



Meeting: **Sites Reservoir Committee & Authority Board**

**March 22, 2024
9:00 a.m. – 11:57 a.m.**

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 Storage District)
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 9:00 a.m., followed by Roll Call and the Pledge of Allegiance.

ROLL CALL/ATTENDANCE:

Roll call of the Authority Board equaled 5 members in attendance, which resulted in a quorum.

Roll call of the Reservoir Committee equaled 16 representatives, 73.64% in attendance, which resulted in a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

ACTION RC: Moved by Mr. Vanderwaal, seconded by Mr. Kunde, to approve the March 22, 2024, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Parker, seconded by Director Allen, to approve the March 22, 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 5.3.

PERIOD FOR PUBLIC COMMENT:

Chair Durst called for a period of public comment.
Mr. King made comment on his protest of the water rights application. After no further public comments, Chair Durst closed the period for public comment.

1. CONSENT AGENDA:

Chair Azevedo and Chair Durst made time to consider consent agenda items 1.1 through 1.5 as follows:

- 1.1 Reservoir Committee and Authority Board consider approval of February 16, 2024, Reservoir Committee and Authority Board Meeting Minutes. (Attachments A & B)
- 1.2 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Treasurer’s Report. (Attachment A & B)
- 1.3 Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims. (Attachment A & B)
- 1.4 Reservoir Committee and Authority Board confirm committee and workgroup designations and participation. (Attachment A)
- 1.5 Reservoir Committee and Authority Board consider authorizing the Executive Director to enter into a Memorandum of Understanding with Glenn County, committing the Authority to pay County costs for performing property/sales tax analysis and land use planning activities needed to support County and local agency permits and approvals for the Project. The requested action includes a transfer of \$50,000 from the Engineering Subject Area Contingency to be committed to Glenn County for the above services.

Mr. Cheng requested Consent Item 1.4 be pulled for further discussion. Chair Azevedo so directed to pull consent Item 1.4 for further consideration, and entertained a motion for Consent Items 1.1, 1.2, 1.3 and 1.5 for approval to the Authority Board.

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Cheng, to approve Consent Agenda Items 1.1, 1.2, 1.3 and 1.5. to the Authority Board. **Motion carried unanimously.**

Mr. Cheng noted Item 1.4, Attachment A, required updates due to recent change in member representatives and sought confirmation that procedure is followed with updating of the rosters. Chair Azevedo concurred with Mr. Cheng and entertained a motion to approve Consent Item 1.4.

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Vanderwaal, to approve Consent Agenda Item 1.4 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Sutton, seconded by Director Evans, to approve Consent Agenda item 1.1 through 1.5. **Motion carried: All Directors present voted yes.**

Mr. Neudeck virtually joined the meeting at 9:35 a.m. and Mr. Smalls virtually exited the meeting at 9:36 a.m.

2. ACTION ITEMS:

2.1 Reservoir Committee and Authority Board consider approval of Construction Legal Services contracts for the performance period ending December 31, 2025, with:

- 1) Best, Best, & Krieger, LLP (BBK) for Civil Works with a total contract authority budget of \$228,000 for the performance period through December 31, 2025, and an initial total authority of \$136,600 through the end of 2024 and
- 2) Cox, Castle & Nicholson, LLP (Cox Castle) for Environmental Mitigation, with a total contract authority of \$400,000 for the performance period through December 31, 2025, and an initial total authority of \$200,000 through the end of 2024.

ED Brown described a rigorous process to select the two firms presented today. He emphasized that this decision lays the groundwork for critical project areas and team expansion. The contracts presented cover a limited period with the intention for these firms to continue through the construction and delivery period. It was noted that the selection process involved Board members and staff collaboration, with appreciation extended for their efforts in reviewing the proposals and a full day conducting interviews of the proposed firms. The work of the selection panel resulted in the conclusion that is before the Board today, with BBK and Cox Castle deemed the best choices for the Project.

ACTION RC: It was moved by Mr. Vanderwaal, seconded by Mr. Kunde, to recommend approval to the Authority Board of Best, Best, & Krieger, LLP for Civil Works with a total contract authority of \$228,000 for the performance period through 12/31/25 and an initial total authority of \$136,600 through the end of 2024. **Motion carried unanimously.**

ACTION RC: It was moved by Mr. Kunde, seconded by Mr. Vanderwaal, to recommend approval to the Authority Board of Cox, Castle & Nicholson, LLP for Environmental Mitigation, with a total contract authority of \$400,000 for the performance period through December 31, 2025, and an initial total authority of \$200,000 through the end of 2024. **Motion carried unanimously.**

ACTION AB: It was moved by Director Sutton, seconded by Director Allen, to approve of Best, Best, & Krieger, LLP for Civil Works with a total contract authority of \$228,000 for the performance period through 12/31/25 and an initial total authority of \$136,600 through the end of 2024. **Motion carried: All Directors present voted yes.**

ACTION AB: It was moved by Director Sutton, seconded by Director Allen, to approve of Cox, Castle & Nicholson, LLP for Environmental Mitigation, with a total contract authority of \$400,000 for the performance period through December 31, 2025, and an initial total authority of \$200,000 through the end of 2024. **Motion carried: All Directors present voted yes.**

Chair Durst cautioned the Board that it had recently come to their attention that a Sacramento area-based real estate broker has sent a letter to local landowners implying that they are working with the Sites Project Authority. He stated previously that he had experienced direct contact with other individuals, implying they were also working for Sites. It was noted that the Sites Project Authority has not engaged with any companies to search out or acquire any conservation/mitigation easements associated with the development and construction of the Sites Reservoir. Any statement made by any vendor that represents themselves or their company to the contrary is false and should be ignored.

2.2 Reservoir Committee and Authority Board consider authorizing the Executive Director to execute Operations Agreements with Maxwell Irrigation District and Colusa Drain Mutual Water Company.

ED Brown prefaced the presentation on this item, recalling that last month, the extension on the Operations Agreements with Maxwell Irrigation District (MID) was authorized, and significant work has been completed over the past month. Today, authorization is sought to execute these Operations Agreements. Emphasis was placed on the Agreement focus of coordinating Sites' operations with these parties to ensure that their operations are not disrupted, accomplished in a careful and coordinated fashion.

Ms. Forsythe provided an overview of the progress regarding the Operations Agreement, highlighting the recent time extension and efforts conducted in the previous month. A map graphic in the presentation was referred to showing the points of diversion information. Ms. Forsythe noted the commitment by Sites to avoid impacts to water rights and operations and referred to the Agreement's standard operating procedures that will include communications protocols, data sharing and notification and coordination timelines.

Director Sutton expressed curiosity on the Operations Agreement affecting the TCAA's operation of the dam on Funks Reservoir and requested to review the Agreement. Ms. Forsythe responded that care has been taken to not implicate TCAA's operation and will provide the Agreement for review. ED Brown noted the action requested today could be made contingent upon review of TCCA and Dept. of Reclamation before execution of the Operations Agreement.

Ms. Forsythe concluded the presentation by noting that the Colusa Drain Mutual Water Company (CDMWC) Operations Agreement will be similar to the MID Operations Agreement. She noted that the CDMWC represents landowners' water rights along the Lower Colusa Basin Drain (CBD) System, and it is anticipated that one additional term in the CDMWC's Operations Agreement regarding releases into the drain. This will be consistent with the Board's resolution that was adopted in 2023 regarding the Sites Project's use of the CBD system.

Director Sutton inquired on the overlap of the operations between Sites, MID, and CDMWC. Ms. Forsythe responded that MID does have year-round water rights on Stone Corral Creek, CBD landowners have more limited overlap, however, some landowners along the CBD do have year-round water rights.

Chair Durst inquired if the Operations Agreement will also address landowners on the CBD not using Sites water. Ms. Forsythe noted this will be addressed in the Operations Agreements and other future agreements.

ACTION RC: It was moved by Mr. Vanderwaal, seconded by Ms. Pryor, to recommend to the Authority Board, the Executive Director be authorized to execute Operations Agreements with Maxwell Irrigation District and Colusa Drain Mutual Water Company pending approval by the TCCA on the operation of Funks Reservoir. **Motion carried unanimously.**

ACTION AB: It was moved by Director Sutton, seconded by Director Evans, to authorizing the Executive Director to execute Operations Agreements with Maxwell Irrigation District and Colusa Drain Mutual Water Company pending approval by the TCCA on the operation of Funks Reservoir. **Motion carried: All Directors present voted yes.**

2.3 Authority Board consider authorizing the Executive Director to act on the request of newly formed Zone 3 of the Colusa County Flood Control and Water Conservation District to become an Associate Member of the Sites Project Authority.

ED Brown emphasized the excitement of the recent formation of Zone 3. He noted that it will take time for the details to be sorted out, as there are many efforts, commitments, agreements, and other considerations to be finalized by the six entities that form Zone 3. The request and recommendation before the AB today is to bring Zone 3 in as an Associate Member of the Sites JPA Board, allowing the Zone 3 representative to participate in the Board discussions and mark the start of a transition process to a new zone of benefit. It was emphasized that as Zone 3 follows a path involving commitments and agreements within the six entities, Zone 3 will return to the Board with a plan for participation. For clarity, ED Brown spoke on a zone of benefit being an established area map that identifies lands that are assessed for the purpose of rights and highlighted that the motion today to make Zone 3 an Associate Board Member is solely for the AB to consider.

Mr. Cheng sought clarification if this would result in a change in aggregate storage share. In response, ED Brown suggested that they may maintain their aggregate share, but this will require confirmation. ED Brown emphasized that this development indicates that local agencies are taking action to progress to the next stage of the Project, which is a positive step.

Director Sutton expressed thanks to those who took the lead to move forward with Zone 3. He also sought clarification on the protocols for onboarding a member, if voting of members home boards was required with this action. ED Brown replied that the next step before the Board would require that.

Mr. Vanderwaal noted that Zone 3 may have internal shifts, but the aggregate share of the six entities forming Zone 3 will not change until there is a full rebalancing step in the next phase that involves all members of the RC.

ACTION AB: It was moved by Director Evans, seconded by Director Sutton to approve agenda item 2.3. **Motion carried: All Directors present voted yes.**

3. DISCUSSION AND INFORMATION ITEMS:

3.1 Receive update on the California Independent System Operator (ISO) interconnection application.

Mr. Robinett provided an update on the California ISO Interconnection process application for Sites. A year ago, Sites submitted the application with a sizeable fee, most of which is refundable, to enter the queue for the ISO to evaluate the project and conduct an interconnection study. The application was accepted, and Sites has been working with the ISO since then to be part of a cluster of applicants. This cluster-based evaluation process is how the ISO manages new applications due to the high volume. Mr. Robinette said that it is being monitored and progress is being made, and updates will continue to be provided. This topic has been discussed in detail and the Operations and Engineering Workgroup and was requested for further discussion at a previous Board meeting.

Mr. Cheng inquired at what point this would become critical. Mr. Robinett relayed that within the next six months, we will know if this is a critical path item.

ED Brown commented that ISO is under the state's administration, so the Governor's certification and expediting will have some bearing on the actions these agencies take as well.

3.2 Receive an overview of preliminary Project operations modeling results using the recently developed CalSim model platform (commonly referred to as CalSim 3). (Attachment A & B)

ED Brown introduced Ms. Bezzone to lead the presentation, commenting that the Board requested further information on the CalSim modeling and an update on the valuation of the CalSim 3 platform as opposed to CalSim II.

Ms. Bezzone noted if Sites were moving from CalSim II to CalSim 3 and no other parameters were changing, the team would expect the results to be similar. In this effort, there is a change to the baseline with CalSim 3 using the expected 2023/2024 CVP/SWP Reconsultation Proposed Action as the baseline.

ED Brown added that the reason for looking at the baseline is not due to an error but because it is constantly in flux, so it is important to be evaluating constantly and

reassessing. Ms. Forsythe noted that the 2023/2024 baseline has not been adopted yet, this is Sites taking initiative.

Ms. Bezzone provided information on the baseline model, explaining that historical hydrology as the baseline is no longer used and was relied on for CalSim II. CalSim 3 makes tweaks to historical hydrology to create a baseline that is more reflective of today's climate conditions, and utilizes land use information for recent historical uses, but it has projected urban demands based on 2040, and that is a bit different.

Ms. Bezzone presented a table graphic to show what has been modeled in CalSim 3 to date, explaining that the modeling team is continuing to incorporate all the diversion and operational criteria. Next, Ms. Bezzone reviewed a graph showing preliminary results with a comparison between CalSim II and CalSim 3. She noted some slight changes between the two and expressed that this will be reviewed in more detail to identify those differences. A table showing the long-term average diversion under CalSim II is approximately 277 thousand acre-feet, and with CalSim 3, it is 263 thousand acre-feet.

Ms. Bezzone emphasized that the graphs provided are very preliminary results and change is expected. She highlighted that it is much too early to consider adjustments in project costs. Ms. Bezzone indicated that the team is focused on ensuring that the right experts are working on the effort and moving the project forward. There are still a few months until the model will be complete with AQ/QC results.

Director Sutton inquired if diversion equates to yield. Ms. Bezzone indicated that it does not, and yield numbers have not been produced yet. Director Sutton asked if voluntary agreements would have a significant impact on this. Ms. Bezzone responded there are times when there might be overlap in a specific month of a specific year, but the timing from the initial that was included in the water right application did not show major concerns on overlaps of times when Sites would be diverting, and VA assets are in the river.

3.3 Review and comment on the 'conditions precedent' status report and storage partner approval coordination table. (Attachment A & B)

ED Brown highlighted that the list is a compilation of approximately 40 approvals and agreements that are necessary at some juncture of the process, including state and federal items. It was highlighted that 80% of them are required before final investor commitment. ED Brown noted that this is an opportunity for members of the Board to review and identify the requirements of their home boards for the approval to sign the Benefits and Obligations Contract.

4. REPORTS:

4.1 Chairs' Reports:

Chair Azevedo noted that the river is still in excess.

Chair Durst reported on the state capital tour he attended with NCWA on February 22, 2024, where he provided updates on the Sites Project with interactions focused on the timeline of the Project. On February 26, 2024, Chair Durst and ED Brown attended a meeting with PPIC which was hosted by NACWA and on March 12 and 13, 2024, Chair Durst attended a capital tour in DC providing updates on the Sites Project.

Chair Durst highlighted that two weeks prior, the Bureau completed their funding for 9% of the Project. The Commissioner is now working on securing funding for 2026, aiming for an additional \$340 million. She expressed that their modeling shows the 16% investment is critical, and efforts are underway to secure this funding. Chair Durst shared with the Commissioner that the Project is fully subscribed, with a waiting list, and expressed to the Board that the Commissioner's foresight in seeking additional funding is commendable.

Chair Durst reported on an upcoming ASCE event in Sacramento on March 28, 2024, where he, Henry Luu and Joe Yun will be speaking on Sites with David Guy as the panel moderator. He concluded his report noting that enthusiasm and energy for the Sites Project is noticeably increasing, this enthusiasm is evident not just with the Board, but also across California and in Washington, DC.

4.2 Committee & Workgroup Chairs' Reports:

Vice Chair Kunde reported on the Operations and Engineering Workgroup's March 13, 2024, meeting. Highlights of the meeting included a review and recommendation of construction legals service providers, a summary of 2022–2023 Geotech, review of the CAISO and DSOD coordination and the CalSim 3 modeling. He emphasized that there is room for more Board members to participate and encouraged those interested to contact him directly.

4.3 Authority Board & Reservoir Committee Participant Reports:

Director Evans commented on the Local Community Working Group meeting held on March 14, 2024. He encouraged the broader community to attend these meetings and noted that a future local vendor outreach event would be beneficial.

Director Sutton noted that the Legislative & Outreach Committee is scheduled for an elected officials tour in Sacramento on April 9, 2024, with a target for the week of May 20, 2024, for an elected officials' tour in Washington DC. He encouraged Board members to attend these tours and to contact himself or Ms. Spesert if interested.

4.4 Executive Director's Reports:

Executive Director (ED) Brown spoke to the following:

ED Brown shared that Sites was represented at Ernest Conant's retirement event that was held the previous day. ED Brown highlighted Mr. Conant's history with the Sites Project and expressed appreciation for the strong advocacy he provided.

ED Brown stated the ACWA 2024 Spring Conference in Sacramento from May 7 to May 9, 2024, emphasizing that Sites has secured a room for Tuesday, May 7, from 2:00 to 3:30 p.m. He encouraged Board members to encourage members of the home boards to attend, as it will be an opportunity for them to learn more about the project directly and have any questions answered.

ED Brown announced that Mr. Tincher would be retiring in a few months and introduced Mr. Plinski as his replacement, who will assume the role after Mr. Tincher's retirement.

ED Brown shared the proposed organizational chart for 2024/2025, indicating a shift and some changes as it now represents the transition from planning to delivery mode. He indicated this transition is to accommodate the next phase of the project. This concluded ED Brown's remarks.

Chair Durst declared a recess at 10:30 a.m. and convened into Closed Session.

5. 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)).

5.2 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

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

6. REPORT FROM CLOSED SESSION:

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

7. RECAP:

7.1 Suggested Future Agenda Items.

No suggested future agenda items provided.

7.2 Upcoming Meetings:

Reservoir Committee & Authority Board

Friday, April 19, 2024 (9:00 a.m. – 12:00 p.m.)

Maxwell Project Office & Virtual

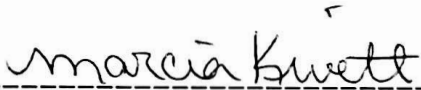
Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at the hour of 11:57 a.m.



Fritz Durst, Authority Board Chair



Mike Azavedo, Reservoir Committee Chair



Marcia Kivett signing for Terri Boland, Board Clerk