

SITES PROJECT AUTHORITY
P.O. Box 517
122 OLD HIGHWAY 99 WEST
MAXWELL, CALIFORNIA 95955
www.SitesProject.org

JERRY BROWN, EXECUTIVE DIRECTOR
925.260.7417

SANDRA YARBROUGH, CLERK
530.438.2309
syarbrough@SitesProject.org

Board of Directors

FRITZ DURST, RECLAMATION DISTRICT 108, CHAIR
JEFF SUTTON, TEHAMA-COLUSA CANAL AUTHORITY, VICE-CHAIR
GARY EVANS, COLUSA COUNTY SUPERVISOR
THOMAS ARNOLD, GLENN COUNTY SUPERVISOR
LOGAN DENNIS, GLENN-COLUSA IRRIGATION DISTRICT
GRAY ALLEN, PLACER COUNTY WATER AGENCY/CITY OF ROSEVILLE
DOUG PARKER, WESTSIDE WATER DISTRICT
JOE MARSH, COLUSA COUNTY WATER DISTRICT
JEFF HARRIS, 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 21, 2022

Sites Project Authority – Minutes

CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE:

Chairman Durst called the Sites Project Authority Board (AB) 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 Allen to approve the November 21, 2022, Authority Board Agenda. Motion carried: All Directors present voted yes.

ANNOUNCEMENT OF CLOSED SESSION:

Counsel Doud announced the Authority Board of Directors would consider Closed Session matters 5.1 through 5.5.

Director Sutton joined the meeting at 1:39 P.M.

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 consent agenda item numbers 1.1 through 1.5 as follows.

- 1.1 Consider approval of October 26, 2022, Authority Board Meeting Minutes.
- 1.2 Consider acceptance of the Sites Project Authority Treasurer's Report.

- 1.3 Consider approval of the Payment of Claims.
- 1.4 Consider acceptance of the Sites Project Authority's Q3 2022 Budget Year Quarterly Financial Report.
- 1.5 Consider authorization of an increase to the Perkins Coie legal services contract by the amount of \$250,000, which would increase the 2022 task order amount and increase the total contract ceiling amount for the A3 work period to \$1,294,000 for the period of January 1, 2022 through December 31, 2024.

Chairman Durst noted that consent agenda item 1.1 Attachment A, October 26, 2022, Authority Board Meeting Minutes Attendance Sheet needed revision. He clarified that Juleah Cordi represents Assemblyman James Gallagher.

ACTION/CONSENT AGENDA:

It was moved by Director Sutton, seconded by Director Allen to approve consent agenda Item numbers 1.1 through 1.5, with the 1.1 Attendance Sheet revision.

Motion carried: All Directors present voted yes.

2. ACTION ITEMS:

- 2.1 Consider approval of the following actions related to the Amendment 3 Work Plan:
 - a) Acknowledge adjustments to total planned A3 work plan revenues and expenditures of less than 10% change to reflect updated conditions.
 - b) Approve the 2023 Budget.
 - c) Authorize invoicing the 2nd cash call of the A3 work period of \$100/acre-foot in January 2023.
 - d) Authorize increases to total consultant contract authority for specified consultant contracts to cover new work scope items.

Mr. Maltby gave a PowerPoint presentation on the Work Plan Update & Annual Budget for 2023 and spoke to the following:

- Recommendation for 2023 cash call is \$100/acre-foot.
- 2023 budget reflects the shifting of Geotech field activities dependent on land access as well as delays in permitting and the Water Right.
- 2023 Budget Estimate Revenue, Carryover from Amendment 2.
- 2023 Budget Estimate Expense, revised communications budget.
- Amendment 3 Work Plan Overview, Work Plan Summary, Work Plan Check-in Status.

Executive Director Brown spoke to the requirements in the JPA, Bylaws and Amendment 3 Project Agreement language, how elements of this agenda item could be considered to constitute a material change, and as such require a 75% majority vote from the Reservoir Committee and Authority Board. Executive Director Brown commented that an increased emphasis on the consideration of material change is needed to conduct business in alignment with existing governance conditions.

Director Sutton spoke to the revised 2023 communications budget noting there hasn't been a clear definition of where the increased communications dollars would go, requesting the extra outreach activities be excluded from the budget.

Director Evans supported Director Sutton's assessment that it was unclear from the Legislative and Outreach Committee meeting as to where the increased communication dollars would go.

Executive Director Brown clarified that the recommended action would include funds for extra outreach activities in the approved budget but these funds would not be authorized for expenditure until further clarification of the scope is run through the L&O committee. Executive Director Brown commented that the Reservoir Committee approved the increased communication budget and notated that the reallocation is pending further discussion with the Legislative and Outreach Committee.

Chairman Durst received clarification that the Communications Budget is 100% Reservoir Committee cost.

ACTION:

It was moved by Director Sutton, seconded by Director Evans to approve the following actions related to the Amendment 3 Work Plan:

- a) Acknowledge adjustments to total planned A3 work plan revenues and expenditures of less than 10% change to reflect updated conditions.
- b) Approve the 2023 Budget, with the exception of the extra outreach activities in the communications line, pending further consideration.
- c) Authorize invoicing the 2nd cash call of the A3 work period of \$100/acre-foot in January 2023.
- d) Authorize increases to total consultant contract authority for specified consultant contracts to cover new work scope items.

Motion carried: All Directors present voted yes.

- 2.2 Consider the adoption of the Final Guiding Principles and Preliminary Terms as supporting materials for the Water Infrastructure Finance and Innovation Act (WIFIA) loan application and to serve as the basis for the drafting of the Sites Reservoir Benefits and Obligations Contract.

Mr. Robinette gave a PowerPoint presentation on the Final Guiding Principles and spoke to the following:

- The Final Guiding Principles foundation for drafting the Sites Reservoir Benefits and Obligations Contract.
- Guide the basic mechanics prior to advancing further into the WIFIA loan application process.
- Mutual understanding, feedback, and input, cooperatively and in good faith. Approving the Final Guiding Principles is not a commitment of participants to any particular requirement in the contract.

ACTION:

It was moved by Director Allen, seconded by Director Dennis to adopt the Final Guiding Principles and Preliminary Terms as supporting materials for the WIFIA loan application and to serve as the basis for the drafting of the Sites Reservoir Benefits and Obligations Contract. **Motion carried: All Directors present voted yes.**

2.3 Consider the adoption of the following documents in relation to preparing an application for a WIFIA loan:

- a) Master Resolution describing the Authority’s approach and priorities to collection and use of revenues to pay Authority expenses.
- b) WIFIA Reserve Policy of the Authority consistent with the Final Guiding Principles and Preliminary Terms.
- c) Debt Management Policy in compliance with Government Code requirements.

Mr. Robinette gave a PowerPoint presentation on the Master Resolution & Indicative Credit Rating Financial Documents and spoke to the following:

- Master Resolution describing the Authority’s approach, priorities to the collection, and use of revenues to pay Authority expenses.
- WIFIA Reserve Policy of the Authority, Debt Management Policy.
- Investment-grade credit rating, share project risks equally amongst all storage partners, the beneficiary pays principle.
- Process for participants to avoid defaults.
- The indicative rating is confidential and will not be reflected in an issuer’s or participant’s current ratings.

ACTION A: It was moved by Director Dennis, seconded by Director Evans to adopt the Master Resolution describing the Authority’s approach and priorities to the collection and use of revenues to pay Authority expenses in relation to preparing an application for a WIFIA loan. **Motion carried: All Directors present voted yes.**

ACTION B: It was moved by Director Allen, seconded by Director Sutton to adopt the WIFIA Reserve Policy of the Authority consistent with the Final Guiding Principles and Preliminary Terms in relation to preparing an application for a WIFIA loan. **Motion carried: All Directors present voted yes.**

ACTION C: It was moved by Director Evans, seconded by Director Harris to adopt the Debt Management Policy in compliance with Government Code requirements in relation to preparing an application for a WIFIA loan. **Motion carried: All Directors present voted yes.**

2.4 Consider approval of the Authority Board membership dues covering Authority general and administrative costs estimated to not exceed \$470,000 in the fiscal year 2023, which equates to dues per member of \$50,000 (9 members total) and \$5000 per Associate Member (2 members total). Authorize the release of invoices in January 2023.

Mr. Trapasso gave a PowerPoint on the Authority Board 2023 Membership Dues and spoke to the following:

- Authority Board Costs, general and administrative expenses-largely fixed costs.
- Routine AB costs are grouped into two categories, Direct expenses, and shared expenses.
- Reduction of Authority Board dues from \$55,000 to \$50,000, associate member fee remains at \$5,000.

Brief discussion followed.

ACTION:

It was moved by Director Dennis, seconded by Director Sutton to approve the Authority Board membership dues covering Authority general and administrative costs estimated to not exceed \$470,000 in the fiscal year 2023, which equates to dues per member of \$50,000 (9 members total) and \$5000 per Associate Member (2 members total). Authorize the release of invoices in January 2023. **Motion carried: All Directors present voted yes.**

- 2.5 Consider authorization of a monthly compensation adjustment to the consulting contracts with the Executive Director and Authority Agents.

ACTION:

It was moved by Director Sutton, seconded by Director Evans to authorize a monthly compensation adjustment to the consulting contracts with the Executive Director and Authority Agents. **Motion carried: All Directors present voted yes.**

3. Discussion and Information Items:

- 3.1 Review and comment on other water management activities across the state relative to Sites.

Ms. Forsythe gave a PowerPoint presentation on Water Management Activities Relative to Sites and spoke to the following:

- 2021 consultation on the long-term operations of the Central Valley Project and State Water Project.
- Bay-Delta Water Quality Control Plan Update, Delta Conveyance Project.
- Water Storage Investment Program Projects.
- Water Infrastructure Investments for the nation (WIIN) Act Projects.
- Water Right Curtailments and Water Unavailability Tool
- Voluntary Agreements, Appreciation for staff updates, and monitoring.

Discussion followed.

4. Reports:

4.1 Chairpersons' Report:

None.

4.2 Authority Board Committee Chairpersons' Reports:

Legislative and Outreach

Mr. Spesert spoke to the ongoing engagement with Assemblywoman Aguiar-Curry.

4.3 Authority Board Participant Reports:

Director Harris announced that this would be his last meeting serving on the Authority Board.

4.4 Executive Director's Reports:

Executive Director Brown spoke to the following:

- Work Plan Schedule.
- Water Right Process.
- Appreciation for Director Harris.

Chairman Durst declared a recess at 2:49 P.M. to convene into Closed Session to consider Closed Session matters 5.1 through 5.5.

5. Closed Session:

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

5.2 Negotiations concerning water rights permit terms and conditions (Govt. Code §54956.9(c) and §54956.9(d)(4)).

5.3 Negotiations concerning Sites Project operation terms, conditions, and agreements with the Department of the Interior, Bureau of Reclamation (Gov. Code 54956.6(c)).

5.4 Conference with Legal Counsel—Anticipated Litigation; significant exposure to litigation (Govt. Code § 54956.9(d)(2)) (1 Item).

5.5 Conference with Real Property Negotiators (Govt. Code §§54956.8)

Property: Glenn-Colusa Irrigation District Main Canal, Tehama Colusa Canal rights of way and associated conveyance facilities.

Agency Negotiator: Jerry Brown, Kevin Spesert, JP Robinette; Negotiating parties: Glenn-Colusa Irrigation District, Tehama Colusa Canal Authority and Bureau of Reclamation.

Under Negotiation: Price and terms of payment for facilities lease/common use agreement.

Director Sutton, Director Dennis, and Director Parker recused themselves from Closed Session Item 5.5 due to a possible conflict of interest.

Chairman Durst adjourned Closed Session at 4:14 P.M. and reconvened into Open Session.

6. Report from Closed Session

Counsel Doud stated as to Closed Session matters there was no reportable action taken.

7. Recap:

7.1 Suggested Future Agenda Items.

None.

7.2 Upcoming Meetings:

Joint Reservoir Committee & Authority Board

Friday, December 16, 2022 - 9:00 AM to 12:00 PM

Maxwell Project Office, 122 Old Highway 99

Chairman Durst adjourned the November 21, 2022 Authority Board Meeting at the hour of 4:16 P.M.

Fritz Durst, Chairman

Sandra Yarbrough, Board Clerk

Current Voting Authority Board Participants:

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate/Delegate</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"/> Hal Charter <input type="checkbox"/> Shelly Murphy
Glenn County	<input type="checkbox"/> Thomas Arnold	<input type="checkbox"/> TBD
Glenn-Colusa Irrigation District	<input checked="" type="checkbox"/> Logan Dennis	<input type="checkbox"/> John Amaro
Reclamation District 108	<input checked="" type="checkbox"/> Fritz Durst	<input type="checkbox"/> Sean Doherty
City of Roseville / Placer County Water Agency	<input checked="" type="checkbox"/> Gray Allen	<input type="checkbox"/> Joshua Alpine
Tehama-Colusa Canal Authority	<input checked="" type="checkbox"/> Jeff Sutton	<input type="checkbox"/> Halbert Charter <input type="checkbox"/> Brett Ewart
City of Sacramento / Sacramento County Water Agency	<input checked="" type="checkbox"/> Jeff Harris	<input type="checkbox"/> Anne Sanger <input type="checkbox"/> Bill Busath
Westside Water District	<input checked="" type="checkbox"/> Doug Parker	<input type="checkbox"/> Zach Dennis

Associate Members (2 non-voting):

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>
TC4	<input checked="" type="checkbox"/> Jamie Traynham	<input type="checkbox"/> Tom Charter
Western Canal Water District	<input checked="" type="checkbox"/> Ted Trimble	<input 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"/> Itzia Rivera
	<input checked="" type="checkbox"/> Jagruti Maroney	<input type="checkbox"/> Jim Wieking
Bureau of Reclamation	<input type="checkbox"/> Richard Welsh	<input type="checkbox"/> Don Bader
	<input checked="" type="checkbox"/> Allison Jacobson	<input type="checkbox"/> Derya Sumer
	<input checked="" type="checkbox"/> Natalie Taylor	<input type="checkbox"/> Kevin Jacobs

Authority, Non-Signatory (6):

<i>Participant</i>	<input type="checkbox"/> <i>Representative</i>	<input type="checkbox"/> <i>Alternate</i>	<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"/> Bruce Houdesheldt	<input type="checkbox"/> Joshua Alpine	<input type="checkbox"/> Jason Marks
	<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>	<i>Alternate</i>
Sacramento County WA	<input checked="" type="checkbox"/> Kerry Schmitz	<input type="checkbox"/> Michael Peterson	<input type="checkbox"/> Mike Grinstead

Staff:

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Brown, Jerry	Sites Project Authority
<input checked="" type="checkbox"/> Forsythe, Ali	Sites Project Authority
<input checked="" type="checkbox"/> Robinette, JP	Sites Project Authority

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> Spesert, Kevin	Sites Project Authority
<input checked="" type="checkbox"/> Trapasso, Joe	Sites Project Authority
<input checked="" type="checkbox"/> Yarbrough, Sandra	Sites Project Authority

Consultants:

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input type="checkbox"/> Alexander, Jeriann	Fugro
<input type="checkbox"/> Briard, Monique	ICF
<input type="checkbox"/> Brown, Doug	Stradling
<input checked="" type="checkbox"/> Brown, Scott	LWA
<input type="checkbox"/> Bruner, Marc	Perkins Coie
<input type="checkbox"/> Forrest, Mike	AECOM
<input type="checkbox"/> Floyd, Kim	Floyd
<input checked="" type="checkbox"/> Harris, Cheyanne	Brown & Caldwell
<input type="checkbox"/> Herrin, Jeff	AECOM
<input checked="" type="checkbox"/> Katz, Sara	Katz & Associates
<input checked="" type="checkbox"/> Kivett, Marcia	Brown & Caldwell
<input checked="" type="checkbox"/> Alan Doud	Young Wooldridge
<input type="checkbox"/> Leaf, Robert	Ch2m
<input checked="" type="checkbox"/> Luu, Henry	HDR

<input type="checkbox"/> <i>Name</i>	<i>Representing</i>
<input checked="" type="checkbox"/> McDonald C	CMD West
<input type="checkbox"/> Micko, Steve	Ch2m
<input checked="" type="checkbox"/> Maltby, Marcus	Brown & Caldwell
<input checked="" type="checkbox"/> Montague, Doug	MDA
<input type="checkbox"/> Patel, Trishna	HDR
<input checked="" type="checkbox"/> Nielsen, Caitlin	HDR
<input type="checkbox"/> Rude, Peter	Ch2m
<input checked="" type="checkbox"/> Spranza, John	HDR
<input checked="" type="checkbox"/> Traynham, Hailey	Brown & Caldwell
<input type="checkbox"/> Van Camp, Marc	MBK
<input type="checkbox"/> Warner Herson, Laurie	Phenix
<input checked="" type="checkbox"/> Westcot, Cathy	HDR

<i>Name</i>	<i>Representing</i>	<i>Name</i>	<i>Representing</i>
Gavin Downs	Valley Water	Kim Vann	Colusa Co. Flood Control Conservation District
Kyle Hamilton	Nossaman	Mike Cadei	HDR
Bill Vanderwaal	Dunnigan and RD108	Ann Newton	Katz
Dan Ruiz	Westside	Josepha Miller	MDA
Jonathan Guz	Stradling Law	Carrie Andreotti	ENGENO

Authority Board Meeting**November 21, 2022**

<i>Name</i>	<i>Representing</i>	<i>Name</i>	<i>Representing</i>
Brian Thomas	Sites	Andres Trauttmansdorff-Weinsberg	MCM
Amy Aguer	SCVWA	Erin Huang	Jacobs
Christy Scofield	Arbuckle Resident	Angela Bezzone	MBK
Eric Patterson	Kiewit		