



Reservoir Committee & Authority Board

May 17, 2024

Authority Board Chair: Fritz Durst (Reclamation District 108)
Authority Board Vice-Chair: Jeff Sutton (Glenn-Colusa Irrigation District)
Reservoir Committee Chair: Mike Azevedo (Colusa County)
Reservoir Committee Vice-Chair: Robert Kunde (Wheeler Ridge-Maricopa Water SD)
Treasurer: Jamie Traynham (Davis Water District)

MINUTES

CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Chair Durst called the Authority Board (AB) and Reservoir Committee (RC) Meeting to order at 9:02 a.m., followed by a Roll Call and the Pledge of Allegiance.

ROLL CALL/ATTENDANCE:

Authority Board: 7 members in attendance, resulting in a quorum.

Reservoir Committee: 19 representatives (91.12%) in attendance, resulting in a quorum.

INTRODUCTIONS:

The Sites staff, consultants and public members in the building introduced themselves.

AGENDA APPROVAL:

ACTION RC: Moved by Mr. Vanderwall, second by Vice-Chair Kunde to approve May 17, 2024, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Evans, seconded by Director Sutton, to approve May 17, 2024, meeting agenda. **Motion Carried: All Directors present voted yes.**

Director Sutton joined at 9:10.

ANNOUNCEMENT OF CLOSED SESSION:

General Counsel (GC) Doud announced that the Authority Board of Directors and the Reservoir Committee Members would consider matters 5.1 through 5.3 in closed session.

PERIOD FOR PUBLIC COMMENT:

Chair Durst called for a period of public comment.

Mr. Cruz, North California’s Carpenters Union, commented on Item 3.3, emphasizing the importance of using local contractors who provide benefits. He also mentioned the apprenticeship program and shared a personal story about its value.

1. CONSENT AGENDA:

- 1.1 Reservoir Committee and Authority Board consider approval of April 19, 2024, Reservoir Committee and Authority Board Meeting Minutes.
- 1.2 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Treasurer’s Report.
- 1.3 Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims.
- 1.4 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority’s First Quarter 2024 Budget Year Quarterly Financial Report. **(Attachment A)**

ACTION RC: Mr. Cheng moved, seconded by Mr. Vanderwall, to approve Consent Agenda Items 1.1 through 1.4 for the Authority Board’s consideration. The **motion carried unanimously.**

ACTION AB: Director Evans moved, seconded by Director Sutton, to approve Consent Agenda items 1.1 through 1.4 **Motion carried: All Directors present voted yes.**

Chair Durst thanked Staff on the Quarterly Report.

2. ACTION ITEMS:

- 2.1 Authority Board consider approval the Tax Related Reimbursement Resolution. **(Attachment A)**

ED Brown introduced the item regarding this standard approach for public agencies that are receiving tax-exempt debt.

Mr. Thomas stated that it is a common practice among public agencies to provide the option to reimburse the Authority for construction expenditures. Land purchase is a construction expenditure. This resolution will allow us to purchase land and then reimburse for the expense and repay, with interest,

over time. It is clear in the resolution that we do not have to use this option. The decision can be made in the future.

Vice-Chair Kunde discussed the exhibit to the resolution is not specific to the reimbursement. Mr. Thomas said the staff was as general as possible for the most flexibility. Any construction expense up to \$100 million could be reimbursed. By stating “the project” is all-inclusive, typical for large projects.

Mr. Vanderwaal asked how this would impact the discussions with the counties where the work occurs. ED Brown clarified that it does not impact those discussions. This is regarding the project's debt financing.

The resolution was modified by adding the requested clarification of the Authority's option but not the requirement to reimburse for past expenses.

Mr. Tinchler joined at 9:19.

ACTION RC: Mr. Vanderwaal moved, seconded by Vice-Chair Kunde, to approve amended item 2.1. **Motion carried unanimously.**

ACTION AB: Director Jones moved, seconded by Director Sutton to approve amended item 2.1. **Motion carried: All Directors present voted yes.**

3. DISCUSSION AND INFORMATION ITEMS:

3.1 Review and comment on the status of the Operations Plan, Version 2.0 preparation.

Ms. Bezzone identified that, as part of the water right hearing process, Staff committed to providing a draft version 2.0 of the Operations Plan to the hearing parties on May 24, 2024. This draft version 2.0 will focus on Project diversions, storage and releases.

On July 1, 2024, a revised draft (version 2.1) will be submitted to the Operations & Engineering (O&E) Workgroup. The draft will focus on more details on member activities and will be circulated with revised Section 4 and Section 8 of the Benefits and Obligations Contract. O&E Workgroup Members will be asked to review and comment by July 19, 2024, with a target date for the RC/AB approval on August 16, 2024.

Vice-Chair Kunde stated the O&E is actively engaged with Staff.

Ms. Bezzone confirmed to Chair Durst that the document is a living document in response to his question.

Chair Durst suggested to the participants that they should keep themselves updated on the document and keep their agencies informed.

Ms. Traynham joined at 9:37.

3.2 Review and comment on the draft contracting strategy for terrestrial biological mitigation.

Ms. Forsythe reviewed the contracting strategy process, including an overview of the planning principles, workshop and one-on-one feedback meetings with industry representatives. In addition, Staff completed a review of other mitigation projects and contracts. The terrestrial biological mitigation strategy will align with the July 2022 Construction Contracting Strategy.

Staff identified that through this effort, it appears to be in the best interest of the Authority to engage a single prime contractor. This approach will foster a long-term partnership, facilitate centralized communication and outreach with landowners and agencies, ensure continuity, and deliver other inherent benefits.

Ms. Forsythe discussed the solicitation of qualifications with an overall contract with multiple subcontracts. The first task would focus on the implementation plan to establish goals, conduct a regional assessment, and develop an approach to implementation.

Other considerations include the mitigation contractor's responsibility for success criteria, the Authority as the long-term landowner for new fee title purchases on a case-by-case basis, and the mitigation contractor's responsibility for preparing necessary follow-on CEQA/NEPA and permits for mitigation actions.

Chair Azevedo stated that he is pleased with the qualification approach. The Project has already seen entities approach property owners. Director Evans suggested that a potential incentive could be that if a company has already approached a landowner, they are not allowed to participate.

Vice-Chair Kunde asked if the mitigation was local, regional or national. Ms. Forsythe clarified that the geographical area has not been defined at this stage. We will work through this with the agencies.

Chair Durst asked if the fee title would be for the purpose of stacking easements. In response, Ms. Forsythe indicated that the intended purpose is to stack multiple requirements into the same mitigation lands, facilitating access

in the future, providing various local community benefits, and potentially serving other mitigation needs.

Ms. Forsythe concluded by reviewing the next steps for seeking more feedback on the draft strategy and refining and preparing the final strategy.

Mr. Cheng asked about the consequences if the contractor fails to comply with permitting agencies. Ms. Forsythe stated that the Authority is ultimately responsible. Staff will be closely involved to ensure the contractor's progress.

- 3.3 Review and comment on the approach being discussed with Colusa, Glenn and Yolo counties to 1) address County road repairs, improvements, and building of new roads within the project footprint and 2) identify the various permits and approvals needed from the three counties prior to initiating construction.

ED Brown discussed the roads and permitting approvals necessary for the counties. The roads affected are listed in the attachments to the staff report. The Project will create new roads or repair or improve existing roads. We will ensure the roads are maintained during the seven-year construction period. Two roads will enter and exit the primary reservoir and pump station project work areas. Staff have relocated the traffic off of Maxwell's Oak Street at the request of the Local Community Working Group.

Regarding the Dunnigan pipeline, the Project will affect very few existing roads and not result in many new roads, primarily repairing roads and improving crossings is the work scope for this work area.

While water districts maintain exemption from county and land use permitting requirements, many project activities are conditioned on receiving permits from the county. In the development agreement, we are trying to identify that the permits will conform to the counties' codes, ordinances and conditions and be issued by the counties in a manner to support efficient project delivery.

Mr. Vanderwaal asked if we had any discussion with any landowners in Dunnigan on the road use. The project team has not but the impacts of the project on the roads in the area should be minimal. There have been several discussions with Yolo County staff and public works staff.

ED Brown concluded that the new roads will be identified in the Development Agreement but a separate agreement with the appropriate County will need to occur later to cover ownership transition to the County. Also, the new bridge over the reservoir is envisioned to be turned over to Colusa County.

Director Evans commented that it goes smoother if the staff proactively engages with landowners on road use.

Chair Azevedo commented that from his public works perspective it is a better approach to not to try and identify who is damaging the roads. Instead, the Project should acknowledge it will seriously damage the roads and will have to make repairs.

3.4 Receive an update on the activities related to implementing the Reservoir Construction Management At Risk (CMAR) contracting strategy and process.

Mr. Kivett introduced the item and mentioned Staff held a robust discussion at the O&E Workgroup. He overviewed the meaning of CMAR and its difference from other contracting methods. The Authority will select based on quality and qualifications rather than solely on price. The Project will hire a contractor that meets the Authority's values. There are two phases: preconstruction, when the contractor will work with the designers hand in hand, and the second phase is going into construction. For construction, the Authority will amend the Phase 1 contract with a guaranteed maximum price (GMP), which sets the maximum cost for the defined scope of construction.

Mr. Kivett reviewed the organizational chart under construction with adding positions for an Environmental Compliance Manager and Community Liaison. Then introduced Ms. Stanley, Golden Gate Dam Project Manager and continued with the positions of the chart. Mr. Kivett explained more about the GMP, self-perform vs. subcontracted work. He mentioned that goals will be established for local hiring in the CMAR agreement and that the Authority is engaging with BBK on how to approach incorporating these goals into labor agreements.

Mr. Robinette reviewed the budget, schedule and contract authority. Based on this scenario all of the contract authority could be in place by early in year three of construction. This would mean the Project could have all of the work contracted out, and the total construction cost would be known. You could have the GMP in place by the year 2028.

Mr. Cheng reflected on the needs to match show the construction cash flow relative to the timing of Participants debt repayments using the Statement of Charges approach. ED Brown stated that the Board has not yet determined whether to capitalize interest and how this could affect debt repayment. It may be that nothing is needed on the statement of charges until the operations phase, which is more about 2032 and beyond.

4. REPORTS:

4.1 Chairpersons' Reports:

Chair Durst attended the Association of California Water Agencies (ACWA) conference and extended congratulations to the team for their exemplary work. Mentioned the need to have our Reservoir Committee and Authority Board bring back information to their agencies abreast of the project. Vice Chair Sutton agreed.

4.2 Committee & Workgroup Chairpersons' Reports:

Vice Chair Kunde reported on the two Operations & Engineering Workgroup meetings. The first one was for details of operations that Ms. Bezzone presented earlier in this meeting. Requested another special operations meeting for June. The second meeting had low attendance. This discussion contained an excellent presentation of the 30% design. Presentations on the Reservoir and conveyance packages, detailed presentation on CMAR and an independent review of the cost estimate.

Director Evans mentioned we will have a Local Community Work Group and Land Management Committee meeting in June.

Vice-Chair Sutton announced the upcoming DC trip for May 20, 2024, and invited interested individuals to participate. Furthermore, a Legislative & Outreach Committee meeting is planned for June.

Ms. Traynham announced the 2023 Audit has started.

4.2 Authority Board & Reservoir Committee Participant Reports:

Mr. Tincher announced his retirement and that this was his last meeting.

4.3 Additional Participant Reports:

None.

4.4 Executive Director's Reports:

Executive Director Brown spoke to the following:

- Will send a link to Governor Newsom's remarks at ACWA General Session – very positive to getting built Sites built.
- Revised state budget: Sites is participating with other Prop 1 projects in the discussions around a Climate Bond.
- The Environmental Defense Fund received the grant to look at the Environmental Water Manager as the way for the state to manage their Prop. 1 fund.
- Staff is going on a quarterly schedule report.

Chair Durst declared a recess at 10:46 a.m. and convened into Closed Session.

CLOSED SESSION:

5.1 Conference with legal counsel regarding existing litigation (Gov. Code §§54956.9(d)).

Friends of the River, et al. v. Sites Project Authority, et al., Yolo County Superior Court, Case No. CV2023-2626

5.2 Negotiations concerning water right permit terms and conditions (Govt. Code §54956.9(c) and §54956.9(d)(4) 2 items).

5.3 Conference with Real Property Negotiators (Gov. Code §54956.8):

Property: Various parcels comprising the Sites Reservoir and related facilities.

Agency Negotiators: Jerry Brown

Negotiating Parties: Colusa County, Glenn County, Yolo County

Under Negotiation: Price and terms of payment

Chair Durst adjourned Closed Session at 11:55 a.m. and reconvened into Open Session.

6. REPORT FROM CLOSED SESSION:

GC Doud stated that no reportable action was taken on Closed Session matters.

7. RECAP:

7.1 Suggested Future Agenda Items.

7.2 Upcoming Meetings:

Reservoir Committee & Authority Board

Friday, June 21, 2024 (9:00 am to noon)

Chair Durst adjourned the Joint Reservoir Committee and Authority Board Meeting at 12:00 p.m.



Fritz Durst, Authority Board Chair



Mike Azevedo, Reservoir Committee Chair



Marcia Kivett, Board Clerk