



Meeting: **Reservoir Committee & Authority Board Agenda
Item 3.5**

August 21, 2026

Subject: **Discuss Approach to Colusa Drain Mutual Water Company Agreement**

Requested Action:

Receive a status update on discussions related to an agreement with the Colusa Drain Mutual Water Company (CDMWC) to address their concerns related to the Sites Project water right and releases of Sites Project water into the Colusa Basin Drain.

Detailed Description/Background:

The Authority has committed to entering into an Operations Agreement with CDMWC to ensure that senior water rights held by shareholders within the CDMWC are not impacted by the Project. Staff has been working with CDMWC since 2023 to identify terms and conditions to achieve this outcome. Board feedback on the key components of an agreement would be beneficial to ensuring the final agreement achieves the outcomes desired by both parties.

The proposed agreement follows and is generally envisioned to be consistent with the approach used in the Authority's agreement with Maxwell Irrigation District for operations affecting Funks and Stone Corral Creeks. One key area that differs is that there will be a term committing the Authority to continued coordination with the CDMWC on use of the Drain to convey Sites Water consistent with the principles established and adopted by the Board in Resolution 2023-01.

The agreement addresses two primary components of Sites Project operations: (1) timing and quantity releases of flows to Funks and Stone Corral Creeks; and (2) timing and quantity of releases of Sites Project water through the Dunnigan Pipeline into the Colusa Basin Drain for conveyance to the Sacramento River.

Key components of the proposed agreement include:

- **Water Right Protections.** The Authority would commit to avoid injury to certain water rights held by CDMWC and its shareholders associated with Project operations on Funks and Stone Corral Creeks. The agreement would formalize previous Authority commitments to protect senior water rights and subordinate the Authority's water right to certain specifically identified CDMWC shareholder water rights.
- **Standard Operating Procedures.** The Authority and CDMWC would closely coordinate during Project operations through Standard Operating Procedures (SOPs) addressing communication protocols, data sharing, advance notification of Project diversions and releases, and procedures for identifying and

addressing potential impacts. This is consistent with the approach taken within other similar executed agreements with water right holders downstream of Sites Reservoir.

- **Funks and Stone Corral Creeks Operations Plan.** Prior to diversion of water from the creeks to storage, the Authority would develop an operations plan in coordination with CDMWC, Maxwell Irrigation District, and other interests. The plan would establish a technically feasible operational framework, including monitoring and measurement, intended to avoid injury to certain existing water rights. But, importantly, the use of Sites storage to regulate downstream creek flows to the benefit of the right holder is not something the Authority has been willing to discuss.
- **Colusa Basin Drain Operations Coordination Plan.** Prior to releasing Sites Project water from the Dunnigan Pipeline into the Colusa Basin Drain, the Authority would develop an operations coordination plan with CDMWC. The plan would identify operations factors of potential mutual interest including seasonal flow rates, water-surface elevations, and Project-related flow and water-quality considerations. The agreement provides four years following execution to prepare a draft plan and up to an additional year for both agencies to adopt the final plan.
- **Protection of CDMWC Shareholder Water Rights and Sites Project Water.** The agreement recognizes that Sites Project water released from storage into the Colusa Basin Drain remains water developed under the Authority's water right for use by the Authority and Project participants and is not made available for diversion by CDMWC, its shareholders, or other water right holders along the Colusa Basin Drain.
- **Stakeholder Coordination.** The Authority would establish a Lower Colusa Basin Drain Advisory Group consisting of the Authority, CDMWC, Glenn-Colusa Irrigation District, Reclamation District 108, landowner representation, and other interests to provide input regarding planning and operational decisions potentially affecting downstream water users.
- **Dispute Resolution.** The agreement establishes a process intended to resolve operational questions and concerns at the lowest level possible, with an escalation process that includes senior-level coordination and non-binding mediation before either party pursues available legal remedies.

The proposed agreement presents an opportunity to provide greater certainty regarding the Authority's future operations on Funks and Stone Corral Creeks and within the Colusa Basin Drain and to establish agreed-upon processes for addressing concerns before and during Project operations. Formalizing these commitments may also reduce future water-right and operational disputes while preserving the Authority's ability to use the Colusa Basin Drain to convey Sites Project water.

Staff has prepared a draft agreement with CDMWC and will coordinate with Colusa County, Glenn-Colusa Irrigation District, Reclamation District 108, and Tehama-Colusa Canal Authority to obtain additional input. Staff anticipates returning to the Reservoir Committee and Authority Board with a final agreement for consideration in the October 2026 timeframe.

Prior Action:

March 2024 – Reservoir Committee and Authority Board consider authorizing the Executive Director to execute operations agreements with Maxwell Irrigation District (Maxwell ID) and Colusa Drain Mutual Water Company (Colusa Drain MWC).

Fiscal Impact/Funding Source:

Activities to complete this Agreement can be accomplished within the revised Amendment 3 Work Plan amounts. Future implementation of components of the agreement, such as preparing plans along with flow monitoring and measurement, will result in non-contract costs to the Project in Phase 3 and throughout Project operations that will be included in future budgets.

Staff Contact:

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Primary Service Provider:

Somach/MBK

Attachments:

None