



Reservoir Committee & Authority Board

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

ROLL CALL/ATTENDANCE:

Authority Board: 8 members were present, constituting a quorum.

Reservoir Committee: 19 representatives (91.12%) were present, constituting a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

Executive Director (ED) Brown announced one change to the agenda, stating that Closed Session Item 5.5 would be removed. He explained that the decision followed receipt of a letter from the Carpenters Union's legal counsel expressing concerns about the applicability of Closed Session Item 5.5 under the Brown Act. While staff did not agree with the interpretation, ED Brown stated that the Authority chose to withdraw the item in the interest of maintaining constructive relationships with stakeholders. He clarified that, contrary to speculation, the item was not intended for contract award and that such an action would be premature at this stage of procurement. Any contract award, he emphasized, would occur later in a properly noticed public meeting once the selection process is complete.

ACTION RC: Moved by Ms. Traynham, seconded by Vice Chair Navarrot, to approve the November 21, 2025, revised meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Vanderwaal, seconded by Director Allen, to approve the November 21, 2025, revised 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. The Board heard comments from numerous local union representatives expressing strong concern about the potential award of the Sites Reservoir construction contract to Barnard Construction, an out-of-state contractor. Union speakers, including representatives from the Carpenters, Laborers, Operating Engineers and other local trades, emphasized that the project should prioritize local, union-signatory contractors with established ties to the region. They argued that awarding the project to a non-local contractor would jeopardize long-term community workforce investment, reduce apprenticeship opportunities for local youth, and undermine commitments to creating stable, high-quality union jobs. Several union speakers also stressed their desire for a Project Labor Agreement (PLA) and noted that until formal PLA assurances are in place, they could not support the project moving forward with Barnard.

Barnard Construction team members—including a superintendent, project manager, and the company’s founder-spoke in support of Barnard. They highlighted Barnard’s strong track record of successfully delivering complex dam and infrastructure projects, nearly all of which were performed with union labor. Several Barnard speakers described personal ties to the region, long histories as members of Local185 or other union halls, and their desire to build the project while contributing to the local community. They stressed Barnard’s long-standing practice of negotiating and working under PLAs, their commitment to signing a PLA for the Sites Project, and the company’s culture of treating all workers, regardless of trade or position, as valued members of a unified construction team. Barnard representatives also addressed what they described as inaccurate claims about their experience in alternative-delivery contracting and reaffirmed their intent to partner constructively with the trades.

Hearing no further public comment, Chair Durst closed the period for public comment.

1. CONSENT AGENDA:

ACTION RC: Moved by Ms. Kalfsbeek, seconded by Mr. Parker, to approve all items on consent agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Vanderwaal seconded by Director Allen, to approve the consent agenda. **Motion carried unanimously.**

- 1.1 Reservoir Committee and Authority Board consider approval of October 17, 2025, 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 acceptance of the Sites Project Authority’s Third Quarter 2025 Budget Financial Report.
- 1.5 Reservoir Committee and Authority Board consider approval to authorize the Executive Director to purchase Public Official Bonds for three positions through ACWA JPIA, with coverage amounts of \$200,000 each, and to execute all related documents necessary to implement the coverage.
- 1.6 Authority Board consider approval of membership dues covering Authority general and administrative costs estimated not to exceed \$415,000 in fiscal year 2026, which equates to dues per member of \$45,000 (9 members total) and \$5,000 per Associate Member (2 members total). Authorize release of invoices in January 2026.

2. **ACTION ITEMS:**

- 2.1 Reservoir Committee and Authority Board consider approval to adjust the contract authority for Fiscal Year 2026 and adjust the five-year not-to-exceed (NTE) consultant contract authority for specified consultant contracts to align with the Board-adopted FY 2026 Budget, and to extend the related contracts through December 31, 2026.

ED Brown introduced the item, and Finance Manager, Ms. O’Connell provided a presentation, explaining that because the Board adopted a project-based budget, the consultant task orders also needed to be updated to reflect that shift. She emphasized that no changes were being made to the underlying master contracts; instead, the updates involved revising task orders to match the project scopes within approved FY 2026 budget and extending all consultant contracts through December 31, 2026.

Ms. O’Connell further explained that the only substantive contract modification was a proposed retroactive cost of living adjustment (3%) applicable to the Executive Director, Managers, and Office Lead contracts.

During discussion, Director Sutton asked for clarification regarding the five-year contract ceiling under Amendment 3, specifically inquiring whether the “five years” referenced began at the start of 2026. Staff clarified that the five-year limit represented the total duration of the Amendment 3 contract authority, not a new five-year period beginning in 2026. Staff further confirmed that all standard contract terms, including termination provisions, remain unchanged.

ACTION RC: It was moved by Vice Chair Navarrot, seconded by Ms. Traynham 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 consider approval of Resolution 2025-02 authorizing the Executive Director to:

1. Execute all real property documents necessary to acquire real property from Cody Arnold (APN # 011-150-010), and to take such other actions as are necessary or appropriate to effectuate the close of escrow.
2. Approve budget transfer from the FY25 Engineering subject area to the FY25 Real Estate subject area to cover all Arnold property acquisition costs, resulting in the following revised budget amounts:
 - Engineering Subject Area (-195,000) for a revised FY25 budget total \$6,701,293.
 - Real Estate Subject Area (+\$195,000) for a revised FY25 budget total of \$4,588,138.

ED Brown gave a presentation on behalf of External Affairs Manager, Mr. Spesert, who was absent. ED Brown explained that this would be the fourth property acquisition under the early acquisition program previously authorized by the Board. He reported that the Authority had reached a purchase agreement with landowner Mr. Arnold for an 85-acre parcel, with the purchase price determined using the Authority’s appraisal. ED Brown noted that although landowners have the option to seek a second appraisal, Mr. Arnold chose to proceed using the Authority’s valuation. ED Brown then reviewed maps showing the parcel’s location in relation to other acquired parcels, including the Jensen, Red Stick, and Seaters properties and described the proposed project facilities located on or adjacent to the parcel, including portions of the Sites Dam and the bypass pipeline intended for creek flow releases. ED Brown also mentioned that a potential recreation area is planned for the ridge on the property.

ED Brown requested authorization to execute all documents to effectuate the purchase of the Arnold real property and approval of a FY 2025 budget transfer from Engineering to Real Estate to cover all acquisition costs.

ACTION RC: It was moved by Ms. Kalfsbeek, seconded by Mr. Holley, to recommend approval of agenda item 2.2 to the Authority Board. **Motion carried with abstentions from Ms. Traynham and Mr. Parker.**

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Vanderwaal to approve agenda item 2.2. **Motion carried unanimously.**

3. **DISCUSSION AND INFORMATION ITEMS:**

- 3.1 Review and discuss the ongoing development of the Program Baseline Report.

Engineering and Construction Manager, Mr. Robinette, gave a presentation and introduced the Program Baseline Report as a decision-support tool intended to consolidate the substantial technical, financial, and operational work completed to date. Mr. Robinette explained that the report is designed to present complex information in a format that is easily digestible for decision makers, particularly as participants prepare for investor commitments and home-board briefings. He emphasized that the report is structured around key questions frequently raised by participants and stakeholders and will serve as the reference point for tracking future changes in project cost, benefits, and operating assumptions.

Mr. Neudeck expressed strong support for the format of the report and said that this will be a great way to get all questions in one place.

Reservoir Committee Chair Kunde emphasized the importance of getting questions asked so that they can be included and answered timely. He also asked whether the modeling tool used by staff to evaluate cash flow and yield for individual agencies would be made available. Staff responded that once the Plan of Finance is finalized, it is anticipated that stakeholders will want the underlying data and the ability to toggle assumptions. Mr. Robinette confirmed that staff intends to provide a version of the model or data set, separate from the static report, so agencies can review their own outcomes.

Ms. Maher inquired about documentation on modeling assumptions, noting that details were not included in the attachments provided. Staff acknowledged that modeling assumptions will be added to the next iteration.

Chair Durst commented on questions raised about how the Bureau of Reclamation will use its share of water. He explained that Northern California water users want clarity about whether federal supply would support cold-water pool purposes and that after conversation, based on the feasibility study and WIIN Act funding requirements, federal water would indeed be committed to cold-water management. Mr. Robinette emphasized the importance of including this information explicitly in the baseline report to ease concerns among upstream users.

3.2 Receive an update on the key terms of the anticipated Water Infrastructure and Finance Act (WIFIA) loan and other aspects of the anticipated Authority provided financing structure.

Ms. O'Connell provided an update on the project's ongoing negotiations with the Environmental Protection Agency (EPA) on the WIFIA loan program. She explained that the Authority is pursuing two separate WIFIA loans: a planning and design loan and a subsequent construction loan, each of which would have its own interest rate based on when funds are drawn. Finance Advisor, Mr. Thomas, clarified that once any amount of a loan is drawn, the interest rate for that specific loan becomes fixed, but rates for a second loan could still adjust if not yet drawn.

Ms. O'Connell noted that EPA negotiations are currently paused until the Authority finalizes Benefits and Obligations Contracts, because the EPA needs to know the final participant mix and credit profile before finalizing loan terms. She reported that Congressional appropriations for 2025 do include WIFIA funding but emphasized that the Authority could proceed without WIFIA if necessary, as evidenced by strong responses to the recent interim financing RFQ, meaning public-market alternatives remain viable.

Director Sutton asked about potential federal legislation modifying the WIFIA program, including proposals to extend loan terms to 55 years and adjust financing thresholds; staff responded that such changes were under discussion and would be addressed at a later date. Questions were also raised about whether the Authority could maintain its 49% loan-to-cost share as total project costs evolve, and staff confirmed that EPA had indicated the 49% cap applies to the project's cost at any point in time, rather than being locked to earlier estimates.

Reservoir Committee Chair Kude raised a point regarding the section of the staff report addressing three years of capitalized interest proposed for the initial period of the loan. He noted that while capitalizing interest during the early years of construction offers cash-flow advantages, it ultimately increases overall project costs and suggested that the Authority also consider a cost-estimate-and-true-up approach as an alternative. Staff acknowledged the concern and noted that the Budget & Finance Committee had discussed this as a policy decision that may warrant further Board action.

- 3.3 Receive a periodic overview from General Counsel of various laws concerning conflicts of interest applicable to public officials.

General Counsel Alan Doud presented the annual briefing on the conflict of interest laws applicable to the members of the Authority Board and Reservoir Committee. He explained that these laws exist to ensure public officials do not use their positions to secure personal financial benefit. Mr. Doud reviewed the requirements of the Political Reform Act, noting that members must disclose any financial interest related to matters coming before the Authority and must recuse themselves from participating in those decisions. He further reminded designated officials of their obligations to file an annual Form 700 with the Fair Political Practices Commission and to maintain current ethics training. Mr. Doud then outlined the restrictions under Government Code Section 1090, emphasizing that the Authority is prohibited from entering into contracts in which any board or committee member has a financial interest, unless a narrow statutory exception applies. He stressed that members with such interest must not participate in any stage of a contract's development and should notify staff immediately if a potential conflict arises, particularly as the project enters a phase involving increased land acquisition activity.

- 3.4 Review and comment on Draft Risk and Construction Insurance Feasibility Study.

Risk feasibility Study with Cathy Wells. What are different insurance approaches, pros and cons, etc. Looking for feedback from the board, reactions, etc.

Cathy Wells of Risk International gave a presentation on the results of the Insurance Feasibility Study, outlining the four primary insurance delivery options for a project of this scale: (1) a traditional contractor-provided insurance model; (2) an Owner-Controlled Insurance Program (OSIP); (3) a General Liability-owner procured program; and (4) contractor-sponsored CSIPs. She explained the administrative, cost, and risk-management implications of each approach, emphasizing that the traditional model could result in more than one hundred separate insurance programs operating on the project – creating claim delays, inconsistent coverage, and exposure to exclusions such as wildfire carve-outs. Ms. Wells concluded that a full OSIP would impose significant administrative and staffing burdens on the Authority and recommended instead that the Authority pursue an owner-procured master General Liability (GL-only) program, which would consolidate liability coverage under one insurer while allowing contractors to maintain their own worker's compensation policies.

During board discussion, several members raised questions about risk allocation and practical implementation. A board member commented that risk management should be aligned with the parties closest to controlling the risk and recommended that the final study reflect that principle. Another member asked whether contractual requirements should be added to ensure coordination between the Authority and the Construction

manager at Risk regarding management responsibilities. Ms. Wells confirmed that coordination requirements are part of the program design.

Chair Durst asked how general liability insurance would function across the nine anticipated major construction contracts, including whether contractors would carry their own policies or rely solely on the Authority's umbrella policy. Ms. Wells explained that under the recommended approach, the Authority would purchase a primary GL policy and excess liability tower for the entire project, rather than relying on contractors' individual GL policies, which often contain exclusions and create inconsistencies.

Board members expressed support for the clarity provided by the feasibility analysis. Staff noted that they would incorporate board feedback into the final version of the study and return with a formal recommendation for board action at a future meeting.

4. Reports:

4.1 Chairpersons' Reports:

Committee Chair Kunde noted that several committees and subcommittees had met since the last board meeting, including the Conveyance Ad Hoc Subcommittee, the WIFIA Ad Hoc, the Budget and Finance Committee, the Operations and Engineering Workgroup, and the Environmental Planning and Permitting Workgroup. He noted that a small group also met with Secretary Crowfoot and his staff earlier in the week to coordinate on project delivery matters; he described the meeting as constructive and said there was useful feedback on both sides.

Chair Durst also reported on the meeting with Secretary Crowfoot, stating that it was a valuable opportunity to thank state leadership for continued attention to timely action. He noted that, due to ex parte restrictions, the Resources Agency cannot intervene in the water right process, which is ultimately beneficial to avoid legal vulnerability. He added that Secretary Crowfoot emphasized accountability and established timelines, with a follow-up meeting scheduled for January. Chair Durst then reported on recent discussions with Metropolitan Water District representatives during a watershed tour.

4.2 Committee & Workgroup Chairpersons' Reports:

Committee Chair Kunde provided a report on the recent meeting of the Operations and Engineering Workgroup. He noted that the meeting was highly detailed and centered on a technical presentation by Pete Rude regarding updated two-dimensional hydraulic modeling for the Colusa Basin Drain. Chair Kunde explained that several project participants had expressed interest in better understanding flow timing and capacity constraints within the drain, particularly during different seasons. He reported that Pete Rude's 2-D model evaluates how flows move through the system and has reaffirmed earlier findings that, in order to reliably achieve 1,000 cubic feet per second of conveyance under all operating conditions, certain west-side bank improvements would be required. The east side, maintained by Reclamation District 108, already meets flood-control standards. Chair Kunde further stated that the modeling team had identified a few issues requiring refinement, and an updated presentation would be provided at an upcoming Special Operations and Engineering Workgroup meeting scheduled for December.

Katherine Maher gave an update on the Environmental Planning and Permitting Workgroup topics which included coordination efforts with the tribes and the cemetery planning approach.

4.3 Authority Board & Reservoir Committee Participant Reports:

No reports.

4.4 Executive Director's Reports:

Executive Director Jerry Brown reported that public negotiations with Reclamation are scheduled to resume the week of December 9, following prior meetings held just before Thanksgiving. He noted that the upcoming session is expected to be productive as the project team works toward advancing these major agreements. ED Brown also provided an update that staff are continuing to refine key project documents – including the Plan of Finance, Benefits and Obligations Contract and draft Operations Agreement and will bring them back for board consideration as progress continues.

5. CLOSED SESSION: 11:45 a.m.

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

5.2 Conference with Real Property Negotiators (Gov. Code §54956.8):
Property: Various parcels comprising the Sites Reservoir and related facilities.
Agency Negotiators: Jerry Brown, Ali Forsythe
Negotiating Parties: U.S. Bureau of Reclamation
Under Negotiation: Price and terms of payment for water storage and conveyance capacity.

5.3 Conference with Real Property Negotiators (Gov. Code §54956.8):
Property: Various parcels comprising the Sites Reservoir and related facilities.
Agency Negotiators: Jerry Brown, Ali Forsythe
Negotiating Parties: California Department of Water Resources
Under Negotiation: Price and terms of payment for water storage and conveyance capacity.

5.4 Conference with Real Property Negotiators (Gov. Code § 54956.8).
Property: Various parcels comprising the Sites Reservoir and related facilities.
Agency negotiators: Jerry Brown, Ali Forsythe
Negotiating parties: Department of California Fish and Wildlife
Under negotiation: Price and terms of payment for water storage and conveyance capacity.

6. REPORT FROM CLOSED SESSION: 12:58p.m.

Counsel Doud reported that no action was taken in closed session.

7. RECAP:

None.

7.1 Suggested Future Agenda Items: None.

7.2 Upcoming Meetings:

Reservoir Committee & Authority Board

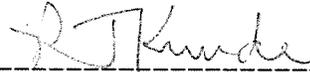
Friday, December 19, 2025 (9:00 a.m. – noon)

Maxwell Project Office & Virtual

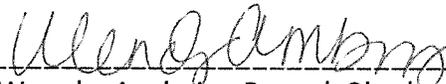
Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at 1:21pm.



Fritz Durst, Authority Board Chair



Robert Kunde, Reservoir Committee Chair



Wendy Ambriz, Board Clerk