

Reservoir Committee and Authority Board Meeting

Agenda Item 6.1:

Update on GCID and TCCA Facilities Use Agreements
and RD108 Operations Agreement

September 18, 2026

Facilities Use Agreement Update

Issue for Discussion

- Delivering the benefits of the Sites Reservoir Project requires agreement for use of existing Glenn-Colusa Irrigation District (GCID) and the Tehama-Colusa Canal Authority (TCCA) facilities (incl Reclamation).

Policy Direction Needed

- Consider additional negotiating parameters to acknowledge operational risks

Where negotiations stand

- Staff has negotiated the GCID and TCCA Facilities Use Agreements and the RD108 Operations Agreement consistent with the Board's previously established parameters.
- Substantial progress has been made, and the agreements are nearing completion.

Why additional direction is needed

- TCCA has raised new compensation and related agreement requests that extend beyond the existing parameters.
 - Ownership of portion of Project power
 - Property rights for surplus lands
 - Additional reserves for major maintenance
- At the same time, staff recommends keeping the broader Alignment Ad Hoc discussions separate from all three local-facility agreements -
 - the alignment issues are a board wide effort that requires GCID and TCCA to be part of the discussion
 - The facility agreements need to be negotiated by Authority Staff with policy direction from the Board, excluding GCID and TCCA

Proposed closing framework

- A common framework is needed to resolve the remaining issues consistently across all three agreements while recognizing their agreement-specific differences.
- Preserve the negotiated base compensation:
 - Wheeling/facility-use rates for TCCA and GCID.
 - Time-and-Materials compensation for RD108.
- Add a separately stated “Operating Risk Premium” recognizing
 - Sites is a big change which creates operational risk to the facility operators that needs to be factored into current rates,
 - the Authority values that the service is available
 - this is a long-term partnership, “we look out for each other”
- Explore legal framework for land disposition options
- Defer conversations around operating facilities