



Reservoir Committee & Authority Board

October 17, 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 (91.11%) were present, constituting a quorum.

INTRODUCTIONS:

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

AGENDA APPROVAL:

ACTION RC: Moved by Mr. Plinski, seconded by Vice Chair Navarrot, to approve the October 17, 2025, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Kaplan, seconded by Director Vanderwaal, to approve the October 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 5.7.

PERIOD FOR PUBLIC COMMENT:

Chair Durst called for a period of public comment. Hearing no comments, Chair Durst closed the public comment period.

1. CONSENT AGENDA:

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

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

- 1.1 Reservoir Committee and Authority Board consider approval of September 19, 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 approval of a Task Order Amendment with AECOM for additional engineering support in the amount of \$20,000, increasing the total task order amount from \$12,810,043 to a revised total not to exceed of \$12,830,043 for the period of January 1, 2022 through December 31, 2025.
- 1.5 Reservoir Committee and Authority Board consider approval of a Task Order Amendment with CH2M-Conveyance for additional engineering support in the amount of \$150,000, increasing the total task order amount from \$12,019,725 to a revised total not to exceed of \$12,169,725 for the period of January 1, 2022 through December 31, 2025.

2. **ACTION ITEMS:**

- 2.1 Reservoir Committee and Authority Board to consider the following actions related to the Amendment 3 Work Plan Update and FY26 Annual Budget:
 - a) Conduct a Public Hearing related to AB2561 - Job Vacancies and Recruitment and Retention Efforts
 - b) Approval of Amendment 3 Work Plan update
 - c) Approval of an extension of Amendment 3 to December 31, 2026.
 - d) Adoption of Fiscal Year 2026 Annual Budget.
 - e) Approval of revisions to the Delegation of Authority to be effective January 1, 2026.

Chair Durst opened the budget hearing for Fiscal Year 2026. Staff presented the proposed budget. A presentation covered the Amendment 3 work plan update, the extension of Amendment 3 to December 31, 2026, the adoption of the FY 2026 annual budget, and revisions to the delegation of authority effective January 1, 2026.

Staff explained that the FY 2026 budget totals \$30 million, structured around three imperatives: (1) providing sufficient information to support a "go" decision; 2) supporting owner commitment and financing; and 3) preparing for project implementation and construction. The budget is balanced, with projected revenue sources including cash on hand, federal and state funding under the Win Act, and interest income.

The presentation further detailed budget allocations by project imperatives, cash flow projections, and the introduction of a project-based budgeting system emphasizing accountability and transparency. The delegation of authority was proposed to allow the

Executive Director (ED) to approve consultant contracts and modifications up to \$500,000, with all actions to be reported to the Board through regular financial reporting.

Chair Durst formally opened the public hearing in accordance with Government Code Section 3502.3 to present the status of vacancies, recruitment, and retention efforts. It was noted that the Authority does not currently have employees and has no plans to hire at this time. Therefore, no changes to policies or procedures were deemed necessary.

No comments were received from Board members or from the public. Chair Durst declared the hearing closed.

Hearing no further discussion, Chair Durst called the question.

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

ACTION AB: It was moved by Director Kaplan, seconded by Vice Chair Sutton, to approve agenda item 2.1. **Motion carried unanimously.**

- 2.2 Reservoir Committee and Authority Board consider authorizing the Executive Director to proceed with procuring a Terrestrial Biological Compensatory Mitigation Contractor through the issuance of a Request for Qualifications (RFQ).

Ms. Forsythe gave a presentation providing information on the importance of mitigation, strategy, and the procurement process for the Terrestrial Biological Compensatory Mitigation Contract. The RFQ issuance is planned for November, with proposals due in early 2026 and award anticipated by mid-2026. The contract will be structured to support mitigation requirements in advance of 2027 construction activities.

Mr. Cheng noted that the proposed mitigation contract appears to be a long-lead effort and asked for clarity on the last bullet of the schedule – specifically whether the Authority would be committing to the full contract prior to a definitive “go” decision. Ms. Forsythe confirmed that while the overall agreement would be executed, the Board’s immediate commitment would be limited to the first planning task order; any subsequent task orders would return to the Board for approval. ED Brown also explained that the contract will include a termination clause provision, ensuring the Authority can conclude the agreement without incurring broader opportunity-cost claims.

ACTION RC: It was moved by Mr. Cheng, 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 Director Kaplan, seconded by Director Allen, to approve agenda item 2.2. **Motion carried unanimously.**

- 2.3 Reservoir Committee and Authority Board consider authorizing the Executive Director to execute with Colusa, Glenn and Yolo Counties Development Agreements between the Authority and each County.

ED Brown made a presentation on development agreements with Colusa, Glenn, and Yolo Counties to secure local land use authority, tax commitments, and community benefit provisions necessary for project advancement. Each agreement includes key commitments

such as no reduction in county property tax revenue due to annual payments in lieu of taxes, job permit reporting for sales tax, Authority payment for county staff time, road and bridge improvements, and significant specific community benefits, including a park design in Maxwell.

Chair Durst asked regarding the payments in lieu of taxes, if what is paid will only be apportioned to the local counties or if some will go to the state as well. ED Brown explained that the payments in lieu of taxes will be distributed exactly as they're currently distributed under the counties' jurisdiction.

Director Evans said that his understanding is that we're non-renewing as opposed to canceling so that the funds can stay locally instead of the state getting the cancellation fee because that's globally important since we're building something that's going to hold water that helps AG, so there's that nexus to make it non-renew.

Chair Kunde asked ED Brown if there was a discussion or provision regarding reassessments. ED Brown said yes, and that those reassessments are limited and there is a stipulation in the agreement regarding a maximum amount.

Vice Chair Sutton asked if there is a condition precedent or an off ramp. ED Brown said that the commitments don't start until the construction starts. Property has been purchased so a PILT will be paid but other pieces we're looking at don't start until after we start construction.

ED Brown emphasized that adopting these agreements demonstrated that the Authority was acting as a responsible project proponent, ensuring local governments were protected and appropriately compensated for the project's long-term presence.

Vice Chair Sutton stated that while he was generally comfortable with the agreements, he wanted to confirm that these did not cover all local matters still under discussion, particularly those concerning community impacts and mitigation with special districts. ED Brown acknowledged that the development agreements and impact alleviation agreements were interrelated but handled separately. He explained that while the development agreements established general county-level framework, additional impact alleviation agreements were being negotiated with local agencies to address specific service and fiscal impacts. Chair Kunde supported that clarification, noting that these ongoing negotiations would continue in parallel with the counties' adoption process.

ACTION RC: It was moved by Ms. Saenz, seconded by Mr. Navarrot, to recommend approval of agenda item 2.3 to the Authority Board. **Motion carried with an abstention from Mr. Azevedo, Colusa County.**

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Allen, to approve agenda item 2.3. **Motion carried with an abstention from Director Evans, Colusa County.**

- 2.4 Reservoir Committee and Authority Board consider authorizing the Executive Director to execute Impact Alleviation Agreements with interested parties identified in the County Development Agreements.

ED Brown explained that the item sought authorization for him to negotiate and execute impact alleviation agreements with local entities identified in the previously approved

county development agreements. Brown emphasized that while the agreements were not yet finalized, staff had already initiated discussions with several agencies and anticipated that financial commitments might become necessary as those talks progressed. He suggested applying the newly approved \$500,000.00 delegation of authority limit to these agreements allowing him to execute any individual agreement not exceeding that amount, while larger commitments would return to the Board for separate consideration.

Board members discussed whether all potential agreements should fall under this authorization or only those involving financial impact. Vice Chair Sutton expressed concern about maintaining local input and oversight, emphasizing that board members who live in the Project communities should remain involved to ensure fairness and transparency in negotiations. Director Evans agreed, noting that local insight was critical to evaluating the reasonableness of proposed terms and to prevent misunderstandings with community agencies. Several members echoed this sentiment, suggesting that any draft agreements – particularly those with the Maxwell Fire District and Maxwell Unified School District – should come back before both the Reservoir Committee and Authority Board for review prior to execution.

Brown responded that he fully supported local engagement and explained that fiscal impact analyses were underway for the Maxwell Unified School District, while discussions with the Maxwell Fire District would occur once the construction management contractor was on board.

The board deferred authorizing execution of the impact alleviation agreements until the draft versions could be reviewed, ensuring community representation in the process. **No formal action was taken on the item**, and it was agreed that staff would continue developing agreements for later consideration.

- 2.5 Reservoir Committee and Authority Board consider authorizing the Executive Director to execute the Memorandum of Understanding with the Colusa and Glenn Air Pollution Control Districts.

During her presentation, Ms. Forsythe provided an overview of the proposed Memoranda of Understanding (MOUs) with the Colusa County and Glenn County Air Pollution Control Districts. She explained that these MOUs require mitigation measures under the project's Environmental Impact Report (EIR), as construction activities are expected to exceed the counties' thresholds for nitrogen oxide and particulate matter emissions. Ms. Forsythe clarified that the purpose of these agreements is to compensate for these exceedances through offset programs managed by the respective air districts.

Ms. Forsythe further noted that the MOUs would apply to only Colusa and Glenn Counties, as Tehama County construction activities would remain below emission thresholds, and the Yolo-Solano Air Pollution Control District would be addressed later if necessary. She emphasized that staff continued to coordinate closely with both air districts and that the agreements would ensure compliance with the air quality regulations while allowing construction to proceed on schedule.

Board members asked clarifying questions regarding how offset funds would be calculated and used. Staff confirmed that the intent of the MOUs is to direct offset funding first to

projects in Colusa and Glenn Counties, such as equipment retrofits or clean air initiatives, with any remaining funds eligible for broader regional use.

ACTION RC: It was moved by Ms. Traynham, seconded by Mr. Plinski, to recommend approval of agenda item 2.5 to the Authority Board. **Motion carried with an abstention from Mr. Azevedo, Colusa County.**

ACTION AB: It was moved by Director Vanderwaal, seconded by Director Allen to approve agenda item 2.5. **Motion carried with abstention from Director Arendt, Glenn County and Director Evans, Colusa County.**

- 2.6 Reservoir Committee and Authority Board consider approval of the 2026 meeting calendar.

ACTION RC: It was moved by Ms. Traynham, seconded by Ms. Saenz, to recommend approval of agenda item 2.6 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Murphy, seconded by Director Kaplan, to approve agenda item 2.6. **Motion carried unanimously.**

3. **DISCUSSION AND INFORMATION ITEMS:**

- 3.1 Review and comment on the fourteen firms deemed qualified to provide interim financing for the next phase of the Sites Project and eligible to continue in the next steps of the procurement process.

Ms. O’Connell presented a review of the firms deemed qualified to provide interim financing for the Sites Reservoir Project. Ms. O’Connell explained that earlier in the year, the Authority had issued a Request for Qualifications to identify financial institutions with the capacity and expertise to structure and deliver interim financing for the project’s pre-construction phase. She reported that fourteen firms submitted responses, representing a mix of large commercial banks, public finance institutions, and infrastructure lenders. Ms. O’Connell detailed the evaluation process, noting that submissions were reviewed based on each firm’s experience with large-scale water and infrastructure financing, their credit strength, their capacity to manage multi-year, multi-party borrowing structures, and their understanding of public agency financing frameworks. The review panel determined that all fourteen firms met the qualification threshold and would be invited to participate in the subsequent Request for Proposals phase.

Ms. O’Connell clarified that the goal of this agenda item was to provide transparency and ensure that both the Reservoir Committee and Authority Board were comfortable with the qualifications process before proceeding to the next step.

Director Murphy asked if the respondents had proposed a percentage-based fee structure instead of an hourly rate or fixed fee. Ms. O’Connell responded that the Request for Qualifications phase did not request pricing information and that specific fee proposals would be addressed in the forthcoming Request for Proposals process. Ms. O’Connell added that this approach ensures that the Authority can compare pricing and compensation structures on an equal basis once qualifications are confirmed.

- 3.2 Review and comment on the updated conditions precedent quarterly status report.

Brown said that this is regarding the ongoing conditions that need to be completed in order to proceed with investor commitment and that he will be covering in his later report additional items that will be included as a result of a meeting earlier in the week with downstream facilities agencies and that this report is meant to be a way to communicate to and keep everyone on track.

4. Reports:

4.1 Chairpersons' Reports:

Committee Chair Kunde reported on a series of ongoing coordination activities. He noted continued engagement and strong support for the Sites Project, highlighting that these periodic check-ins with state leadership were intended to keep the project on track and address any emerging challenges. Committee Chair Kunde described recent work, particularly related to the Colusa Basin Drain. He explained that meetings with Sacramento Valley participants had been held to ensure their perspectives and technical input were incorporated into downstream planning.

Committee Chair Kunde also summarized recent committee and subcommittee meetings, including a Governance Ad Hoc Committee meeting and a Mitigation Strategy Subcommittee meeting. He mentioned that feedback on the Executive Director's performance had been received, noting a particularly strong level of participation from members.

Chair Durst commented on the meeting with Secretary Crowfoot and said that these meetings are good to keep people on task.

4.2 Committee & Workgroup Chairpersons' Reports:

Committee Chair Kunde stated that the Operations and Engineering Work Group had not met since the previous session but had continued efforts through a small ad hoc team focusing on the Colusa Basin Drain agreements and related matters. He detailed that this subgroup had conducted a meeting in Maxwell and a field trip with some members to assess physical conditions and discuss next steps. There will be more meetings that are to be scheduled to address allocation and prioritization of capacity with the Colusa Basin Drain and to clarify the associated contractual provisions.

Kevin Spesert mentioned that there was a good turnout at the recent Local Community Working Group.

4.3 Authority Board & Reservoir Committee Participant Reports:

Committee Chair Kunde stated that Wheeler Ridge and Santa Clara have been in discussions to assign a portion of Wheeler Ridge's current participation to Santa Clara. Although not definite, they are on track to bring a formal proposal to this body in November.

4.4 Executive Director's Reports:

ED Brown gave a brief report on interim steps to do before Investor Commitment starts. He outlined five key actions proposed by staff to strengthen these commitments: first, to seek a Letter of Mutual Understanding with entities having interest in the Colusa Basin Drain, which would serve as a non-binding expression of cooperation toward developing necessary downstream facilities; second, to prepare a technical memorandum evaluating the potential Dunnigan Pipeline Extension to the Sacramento River, including scope, schedule, budget, and timing; third, to incorporate explicit Colusa Basin Drain loss assumptions into the project’s operations model based on further hydrologic evaluation; fourth, to develop an itemized cost estimate for the downstream facility improvements as currently understood; and fifth, to continue coordination with relevant agencies and stakeholders to integrate these measures into the formal project conditions precedent documentation. Brown emphasized that while it would not be possible to secure formal agreements with all affected parties within the current timeframe, these actions would demonstrate the Authority’s intent to collaborate and maintain momentum on resolving downstream capacity issues.

5. CLOSED SESSION: 11:20 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 Fish and Wildlife
 Under negotiation: Price and terms of payment for water storage and conveyance capacity.

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

5.5 Conference with Real Property Negotiators (Gov. Code §54956.8):
 Property: Arnold [Colusa County] APN 011-150-010
 Agency Negotiators: Jerry Brown, Kevin Spesert
 Negotiating Parties: Cody Arnold
 Under Negotiation: Price and terms of payment

5.6 Conference with Real Property Negotiators (Gov. Code § 54956.8)
 Property: [Colusa County] APNs 011-150-022-000, 011-150-021-000
 Agency negotiators: Jerry Brown, Kevin Spesert
 Negotiating parties: Banyan Transportation
 Under negotiation: Price and terms of payment

5.7 Public Employee Performance Evaluation, Executive Director (Govt. Code §§54957).

6. **REPORT FROM CLOSED SESSION: 1:20p.m.**

Counsel Doud reported that as to item 5.4, the Reservoir Committee recommended, and the Authority Board approved, direction to counsel to initiate litigation. The particulars will be disclosed to any person upon inquiry once the action has formally commenced.

7. **RECAP:**
None.

7.1 **Suggested Future Agenda Items:** None.

7.2 **Upcoming Meetings:**
Reservoir Committee & Authority Board
Day of Friday, November 21, 2025 (9:00 a.m. – noon)
Maxwell Project Office & Virtual

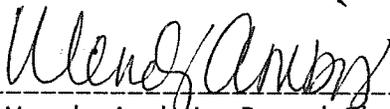
Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at 1:21pm.



Fritz Durst, Authority Board Chair



Robert Kunde, Reservoir Committee Chair



Wendy Ambriz, Board Clerk