



**Requested Action:**

Authorize the Executive Director to execute a Memorandum of Understanding (MOU) with Colusa County regarding area of origin water right claims to Funks and Stone Corral Creeks.

**Detailed Description/Background:**

The Authority is preparing to submit a water right application to the State Water Resources Control Board (State Board) for the Project in early 2022. In addition to requesting the Sacramento River as a point of diversion for the Project, the application is anticipated to also include Funks Creek and Stone Corral Creeks, both impounded by Sites Reservoir, as sources and points of diversion. The application is also anticipated to request assignment of the State of California's previously filed application A025517, and release from priority two State applications filed for what was previously known as the Glenn Reservoir. Per the California Water Code, the State Board may not assign or release from priority a state-filed application, when, in its judgement, it would deprive the county in which the water covered by the application originates of water necessary for development of the County (Water Code Section 10505).

Colusa County has raised considerations related to area of origin and the desire to not move water from Funks and Stone Corral creeks outside of the regional area. To address these concerns as well as the above-referenced "county of origin" requirement in the Water Code, and to seek expeditious processing of the Project's water right application, staff has negotiated the proposed terms and is recommending that the Authority enter into a MOU with Colusa County.

Under the MOU, staff is proposing that the Authority would:

- Identify Funks and Stone Corral creeks (collectively referred to herein as creeks) as sources of supply in the Projects water right application;
- Measure/quantify inflows from the creeks;
- Allocate net flows from the creeks to the County's Storage Allocation in Sites Reservoir, where net flow equals inflows from the creeks minus any releases into the creeks downstream of the Project that are required to meet applicable laws as determined in coordination and collaboration with the County; and,

- Allocate evaporation and seepage losses to the County's Storage Allocation (including creek water) in a manner consistent with all other water stored in the Project.

Under the MOU, the County would:

- Utilize its available Storage Allocation, including leased storage, to store net creek flows. When the County does not have available Storage Allocation, net creek flows would be allocated to all other Storage Partners consistent with the Storage Principles;
- Pay variable costs and receive power generation revenue, if any, associated with the creek flows consistent with all other water stored in the Project;
- Use creek water consistent with Authority's water right and environmental approvals; and,
- Report to the Authority on water use as needed for the Authority to comply with its water right terms.

With these terms, the County would agree to not pursue area of origin water rights to Funks and Stone Corral creeks for as long as the Project is in development and operation, and would provide a letter to the State Board supporting the Project's water right application. The County would also make reasonable efforts to secure Glenn County's concurrence and support letter and enter into any agreement with Glenn County to address any other area of origin concerns. The County would also make reasonable efforts to work with any party in either Colusa or Glenn counties to address any area of origin concerns on Funks and Stone Corral creeks.

Staff believes that proactively addressing the County's area of origin considerations and the California Water Code requirements will assist in moving the Project's water right application forward in a timely manner. Staff recommends authorizing the Executive Director to enter into a MOU with the County with the above terms and conditions.

**Prior Authority Board Action:** None.

**Fiscal Impact/Funding Source:** None.

**Staff Contact:** Ali Forsythe

**Primary Service Provider:** Somach Simmons & Dunn

**Attachments:**

None.