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Reservoir Committee & Authority Board

October 18, 2024

Authority Board Chair:	Fritz Durst (Reclamation District 108)
Authority Board Vice Chair:	Jeff Sutton (Tehama-Colusa Canal Authority)
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 the hour of 9:01 a.m., followed by Roll Call and the Pledge of Allegiance.

ROLL CALL/ATTENDANCE:

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

Reservoir Committee: 16 representatives (88.24%) attendance, resulting in a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

ACTION RC: Moved by Ms. Traynham, seconded by Mr. Cheng, to approve the October 18, 2024, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Vanderwaal, seconded by Director Arnold, to approve the October 18, 2024, meeting agenda. **Motion Carried: All Directors present voted yes.**

ANNOUNCEMENT OF CLOSED SESSION:

General Counsel (GC) Doud announced the Authority Board of Directors, and the Reservoir Committee Members would consider Closed Session matters 5.1 through 5.4.

PERIOD FOR PUBLIC COMMENT:

Chair Durst called for a period of public comment.

One member of the public, Richard Cruz of Nor Cal Carpenters Union, made comments related to Item 3.2, noting the importance of utilizing labor from contractors who offer benefits and/or apprenticeship programs. Hearing no other public comment, Chair Durst closed the public comment period.

1. **CONSENT AGENDA:**

Chair Durst and Chair Azevedo noted consideration of consent agenda items 1.1 through 1.4 as follows:

- 1.1 Reservoir Committee and Authority Board consider approval of September 20, 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 approval of:
 - a) Task order amendment with CH2M Operations for additional modeling services in the amount of \$288,892, bringing the not-to-exceed task order amount of \$3,646,102 for the period of January 1, 2022, through December 31, 2025.
 - b) FY24 budget adjustment to the permitting subject area with funds being reallocated from the engineering subject area.

ACTION RC: Mr. Navarrot moved, seconded by Vice-Chair Kunde, to approve Consent Agenda Items 1.1, 1.2, 1.3, and 1.4 for the Reservoir Committee and recommend approval to the Authority Board. The **motion carried unanimously.**

ACTION AB: Director Vanderwaal moved, seconded by Director Evans to approve Consent Agenda items 1.1 through 1.4 for the Authority Board. Director Vanderwaal noted a misspelling in Item 1.1, the minutes, and Clerk Brown noted the correction. **Motion carried: All Directors present voted yes.**

2. **ACTION ITEMS:**

- 2.1 Reservoir Committee and Authority Board consider the following actions related to the Amendment 3 Work Plan Update (**Attachments A & B**):
 - a) Approval of Amendment 3 Work Plan update.
 - b) Approval of an extension of Amendment 3 Work Plan to June 30, 2026.
 - c) Approval of FY25 Cash Call Amount.
 - d) Approval of FY25 Annual Budget.

Executive Director (ED) Brown introduced Mr. Marcus Maltby. Mr. Maltby began the presentation for this item, noting that the item components had been reviewed by the Finance Committee the previous week. He reviewed the sequencing of actions regarding Amendment 3 which led to the requested action of a six-month extension through June 2026, largely due to delays in Water Right permitting.

Mr. Maltby reviewed the proposed budget items by source and by subject areas, noting the greater subject areas, the largest of which is Engineering. For the Engineering and Program Operations subject areas, Mr. Maltby pointed out their respective priorities, 2025 budgets, and scopes.

Mr. Maltby reviewed the Amendment 3 budget status and the component for requested approval, providing information related to the cash flow curve and key drivers through 2025, and through the second quarter of 2026.

Mr. Maltby walked through the project timeline and the overlap between the planning and delivery phases, noting the priority work activities throughout, which comprise \$63M in work. Further, he explained the fully funded investor commitment and the partially funded delivery, which total \$44M in anticipated funds available for 2025 and 2026 activities.

Director Vanderwaal asked about the potentiality of more funding and ED Brown answered that additional funding is not likely. JP Robinette noted that there is increased focus on any additional cost savings. Board members and Committee members asked brief clarifying questions related to the timeline and budget. Mr. Maltby and staff responded by reviewing the data provided in the attachments.

ACTION RC: It was moved by Mr. Plinski, seconded by Mr. Cheng to recommend approval of agenda item 2.1 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Vanderwaal, seconded by Director Arnold to approve agenda item 2.1. **Motion carried: All Directors present voted yes.**

- 2.2 Reservoir Committee and Authority Board consider approval of the 2025 joint meeting calendar.

ED Brown reviewed upcoming meeting dates and noted the State Water Contractors have changed their June 2025 meeting date, which could change the date of the Board meeting should the Board wish. He also noted that Good Friday is April 18, 2025. He asked if anyone wished to discuss changing the dates based on these factors. Those present did not indicate a wish to change the dates.

ACTION RC: It was moved by Mr. Navarrot, seconded by Ms. Traynham, to recommend approval of agenda item 2.2 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Evans, seconded by Director Vanderwaal to approve agenda item 2.2. **Motion carried: All Directors present voted yes.**

3. **DISCUSSION AND INFORMATION ITEMS:**

- 3.1 Review and comment on the process, assumptions and other considerations that are key to the development of the 2024 Program Cost Forecast representing to Storage Partners the anticipated total project cost and annual costs of construction and operations to consider during investor commitment.

ED Brown opened the item, and Mr. Robinette gave a report on the program baseline an updated cost estimate, and financing elements.

Mr. Robinette noted that the home boards will be deciding to enter into Benefits & Obligations (B&O) Contracts beginning in 2025 and those boards will ultimately be required to decide what they deem affordable; Mr. Robinette explained the project is sensitive to changes in costs while supporting the home boards' deliberations about affordability. He reviewed two important steps in the B&O: 1) the contract taking effect - which requires 100% capacity commitment, and 2) initiating construction via group resolution.

ED Brown noted that the project relies on the home boards to communicate nuanced considerations that are unique to each participant.

Mr. Robinette explained that increasing project costs and changing benefits together drive affordability, explaining that permit conditions and hydrology have an impact on benefits, and that project costs are expected to increase due to escalation and design development. He said the Authority will produce a baseline project report ahead of investor commitments.

In response to a question about the baseline from Mr. Urkov, Mr. Robinette explained that the forecast changes when the model changes. Vice-Chair Kunde inquired about the updated pro forma and asked if it will be the baseline for value and Mr. Robinette explained the learnings related to best practices gleaned from other big projects.

Mr. Robinette stated that the project continues to improve cost certainty. He explained how design development components contribute to the project, and that cost estimate validation is composed of updated cost estimates being independently evaluated. He reviewed what to expect in potential updates to costs, with escalation increases, design development increases, and to-be-determined contingencies for ongoing work. He noted there will be opportunity for participants to provide input as the program cost forecast is developed.

Mr. Robinette reviewed a schedule wherein the O&E workgroup will review the draft updated cost estimate after it's done with independent review. He stated the project timeline will include a value planning work group review of risk considerations in February, an updated cost estimate for the Board in March, an approved cost estimate in April, and a final program baseline report in June of 2025.

Hearing no further comments or questions, the Board and Committee moved on to Item

- 3.2 Receive a report on the progress being made on preparing for procuring the first Construction Manager at Risk (CMAR) for the Sites Project and provide input on the draft Construction Workforce Policy for the purpose of including a draft for feedback in the Reservoir CMAR Request for Qualifications. The first CMAR is planned to cover the reservoir and roads elements of the Project.

ED Brown opened the item by saying it relates to the procurement of the contractor for the reservoir roads and is meant to update the group on where the project is in process as there are ongoing ad hoc subcommittee meetings, in order to keep the full Board informed.

Mr. Robinette reported that staff are working through a checklist with the policy guidance ad hoc group and the purpose is to give an update on the unique and overlapping workforce interests between four parties: owners, community, contractor, and organized labor. He reported the Authority is establishing a Construction Workforce Policy to bring the various interests together for a successful project, explaining why the CMAR contractor should negotiate project-specific Project Labor Agreements, and that the project area and local area goals are driven by the values of the Authority and informed by a labor availability analysis.

Mr. Robinette presented information related to the checklist components, the history that has led to its development, the various focuses of the policy and the requested steps from staff. He gave a contract strategy risk summary.

Mr. Robinette reviewed the relevant conventional CMAR steps/process and explained the Authority would be going through multiple CMAR processes. He noted that the Authority's construction workforce policy would feed the direction of the Board into the construction contract and would have a feedback loop back for verification.

There was a brief discussion related to the need for Class A Drivers and the training that would entail. Following that, and hearing no questions, the meeting moved to Item 3.3.

- 3.3 Receive and comment on updated conditions precedent quarterly status report.

ED Brown opened this item by stating he wanted to call attention to certain items on the Agreements list and referred to the two-step process, comprised of programmatic and project steps, to reach the biological opinion. He referred to the permits that National Marine Fisheries and US Fish and Wildlife provide and the associated process, which are scheduled to end by the end of the year. He further spoke about the work beyond that point and the resolution of offers. He stated that staff would come back to the Board in the next couple months for action related to this item.

ED Brown explained the purpose of this items is to encourage the Board and state and federal representatives to confirm changes or additions to their needs for executing contracts during investor commitment escrow and to reduce any unknowns which could have the effect of delaying investor commitment. He flagged that during the "investor commitment escrow" all approval documents will be frozen which means no changes will be accepted

Hearing no questions, the meeting moved to Item 4, Reports.

REPORTS:

4.1 Chairpersons' Reports:

Chair Acevedo noted the Water Board panels available on YouTube and commended staff for their work before the panels.

Chair Durst reported on a meeting with Congressman Thompson and others (and how the Authority is handling protests; staff is doing an outstanding job.

Vice-Chair Sutton had no report.

4.2 Committee & Workgroup Chairs' Reports:

Operations & Engineering: Vice-Chair Kunde noted there was not a meeting but that there would be one in November and possibly in December.

Environmental Permitting & Planning: Ali Forsythe reported on activities and statuses.

Land Management: Director Evans reported there was no meeting.

CMAR Ad Hoc Contract Committee: Vice-Chair. Kunde reported the group recently met.

Chair Durst thanked Ms. Traynham for work involving the budget update.

4.3 Authority Board & Reservoir Committee Participant Reports:

Mr. Urkov reported that Zone 3 continues work on development and budgeting.

4.4 Executive Director's Reports:

Executive Director Brown spoke to the following:

- Prop 1 is identified to receive \$75M under Prop 4 for the storage project.
- Included in Proposition 4 is language that relates to some of the activities around Prop 1.
- There's language in Prop 4 stating any unused money that comes back into Prop 1 may be used to provide inflation adjustments and or added benefits on existing projects.
- Staff will be offering 1-on-1 meetings at ACWA.
- The Sites Project is the last stop on the Modern Education Foundation Northern California tour.

5. CLOSED SESSION: (10:42am)

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)).

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

Property: [Colusa County] APNs 011-130-004-000, 011-130-011-000, 011-150-017-000, 011-150-018-000, 011-150-020-000

Agency negotiators: Jerry Brown, Kevin Spesert

Negotiating parties: Shirley Jensen

Under negotiation: Price and terms of payment

5.4 Public Employee Performance Evaluation, Executive Director (Govt. Code §§54957).

6. REPORT FROM CLOSED SESSION: 12:17pm

GC Doud reported that during a prior meeting, the AB and RC provided direction to the Authority’s designated negotiators regarding price and terms of payment for the Red Stick Farms property. The Authority and the owner of Red Stick Farms have since finalized the purchase and sale agreement for the Red Stick Farms property consistent with those terms, and the property is now in escrow.

7. RECAP: None.

7.1 **Suggested Future Agenda Items.** None

7.2 **Upcoming Meetings:**

Joint Reservoir Committee & Authority Board

Day of Friday, November 15, 2024 (9:00 a.m. – 12:00 p.m.),

Maxwell Project Office & Virtual

Chair Durst adjourned the Joint Reservoir Committee and Authority Board Meeting at the hour of 12:18 p.m.

Fritz Durst, Authority Board Chair

Mike Azevedo, Reservoir Committee Chair

MJ Brown, Board Clerk

Current Voting Committee Participants (22):

	%	Participant		%	Participant
<input checked="" type="checkbox"/>	3.47	American Canyon, City	<input type="checkbox"/>	2.57	LaGrande WD
<input type="checkbox"/>	2.42	Antelope Valley-East Kern WA	<input checked="" type="checkbox"/>	17.29	Metropolitan WD
<input checked="" type="checkbox"/>	5.28	Coachella Valley WD	<input checked="" type="checkbox"/>	3.47	Reclamation District 108
<input checked="" type="checkbox"/>	5.28	Colusa County	<input checked="" type="checkbox"/>	2.42	Rosedale-Rio Bravo WSD
<input checked="" type="checkbox"/>	5.05	Colusa County WD	<input checked="" type="checkbox"/>	8.70	San Bernardino Valley MWD
<input checked="" type="checkbox"/>	2.41	Cortina WD (1)	<input checked="" type="checkbox"/>	6.48	San Geronio Pass WA
<input type="checkbox"/>	2.87	Davis WD	<input checked="" type="checkbox"/>	2.42	Santa Clara Valley WD
<input checked="" type="checkbox"/>	4.22	Desert WA	<input checked="" type="checkbox"/>	3.77	Santa Clarita Valley WA
<input checked="" type="checkbox"/>	3.17	Dunnigan WD	<input type="checkbox"/>	3.89	Westside WD
<input checked="" type="checkbox"/>	3.77	Glenn-Colusa ID	<input checked="" type="checkbox"/>	3.19	Wheeler Ridge-Maricopa WSD
<input checked="" type="checkbox"/>	2.57	Irvine Ranch WD	<input checked="" type="checkbox"/>	5.28	Zone 7 WA
				100.00	Total

16 Voting members represented at the start of the meeting-

88.24% Represented participation percentage.

Representation has been delegated as follows:

(1) Proxy to Jamie Traynham, Davis WD

(‡) Not present after _____

Current Voting Authority Board (9)		Primary		Alternate
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"/> <input checked="" type="checkbox"/>	Hal Charter Shelly Murphy
Glenn County	<input checked="" type="checkbox"/>	Thomas Arnold	<input type="checkbox"/>	Jim Yoder
Glenn-Colusa Irrigation District	<input checked="" type="checkbox"/>	Jeff Sutton	<input checked="" type="checkbox"/>	Logan Dennis
Reclamation District 108	<input checked="" type="checkbox"/>	Fritz Durst	<input type="checkbox"/> <input type="checkbox"/>	Sean Doherty Hilary Reinhard
Placer County Water Agency	<input type="checkbox"/>	Gray Allen	<input type="checkbox"/>	Scott Alvord
Tehama-Colusa Canal Authority	<input checked="" type="checkbox"/>	Bill Vanderwaal	<input type="checkbox"/>	Jim Jones Zack Dennis
City of Sacramento	<input type="checkbox"/>	Lisa Kaplan	<input checked="" type="checkbox"/> <input type="checkbox"/>	Anne Sangar Brett Ewart
Westside Water District	<input type="checkbox"/>	Doug Parker	<input type="checkbox"/>	Zach Dennis

Associate Members (non-voting)		Primary		Alternate
Western Canal Water District	<input type="checkbox"/>	Greg Johnson	<input checked="" type="checkbox"/>	Ted Trimble
Zone 3	<input checked="" type="checkbox"/>	Mike Urkov	<input type="checkbox"/>	Wendy Tyler

Non-Voting Committee Participants (2)		Primary		Alternate/Other
Department of Water Resources	<input checked="" type="checkbox"/>	Rob Cooke	<input type="checkbox"/>	
Bureau of Reclamation	<input type="checkbox"/> <input type="checkbox"/>	Adam Nickels Allison Jacobson	<input checked="" type="checkbox"/> <input type="checkbox"/>	Natalie Taylor Jesse Sikora

Current Voting Reservoir Committee (22)		Primary		Alternate
American Canyon, City	<input checked="" type="checkbox"/>	Jason Holley	<input type="checkbox"/>	
Antelope Valley-East Kern WA	<input type="checkbox"/>	Matt Knudson	<input type="checkbox"/>	
Coachella Valley Water District	<input checked="" type="checkbox"/>	Robert Cheng	<input checked="" type="checkbox"/>	Petya Vasileva
Colusa County	<input checked="" type="checkbox"/>	Mike Azevedo	<input type="checkbox"/>	Gary Evans
Colusa County Water District	<input type="checkbox"/>	Halbert Charter	<input checked="" type="checkbox"/>	Shelly Murphy
Cortina and Davis Water District	<input type="checkbox"/>	Jim Peterson	<input type="checkbox"/> <input checked="" type="checkbox"/>	Chuck Grimmer Jamie Traynham
Davis Water District	<input checked="" type="checkbox"/>	Jamie Traynham	<input type="checkbox"/>	Tom Charter
Desert Water Agency	<input checked="" type="checkbox"/>	Steve Johnson	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	David Tate Esther Saenz
Dunnigan Water District and RD 108	<input checked="" type="checkbox"/>	Jordon Navarrot	<input type="checkbox"/>	

RD 108	<input checked="" type="checkbox"/>	Jordon Navarrot	<input type="checkbox"/>	Lewis Bair
Glenn-Colusa Irrigation District	<input checked="" type="checkbox"/>	Logan Dennis	<input type="checkbox"/>	Louis Jarvis
Irvine Ranch Water District	<input checked="" type="checkbox"/>	Paul Weghorst	<input type="checkbox"/>	Robert Huang
LaGrande Water District	<input type="checkbox"/>	Zach Dennis	<input type="checkbox"/>	
Metropolitan Water District	<input checked="" type="checkbox"/>	Randall Neudeck	<input type="checkbox"/> <input type="checkbox"/>	Nina Hawk Sam Smalls
Rosedale-Rio Bravo Water District	<input checked="" type="checkbox"/>	Trent Taylor	<input type="checkbox"/>	Dan Bartel
San Bernardino Valley Water District	<input checked="" type="checkbox"/>	Michael Plinski	<input type="checkbox"/>	Heather Dyer
San Geronio Pass Water Agency	<input checked="" type="checkbox"/>	Lance Eckhart	<input type="checkbox"/> <input type="checkbox"/>	Thomas Todd Emmett Campbell
Santa Clara Valley Water District	<input type="checkbox"/>	Cindy Kao	<input checked="" type="checkbox"/>	Katherine Maher
Santa Clarita Valley Water Agency	<input type="checkbox"/>	Steve Cole	<input checked="" type="checkbox"/>	Ali Elhassan
Westside Water District	<input type="checkbox"/>	Allen Myers	<input type="checkbox"/>	
Wheeler Ridge-Maricopa Water Storage District	<input checked="" type="checkbox"/>	Rob Kunde	<input type="checkbox"/>	Sheridan Nicholas
Zone 7 Water Agency	<input checked="" type="checkbox"/>	Valerie Pryor	<input checked="" type="checkbox"/>	Lillian Xie

Authority, Non-Signatory (6)		Primary		Alternate
PCWA	<input type="checkbox"/>	Ed Horton	<input type="checkbox"/>	Ben Barker
Roseville	<input type="checkbox"/> <input type="checkbox"/>	George Hanson Joshua Alpine	<input type="checkbox"/> <input type="checkbox"/>	Sean Bigley Darin Reintjes
Sacramento County	<input type="checkbox"/>	Kerry Schmitz	<input type="checkbox"/>	

Sites Project Authority:

- Jerry Brown
 Ali Forsythe
 Kevin Spesert
 JP Robinette
 Joe Trapasso
 Marcia Kivett
 Alan Doud

Members of the Public

Name	Representing	Name	Representing
Esther Saenz	Desert Water Agency	Ken Bohannan	Kleinfelder
Richy Cruz	Carpenters Union	Kyle Huges	Public
Randy Wilson		Christy Scofield	Local Resident

Virtual Attendance

Virtual Attendance	/9
Marcia Kivett	Marcus Maltby (External)
+15304546811_292bcac6a9c4b1299786ab48595ba61 (Unverified)	Rude, Pete
Magda McConihe (External)	Petya Vasileva
SC Irvine Lake Conference Room (External)	Neudeck, Randall D (External)
m azevedo (Unverified)	Berens, Jacob J (External)
Pamela Katileba-Jenkins Westside Water	Joe A. Iniguez (External)
Desi Dikova (External)	Pryor, Valerie (External)
Jason Holley (External)	Nancy Moricz (External)
Cordi, Juleah	Hentz, Chris (External)
Sikora, Jessica L (External)	Andrea E. Rocha (External)
Scott Brown (External)	Aaron Prchlik (External)
Fritz Durst	Smith, Michael (orange) (External)
Xie, Lillian (External)	Carpenter, Matthew (External)
jerry brown (External)	Shelly Murphy (Unverified)
MJ Brown	Melanie Carrido
Sara M. Katz (External)	Lance Eckhart Pass Agency (External)
MJ Brown (Unverified)	Ryan shaw Western Water (Unverified)
Ayoub Antabeel	Perkins, Sam
Arnold, Christopher	Jeff Sutton (Unverified)
Ali Elhassan (External)	Young, Amy@DWR (she/her) (External)
Brasa Fuentes, Llanos	Coppola, Jaimie (External)
Cooke, Robert@DWR (External)	Stanley, Ashley (External)
Charlene Sun (External)	Rivera, Itzia@DWR (External)
Taylor, Natalie L (External)	Laurie Warner Herson (External)
Anthony.Middleton	Joe Trapasso
Luu, Henry (External)	Brian Haber
Josepha Miller (External)	Gobel, Jordan (External)
David Hubbard (External)	Rubina Chaudhary (External)
Conner McDonald (External)	Cheyenne Harris (External)
Michael Plinski (External)	Johnson, Keith (External)
Louis Jarvis (External)	Newens, Richard (External)
David Tate (External)	Jacobson, Allison M (External)
Hanson, George	Tony Orozco (Unverified)
Arsenijevic, Jelica (External)	Jim Bowley
Greg Gomez (External)	Josh Graves (External)
Jeff Kivett (External)	+19168207792_b6e29f4418cb47f2b97423f02697ad93 (Unverified)
Esther Saenz (External)	Donald Blackburn (External)
Foss, Elizabeth (External)	Smalls, Samuel L (External)
Lonnie Rejda (External)	Trent Taylor (External)
Brian Thomas	