



## **Reservoir Committee & Authority Board**

**January 17, 2025**

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 9:04 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: 19 representatives (91.54%) 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. Pryor, seconded by Vice Chair Kunde, to approve the January 17, 2025, meeting agenda. **Motion carried unanimously.**

**ACTION AB:** Moved by Director Vanderwaal, seconded by Director Kaplan, to approve the January 17, 2025, meeting agenda. **Motion Carried: All Directors present voted yes.**

#### **ANNOUNCEMENT OF CLOSED SESSION:**

General Counsel (GC) Doud announced that 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 the importance of utilizing responsible labor and contractors who offer benefits and apprenticeships.

Hearing no other comments, Chair Durst closed the public comment period.

1. **CONSENT AGENDA:**

**ACTION RC:** Moved by Ms. Traynham, seconded by Mr. Navarrot, to approve the consent agenda. **Motion carried unanimously.**

**ACTION AB:** Chair Durst noted he had provided a grammar change to Executive Director Brown and also that he provided Mr. Trapasso with language to be added to Item 1.4.1 – related to accounting policies and Federal Deposit Insurance Corporation. Following this stated, it was moved by Chair Durst, seconded by Director Vanderwaal, to approve the consent agenda. **Motion carried unanimously.**

- 1.1 Reservoir Committee and Authority Board consider approval of December 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 administrative changes to the adopted board policies and guidelines as follows:
  1. Minor revisions to the Accounting, Budget Policy, Accounts Payable Approval and Records Management Policies to incorporate law changes since prior adoption and/or administrative clarifications that better align the document with how the policy is being implemented.
  2. Revisions to the Delegation of Authority Matrix to better align the document with how delegation is implemented and incorporate prior procurement and contract policy changes.

2. **ACTION ITEMS:**

- 2.1 Reservoir Committee and Authority Board consider accepting the State and Federal Legislative 2025 priorities. **(Attachments A & B)**

Executive Director (ED) Brown opened this item and asked Vice Chair Sutton to add his comments. ED Brown noted this item has come to the Board and Committee regularly over the last few years. The purpose of the item is to focus on where the Authority is currently and acknowledge that the project is at a pivotal point. ED Brown stated everyone is encouraged to think through the topics that come from reviewing the priorities, especially as decisions are being made, to make sure these priorities are aligned with what is supportive to various activities by Committee and Board members. Vice Chair Sutton added the priorities reflect the project's core values and that as Sites is more often in the news and grows closer to ground-breaking, it is important to consider the investments the project is making and seeking. He noted the priorities report is a living document and it changes as necessary. He stated he and Ms. Pryor are on the committee overseeing the document.

Chair Durst noted that as new elected officials take office this year, education about the project will take more effort. He said a coalition of representatives may be planning a trip to Washington D.C. and Ms. Kaplan pointed out she too would potentially be able to assist with communication in the Greater Sacramento Region.

Hearing no further discussion, Chair Durst called the question.

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

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

### 3. **DISCUSSION AND INFORMATION ITEMS:**

#### 3.1 Review and comment on the process of providing input as the updated Total Project Cost Estimate is being developed.

ED Brown introduced the item and then turned it over to Mr. Robinette. Mr. Robinette referred to a detailed schedule that was presented last month, which laid out the steps to get to investor agreement. He said the present item is to discuss the project baseline report, including a critical component of project cost.

Mr. Robinette explained that project cost involves two steps or phases – 1. Costs, and then 2. Benefits and Financing. He presented a visual slide that demonstrated these two phases and reviewed the elements within the phases, culminating in the final baseline report to be produced in October. He explained it will be important in the future to understand that decisions are being made based on choices made within these two phases.

Vice Chair Sutton commented it is hoped that the project will have something solid related to water rights in October so that the information can be shared with home boards. Mr. Robinette explained this is important but noted that forecasted costs and the investor commitment escrow period will come later and said that decisions will be based on 'frozen documents' in about April 2026.

Mr. Robinette reviewed the first phase and explained that because costs and affordability are a participant concerns, the project will reconvene the ad-hoc value planning workgroup. This workgroup's focus is to make certain participants are comfortable taking information back to their home boards and satisfying questions related to the project having good design and estimates, that uncertainty has been accounted for, and contingencies have been considered. Further, the group will consider opportunities to reduce costs and add value. Mr. Robinette explained that the topic of uncertainty is being addressed and as more is learned, the project will continue bringing information back to the group.

Mr. Robinette reviewed the value planning ad-hoc subcommittee's current roster and said that if others are interested in participating, they should contact Vice Chair Kunde. Vice Chair Kunde stated that there is room for one more participant and that the subcommittee will convene for an anticipated four meetings in the near future.

Mr. Robinette noted that when the project moves to the second phase, discussions regarding funding may mean adjusting timelines in the schedule. In response to a question regarding timing, he noted that the project construction schedule is anticipating breaking ground in 2026 and project completion in 2032.

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

3.2 Receive and comment on updated conditions precedent quarterly status report.

ED Brown opened this item and explained this update is to identify the key elements that various funding partners have identified as critical for progress. The report reviews where progress has been made and those areas that may need modification. He noted a key takeaway in the report is that the targeted date for participant escrow is still October 2025. He stated that if there are any elements

within the status report that are a cause for concern, staff would appreciate hearing those now. Chair Durst added that when going back to home boards, communication should go beyond costs and review the creative ways in which water will be utilized in the future as an asset that can be moved to those areas where it is needed, and is flexible in terms of being used for both state and federal projects.

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

**4. REPORTS:**

**4.1 Chairpersons' Reports:**

Chair Azevedo noted he has heard from local workforce groups regarding their interest in the project and said timing will play a role in their involvement, as there are times throughout the year they are not as busy. He noted the Delta is still diverting water. He also shared that a local farm show is coming up, which presents an opportunity to share information about the project with attendees.

Chair Durst said he recently talked with Karla Nemeth, Director of the California Department of Water Resources, who is interested in project benefits, and he noted that communicating about benefits is as important as sharing related costs.

**4.2 Committee & Workgroup Chairs' Reports:**

Local: ED Brown noted the project has closed escrow on its first property and that there is a tenant with a leasing agreement. Chair Durst noted that ownership is recognized in the class of the Reservoir Committee, not in the class of the Authority Board.

Operations & Engineering: Vice Chair Kunde said there was a meeting related to items discussed at this Board and Committee meeting and including value planning efforts. He also stated that he attended a California Water Commission meeting which included a report on Contra Costa Water's withdrawal from the water storage investment program.

**4.3 Authority Board & Reservoir Committee Participant Reports:**

None.

**4.4 Executive Director's Reports:**

ED Brown did not have an oral report.

Chair Durst introduced Mr. Adam Nickels, Principal Deputy Regional Director of California-Great Basin Region. Mr. Nickels reported that the Bureau of Reclamation has contributed an additional \$129M dollars and continues to

make investments into Northern California Water as it seeks to help create long-term solutions for storage. He said this additional funding brings the Bureau's total funding commitment to \$625M. He said he is looking forward to getting to construction and to seeing progress.

Members of the Board and Committee noted their enthusiasm with the Bureau's continued support. Vice Chair Sutton said that timing is important, especially for when agencies will need to make commitments to the project. Mr. Nickles reiterated the Bureau of Reclamation is only able to commit to the building of the project at this time, and not to a shared partnership for storage. He said projects like Sites are critical to California.

Director Kaplan made comments about the need to better understand timelines for federal participation commitment.

Mr. Nickles reiterated that commitments are not able to be made beyond that for the building of the project.

Following Mr. Nickles' report and unrelated to it, General Counsel Doud noted the Authority has a Conflict of Interest Code and wishes for all Committee and Board members to have participated in an Ethics (AB1234) training. He noted that home agencies require this and asked that if individuals have completed the training, that they send their certifications to the Authority.

**5. CLOSED SESSION: 10:23**

- 5.1 Negotiations concerning water right permit terms and conditions (Govt. Code §54956.9(c) and §54956.9(d)(4)).
- 5.2 Negotiations concerning Sites Project operation terms, conditions and agreements with the State of California, Department of Water Resources and United States, Bureau of Reclamation. (Govt. Code §§54956.9(c), 54956.9(d)(4)).
- 5.3 Conference with legal counsel regarding significant exposure to litigation (Gov. Code §§54956.9(d)(2)) (1 Item).
- 5.4 Potential litigation (Govt. Code §54956.9(d)(4)) (1 item).

**6. REPORT FROM CLOSED SESSION: 12:08 pm**

Attorney Doud noted that there was one action to report from the October 2024 meeting, noting that the Authority Board and Reservoir Committee previously provided direction to the Authority's designated negotiators regarding price and terms of payment for the acquisition of the Jensen Ranch. The Authority has since entered into a purchase and sale agreement with the owners of the property that contains terms consistent with the Authority Board's and Reservoir Committee's direction

There was nothing further to report.

7. RECAP: None.

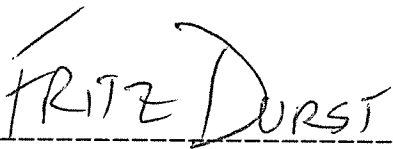
7.1 Suggested Future Agenda Items. None

7.2 Upcoming Meetings:

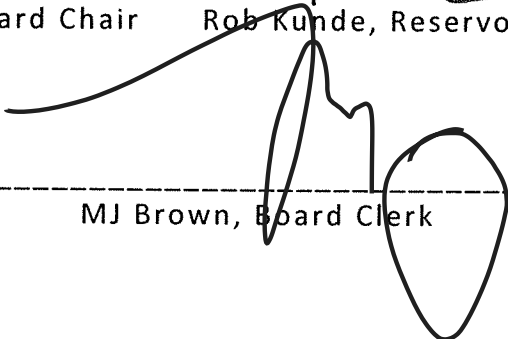
**Reservoir Committee & Authority Board**

Day of Friday, February 21, 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 12:09 p.m.

  
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Fritz Durst, Authority Board Chair

  
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Rob Kunde, Reservoir Committee Vice Chair

  
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MJ Brown, Board Clerk