closed the period for public comment.

**1. CONSENT AGENDA:**

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

- 1.1 Approve the July 15, 2021 Reservoir Committee Meeting Minutes. **(Attachments A & B)**
- 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 unanimously.

**2. ACTION ITEMS:**

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

Chairman Davis made time to consider the Financial Auditor's Report.

Ms. Traynham provided an overview of the Financial Auditor's Report. Brief discussion followed.

**ACTION:** It was moved by Kunde, seconded by Tincher to recommend to the Authority Board to accept the Financial Auditor's Report, as presented. **(Attachments A & B)** Motion carried unanimously.

**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.

Lengthy discussion followed with no action taken.

- 3.4 Review and comment on update to re-initiation of Reservoir Committee and Authority Board meetings under standard statutory requirements starting in September 2021.

Executive Director Brown provided a brief update on the re-initiation of in-person Reservoir and Authority Board meetings. Discussion followed, with Chairman Davis stating September's meeting would remain flexible.

- 3.5 Review and comment on a potential risk fee for new participants.

Executive Director Brown stated the Budget and Finance Workgroup participants identified a potential need for a risk fee to 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. Discussion followed with no action taken at this time.

**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.

**Budget and Finance**

None.

**Reservoir Ops and Engineering**

Mr. Kunde provided an overview of the Workgroup's meeting held on August 11, 2021 regarding modeling results with respect to the Sites Water Supply and what options might change that water supply.

Ms. Heydinger provided a brief update regarding the Agricultural Business Joint Workshop.

Environmental & Permitting

Mr. Bettner provided a brief update of a meeting held on August 16, 2021 regarding various matters.

Legislative and Outreach

Mr. Spesert provided a brief updated on the various Federal/State and Outreach activities and upcoming meetings.

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:

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

Brief discussion followed with no action taken.

Chairman Davis declared a recess at 10:53 a.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 Davis adjourned Closed Session at 1:01 p.m., and reconvened into Open Session.

**6. Report from Closed Session**

Counsel Doud stated no reportable action was taken regarding Closed Session matters as follows:

- 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:**

**Authority Board**

Wednesday, August 25, 2021 – 1:30 to 4:00 PM

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

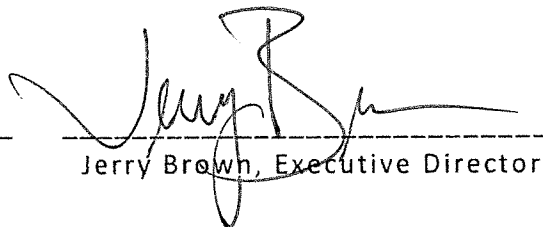
Friday, September 2, 2021, 9:30 AM – 12:00 PM

**Joint Authority Board & Reservoir Committee**

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

Chairman Davis adjourned the Reservoir Committee Meeting at the hour of 1:02 p.m.

  
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Jeff Davis, Chairman

  
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Jerry Brown, Executive Director



**Current Voting Committee Participants (23):**

	<i>Pct</i>	<i>Participant</i>	
<input type="checkbox"/>	3.37	American Canyon, City	
<input type="checkbox"/>	2.32	Antelope Valley-East Kern WA	
<input 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 checked="" type="checkbox"/>	2.31	Cortina WD	(1)
<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	(2)
<input 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	(1)
<input checked="" type="checkbox"/>	17.09	Metropolitan WD *	
<input 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	

**17 Voting members represented at Meeting**

**68.54%** Represented participation percentage

**18 Voting members represented at Meeting 9:30**

**86.63%** Represented participation percentage

Representation has been delegated as follows:

- (1) To Jamie Traynham, Davis WD
- (2) To Robert Cheng, Coachella VWD
- (\*) Present at 9:30
- (+) 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 type="checkbox"/> Dan Flory	
Carter MWC	<input type="checkbox"/> Ben Carter	<input type="checkbox"/> Ann Carter Charlie Palmer Kendra Carter	
Coachella Valley WD	<input checked="" type="checkbox"/> Robert Cheng	<input type="checkbox"/> Petya Vasileva	
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	<input checked="" type="checkbox"/> Jamie Traynham
Davis WD	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter	<input checked="" type="checkbox"/> Robert Cheng (Delegate)
Desert WA	<input checked="" type="checkbox"/> Mark Krause	Steve Johnson	
Dunnigan WD	<input type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/>	
Glenn-Colusa ID	<input checked="" type="checkbox"/> Thad Bettner	<input checked="" type="checkbox"/> Holley Dawley	
Irvine Ranch WD	<input 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 type="checkbox"/> Nina Hawk	9:30
RD 108	<input type="checkbox"/> Bill Vanderwaal	<input type="checkbox"/> Blair Lewis	
Rosedale-Rio Bravo WD	<input checked="" type="checkbox"/> Trent Taylor	<input type="checkbox"/> Dan Bartel	
San Bernardino V MWD	<input checked="" type="checkbox"/> Bob Tincher	<input type="checkbox"/> Heather Dyer	<input checked="" type="checkbox"/> Cindy Saks
San Gorgonio Pass WA	<input checked="" type="checkbox"/> Jeff Davis	<input type="checkbox"/> Lance Eckhart	
Santa Clara Valley WD	<input type="checkbox"/> Cindy Kao	<input checked="" 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	

Reservoir Committee Meeting

August 20, 2021

<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 type="checkbox"/> Lillian Xie

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"/> Ajay Goyal	<input type="checkbox"/> David Sandino <input type="checkbox"/> Jim Wiekling	<input checked="" type="checkbox"/> Alex Vdovichenko <input type="checkbox"/> Jessica Boyt
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh <input checked="" type="checkbox"/> Vanessa King <input checked="" type="checkbox"/> Natalie Taylor	<input type="checkbox"/> Don Bader <input type="checkbox"/> Derya Sumer <input type="checkbox"/> Mike Mosley	<input type="checkbox"/> Chris Duke <input type="checkbox"/> Shana Kaplan

Authority, Non-Signatory (6):

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>
Glenn County	<input type="checkbox"/> Ken Hahn	<input type="checkbox"/> Grant Carmon
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
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 checked="" 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 type="checkbox"/> Sara Katz	Katz & Associates
<input type="checkbox"/> Kim Floyd	Floyd	<input checked="" type="checkbox"/> Alan Doud	Young Wooldridge

**Reservoir Committee Meeting**

**August 20, 2021**

<input type="checkbox"/>	<i>Name</i>	<i>Representing</i>	<input type="checkbox"/>	<i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/>	Henry Luu	HDR	<input checked="" type="checkbox"/>	John Spranza	HDR
<input checked="" 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:**

<i>Name</i>	<i>Representing</i>	<i>Contact (Phone &amp; E-mail)</i>
Laura Nicholson	Office of Senator Nielsen	
Juleah Cordi	Office of Assemblyman Gallagher	
Itzia Rivera	DWR	
Amy Young	DWR	
Marcus Maltby	Brown & Caldwell	
Cheyenne Harris	Brown & Caldwell	
Justin Davis	Brown and Caldwell	
Scott Brown		
Doug Montague	Montague DeRose	
Cathy Westcot	HDR	