

Website: SitesProject.org

Reservoir Committee & Authority Board

December 20, 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 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 9:03 a.m., followed by Roll Call and the Pledge of Allegiance.

ROLL CALL/ATTENDANCE:

Authority Board: 8 members in attendance, resulting in a quorum.

Reservoir Committee: 20 representatives (95.01%)in 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 Ms. Pryor, to approve the December 20, 2024, meeting agenda. Motion carried unanimously.

ACTION AB: Moved by Vice Chair Sutton, seconded by Director Vanderwaal, to approve the December 20, 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 matter 5.1.

PERIOD FOR PUBLIC COMMENT:

Chair Durst called for a period of public comment. There were no comments.

1. **CONSENT AGENDA**:

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ACTION RC: Moved by Mr. Plinski, seconded by Mr. Eckhart, to approve the consent agenda. Motion carried unanimously.

<u>ACTION AB</u>: Moved by Director Vanderwaal, seconded by Director Kaplan, to approve the consent agenda. **Motion carried unanimously.**

- 1.1 Reservoir Committee and Authority Board consider approval of November 15, 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.

2. **ACTION ITEMS**:

- 2.1 Reservoir Committee and Authority Board consider approval of consulting contracts related to financial management of the Authority as follows: (Attachments A, B & C)
 - a. Authorize a new Agent contract with Shayleen O'Connell CPA to provide Finance Manager services at a monthly retainer rate of \$32,000 per month for the period of January 20, 2025, through June 30, 2026.
 - b. Extend the existing Program Operations Manager contract with Trapasso Consulting Services through January 31, 2025.
 - c. Authorize a new consulting contract with Trapasso Consulting Services to support the transition of the new Finance Manager and provide ongoing services related to procurements and contracts as directed by the Finance Manager from February 1, 2025, through June 30, 2026, with a contract authority not to exceed \$100,000.

Executive Director Brown opened this item and noted the Authority has done significant outreach, and posted a Request for Qualifications, seeking a Finance Manager. From these efforts, four proposals were received, and the recommendation is to hire Shayleen O'Connell, who is familiar with the local area and whose hire represents a shift from previous services provided by Trapasso Consulting Services.

ED Brown noted there is an overlap between Ms. O'Connell and Mr. Trapasso's services, and that Trapasso Consulting Services will continue to provide service for procurement and contracts through June 2026.

ED Brown pointed out that the received proposals may have been lower in number than expected due to the Authority utilizing a consultant structure, as the individual will not be an employee of the Authority. He also said Ms. O'Connell was asked if there were any real or perceived conflicts of interest in serving in this role, and she communicated there were none.

<u>ACTION RC</u>: It was moved by Mr. Cheng, seconded by Vice Chair Kunde to recommend approval of agenda item 2.1 to the Authority Board. **Motion carried unanimously.**

<u>ACTION AB</u>: It was moved by Vice Chair Sutton, seconded by Director Vanderwaal to approve agenda item 2.1. **Motion carried**: All Directors present voted yes.

2.2 Reservoir Committee and Authority Board consider approval of Resolution 2024-02 authorizing the Executive Director to execute all real property documents necessary to acquire real property from Red Stick Colusa LLC. and to take such other actions as are necessary or appropriate to effectuate the close of escrow. (Attachment A)

ED Brown turned this item over to Mr. Kevin Spesert, who reviewed background information for the item, including the purchase agreement with Red Stick LLC.

Mr. Spesert went over the path forward to close escrow, with staff preparing to finalize relevant documents. He noted the real estate team had done a great job working toward a completed transaction and said that Red Stick was also very helpful.

ED Brown said this transaction is critical to the project and represents an important path of activity. Mr. Holley asked which entity will own the property and ED Brown said the JPA itself will be the owner; the tenant will be responsible for standards identified in the lease agreement and related maintenance activities. Mr. Spesert verified the real estate team will be acting as the land manager.

<u>ACTION RC</u>: It was moved by Ms. Pryor, seconded by Mr. Plinski, to recommend approval of agenda item 2.2 to the Authority Board. <u>Motion carried unanimously</u>.

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

2.3 Approve Resolution No. 2024-03 commending outgoing Colusa County Supervisor Gary Evans for his dedicated service to the Sites Reservoir Project and the Sites Authority Board. (Attachment A)

ED Brown introduced the item, commending Mr. Gary Evans for his tireless effort to set the Project up for success. He said Mr. Evans is one of the pioneering individuals involved in the work. He thanked Mr. Evans for his very helpful advice and efforts, saying he learned a lot from him, and he further said Mr. Evans has always been an advocate for how things could be done more simply and efficiently.

Ms. Maher noted that Mr. Evans was a keystone member of the Project and thanked him.

Mr. Kunde expressed his gratitude for Mr. Evans' dedication to the Project.

Following the remarks of commendation from the Committee and Board, a vote was taken on Resolution 2024-03.

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Plinski to recommend approval of agenda item 2.3 to the Authority Board. Motion carried unanimously.

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

Mr. Evans thanked everyone present.

3. <u>DISCUSSION AND INFORMATION ITEMS</u>:

3.1 Receive an update on the progress developing the Benefits & Obligations Contract and financing documents.

ED Brown introduced the item and presented information related to the last 18 months of Phase 2 (Planning) of the Project, then turned the item over to Mr. Robinette.

Mr. Robinette explained there has been much progress made on the governance and financing documents related to the Benefits & Obligations (B&O) contract. The documents are Phase 3/4/5 bylaws and the updated Joint Powers Agreement. He said that comments and feedback have been checked against the Authority's guiding principles and preliminary terms, which helps keep things on track. He reviewed where there is potential to vary from the guiding principles, related to the project governance.

Mr. Robinette reviewed the sequence of decisions that will be made over the next year and a half, noting that the timeline constricts and tightens up the further into along the Project gets. He walked through the schedule related to Phase 2. He spoke about budgeting and planning, and the need for participant feedback for considerations like cost estimate, and the master agreement. He noted staff are asking participants to assess their confidence so that potential changes can be anticipated and addressed. He went through the schedule of items and critical milestones that will be taken up over the next 18 months, including projected costs and financing components, and stressed that staff are looking for engagement and feedback early on. He noted that by April 2026, there will be a need for 100% participation.

In response to questions regarding commitment, ED Brown said staff will be looking for it earlier on, as the Authority ramps up communication with those on the waiting list.

In response to questions and comments on the need for cost estimates, Mr. Robinette noted the importance of finalizing documents and the baseline report to provide a clear understanding of the project's costs, benefits, and risks.

Hearing no further comments or questions, the Board and Committee moved on to Item 3.2

3.2 Receive an update on the progress being made in the development of the Reservoir Operations Plan, Version 2.1.

ED Brown opened this item and said Ms. Angela Bezzone would give a presentation.

Ms. Bezzone said this item had been coordinated with the Operations & Engineering (O&E) group, to develop the Reservoir Operations Plan. She presented background and said they had received comments from participants on the draft, and had discussion and feedback at a special workgroup meeting.

Ms. Bezzone reviewed the flood operations topics related to storage allocations and when the Authority may need to release stored water, such as when there are high inflows. She explained that staff will return to the workgroup in Quarter One of 2025. She further presented a review of the components involved in the Water Right Development period and talked about goals to maximize diversion to storage and use under the permit. Ms. Bezzone noted that comments regarding exchanges primarily for Shasta Lake and Lake Oroville have been received, and said exchanges will only be conducted when they would be neutral or beneficial to operations – details regarding exchange operations are still being worked out.

Ms. Bezzone reviewed downstream facilities capacity interest, ownership components, and capacity limitation priorities, and she spoke about how decision-making will be achieved. She noted staff needs to consider the Benefits

& Obligations contract language and governance discussions relative to these items, and ensure that DCFI can be managed consistent with beneficiary pays.

ED Brown said that if Committee or Board members are more interested in these topics, they should engage with the O&E workgroup.

Ms. Bezzone reviewed components of the schedule and the operations plan input; noting that staff are updating the Plan v2.1, developing other contracts, documents, and permits, and planning a focused review of these items.

Vice Chair Kunde noted the O&E workgroup members identified the manner for O&M payments and said this would be an ongoing discussion. Vice Chair Sutton also made comments about the local and environmental benefits related to this item.

Hearing no further comments, the meeting moved to Item 3.3.

3.3 Receive update on the Glenn Colusa Irrigation District and Tehama-Colusa Canal Authority Facilities Use Agreements.

Vice Chair Sutton and Mr. Vanderwaal both recused themselves during discussion of this item.

Mr. Robinette opened the item and reviewed its background. He introduced Sanjay Gaur who gave a presentation on the Wheeling Rate Study and the associated preliminary methodology and results. This included an overview of the partner agency facilities, and the rate study definition and goals. Mr. Gaur also discussed the study status, the parties involved, and engagement efforts thus far. Mr. Gaur reviewed the draft facilities use agreements term sheets, the study challenges, and the rate methodology process steps. He presented information to review the facilities and noted if they are involved in releases from Sites via Tehama-Colusa Canal Authority and diversions to Sites via Glenn Colusa Irrigation District. His presentation provided information related to wheeling costs, maintenance, repair and replacement expenses, and cost increases due to conveyance.

Mr. Gaur explained the wheeling rate methodology models, explained the rate structure with existing operations and maintenance and capital components, and cost increases recovered via Sites' funding of new reserve. He future reviewed a proposed "credit" methodology.

Vice Chair Kunde asked about annual cost escalation in the sample and Mr. Gaur explained there would be a "true up" once actual costs are known.

Mr. Neudeck asked about consistency with the modeling, and ED Brown explained this is an example, and there would be changes between dry years and wet years.

Hearing no further comments, the meeting moved to Item 3.4.

3.4 Review and discuss the conditions precedent for Central Valley Project reimbursement agreements and Federal Biops step 2, CWA 404/401 permit approvals.

Ms. Forsythe opened this item, noting it centers around the Benefits & Obligations contract. She reported on conditions precedent reporting, saying this reporting focuses attention on permits and approvals that the storage partners identified as important to sign off on, for participation commitment.

Ms. Forsythe reviewed the three conditions precedent that will not be completed prior to the offer for resolution of capacity. She said it's anticipated these will be completed before the "go decision" and during the six-month investor commitment period.

Vice Chair Sutton noted it is critical to know which costs are non-refundable for commitment. Vice Chair Kunde asked about reimbursable contracts and Ms. Forsythe said generally districts would reimburse the Federal government, depending on the nature of how their Sites water will be utilized.

Ms. Forsythe reviewed project-specific operations biological opinion components and said opinions are expected in the latter part of 2025. Vice Chair Kunde noted that in the absence of biological opinions, one might receive concurrence that they are contingent, or are related to the conditional authorization to execute contracts.

Ms. Forsythe asked members to give feedback and questions to help address uncertainties in preparation of participation.

Hearing no further comments, the meeting moved to Item 3.5

3.5 Receive an update on the progress being made with Colusa, Glenn and Yolo Counties toward entering into Development Agreements between the Authority and each County. (Attachment A)

ED Brown stated this item is part of the continuing update that is a matter of public information and reviewed the information in the staff report. In response to a question about the counties, and the City of Willows, ED Brown said there have been discussions with these entities, and that it would be beneficial to involve the City of Willows in the working group. Alternate Director Yoder noted he would like to see City of Willows included.

Hearing no further comments, the meeting moved to Item 4, Reports.

4. REPORTS:

4.1 Chairpersons' Reports:

Chair Azevedo noted that his agency has been diverting water since mid-December, since it has been a rainy season. Chair Durst said he was invited to the Governor's press conference and Vice Chair Sutton was able to attend in his place; the Governor highlighted Sites in his comments and noted that it is an important California project. ED Brown stated interested persons can watch the Governor's comments on YouTube.

4.2 Committee & Workgroup Chairs' Reports:

Operations & Engineering: Vice-Chair Kunde noted there was a special meeting related to items discussed at this Board and Committee meeting and Ms. Bezzone's presentation. He said following the meeting, he met with Ms. Forsythe and Ms. Bezzone to identify additional action items for the O&E workgroup.

Legislative Outreach: Vice Chair Sutton said there was a meeting to hone messaging and position on items, as landmark dates are reached. He said they also focused on how to support investor agencies. Because the committee only has two members now, himself and Ms. Pryor, others are encouraged to participate.

Budget & Finance: The recent meeting's attendance was the most robust it has been in a long time; there was quite a bit of Union attendance. A community plan should be out soon for public review and discussion.

4.3 Authority Board & Reservoir Committee Participant Reports:

None.

4.4 **Executive Director's Reports**:

Executive Director Brown spoke to the following:

- City of Mountain House has been added to the waiting list.
- CMAR RFQ issuance was set for January 8.
- Form 700s in 2025 are required to be completed electronically and are due April 1.

5. CLOSED SESSION: 11:28

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

6. REPORT FROM CLOSED SESSION: 11:51pm

There was no action taken in Closed Session.

Unrelated to Closed Session, Attorney Alan Doud took a moment to report that Board and Committee members are obligated to take an Ethics training and so he would be reaching out to make that training available.

- 7. RECAP: None.
- 7.1 Suggested Future Agenda Items. None
- 7.2 **Upcoming Meetings:**

Reservoir Committee & Authority Board

Day of Friday, January 17, 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 11:52 p.m.

MJ Brown, Board Cler

Fritz Durst, Authority Board Chair

Mike Azevedo, Reservoir Committee

Chair

Agenda Item 1.1, Attachment A

9:00 AM - Noon

Current Voting Committee Participants (22):

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

20 Voting members represented at the start of the meeting- \boxtimes **95.01%** Represented participation percentage.

Representation has been delegated as follows:

- (1) Proxy to Jamie Traynham, Davis WD
- (‡) Not present after _____

Meeting Attendance

Agenda Item 1.1, Attachment B

December 20, 2024 9:00 AM- Noon

Current Voting Authority Board (9)		Primary		Alternate
Colusa County		Gary Evans	Ø	Mike Azevedo
Colusa County Water District		Joe Marsh		Hal Charter Shelly Murphy
Glenn County		Thomas Arnold		Jim Yoder
Glenn-Colusa Irrigation District		Jeff Sutton		Logan Dennis
Reclamation District 108		Fritz Durst		Sean Doherty Hilary Reinhard
Placer County Water Agency	\boxtimes	Gray Allen		Scott Alvord
Tehama-Colusa Canal Authority		Bill Vanderwaal		Jim Jones Zack Dennis
City of Sacramento		Lisa Kaplan		Anne Sangar Brett Ewart
Westside Water District		Doug Parker	同一	Zach Dennis
Associate Members (non-voting)		Primary		Alternate
Western Canal Water District		Greg Johnson		Ted Trimble
Zone 3		Mike Urkov	\boxtimes	Wendy Tyler
Non-Voting Committee Participants (2)		Primary		Alternate/Other
Department of Water Resources		Rob Cooke		
Bureau of Reclamation	\boxtimes	Adam Nickels Allison Jacobson	MM	Natalie Taylor Jesse Sikora
Current Voting Reservoir Committee (22)		Primary		Alternate
American Canyon, City	\boxtimes	Jason Holley		
Antelope Valley-East Kern WA		Matt Knudson		
Coachella Valley Water District		Robert Cheng		Petya Vasileva
Colusa County		Mike Azevedo		Gary Evans
Colusa County Water District		Halbert Charter	\boxtimes	Shelly Murphy
Cortina Water District		Jim Peterson		Chuck Grimmer Jamie Traynham
Davis Water District		Jamie Traynham		Tom Charter
Desert Water Agency		Steve Johnson		David Tate Esther Saenz

Meeting Attendance Agenda Item 1.1, Attachment B

December 20, 2024

9:00 AM- Noon

Dunnigan Water District			Jordon Na	varrot			
RD 108			Jordon Na	varrot		Lewis B	air
Glenn-Colusa Irrigation District			Logan Den	nis		Louis Ja	arvis
Irvine Ranch Water District			Paul Wegh	orst	\boxtimes	Robert	Huang
LaGrande Water District			Zach Denn	is			The state of the s
Metropolitan Water District			Randall Ne	udeck		Nina Ha	
Rosedale-Rio Bravo Water Di	strict		Trent Taylo	r		Dan Ba	rtel
San Bernardino Valley Water	District		Michael Pl	inski		Heathe	r Dyer
San Gorgonio Pass Water Agency			Lance Eckh	art		Thoma: Emmet	s Todd t Campbell
Santa Clara Valley Water Dist	rict		Cindy Kao		\boxtimes	Katheri	ne Maher
Santa Clarita Valley Water Agency		\boxtimes	Steve Cole			Ali Elha	ssan
Westside Water District			Allen Myer	S			
Wheeler Ridge-Maricopa Water Storage District			Rob Kunde	Sheridan Nichol		n Nicholas	
Zone 7 Water Agency			Valerie Pry	or		Lillian X	ie
Authority, Non-Signatory (6)	****		Primary			Alternat	10
PCWA			Ed Horton			Ben Bar	
TOTAL	PCWA						
Roseville			George Hai Joshua Alpi	i i		Sean Big Darin Re	•
Sacramento County			Kerry Schm	itz			
Sites Project Authority:			<u> </u>		L	· · · · · · · · · · · · · · · · · · ·	
☑ Jerry Brown ☑ Ali Forsyth	e 🛛 Kevin	Spesert	l 🛛 JP Robi	nette 🛛 Jo	oe Trapa:	sso 🛛	MJ Brown 🔲 Alan Doud
Members of the Public							
Name Representing				Name Representing			Representing
Onalee Elsberry-Crabtree Vanir			Jocelyn Zett		terbaum		Vanir
Kyle Hughes Public			Chuck Adamson			OE3	
Richy Cruz NCCRC			Randy Wilson				BOS

December 20, 2024

9:00 AM- Noon

Members of the Public

Name	Representing	Name	Representing
Jordan Gobel	Dewberry	Augustin & Maria Munozguren	Public
Carrie Scot	CVWD	Mark Mcloughlin	Public

Virtual Attendance

Virtual Attendees 100

Marcia Kivett Alicia Forsythe JP Robinette

Magda McConihe (External)

Conference

15304546811 (Unverified)

Wendy Ambriz

Sikora, Jessica L (External) Suzzan Hunt (External)

MJ Brown

m azevedo (Unverified) jerry brown (External) Mahmood, Sudeep

SC Irvine Lake Conference Room (External) Pamela Katleba-Jenkins Westside Water

Jim Bowley

Jason Holley (External) Sanjay Gaur (External) Luu, Henry (External) Katherine Maher (External) Marika Bernardi (External) Arnold, Christopher Nathan Rinaldi

Angela Bezzone (External)

Quang Tran Jeff Kivett (External) Michael Milani (External) Richard Turkson

Pryor, Valerie (External)

Brian Thomas Desi Dikova (External)

Barrett, Leslie (External) Eric.Patterson1

Avoub Antabeel Scott Brown (External)

Amanlou, Pari Mark M. Gilbert (External) Nancy Moricz (External) Andrea E. Rocha (External)

Johnson, Keith (External) Wendy Tyler (Unverified)

Jillian Smith

Douglas McDonald (External) Rivera, Itzia@DWR (External) Alan Boyce (External)

Michelle Henry

Chandra Chilmakuri (External) Berens, Jacob J (External) Arsenijevic, Jelica (External) Rubina Chaudhary (External) Smalls, Samuel L (External)

Stanley, Robert@Wildlife

Ted Trimble

Briard, Monique (External)

Ali Elhassan (External)

19167013226 (Unverified)

Smith, Michael (orange) (External Tasha Weaver (Senator Megan Dahle-SD01) (Unverified)

Mark Tomey County of Colusa Plai 15306824205 (Unverified)

Trent Taylor (External)

Joel Kantola

Ryan Shaw

Jacobson, Allison M (External) Douglas Montague (External)

Steve Johnson (External) Spranza, John (External)

Castro, Sara

Starr, Sarah Taylor, Natalie L (External)

Jordon Navarrot (External) Cooke, Robert@DWR (External)

Jesse McBryan Petya Vasileva

Shelly Murphy (Unverified)

Fritz Durst

Steve Cole (External) Robert Huang (External) Esther Saenz (External) Louis Jarvis (External)

Alan Doud (External)

Mihail (Unverified) Gilmore, Amy (External) Elizabeth L. Cousins 19169550047 (Unverified) Neudeck, Randall D (External) Alcott, Derrick@Wildlife Carrie Scott (External) Paul Weghorst (External) Anthony.Middleton

Takata, Lynn@Wildlife O'Donnell, Daniel@Wildlife Alexander Williams Kris Johnson (External) Alexander, Jeriann (External) Foss, Elizabeth (External)

Nelson, Peter

Joe A. Iniguez (External)

Marcus Maltby (External) Conner McDonald (External)