



Website: SitesProject.org

Reservoir Committee & Authority Board

March 21, 2025

Authority Board Chair:	Fritz Durst (Reclamation District 108)
Authority Board Vice Chair:	Jeff Sutton (Tehama-Colusa Canal Authority)
Reservoir Committee Chair:	Robert Kunde (Wheeler Ridge-Maricopa Water Storage District)
Reservoir Committee Vice Chair:	Jordan Navarrot (RD108 & Dunnigan Water 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 9:01 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: 17 representatives (82.72%) in attendance, resulting in a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

ACTION RC: Moved by (inaudible), seconded by (inaudible), to approve the March 21, 2025, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by (inaudible), seconded by Director Vanderwaal, to approve the March 21, 2025, 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. Hearing no comments, Chair Durst closed the public comment period.

Authority Board & Reservoir Committee Meeting**March 21, 2025****1. CONSENT AGENDA:**

ACTION RC: It was moved by Mr. Dennis, seconded by Mr. Navarrot, to approve the consent agenda. **Motion carried unanimously.**

ACTION AB: It was moved by Director Allen, seconded by Vice Chair Sutton, to approve the consent agenda. **Motion carried unanimously.**

- 1.1 Reservoir Committee and Authority Board consider approval of February 21, 2025, 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. (Attachments A & B)
- 1.3 Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims. (Attachments A & B)

2. ACTION ITEMS:

- 2.1 Reservoir Committee and Authority Board consider approval of a consulting agreement/contract with Hughes Consulting, LLC to provide Construction Office Lead services for the period of May 1, 2025 through June 30, 2026. (Attachment A)

Executive Director Brown referred to the organization chart as it is currently drafted and noted there will be various positions coming onto the Project over time, including in the near future. He reviewed the fundamental objectives of the strategic plan, and noted it was established to guide an "effective organization" as an overarching goal.

ED Brown reviewed the core operating and business competencies. Mr. Robinette spoke briefly about the positions that will begin this year, including Project Delivery Lead, and he explained the purpose of the role. He reviewed the Request for Proposals and selection process to select Hughes Consulting, LLC to provide Construction Office Lead services.

Hughes Consulting lead, Kyle Hughes, spoke briefly and stated he was honored to be part of the project team.

ACTION RC: It was moved by Ms. Pryor, seconded by Mr. Navarrot 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 unanimously.**

- 2.2 Reservoir Committee and Authority Board Reservoir Committee consider approving the Term Sheet between the Sites Project Authority and California Department of Water Resources for operations of the Knights Landing Outfall Gates. (Attachments A, B & C)

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ED Brown noted this item is important for investor commitment purposes and introduced Amparo Flores, who is working on agreements for the Project. She opened with a presentation on Knights Landing Outfall Gates (KLOG) and Wallace Weir operations coordination. Ms. Flores reviewed a map of pertinent areas related to conveyance and reviewed the work involved with development of the term sheets for KLOG and Wallace Weir, including the coordination efforts with various stakeholders. She reviewed the purpose of the term sheets, including memorialization of intent, and efforts to continue to comply with regulations and current agreements. The term sheets acknowledge remaining work to evaluate Sites' impacts and contributions, and inform the developments of operations agreements. Ms. Flores reviewed the term sheets' policy considerations, which include reliability/priority, costs, and risks.

Vice Chair Sutton made comments about value planning and future needed analysis related to the optimal operation infrastructure for Sites to pursue.

Chair Durst noted that the facility has a dual purpose – to both be used for flood control in the winter and for water supply in the summer, and that it may have other purposes in the future as well. He said it will be important for the responsibilities of different involved parties to be well defined.

Mr. Weghorst echoed Vice Chair Sutton's comments and said he would like to see more consideration and assessment of various scenarios' risks.

Chair Kunde asked if term sheets have provisions for cost sharing. Mr. Robinette said that while work hasn't been quantified, there are preliminary considerations about likely sharing costs.

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

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Allen 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 continued development of the components of contracting strategy for terrestrial biological mitigation.

ED Brown noted that Items 3.1 and 3.2 are interrelated. He turned the item over to Ali Forsythe. She opened the presentation by saying this item relates to how the Project intends to mitigate, and the strategy involved.

Ms. Forsythe reviewed the background of this item and presented on the continued development of components of the contract strategy and the single prime contractor responsible for delivering terrestrial species requirements. She reviewed the Board's previous action leading up to current status, the permit mitigation responsibilities, and the "marquee" conservation element. She discussed contract strategy which would be

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Design-Build or Design-Build-Operate, and the various refinements and activities that would relate.

Vice Chair Sutton asked about mitigation stages and impacts, and Ms. Forsythe noted what is anticipated, which is staging in two-year increments.

Ms. Forsythe reviewed the next steps for staff and the pertinent timelines. In the June timeframe, the Board and Reservoir Committee will see this item again and a Request for Qualifications (RFQ) will be issued in August or September 2025.

Chair Durst clarified that the progress will be in two year tranches and asked about the process; ED Brown said the process is going out to bid.

In response to Board and Committee comments, Ms. Forsythe said the Project will make it clear that the mitigation contractor does not speak for the Project, and will communicate to landowners that contractors are not speaking for Sites. Ms. Forsythe said she would work with the outreach team to reach landowners within a comprehensive reach.

In response to a question from Chair Kunde, Ms. Forsythe confirmed the Authority will have surveyed its own land; the mitigation contractor will do field surveys on mitigation land.

3.2 Review and discuss the Project's anticipated Master Lake and Streambed Alteration Agreement. (Attachment A)

Ms. Forsythe opened this item by noting the permit needs being triggered by various activities. She provided a brief history and referenced California Department of Fish and Wildlife's (CDFW) agreement which is expected to cover the entirety of the Project construction. Ms. Forsythe explained that staff and CDFW have worked to maintain consistency with other Project permits and approvals.

Ms. Forsythe reviewed financial security requirements if the mitigation is not in place before impact has occurred and noted these can be substantial for the size of the project. She explained this can take time and incur delays, and this in turn creates financial risk. She went through the stacking of mitigation and possible options, which include a letter to CDFW with the project's understanding that removing portions of the security will be allowed and will be timely. She said there is consideration of various other possible mitigating circumstances within the Authority's control. Ms. Forsythe reviewed next steps, whereby the agreement is undergoing final review. She explained that next steps include staff working with Tehama-Colusa Canal Authority and Glenn-Colusa Irrigation District on components that may affect their facilities, and returning with this item again to the Board and Reservoir Committee for approval for the Executive Director to sign.

Chair Kunde asked if the Authority will delegate responsibility to the master contractor and Ms. Forsythe said they would, though ultimate responsibility will belong to the Project. ED Brown said this is why the Authority is thinking through these risk factors and what can be done to mitigate the risk to the contractor.

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In response to discussion related to this item, Ms. Forsythe and Chair Kunde noted there is vacancy on the Environmental Planning and Permitting workgroup if members are interested.

- 3.3 Receive an update on the status of the Water Infrastructure Finance and Innovation Act Loan Application and a report on aspects of the anticipated financing structure.

ED Brown introduced Brian Thomas, who presented a report on the WIFIA loan. He reviewed the loan's features, reviewed fund-eligible costs, interest rate, prepayment, debt service, and repayment. He provided information about WIFIA status related to uncertainty surrounding federal government activities, appropriation bills, and loan status considerations.

He reviewed Sites' proposed financial terms and senior lien considerations, and said that the rate covenant is the primary remaining area of discussion.

Mr. Thomas discussed the debt service during construction period, the interim financing plan, long-term debt, and the three potential financing scenarios during construction, which include capitalized interest, interest only, or pay-as-you-go. He explained initial borrowing includes one to two years of capitalized interest. He listed the future financing actions, the first of which is developing the RFP for interim financing.

- 3.4 Review and discuss the prioritization and expected timeline for activating waitlist participation. (Attachments A, B, C and D)

ED Brown explained that this item is intended for discussion and explanation of the prioritization and timeline for waitlisted agencies. Scott Brown worked through prioritization identified in the funding and reimbursement policy, and has worked with the Budget & Finance committee, and is now looking for feedback as the Project progresses toward the investor commitment period.

Scott Brown walked through the timeline for engagement with onboarding waitlisted agencies and reviewed the milestones and associated trigger/actions. He said if agencies are seeing that they may look to shift their level of participation, they should communicate that as soon as possible, as it would assist with moving to discussions with those on the waitlist. He walked through the investor commitment period, and then the Phase 2 Closeout.

Mr. Brown went through the draft waitlist onboarding rounds flowchart, steps, and timeframes. He went through priority structure for participation to get to full subscription.

Ms. Traynham noted questions that came up in the recent Finance Committee meeting, including how acre foot percentage would impact the size of a reduction, and whether the City of Napa and the City of Fairfield are considered part of the Sacramento area region. ED Brown said staff confirmed these cities are not within the borders of the map but are right outside, and likely considered the North Delta region. Ms. Traynham noted it may be beneficial to have a subgroup or ad hoc committee go through these kinds of questions so

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the timeline doesn't get slowed down. Vice Chair Kunde stated that Ms. Traynham as Chair of the Finance Committee can establish an ad hoc committee.

Chair Durst noted one important consideration is timing related to the waterfall and decisions that need to be made soon.

Ms. Traynham made a correction to the item's staff report related to the escalating cost per year.

4. REPORTS:**4.1 Chairpersons' Reports:**

Chair Kunde noted that Mr. Mike Azevedo has been appointed by Colusa County to the Committee.

4.2 Committee & Workgroup Chairs' Reports:

Operations and Engineering: Chair Kunde stated they will have a meeting in May.

Value Planning Subcommittee: Chair Kunde said there have been three meetings of the subcommittee and there are three more scheduled. Mr. Robinette reported he had talked at the last meeting about uncertainty in conveyance features and non-contract cost updates.

Legislative and Outreach: There is a potential trip planned in the spring in Washington DC,

4.3 Authority Board & Reservoir Committee Participant Reports:

Ms. Pryor reported the Zone 7 Board had a tour of the Jensen property and it was very beneficial.

4.4 Executive Director's Reports:

ED Brown reported:

- Los Vaqueros Reservoir Joint Powers Authority funds could be reallocated by the State Water Commission; Sites is eligible for some of the funds. Project staff will present more information to them in July.
- Save the Date for a planned tour of the Glenn-Colusa Irrigation District facilities, and the Jensen and Red Stick properties on April 17. Home Boards are invited.
- Form 700s are due April 1.

5. CLOSED SESSION: 11:35 am

5.1 Negotiations concerning water right permit terms and conditions (Govt. Code §54956.9(c) and §54956.9(d)(1)).

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

Property: [Colusa County] APNs 011-173-004, 011-160-008, 011-160-009,
011-173-001, 011-173-003, 011-176-001

Agency negotiators: Jerry Brown, Kevin Spesert

Negotiating parties: Danise Seaters

Under negotiation: Price and terms of payment

5.3 Potential litigation (Govt. Code §54956.9(d)(4)) (1 item).

6. REPORT FROM CLOSED SESSION: 12:12 pm

Attorney Doud reported there was no action taken in Closed Session.

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, April 18, 2025 (9:00 a.m. – noon)

Maxwell Project Office & Virtual

Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at the hour of 12:13 p.m.

Signed by:

Fritz Durst

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Fritz Durst, Authority Board Chair

Signed by:

Rob Kunde

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Rob Kunde, Reservoir Committee Chair

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MJ Brown

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MJ Brown, Board Clerk