

SITES PROJECT AUTHORITY
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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 HOUESHELDT, 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

November 22, 2021 1:30 p.m. *Sites Project Authority - Minutes*

CALL TO ORDER & ROLL CALL/PLEDGE OF ALLEGIANCE:

Chairman Durst called the November 22, 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:

Chairman Durst made time to consider the November 22, 2021 Authority Board Agenda.

Executive Director Brown requested that Consent Agenda Item 1.4, Approval of update to the consulting agreements with Agents including Forsythe Group, Trapasso Consulting Services, Spesert Consulting and the Executive Director, Waterology Consulting be considered separate from the Consent Agenda.

ACTION: It was moved by Director Sutton, seconded by Director Evans to approve the November 22, 2021 Authority Board Agenda, as amended. Motion carried: All Directors present voted yes.

ANNOUNCEMENT OF PUBLIC MEETING ITEM AND CLOSED SESSION:

Counsel Doud announced the Authority Board Directors would consider a Closed Session matter 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)).

PERIOD FOR PUBLIC COMMENT:

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

Chairman Durst made time to consider Consent Agenda Items 1.1 through 1.5.

Chairman Durst stated in the October 27, 2021 Authority Board Minutes page 8, under Agenda Item Number 6. Report from Closed Session did not reflect that he and Director Logan Dennis recused themselves and left the room before discussion of Closed Session Item 5.2, Negotiations concerning water rights application, conditions and agreements with Sacramento River entities. He stated they returned for consideration of Closed Session Items 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 Section 54956.9(c), 54956.9(d)(4))

5.3 Public Employee Performance Evaluation, Executive Director (Govt. Code Section 54957).

1. **Consent Agenda**: It was moved by Director Houdesheldt, seconded by Director Hahn to approve Consent Agenda Item Numbers 1.1 through 1.3 and 1.5, except for 1.4 as follows:

- 1.1 Approve the October 27, 2021 Authority Board Meeting Minutes, as amended. **(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)**
- 1.4 Approval of a recommendation of the Ad Hoc Compensation Committee to update the consulting agreements with Agents including Forsythe Group, Trapasso Consulting Services, Spesert Consulting and the Executive Director, Waterology Consulting, as follows:
 - a) Set the agreement duration to a 3-year term coincident with the Amendment 3 work period and
 - b) Adjust the terms for compensation.
- 1.5. Authorize teleconference meetings, pursuant to Brown Act Provision provided under Assembly Bill 361, effective through December 19, 2021.

Motion carried: All Directors present voted yes.

ACTION/CONSENT AGENDA ITEM NUMBER 1.4: Chairman Durst made time to consider Consent Agenda Item 1.4 as follows:

Consider approval of a recommendation of the Ad Hoc Compensation Committee to update the consulting agreements with Agents including Forsythe Group, Trapasso Consulting Services, Spesert Consulting and the Executive Director, Waterology Consulting, as follows:

- a.) Set the agreement duration to a 3-year term coincident with the Amendment 3 work period and
- b.) Adjust the terms for compensation.

Executive Director Brown stated he pulled Consent Agenda Item Number 1.4 from the Consent Agenda to allow for any discussion the Board may want to have regarding this item.

Ms. Traynham stated the Authority Board and the Reservoir Committee jointly appointed three members from the Reservoir Committee and two from the Authority Board to the Ad Hoc Compensation Committee to discuss and return with a recommendation regarding these contracts. She stated after two meetings of the Ad Hoc Compensation Committee it was agreed to recommend a 5% increase for the Director and the three consultants that serve as staff to the Sites Authority, effective January 1, 2022. Brief discussion followed.

ACTION/CONSENT AGENDA ITEM 1.4

It was moved by Director Evans, seconded by Director Hahn to approve a recommendation of the Ad Hoc Compensation Committee to approve the consulting agreements with Agents including Forsythe Group, Trapasso Consulting Services, Spesert Consulting and the Executive Director, Waterology Consulting as follows:

- a.) Set the agreement duration to a 3-year term coincident with the Amendment 3 work period and
- b.) Adjust the terms for compensation.

Motion carried: All Directors present voted yes.

2. Action Items:

- 2.1 Consider approval of the Executive Director to execute a Memorandum of Understanding with Colusa County regarding area of origin water right claims to Funks and Stone Corral Creeks.

Ms. Forsythe provided a brief overview of the MOU Colusa County regarding County of Origin water right claims and spoke to the following:

State Assignment and County of Origin Considerations

- Project water right application is anticipated to:
 - Request assignment of previously filed State application.

- Request releases from priority of two previously filed State applications.
- State Water Board may not release from priority, or assign, a state-filed application, when, in its judgment, it would deprive the county in which the water covered by the application originates of water necessary for development of the county (Water Code, 10505).
- Colusa County's desire is not to move creek water outside of the region.
- Staff proposing the Authority enter into a MOU with Colusa County to address concerns and county of origin finding.

Summary of MOU Terms

- Sites Authority will generally:
 - Measure/quantify inflows from the creeks.
 - Allocate net flows from creeks to the County's Storage Allocation.
 - Net flows =Inflows from creeks minus any releases into creeks downstream of the Project that are required to meet applicable laws.
 - Allocate evaporation and seepage losses to County's Storage Allocation (including creek water) in a manner consistent with all other water.
- County will generally:
 - Have available Storage Allocation, including leased storage to store net creek flows.
 - When no available Storage Allocation, net inflows allocated to all other Storage Partners consistent with Storage Principles.
 - Will use creek water consistent with Authority's water right and environmental approvals.
- With these terms:
 - County agrees to not pursue county of origin water rights to Funks and Stone Corral creeks for as long as the Project is in development and operation.
 - County will provide a letter to SWRCB supporting Sites water right application.
 - County will make reasonable efforts to secure Glenn County's concurrence and support letter and enter into any agreement with Glenn County to address any county of origin concerns.
 - County will make reasonable efforts to work with any other party to address county of origin concerns on the creeks.

Effects to Other Members

- Do not see any impacts or effects to other Project members
 - Creek inflows not accounted for in the CALSIM modeling does not reduce yield to other members.

Requested Action

- Authorize the Executive Director to execute an MOU with Colusa County regarding county of origin water right claims to Funks and Stone Corral Creeks consistent with the proposed terms.

Mr. Hitchings also provided a brief overview of the MOU.

Discussion followed. Director Evans clarified Colusa County has no intention on creating habitat that currently does not exist.

ACTION: It was moved by Director Sutton, seconded by Director Hahn to authorize the Executive Director to execute a Memorandum of Understanding with Colusa County regarding area of origin water right claims to Funks and Stone Corral Creeks consistent with the proposed terms. Motion carried: All Directors present voted yes, except for Director Evans (Colusa County) who abstained.

Chairman Durst made time to consider Action Items 2.2 through 2.9.

Mr. Maltby provided a brief overview of Agenda Items 2.2 through 2.9, Amendment 3 Key Consultant Task Order Summary and spoke to the following:

Work Plan and Task Order Schedule:

- April 2021
 - Review Amendment 3 Draft Org Chart and Work Plan Goals & Objectives
- May 2021
 - Review Amendment 3 Expense and Cash Flow Estimates
- June 2021
 - Decision to Proceed with 36-month Work Plan
- Sept 2021
 - Approval of Amendment 3 Project Agreement and Work Plan
- Oct 2021
 - Review Key Consultant Task Order Summary
- Nov 2021
 - Approve Key Consultant Task Order Summary, Review Support Consultant Task Order Summary, Revisit Budget Allocation

Terminology

- Work Plan Budget \$120M
 - Key Consultants – Support Consultants – Other

Draft Task Orders Summary – Key Consultant only*

- Subject Area/Firm – Revised Budget (Amendment 3)* - Work Plan Budget

Draft Task Orders Summary – Key Consultant

- Key Consultant - Service Area – Task Order Budget (Preliminary)

Work Plan and Task Order Schedule

- December 2021-Approve Support Consultant Task Order Summary and Approve 2022 Annual Budget

Brief discussion followed.

ACTION: It was moved by Director Houdesheldt, seconded by Director Evans to approve Action Item Numbers 2.2 through 2.9 as follows:

- 2.2 Approve HDR's Amendment 3 Task Order No. 4 scope of work for integration services with a not-to-exceed contract authority of \$10,009,288 for the period of January 1, 2022 through December 31, 2024.
- 2.3 Approve Brown and Caldwell's Amendment 3 Task Order No. 4 scope of work for controls support with a not-to-exceed contract authority of \$9,283,621 for the period of January 1, 2022 through December 31, 2024.
- 2.4 Approve Katz and Associates' Amendment 3 Task Order No. 4 scope of work for communications support with a not-to-exceed contract authority of \$1,398,285 for the period of January 1, 2022 through December 31, 2024.
- 2.5 Approve CH2M's Amendment 3 Task Order No. 3 scope of work for operations support with a not-to-exceed contract authority of \$3,251,162 for the period of January 1, 2022 through December 31, 2024.
- 2.6 Approve ICF Jones and Stokes, Inc.'s. Amendment 3 Task Order No. F003 scope of work for planning and permitting support with a not-to-exceed contract authority of \$8,745,511 for the period of January 1, 2022 through December 31, 2024.
- 2.7 Approve CH2M Hill Engineers, Inc.'s (CH2M) (Engineering-Conveyance) Amendment 3 Task Order No. 3 scope of work for engineering design with a not-to-exceed contract authority of \$11,025,109 for the period of January 1, 2022 through December 31, 2024.
- 2.8 Approve AECOM (Engineering-Reservoir) Amendment 3 Task Order No. 3 scope of work for engineering design with a not-to-exceed contract authority of \$16,009,365 for the period of January 1, 2022 through December 31, 2024.
- 2.9 Approve Fugro USA land, Inc.'s (Geologic/Geotechnical Services) Amendment 3 Task Order No. 3 scope of work for geotechnical evaluations support with a not-to-exceed contract authority of \$20,250,000 for the period of January 1, 2022 through December 31, 2024.

Motion carried: All Directors present voted yes.

- 2.10 Consider authorization of the Executive Director to approve the Terminal Regulating Reservoir Early Evaluation Geotechnical Investigations and file a Notice of Exemption under the California Environmental Quality Act. Ms. Forsythe provided an overview of the Terminal Regulating Reservoir Early Evaluation Geotechnical Investigations and spoke to the following:

Background:

- Additional geotechnical investigations in the area of TRR West.

- Determine the preferred location of the TRR facilities.
- Inform comparative engineering analysis.
- Inform TRR West costs.
- Anticipated to include
 - 6 borings
 - 7 cone penetration test probes
 - 2 seismic cone penetration test probes
 - Installation of up to 4 piezometers
- The proposed investigations are scheduled to take place in the first quarter of 2022.

CEQA and Permitting Approach:

- Authority lead activity.
 - Authority will be doing the drilling using Fugro.
- Avoiding all effects on resources.
 - Locations were selected to avoid effects.
 - Implementing same biological and cultural resource avoidance measures as previously.
 - Limited to areas previously disturbed or developed.
 - Limited by access granted by landowner.
- CEQA required, but no permits needed.
- Staff proposes that geotechnical investigations are categorically exempt under CEQA State Guidelines:
 - Section 15304, Class 4 (Minor Alterations to land).
 - Section 15306, Class 6 (Information collection).
- Notice of Exemption:
 - Colusa County Clerk.
 - State Clearinghouse.

Action Requested

- Authorize the Executive Director to approve the Terminal Regulating Reservoir (TRR) Early Evaluation Geotechnical Investigations and file a Notice of Exemption under CEQA

Discussion followed.

ACTION: It was moved by Director Sutton, seconded by Director Hahn approve the Terminal Regulating Reservoir Early Evaluation Geotechnical Investigations and file a Notice of Exemption under the California Environmental Quality Act. Motion carried: All Directors present voted yes.

3. Discussion and Information Items:

- 3.1 Receive an update on the status of the California Endangered Species Act's Incidental Take Permit Application for the Project's Construction components.

Ms. Forsythe provided an update on the status of the California Endangered Species Act's Incidental Take Permit Application for the Project's Construction components and spoke to the following:

Incidental Take Permits

- California Endangered Species Act (CESA) prohibits the import, export, take possession, purchase or sale of species listed by the State.
- CDFW may authorize "take" of a state listed species.
- In issuing an Incidental Take Permit (ITP).
 - CDFW must find, among other things, that:
 - Applicant is implementing avoidance and minimization measures.
 - Applicant fully mitigates their take.
 - Applicant ensures adequate funding to implement measures required in the take permit.
 - CDFW must also comply with CEQA:
 - For the Sites Project, we expected CDFW to use our environmental documents to do this.
 - CDFW cannot issue a take permit for the Project until the Authority completes CEQA.
- Project pursuing a Construction ITP and Operations ITP:
 - Construction ITP application target submittal in December 2021.
 - Operations ITP application target submittal in February/March 2022.
- Species Models – Approach Considering No Land Access.

ITP Terrestrial Analysis

- Species list
 - Reviewed prior surveys (2000 timeframe), species occurrence data, scientific literature.
- Potential habitat areas (termed "modeled" habitat).
 - Reviewed land mapping, scientific literature.
- Impacts to listed species:

- Assumed all potential habitat was occupied.
- Conservative approach and likely overestimate.
- Post permit issuance will need to:
 - Conduct surveys of all “modeled” habitats and verify land cover and presence/absence of species.
 - Amend ITP to decrease/increase take based on field surveys.

Species Covered

- Requesting take for:
 - Swainson’s hawk
 - Tricolored blackbird
 - Giant gartersnake
 - Palmate-bracted bird’s beak-extremely rare
- Not requesting take for palmate-bracted bird’s beak
 - Must avoid or re-consult if found

Take Minimization Measures

- Measures to reduce amount of take include:
 - Construction windows and buffer areas
 - Construction best management practices
 - Restoration on temporarily affected habitat
 - Preconstruction surveys
 - Habitat mapping and flagging
 - Avoidance of habitat
 - Biological monitoring

Proposed Mitigation Approach

- Compensatory mitigation for take is required.
- Diverse approach:
 - Sites-lead off-site habitat acquisition or restoration.
 - Conservation easements.
 - Conversation banks/mitigation banks.
 - On-site opportunistic habitat preservation/restoration.
- Each has different risks.
- Prepare detailed mitigation strategy in 2022/2023.

Next Steps

- December meeting:
 - Financial assurances discussion.
 - Mitigation cost estimate.
 - Approval for Executive Director to submit the Construction ITP Application.

Discussion followed with no action taken.

3.2 Review and comment on the Amendment 3 Support Consultant task order summary. **(Attachment A)**

Mr. Maltby provided an update on Amendment 3 Support Consultant Task Order Summary and spoke to the following:

Work Plan and Task Order Schedule

- Nov 2021- Approve Key Consultant Task Order Summary, Review Support Consultant Task Order Summary, Revisit Budget Allocation

Draft Task Orders Summary-Support Consultant

- Subject Area/Firm
- Revised Budget* (Amendment 3) Support Consultant only
- Work Plan Budget-\$119,597,022

Draft Task Orders Summary – Support Consultant

- Support Consultant-Description of Work-Task Order Budget (Preliminary)

Subject Area Allocation – Presented in A3 Work Plan

- Subject Area Pie Chart – Work Plan

Subject Area Allocation – Updated with Task Orders

- Subject Area Pie Chart

Management Type – Presented in A3 Work Plan

- Management Type Pie Chart – Work Plan

Management Type – Updated with Task Orders

- Management Type Pie Chart

Annual Budget by Subject Area – Draft

- Amendment 3 – Annual Budgets by Subject Area
 - FY 2022 – FY 2023 -FY 2024 (Revised Budget -\$119,478,873)

Work Plan Check-in Points

- Late 2021 through 2024 – Assumes full 36 months Approved Work
- Period – No Interim Financing

Work Plan and Task Order Schedule

- December 2021-Approve Support Consultant Task Order Summary and Approve 2022 Annual Budget.

Discussion followed with no action taken.

- 3.3 Review and comment on Amendment 3 Project Agreement Approval Process including estimated participation levels, outreach and rebalancing, and schedule.

Executive Director Brown provided an update on Amendment 3 Status and Outreach and spoke to the following:

Soft Call Survey Results

- Pointed out
 - San Bernardino Valley has completed their process
 - Westside WD-adjusted down by 2000 ac ft
 - Some still need to be completed

Expressed Interest in re/new Participation

- Bureau of Reclamation (increase from 7% to 25% investment)
- New source of funds -Enacted IJA includes \$1.15B for western states water storage
- Woodland Davis Clean Water Agency (2,000-5,000 annualized AF)
- Glenn County (1,000 annualized AF)
- Madera County GSA (10,000 annualized AF)
- Pacific Resources

Discussion followed with no action taken.

- 3.4 Review and comment on legal counsel update related to evaluating potential conflict areas for members with specific emphasis on upcoming Board decisions.

Counsel Doud provided an update with regard to conflict issues to ensure continued compliance with all laws, rules and regulations and to ensure all those involved with the Project uphold the values of the organization. He also spoke to FPPC-form700s, Closed Session and who can attend, Sections 1090 and 1099, Brown Act Matters and designation of voting authority to Alternates if Primary cannot be present at a meeting. Discussion followed with no action taken.

4. Reports:

4.1 Member's Reports:

4.1.1 Chairpersons' Report:

Chairman Durst provided a brief update of the NCWA Scenario Task Force and it's activities.

4.1.2 Authority Board Committee Chairpersons' Report:

Budget and Finance

None.

Land Management

Director Evans stated a meeting was arranged between Phil and Betsy Sites and the Colusa County Librarian to obtain historical information from them.

Mr. Spesert stated a Land Management meeting will be scheduled in near future.

Legislative & Outreach

Director Sutton and Mr. Spesert provided an overview of the various Federal/State, outreach and local activities and/or concerns. Brief discussion followed.

Communications

Ms. Katz provided an overview of the various activities on behalf of the Sites Project.

4.1.3 Athority Board Participant Reports:

None.

4.2 Executive Director's Reports:

Executive Director Brown provided an 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 3:18 p.m., to convene into Closed Session to consider the following:

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)).

Chairman Durst adjourned from Closed Session at 4:31 p.m., and reconvened into Open Session.

6. Report from Closed Session:

Counsel Doud announced no reparable action was taken as to the following Closed Session matter:

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)).

7. **Recap:**

7.1 Suggested Future Agenda Items.

None.

7.2 **Upcoming Meeting:**

Joint Reservoir Committee & Authority Board

Friday, December 17, 9:00 AM – 12:00 PM

Chairman Durst adjourned the Authority Board Meeting at the hour of 4:32 p.m.

Fritz Durst, Chairman

Yolanda Tirado, Board Clerk