

DIRECTORS

RICH McGOWAN, President
STEVE KOEHNEN, Vice President
RAYME ANTONOWICH, Secretary
ANDREW MENDONCA, Treasurer
BILL CHANCE
CRAIG KNIGHT
BRIAN MORI
JAMES PAIVA
TODD TURLEY



OFFICERS

TOVEY GIEZENTANNER
General Manager

ATTORNEY

JOE HUGHES
Klein DeNatale Goldner

**REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TUSCAN WATER DISTRICT**

AGENDA

**Wednesday, February 18, 2026 @ 9:00 a.m.
Butte County Association of Governments (BCAG) Board Room
326 Huss Drive, Chico, California 95928**

TUSCAN WATER DISTRICT (TWD) REGULAR BOARD MEETING

1. Call to Order & Pledge of Allegiance
2. Public Comment. Members of the public may address the Board on any matter not already listed below. The Board cannot act at this meeting on requests made under this section of the agenda.

REGULAR AGENDA

3. Board Meeting Minutes for January 21, 2025
Recommendation: Review and Take Appropriate Action
4. Finances & Payment of the Bills
Recommendation: Review and Take Appropriate Action

COMMUNICATIONS AND REPORTS

5. Investment Policy
Recommendation: Review and Take Appropriate Action
6. Annual Land Use Inspection – LAFCO Condition 11
Recommendation: Review and Take Appropriate Action
7. Ad Hoc Committee Reports (Informational only)
 - a. Surface Water Update – next meeting, 3/11, 8:00 a.m. via Zoom
 - b. Recharge Update – next meeting, 3/11, 9:00 a.m. via Zoom
 - c. Finance – no meeting set
8. General Manager Report & Updates (Information Only)
 - a. Interbasin Coordination webinar (Jan 28)
 - b. Butte County Water Commission meeting (Feb 4)
 - c. Sustainable Conservation Opportunities in Vina Subbasin meeting (Feb 5)
 - d. Sites Reservoir Presentation at Chico Noon Rotary (Feb 10)
 - e. Butte County Technical Advisory Committee meeting (Feb 11)
 - f. NCWA: Groundwater Recharge Opportunities webinar (Feb 13)
 - g. Other TBD

9. Board Member Announcements, Reports and/or Requests for Future Agenda Topics

CLOSED SESSION

PUBLIC EMPLOYMENT (Govt. Code Section 54957.)

Title: General Manager

Title: General Counsel

ADJOURNMENT

NOTES

In compliance with the American with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services, to participate in this meeting, please email info@tuscanwaterdistrict.org by Noon the day prior to this meeting.

Written material distributed during a public meeting will be available for public inspection at the meeting, if prepared by the district or a member of its legislative body, or after the meeting if prepared by some other person. Any materials related to an item on this Agenda are available for public inspection online at <https://www.tuscanwaterdistrict.org/>.

ITEM 3 - Meeting Minutes

TUSCAN WATER DISTRICT BOARD OF DIRECTORS – REGULAR MEETING MINUTES

January 21, 2026 – 9:00 a.m.

BCAG Board Room, 326 Huss Drive, Chico, CA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

President McGowan called the meeting to order and led the Pledge of Allegiance.

2. ROLL CALL

Present: Rich McGowan (President), Steve Koehnen (Vice President), Andrew Mendonca, Bill Chance, Craig Knight, Brian Mori, Todd Turley
Absent: Rayme Antonowich (Secretary), Jim Paiva
Staff: Tovey Giezentanner, General Manager; Joe Hughes, General Counsel (via Zoom)
Public: Kamie Loeser (Butte County, Director of Water and Resource Conservation), Dillon McGregor (Vina/Wyandotte Creek GSA Program Manager), Joanne Kidd (League of Women Voters), Susan Schraeder

3. PUBLIC COMMENT

No public comment was received.

4. CONSENT AND ACTION ITEMS

Approval of December Meeting Minutes. President McGowan noted that Director Brian Mori was inadvertently omitted from the attendance in the December minutes. The GM confirmed the correction would be made.

Motion: Director Turley moved to approve the December minutes as corrected. Director Chance seconded. Motion carried unanimously (7-0).

General Counsel Invoice. The board reviewed an invoice from General Counsel Joe Hughes in the amount of \$3,040.50.

Motion: Director Chance moved to approve payment. Director Knight seconded. Motion carried unanimously (7-0).

General Manager Invoice. The board reviewed an invoice from General Manager Tovey Giezentanner in the amount of \$7,500.00.

Motion: Director Turley moved to approve payment. Director Koehnen seconded. Motion carried unanimously (7-0).

President McGowan requested that the GM deliver the finalized mission statement to the board.

5. GENERAL MANAGER REPORT AND UPDATES (Information Only)

2026 Election Update.

The GM provided a brief update on the 2026 district election, reminding the board that the election process will begin in July 2026 under the Uniform District Election Law. An election information page has

ITEM 3 - Meeting Minutes

been added to the TWD website, including an election calendar, the resolution establishing the divisions, the approved district map, and an interactive Google Map allowing landowners to identify their division.

Discussion followed regarding how directors are assigned to divisions. General Counsel Hughes confirmed that the district should remain neutral and not assign directors to specific divisions. Rather, each individual director determines which division they will run in based on their land ownership. The GM noted he is available to answer individual questions from directors about division boundaries.

A more detailed election schedule and board update is planned for April or May 2026.

League of Women Voters Forum.

The GM reported that he participated in a panel discussion at a League of Women Voters forum on January 10, 2026. Approximately 75–100 people attended. The panel included Dr. Todd Green (Chico State, geology), Christina Buck (Butte County, Assistant Director), Becky Fairbanks (SGMA grant administrator), and Jim Brobeck (Aqua Alliance). The GM presented an overview of TWD's formation history, mission, guardrails, and current activities, including water year data and recharge efforts. The tone of the discussion was reported as constructive. Kamie Loeser and Dillon McGregor confirmed it was a well-attended and productive event.

Director Turley asked the GM to summarize Mr. Brobeck's comments. The GM noted that the majority of Brobeck's comments focused on groundwater substitution transfers on the west side of the Sacramento River and concerns about growth-inducing impacts. Brobeck expressed skepticism about the long-term value of shallow recharge.

Recharge Pilot Update.

The GM shared a photo and update on a recharge pilot project on property near the confluence of Rock Creek and Keefer Slough. Trenches dug between orchard rows captured stormwater during the Christmas and New Year's storms and have produced good recharge values, even in soil types that are not ideal. Sensors are monitoring percolation rates. Additional data will be shared as available.

Water Year and Basin Conditions.

The GM presented a water year type index chart going back to 1971 and discussed historical dry and wet periods in the Vina Subbasin. Discussion with Kamie Loeser and the board highlighted that groundwater levels in the basin fluctuate closely with precipitation patterns, that current conditions are above historic lows following several wet years, and that the subbasin is not in crisis but must continue planning for future drought cycles. President McGowan shared field observations indicating well levels in his area are near full capacity after an average pumping year with only 11 inches of rain, suggesting significant recharge from the eastern foothills.

Discussion touched on the importance of targeting recharge projects where the water is most needed, particularly near Butte Creek and Rock Creek corridors, and the role of groundwater-dependent ecosystems (GDEs) and stream depletion as constraining factors in project siting. Director Chance noted that cropping patterns in the district are likely at maximum permanent plantings, and Kamie Loeser agreed, observing that this likely represents peak groundwater demand.

Office Space Update.

Director Chance reported on lease negotiations for approximately 1,225 square feet of office space at the Capital Building in the Independence Circle area. Key points:

- Base rent of \$1.00 per square foot was agreed upon, which Director Chance described as favorable in the current market.
- The Letter of Intent specified a three-year term with rent fixed, plus a three-year extension option with 3% annual increases. The landlord's draft lease applied 3% annual increases from the start rather than holding flat for the initial term. Director Chance flagged this discrepancy but noted the 3% escalation is within market norms.

ITEM 3 - Meeting Minutes

- The landlord declined to accept responsibility for ADA compliance, instead assigning it to the tenant. Director Chance stated this is a deal-breaker in his view, as a tenant on a three-year office lease should not assume that liability. The board expressed agreement.
- The space is first-floor with ramp access. It includes an entry area, two offices, a conference room, kitchen pass-through, storage, and shared restroom access.

Board consensus was to push back on the ADA provision and accept the 3% annual escalation. The lease will come back for formal board action at the February meeting.

The GM noted for the record that Director Chance's daughter holds a real estate license under his firm, and that Director Chance's firm may be entitled to a leasing fee. General Counsel Hughes acknowledged he had seen this in the lease documents. Director Chance offered to waive any fee if the board considered it a conflict.

Ad Hoc Committee Updates.

Finance Ad Hoc. Met January 16 to review the remaining FY 2025–26 budget and discuss assumptions for the FY 2026–27 budget. The discussion informed the closed session items. No follow-up meeting has been scheduled yet.

Surface Water Ad Hoc. A 185-page feasibility analysis is being revised and expected by the end of January. The ad hoc will review the document and work toward discussions with the Vina GSA, Butte County, PID, and Western Canal regarding the surface water opportunity. Key topics include roles and governance, interest in pursuing Proposition 4 funding for shovel-ready projects, and development of a term sheet with partners. Next meeting: February 11.

Recharge Ad Hoc. A shorter feasibility document (5–10 pages) is expected by February 11. The ad hoc will review it and address governance questions around projects that may be located east of Highway 99 (outside TWD boundaries but within the Vina Subbasin). Next meeting: February 11.

Kamie Loeser provided context on the strategic framework, describing the four pillars of sustainability: surface water importation, recharge, demand reduction, and — if the first three are insufficient — regulatory management actions. She emphasized that TWD and the Vina Subbasin are currently in a favorable position but should be preparing projects now to be competitive for Proposition 4 and other state funding when it becomes available. She noted approximately \$385 million in Prop 4 funding is designated for SGMA implementation alone, with additional funding available through other state agencies.

Investment Policy.

The GM reported that General Counsel Hughes is drafting an investment policy for the Raymond James account. A draft will be presented for board review and approval at the February meeting.

Meeting Time.

Director Turley requested a change to the board meeting start time due to a standing conflict. Directors present indicated no objection. The GM will confirm with the absent directors and circulate an updated schedule.

6. BOARD MEMBER COMMENTS AND FUTURE AGENDA ITEMS

No additional comments or agenda requests were made.

7. CLOSED SESSION

The board adjourned to closed session to discuss the General Manager position and the General Counsel transition. No reportable action was taken.

8. MEETING ADJOURNED

ITEM 3 - Meeting Minutes



Mission Statement

(Adopted November 19, 2025)

The Tuscan Water District (TWD) is a locally governed California Water District dedicated to ensuring the long-term sustainability of groundwater resources within the Vina and Butte Subbasins. TWD's mission is to:

- Protect and enhance the beneficial use of groundwater for all landowners by implementing projects and management actions consistent with the Sustainable Groundwater Management Act (SGMA);
- Represent and advocate for groundwater-dependent landowners in coordination with Butte County, the Vina, Butte, and Rock Creek Reclamation District GSAs, and other public agencies;
- Develop, fund, and operate surface-water supply, recharge, and conservation programs that improve basin conditions and preserve the region's agricultural and rural economy; and
- Defend local groundwater rights while pursuing cooperative, science-based solutions that sustain the Tuscan Aquifer for future generations.

Supporting Context

Statutory Basis: California Water Code §§ 34000 et seq.; LAFCo Certificate of Compliance (02/2024).

Core Functions: Evaluate, fund, implement, and oversee projects to achieve groundwater sustainability; serve as the implementing and funding partner to the GSAs.

Special Benefits Identified in the Engineer's Report: Local control, representation, funding advocacy, and protection of groundwater rights.

ITEM 4 - Finances

TWD Finances

| FY 2025-26 | 2025-26 APPROVED BUDGET <i>(attached)</i> | JUL 2025 Approved | AUG 2025 Approved | SEPT 2025 Approved | OCT 2025 Approved | NOV 2025 Approved | DEC 2025 Approved | JAN 2026 For Approval | FEB 2026 | MAR 2026 | APR 2026 | MAY 2026 | JUN 2026 | Billed to Date | Approved Budget Remaining |
|----------------------------|--|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|---------------------------------|
| TWD BUDGET CATEGORY | | | | | | | | | | | | | | | |
| Personnel | \$ 266,400 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | | | | | | \$ 37,500 | \$ 228,900 |
| Office | \$ 81,000 | \$ 7,304 | \$ 1,005 | \$ 165 | \$ 1,320 | \$ - | \$ - | \$ - | | | | | | \$ 9,794 | \$ 71,206 |
| External Support | \$ 97,000 | \$ 2,175 | \$ 635 | \$ 1,580 | \$ 953 | \$ - | \$ 3,041 | \$ 158 | | | | | | \$ 8,383 | \$ 88,617 |
| Litigation | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | \$ - | \$ 75,000 |
| Technical Support | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | \$ - | \$ 50,000 |
| Lobbying & Funding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | \$ - | \$ - |
| Reserves | \$ 50,000 | \$ 17,399 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | \$ 17,399 | \$ 32,601 |
| TOTALS | \$ 619,400 | \$ 34,378 | \$ 9,140 | \$ 9,245 | \$ 9,773 | \$ 7,500 | \$ 10,541 | \$ 7,658 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 73,076 | \$ 546,324 |

Itemized Bills

| Category | Description | Amount |
|------------------|---|-----------------|
| Personnel | Giezentanner & Associates - General Manager | \$ 7,500 |
| External Support | Klein DeNatale Goldner - General Counsel | \$ 158 |
| | Total | \$ 7,658 |

ITEM 4 - Finances

INVOICE

Giezentanner & Associates
30 Independence Circle, Suite 300
Chico, California 95973
United States

BILL TO
Tuscan Water District
30 Independence Circle
Chico, California 95973
United States

Invoice Number: 20201295

Invoice Date: January 31, 2026

Payment Due: March 2, 2026

Amount Due (USD): **\$7,500.00**

| Items | Amount |
|--|------------|
| Service Tuscan Water District Services Performed January 1, 2026 – January 31, 2026 See attached Statement of Services Provided | \$7,500.00 |

Total: **\$7,500.00**

Amount Due (USD): **\$7,500.00**

ITEM 4 - Finances

January 2026 – Statement of Services Provided

Board Meeting & Governance

- Prepared and distributed the board packet for the **January 21, 2026**, regular meeting, including the agenda, December meeting minutes, General Counsel invoice, and GM report materials.
- Staffed the January board meeting;
- Drafted formal meeting minutes from the January 21 session, including detailed documentation of board discussion on recharge pilots, basin conditions, office space negotiations, and ad hoc committee updates.
- Provided **2026 Election Update** to the board, including publication of an election information page on the TWD website with an election calendar, the division resolution, the approved district map, and an interactive Google Map for landowner division identification. Coordinated with General Counsel Hughes on board neutrality requirements and individual director division assignments.
- Finalized Mission statement with Joe Hughes.
- Corrected December meeting minutes to include Director Brian Mori in the attendance record.

Public Outreach & Stakeholder Engagement

- Developed a comprehensive presentation and participated in a **League of Women Voters forum on January 10, 2026**. Approximately 75–100 attendees. Presented an overview of TWD’s formation history, mission, guardrails, and current activities including water year data and recharge efforts. Participated in extensive Q&A session. Panel included Dr. Todd Green (Chico State), Christina Buck (Butte County), Becky Fairbanks (SGMA grant administrator), and Jim Brobeck (AquAlliance).

Recharge & Project Development

- Provided the board with a photo update and briefing on a **recharge pilot project** near the confluence of Rock Creek and Keefer Slough. Reported on stormwater capture results from Christmas and New Year’s storms, including percolation data from sensors monitoring trench infiltration between orchard rows—even in less-than-ideal soil types.
- Presented water year type index data going back to 1971 and facilitated board discussion on historical dry/wet cycles, current basin conditions, and the relationship between precipitation patterns and groundwater levels in the Vina Subbasin.

Ad Hoc Committee Support

- **Finance Ad Hoc:** Supported a meeting on January 16 to review the remaining FY 2025–26 budget and discuss assumptions for the FY 2026–27 budget in preparation for closed session items.
- **Surface Water Ad Hoc:** Coordinated the revision of a 185-page feasibility analysis (expected by end of January). Supported planning for discussions with the Vina GSA, Butte County, Paradise Irrigation District, and Western Canal regarding surface water

ITEM 4 - Finances

opportunities, including roles, governance, Proposition 4 funding strategy, and partner term sheet development.

- **Recharge Ad Hoc:** Coordinated development of a shorter feasibility document (5–10 pages, and supported preliminary discussion on governance questions for projects potentially located east of Highway 99 (outside TWD boundaries but within the Vina Subbasin).

Office Space & Administration

- Supported Director Chance's lease negotiations for approximately 1,225 square feet of office space at the Capital Building in the Independence Circle area. Facilitated board discussion on key lease terms including base rent (\$1.00/sq ft), 3% annual escalation, and the landlord's refusal to accept ADA compliance responsibility. Board directed a pushback on the ADA provision.
- Reported that General Counsel Hughes is drafting an **investment policy**. Draft to be presented at the February meeting.
- Responded to title company inquiries regarding parcel status and district assessment obligations.

GSA & Interagency Coordination

- Participated in multiple meetings regarding the **Durham Mutual Water Company service area**, including a site visit and tour of the mainline canal. This work is funded through the SGMA grant and co-managed through AGUBC, with direct overlap in information and output relevant to TWD's interests.
- Participated in several meetings regarding **demand reduction strategies** for the Vina Subbasin. This work is funded through the SGMA grant and managed through AGUBC, with overlap in the information and output relevant to TWD's planning.
- Listened to an **interbasin coordination webinar** to stay current on regional groundwater management strategies and cross-basin coordination approaches.
- Reviewed technical data associated with the **WY2025 Annual Report**, prepared by the Butte County Water Department, including groundwater level trends and basin condition metrics relevant to TWD's planning and GSP compliance.

General Counsel Transition

- Continued managing the transition planning for General Counsel following Attorney Hughes' announced departure. Coordinated closed session discussion with the board on both the General Manager and General Counsel positions.

ITEM 4 - Finances



10000 STOCKDALE HWY, SUITE 200
BAKERSFIELD, CA 93311
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

January 30, 2026

TUSCAN WATER DISTRICT
*****E-MAIL INVOICES*****

Invoice No. 1259330
Client No. 24618
Matter No. 001
Billing Attorney: JDH

INVOICE SUMMARY

For Professional Services Rendered for the Period Ending: January 19, 2026.

RE: TUSCAN WATER DISTRICT
GENERAL BUSINESS

| | |
|---------------------------|----------------------------------|
| Professional Services | \$ 158.00 |
| Costs Advanced | <u>\$.00</u> |
| TOTAL THIS INVOICE | \$ 158.00 |
| Prior Balance | <u>\$ 3,040.50</u> |
| TOTAL BALANCE DUE | <u><u>\$ 3,198.50</u></u> |

ITEM 4 - Finances

KLEIN DENATALE GOLDNER

Invoice No. 1259330

January 30, 2026

PROFESSIONAL SERVICES

| Date | Init | Description | Hours | Amount |
|-------------|-------------|---|--------------|---------------|
| 12/22/25 | AND | RESEARCHED ADA REQUIREMENTS FOR OFFICE LOCATIONS; RESPONDED TO E-MAIL FROM T. GIEZENTANNER REGARDING SAME. | .40 | 158.00 |

TOTAL PROFESSIONAL SERVICES

\$ 158.00

SUMMARY OF PROFESSIONAL SERVICES

| Name | Init | Rate | Hours | Total |
|-----------------|-------------|-------------|--------------|------------------|
| DOMINGUEZ, ALEX | AND | 395.00 | .40 | 158.00 |
| Total | | | .40 | \$ 158.00 |

TOTAL THIS INVOICE

\$ 158.00

ITEM 4 - Finances

KLEIN DENATALE GOLDNER

Invoice No. 1259330

January 30, 2026

OUTSTANDING INVOICES

| Invoice No. | Date | Invoice Total | Payments Received | Ending Balance |
|--------------------|-------------|--------------------------|------------------------------|---------------------------|
| 1258082 | 12/31/25 | 3,040.50 | .00 | 3,040.50 |

| | |
|--------------------------|---------------------------|
| PRIOR BALANCE | \$ 3,040.50 |
| Balance Due This Invoice | <u>\$ 158.00</u> |
| TOTAL BALANCE DUE | <u>\$ 3,198.50</u> |

AGED ACCOUNTS RECEIVABLE

| Current - 30 | 31 - 60 | 61 - 90 | 91 - 120 | Over 120 | Total |
|---------------------|----------------|----------------|-----------------|-----------------|--------------|
| \$ 3,040.50 | \$.00 | \$.00 | \$.00 | \$.00 | \$ 3,040.50 |

ITEM 4 - Finances



10000 STOCKDALE HWY, SUITE 200
BAKERSFIELD, CA 93311
(661) 395-1000
FAX (661) 326-0418
E-MAIL accounting@kleinlaw.com

January 30, 2026

TUSCAN WATER DISTRICT
*****E-MAIL INVOICES*****

Invoice No. 1259330
Client No. 24618
Matter No. 001
Billing Attorney: JDH

REMITTANCE

RE: TUSCAN WATER DISTRICT
GENERAL BUSINESS

| | |
|---------------------------------|---------------------------|
| BALANCE DUE THIS INVOICE | \$ 158.00 |
| Prior Balance | <u>\$ 3,040.50</u> |
| TOTAL BALANCE DUE | <u>\$ 3,198.50</u> |

All checks should be made payable to:
(Please return this advice with payment.)

Klein DeNatale Goldner
10000 Stockdale Hwy, Suite 200
Bakersfield, CA 93311

For payment by ACH in USD:
(Please reference:
Client-Matter No. 24618-001,
Invoice No. 1259330)

J.P. Morgan Chase
Account No. 825707620
ABA No. 322271627

To pay by credit card, click here --->: [Pay Now](#) or call Accounting at (661) 395-1000.

DUE UPON RECEIPT

FEDERAL I.D. No. 95-2298220

Thank you! Your business is greatly appreciated.

ITEM 5 - Investment Policy

TUSCAN WATER DISTRICT

Staff Memorandum

TO: Board of Directors
FROM: Tovey Giezentanner, General Manager
DATE: February 18, 2026
RE: Item 5: Draft Statement of Investment Policy
PRESENTER: Joe Hughes, General Counsel

Action Requested: Review and take appropriate action.

Background

At the December 15, 2025 regular meeting, the Board received a presentation from Chad Parker of Raymond James regarding investment management services for the District's Proposition 218 assessment revenue. Following discussion, the Board unanimously directed Attorney Joe Hughes to draft a formal investment policy for the District.

California Government Code section 53646 requires that the legislative body of a local agency adopt an investment policy and review it annually. An adopted investment policy is also a prerequisite for engaging a contracted investment advisor, such as Raymond James.

Summary of Draft Policy

The attached draft Statement of Investment Policy was prepared by General Counsel and is modeled on standard California local agency investment policies. Key provisions include:

Authority and Responsibility. Investment authority is delegated to the District Treasurer pursuant to Government Code section 53607, subject to the Prudent Investor Standard (Gov. Code, § 53600.3).

Investment Priorities. Consistent with Government Code section 53600.5, the policy establishes a strict priority hierarchy: (1) safety of principal, (2) liquidity, and (3) yield.

Permitted Investments. Investments are limited to those authorized under Government Code sections 53601 through 53686 and sections 16429.1 through 16429.4, which restrict local agencies primarily to fixed-income, investment-grade instruments.

Reporting. The Treasurer will submit monthly investment transaction reports and may submit quarterly portfolio status reports, including compliance certification and a six-month liquidity forecast.

Annual Review. The Board may review the policy annually in light of the District's evolving needs and market conditions.

ITEM 5 - Investment Policy

Additional Context

During the December meeting, several considerations were raised that provide additional context for the Board's review of the draft policy:

Liquidity. Director Mori noted the importance of maintaining liquidity given the District's start-up phase and unpredictable near-term needs. The draft policy prioritizes liquidity second only to safety of principal, and Mr. Parker confirmed that money market funds provide daily liquidity.

Grant Funds. Director Kamie Loeser of the Butte County Department of Water and Resource Conservation, advised that grant funds typically must be held in non-interest-bearing accounts per DWR requirements. If grant funds are secured, these will be segregated from assessment revenue, consistent with the controlling funding source requirements.

Attachment: Draft Statement of Investment Policy

ITEM 5 - Investment Policy

TUSCAN WATER DISTRICT

STATEMENT OF INVESTMENT POLICY

Adopted _____

PURPOSE:

The purpose of this statement of investment policy (**Policy**) is to set forth the investment policy of the Tuscan Water District (**District**) with respect to the investment of District funds, as authorized by law. This Policy will help maximize the efficiency of the District's cash management system. The District's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of monies to the fullest extent possible.

AUTHORITY AND RESPONSIBILITY OF THE TREASURER:

The authority of the Board of Directors (**Board**) to manage District funds has been delegated to the District's Treasurer in accordance with Government Code section 53607. The Treasurer is a fiduciary subject to the Prudent Investor Standard (Gov. Code, § 53600.3), attached hereto. When managing District funds, the Treasurer shall act in accordance with such standard, this Policy, and all other applicable State and Federal laws.

OBJECTIVES:

The first objective of this Policy is to safeguard the principal of the District's funds. (Gov. Code, § 53600.5.) The second objective of this Policy is to meet the District's liquidity needs. (*Ibid.*) The third objective of this Policy is to achieve a return on the funds. (*Ibid.*)

LEGAL INVESTMENTS:

The Treasurer shall invest District funds in a manner consistent with Government Code sections 53600 through 53686 and 16429.1 through 16429.4, and in compliance with all other applicable State and Federal laws.

Permitted Investments

Permitted investments are identified in Government Code sections 16429.1, 16340, 53601, 53601.8, 53635, 53635.2, 53635.8, 53684 and 57603.

Criteria for Selecting Investments

The criteria for selecting investments and the absolute order of priority are:

1. Safety
2. Liquidity
3. Yield

ITEM 5 - Investment Policy

REPORTING:

In accordance with Government Code section 53607, the Treasurer will submit a monthly investment report to the Board. This report must include a list of the investment transactions for the preceding month.

In accordance with Government Code section 53646, subdivision (b), the Treasurer may also submit a quarterly report to the Board to provide a clear picture of the status of the current investment portfolio. This report must include a list of the types of investment held, the issuer, the date of maturity, the par and dollar amount invested on all securities, investments and moneys held by the District, and a description of any of the District's funds, investments, or programs, that are under the management of contracted parties, including lending programs. Additionally, the report must state the compliance status of the current investment portfolio with this Policy or identify the manner in which the portfolio is not in compliance. Finally, the report must include a statement denoting the ability of the District to meet its pool's expenditure requirements for the subsequent six months or provide an explanation as to why sufficient money may not be available.

REVIEW:

To assure continued fulfillment of objectives and compliance with State, Federal, and all other legal requirements, including this Policy, the Board may review this statement annually in light of the District's needs and changing economic and capital market factors, in accordance with Government Code section 53646, subdivision (a)(2).

CONFLICTS OF INTEREST:

Officers and employees involved in the investment of District funds shall refrain from personal business activity that could conflict with the proper execution of this Policy or which could impair their ability to make impartial decisions.

ITEM 5 - Investment Policy

PRUDENT INVESTOR STANDARD

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Gov. Code, § 53600.3.)

ITEM 6 - Annual Land Use Inspection

TUSCAN WATER DISTRICT

Staff Memorandum

TO: Board of Directors
FROM: Tovey Giezentanner, General Manager
DATE: February 18, 2026
RE: Item 06: Annual Land Use Inspection — LAFCO Condition 11

Action Requested. Adopt Resolution No. 2026-__ documenting the results of the 2026 annual land use inspection required by LAFCO Condition 11 and Water Code Sections 35040–35041.

Background. Condition 11 of LAFCO Resolution No. 18 2022/23 requires the TWD Board to conduct an annual inspection of the assessable area within the District between January 1 and March 30 of each year. The inspection determines whether at least 50% of the assessable acreage has been converted to residential, industrial, or nonagricultural commercial use. This requirement implements Water Code Sections 35040–35041, which govern the potential conversion of a water district from landowner voting to registered voter elections. If the 50% threshold is met, the Secretary of the District must certify the finding to the Board, and registered voters within the District may petition to convert to a registered voter district under Water Code Section 35042.

Summary. The General Manager compiled a land use summary using the Butte County Assessor’s parcel data provided in April 2025. Each parcel’s acreage was categorized by its Butte County General Plan designation. The District’s total assessable area is approximately 97,215 acres.

| Category | Acres | % of Total |
|---|---------------|----------------|
| Agricultural (AG-160, AG-80, AG-40, AG-20, A, AS) | 96,266 | 99.02% |
| Residential, Commercial, Industrial | 558 | 0.57% |
| Other (Public, Recreation, Mixed, Municipal) | 391 | 0.40% |
| Total | 97,215 | 100.00% |

Determination. The combined acreage designated for residential, commercial, and industrial use totals 558 acres, representing 0.57% of the District’s assessable area. The 50% threshold under Water Code Section 35040 would require 48,608 acres of converted land. The District remains overwhelmingly agricultural in character, and no further action is required under Water Code Sections 35041–35042 at this time.

Data Source and Future Inspections. This analysis relied on the Butte County Assessor’s parcel data from April 2025. Next year’s annual inspection will utilize the updated Assessor’s report anticipated in April or May 2026. The General Manager will calendar this inspection for Board action between January and March of each year.

Attachment: Resolution No. 2026-__ (with Exhibit A — Land Use Analysis)

ITEM 6 - Annual Land Use Inspection

TUSCAN WATER DISTRICT

Butte County, California

RESOLUTION NO. 2026-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUSCAN WATER DISTRICT DOCUMENTING THE RESULTS OF THE 2026 ANNUAL INSPECTION OF ASSESSABLE ACREAGE PURSUANT TO WATER CODE SECTIONS 35040–35041 AND LAFCO CONDITION 11

WHEREAS, the Tuscan Water District (“TWD” or “District”) was formed by the Butte County Local Agency Formation Commission (“LAFCO”) pursuant to LAFCO Resolution No. 18 2022/23, subject to conditions of approval; and

WHEREAS, Condition 11 of LAFCO’s conditions of approval requires the District to conduct an annual inspection of the assessable area to determine whether at least 50% of the assessable acreage has been converted to residential, industrial, or nonagricultural commercial use, consistent with Water Code Sections 35040–35041; and

WHEREAS, Water Code Section 35040 requires the board of directors to make an inspection of the assessable area within the district between January 1 and March 30 of each year to determine whether at least 50% of the assessable acreage has been converted to residential, industrial, or nonagricultural commercial use; and

WHEREAS, the General Manager has compiled and presented to the Board a summary of current land use designations within the District boundaries, based on the Butte County Assessor’s parcel data provided in April 2025, organized by General Plan designation and total assessed acreage; and

WHEREAS, the analysis identifies a total assessable area of 97,215 acres within the District, of which 96,207 acres (98.96%) carry agricultural General Plan designations (AG-160, AG-80, AG-40, and AG-20); and

WHEREAS, the combined acreage designated as residential (309 acres), commercial (13 acres), and industrial (236 acres) totals 558 acres, representing approximately 0.57% of the total assessable acreage — well below the 50% threshold established by Water Code Section 35040; and

WHEREAS, the Board has reviewed the General Manager’s analysis and the supporting land use data summarized in Exhibit A, attached hereto and incorporated by reference.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tuscan Water District as follows:

Section 1. Findings. The Board of Directors finds and determines that:

- (a) The District’s total assessable acreage is approximately 97,215 acres.
- (b) Of the total assessable acreage, 96,207 acres (98.96%) are designated for agricultural use under the Butte County General Plan.
- (c) The combined acreage designated for residential, industrial, and nonagricultural commercial use is 558 acres, representing 0.57% of the total assessable acreage.

ITEM 6 - Annual Land Use Inspection

(d) The 50% conversion threshold established by Water Code Section 35040 has not been met.

Section 2. Determination. Based on the foregoing findings, the Board determines that less than 50% of the assessable acreage within the District has been converted to residential, industrial, or nonagricultural commercial use. Therefore, no further action is required under Water Code Sections 35041–35042 at this time.

Section 3. Documentation. The General Manager is directed to maintain a copy of this resolution and the supporting Exhibit A in the District's official records and to calendar this inspection for completion between January 1 and March 30 of each subsequent year.

Section 4. Data Source. The land use analysis supporting this resolution was derived from the Butte County Assessor's parcel data provided in April 2025. Next year's annual inspection will utilize the Assessor's report anticipated in April/May 2026.

Section 5. Effective Date. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of the Tuscan Water District on this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rich McGowan, President

Board of Directors, Tuscan Water District

ATTEST:

Rayme Antonowich, Secretary

Board of Directors, Tuscan Water District

ITEM 6 - Annual Land Use Inspection

EXHIBIT A

Land Use Analysis — Annual Inspection Pursuant to Water Code §§ 35040–35041

Tuscan Water District — 2026

Data Source: Butte County Assessor’s Parcel Data (April 2025). Acreage is based on the ASSR_AC field for each parcel, organized by Butte County General Plan designation.

Summary of Land Use by Category

| Land Use Category | Acres | % of Total | Classification |
|--|---------------|----------------|------------------|
| Agricultural (AG-160, AG-80, AG-40, AG-20) | 96,207 | 98.96% | Agricultural |
| Agriculture/Suburban (A, AS) | 59 | 0.06% | Agricultural |
| Residential (MDR, VLDR) | 309 | 0.32% | Non-Agricultural |
| Commercial (C-C, G-C, N-C) | 13 | 0.01% | Non-Agricultural |
| Industrial (GI) | 236 | 0.24% | Non-Agricultural |
| Public/Recreation (P, REC-1) | 91 | 0.09% | Other |
| Mixed/Other (MultiZone, City of Chico) | 301 | 0.31% | Other |
| Total Assessable Acreage | 97,215 | 100.00% | |

Determination

| | |
|--|-------------------|
| Total Residential, Industrial, and Nonagricultural Commercial Acreage | 558 acres (0.57%) |
| 50% Threshold (Water Code § 35040) | 48,608 acres |
| Threshold Met? | NO |

Conclusion: The District remains overwhelmingly agricultural in character. The acreage designated for residential, industrial, and nonagricultural commercial use (558 acres, or 0.57%) is far below the 50% threshold that would trigger the registered voter conversion provisions of Water Code Section 35041. No action is required.

ITEM 7 - Ad Hoc Committee Updates

TUSCAN WATER DISTRICT Staff Memorandum

TO: Board of Directors
FROM: Tovey Giezentanner, General Manager
DATE: February 18, 2026
RE: Ad Hoc Committee Updates – Recharge and Surface Water

Action Requested. No Board action is required at this time.

Background. Both ad hoc committees met on February 11, 2026, via videoconference. The Recharge Ad Hoc Committee (Koehnen, Mori, Paiva; McGowan absent) discussed ongoing recharge site investigations and the Durham Mutual canal assessment. The Surface Water Ad Hoc Committee (Antonowich, Knight, Mendonca, Turley) discussed a proposed water transfer pilot with Paradise Irrigation District and the development of a district facilitation policy.

RECHARGE AD HOC COMMITTEE

Rock Creek – East Site. The Rock Creek East Site landowner agreed to sign the access agreement to allow a tTEM (transient electromagnetic) survey to be performed. The full property is approximately 250 acres, and the tTEM will cover the entire parcel, including walnut acreage. This data will help characterize subsurface geology and recharge potential in the Rock Creek corridor. The tTEM field work was performed on Friday, February 13 and a report from this work is anticipated to be provided to the engineering team during the first week of March.

Dry Wells Discussion. The committee discussed the potential role of dry wells in TWD's recharge strategy, particularly given the lahar formations and perching layers that limit conventional flood-spreading recharge in parts of the district. Staff reported that at the Butte County Water Commission's recent meeting, the Commission directed staff to bring dry well experts to the April meeting to better define county-level policy options.

Durham Mutual Mainline Canal Assessment. Staff presented a scope of work from Geosyntec for a conditions assessment of the Durham Mutual Water Company's mainline canal and two siphons near Butte Creek. The scope includes canal and pipe vault inspections, video inspection of siphons, a leakage assessment, and system upgrade recommendations. The estimated cost is \$120,000 to \$135,000. Funding is available through the Vina Subbasin grant. The purpose of this assessment is to evaluate whether the existing conveyance system can be rehabilitated to deliver surface water to agricultural parcels currently on groundwater along the east and west banks of Butte Creek between Oroville-Chico Highway and Durham Dayton Highway.

ITEM 7 - Ad Hoc Committee Updates

SURFACE WATER AD HOC COMMITTEE

PID Water Transfer Pilot. Staff presented a draft concept for a proposed one-year, 1,500 acre-foot water transfer from Paradise Irrigation District to a landowner within the TWD boundaries. The proposed structure would have PID file the transfer petition and deliver water directly to a willing landowner. TWD's role would be as facilitator, providing technical support and documentation as needed. The Vina GSA would serve in an oversight role, confirming GSP consistency and documenting the groundwater offset.

District Policy on Facilitation. Committee member Turley raised the question of whether the district needs a formal policy governing its role as a facilitator for water transfers. He emphasized that any facilitation role should be open to all landowners within the district, not limited to a single transaction. Committee member Antonowich noted that this initial transfer is best viewed as a proof of concept—if successful, the process and lessons learned would create a blueprint for future transfers available to any landowner with the necessary infrastructure. The committee directed staff to draft a preliminary policy framework for legal review and further discussion.

South Vina Extension. Staff provided a brief update on the South Vina Extension concept. Staff intends to bring a more detailed summary of the extension options to the committee as early as next month.

Next Steps

Staff will prepare a draft facilitation policy for legal review; continue to solicit documentation to support the claimed 1,500 acre-feet of transferable water; and develop the South Vina Extension summary for committee review.

Northern Sacramento Valley | Sustainable Groundwater Management Act

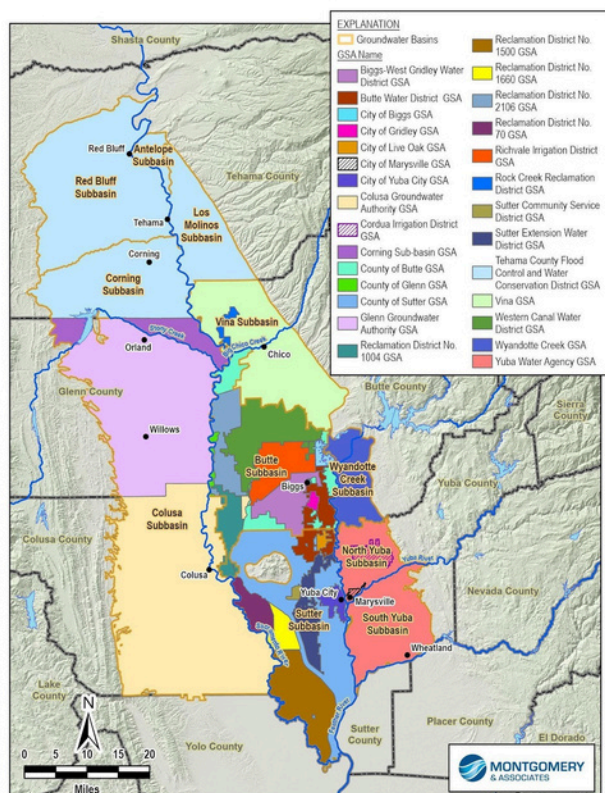
Interbasin Coordination in the North Sacramento River Corridor

Antelope | Butte | Colusa | Corning | Los Molinos | Red Bluff | Vina

Ensuring Regionally Sustainable Groundwater Management

The California Sustainable Groundwater Management Act (SGMA) requires that Groundwater Sustainability Agencies (GSAs) develop and implement Groundwater Sustainability Plans (GSPs) to manage groundwater resources and conditions in each of the State's groundwater basins. One of the requirements for a GSP is that it does not adversely affect sustainable groundwater management in an adjoining groundwater basin or subbasin.

**Sustainable
Groundwater
Management
Act**



Why Regional Coordination Matters

In the Northern Sacramento Valley, our groundwater subbasins are hydrologically connected – water management decisions and actions in one subbasin can affect neighboring subbasins.

The Department of Water Resources will review groundwater sustainability plans for:

- Relevant interbasin coordination efforts
- Alignment of thresholds and objectives
- Potential impacts to or from adjacent subbasins

Regional coordination also offers significant opportunities for:

- Joint learning and understanding
- Protecting shared water resources
- Reducing duplicative efforts
- Collaborative problem-solving

Through coordinated efforts, we can achieve long-term groundwater sustainability across the region while maintaining local control.

Who is Involved?

Collaborative efforts have been ongoing since the early phases of SGMA when 11 subbasins in the Northern Sacramento Valley (Antelope, Bowman, Butte, Colusa, Corning, Los Molinos, Red Bluff, Sutter, Vina, Wyandotte Creek, and Yolo) created an Interbasin Coordination Report outlining a framework for sustained coordination during GSP implementation.

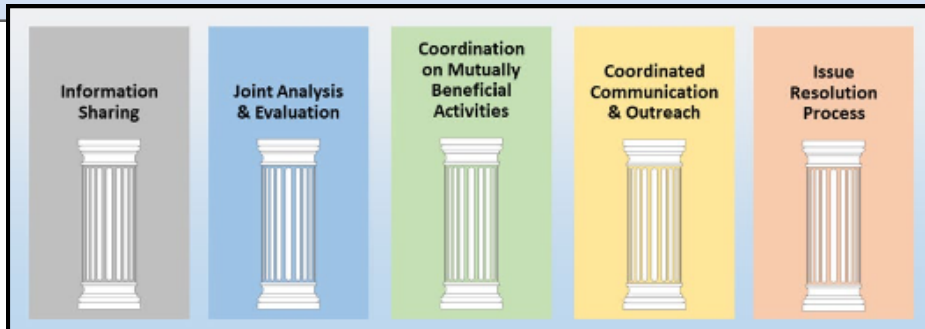
Seven of those subbasins make up the North Sacramento River Corridor (Antelope, Butte, Colusa, Corning, Los Molinos, Red Bluff, and Vina). The GSAs have delved into more focused conversations and analyses to outline a path forward for interbasin coordination across these seven subbasins.

For more information, visit: www.buttecounty.net/1234/Inter-Basin-Coordination

ITEM 8

Five Pillars of Coordination

The Interbasin Coordination Framework is based on a foundation of five “pillars” of collaboration. Information sharing ensures all subbasins stay informed about changing conditions and management approaches. Through joint analysis and evaluation, we’re building a common understanding of policies adopted in the region’s GSPs. Coordination on mutually beneficial activities allows us to pursue joint projects and funding opportunities. Coordinated communication and outreach ensures consistent messaging to stakeholders. Finally, an issue resolution process provides a pathway for addressing potential conflicts before they escalate.



Where We Are Now

With all GSPs approved by the California Department of Water Resources (DWR), implementation is underway. Through funding from DWR’s SGM grant program, a recent technical analysis by Montgomery & Associates evaluated GSP contents across subbasins, identified boundary flow patterns, and analyzed differences in sustainability criteria between neighboring areas. With this information, GSA representatives are developing a comprehensive Interbasin Coordination Workplan by early Summer 2026. Key coordination priorities include understanding cross-boundary data gaps, regional modeling, interconnected surface water, analyzing boundary flows, coordinating on state-required recommended corrective actions, and exploring opportunities for joint projects.

What’s Coming Next

GSA representatives will continue meeting through early summer 2026 to develop the Interbasin Coordination Workplan.

The GSAs plan to hold a public webinar in early 2026 to provide an overview of coordination activities and opportunities for input. A workshop is planned for Spring 2026 for the public to provide feedback on the draft Interbasin Coordination Workplan. This workplan will guide regional coordination through the Periodic Evaluations due in 2027 and beyond, supporting each subbasin’s path to sustainability while maintaining local control.

| Subbasin | GSA(s) | Website |
|-------------|--|---|
| Antelope | Tehama County Flood Control and Water Conservation District (FCWCD) | Website |
| Bowman | Tehama County FCWCD | Website |
| Butte | Biggs West Gridley WD, Butte County, Butte WD, City of Biggs, City of Gridley, Colusa Groundwater Authority, Glenn County, RD 1004, RD 2106, Richvale ID, Western Canal WD | Website |
| Los Molinos | Tehama County FCWCD | Website |
| Red Bluff | Tehama County FCWCD | Website |
| Corning | Corning Sub-basin GSA, Tehama County FCWCD | Websites (Corning) (Tehama) |
| Colusa | Glenn Groundwater Authority, Colusa Groundwater Authority | Websites (Glenn) (Colusa) |
| Vina | Rock Creek Reclamation District, Vina GSA | Websites (Vina) (RCDC) |

How to Get Involved

Receive Updates
Sign up for your GSA’s interested parties list.

Contact Your GSA
Talk to your GSA representative

Attend Meetings
Attend public workshops and GSA Board meetings

Sites Reservoir Project Update

Chico Rotary Meeting

February 10, 2026

By: Jerry Brown

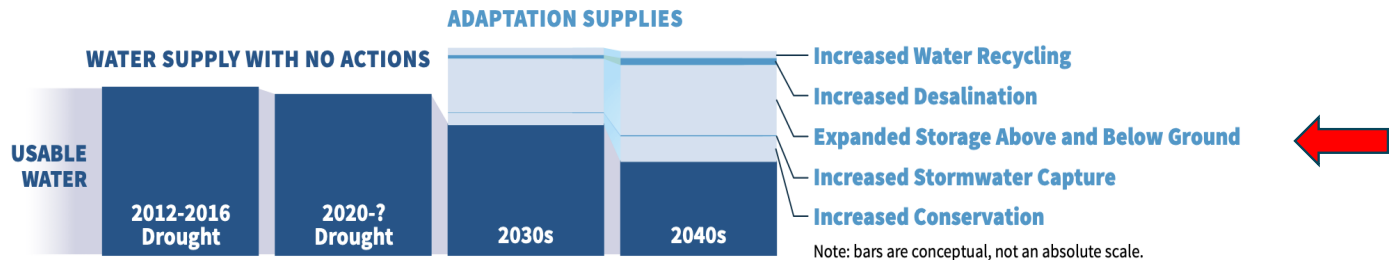
Sites Authority Executive Director



What Problem Does the Sites Project Help Solve?

Over the next 20 years, California could lose 10 percent¹ of its water supplies.

Our climate has changed, and the West continues to get hotter and drier. As it does, we will see on average less snowfall, more evaporation, and greater consumption of water by vegetation, soil, and the atmosphere itself.

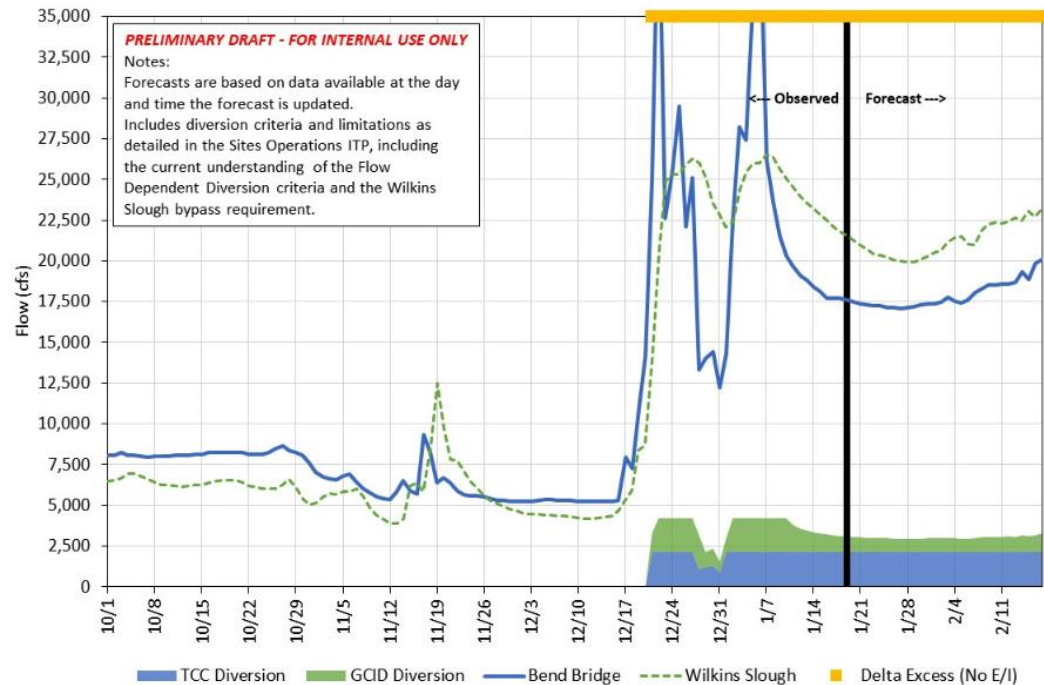


In previous droughts the ratio of precipitation to evaporation to runoff has been similar. However, as temperatures rise, evaporation increases, with the consequence of a fall in runoff. As average temperatures continue to increase, the increase in evaporation will continue, with a concurrent drop in runoff.

Excerpted from Aug 2022 "California's Water Supply Strategy, Adapting to a Hotter Drier Future"

What if we had Sites today?

| Water Year | Estimated Diversion |
|-------------------|-----------------------------------|
| 2023 | 700,000 AF |
| 2024 | 840,000 AF |
| Total for WY23&24 | 1,540,000 AF (103% of capacity!!) |
| 2025 | 550,000 AF |
| 2026 | ~390,000 AF thru mid Feb |



Potential WY Diversion through 01/18: 208,492 acre-feet. Forecasted potential diversion for 01/19 through 02/18: 179,941 acre-feet.

Forecasts use CNRFC deterministic and 50% exceedance probability forecasts, and assume the Delta remains in an Excess condition unless otherwise indicated.

General Project Update



Water Right – draft order anticipated by end of Feb 2026 and final by end of Aug 2026



Critical permits and approvals – ITP's and BO (constr) received, 404/401 (wetlands) in progress, Sec 106/ROD complete



Construction Contractor Selections – underway



Land Acquisitions - ~ 90% of critical path project area acquired, TROEs being secured for enviro surveys



Engineering Design – completed to ~ 30% design, DSOD initial review complete (no red flags)



Cost Estimate and Schedule Update– cost updated in June 2025, schedule updated in January 2026



Financing – sources secured and loan agreements being negotiated



Off-Taker Contracts – in final negotiations

ITEM 8

Current Allocation of Active Sites Storage Space

(planning level estimates, subject to change)

| Participant Name | Amendment 3 Participation Level | Amendment 3 Storage Allocation | % Available Storage ^{1, 2, 3} |
|------------------------------------|---------------------------------|--------------------------------|--|
| Antelope Valley-East Kern WA | 500 | 3,117 | 0.2% |
| City of American Canyon | 4,000 | 24,936 | 1.8% |
| Coachella Valley WD | 10,000 | 62,340 | 4.4% |
| Colusa County | 10,000 | 62,340 | 4.4% |
| Colusa County WD | 9,256 | 57,702 | 4.1% |
| Cortina WD | 450 | 2,805 | 0.2% |
| Davis WD | 2,000 | 12,468 | 0.9% |
| Desert WA | 6,500 | 40,521 | 2.9% |
| Dunnigan WD | 2,972 | 18,527 | 1.3% |
| Glenn-Colusa ID | 5,000 | 31,170 | 2.2% |
| Irvine Ranch WD | 1,000 | 6,234 | 0.4% |
| LaGrande WD | 1,000 | 6,234 | 0.4% |
| Metropolitan Water District of SC | 50,000 | 311,700 | 22.1% |
| Reclamation District 108 | 4,000 | 24,936 | 1.8% |
| Rosedale-Rio Bravo WD | 500 | 3,117 | 0.2% |
| San Bernardino Valley Municipal WD | 21,400 | 133,408 | 9.5% |
| San Geronio Pass WA | 14,000 | 87,276 | 6.2% |
| Santa Clara Valley WD | 500 | 3,117 | 0.2% |
| Santa Clarita Valley WA | 5,000 | 31,170 | 2.2% |
| Westside WD | 5,375 | 33,508 | 2.4% |
| Wheeler Ridge - Maricopa WSD | 3,050 | 19,014 | 1.3% |
| Zone 7 WA | 10,000 | 62,340 | 4.4% |
| State of California - Total | n/a | 244,000 | 17.3% |
| Reclamation | n/a | 128,020 | 9.1% |
| Available Storage Total | | 1,410,000 | 100.0% |

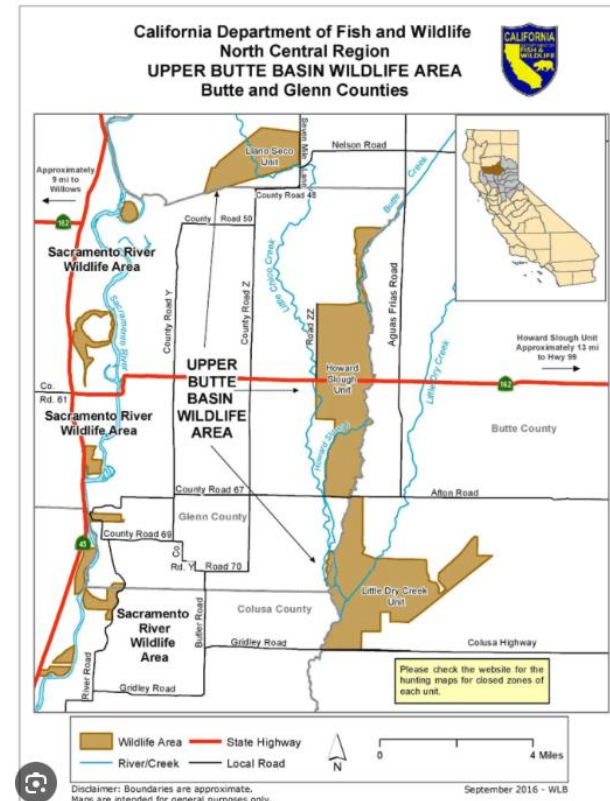
At a glance:

North of Delta – 19.4%
 South of Delta – 53.9%
 Reclamation – 9.1%
 State Prop 1 – 17.3%

We do expect more shifts in capacity during 2026 as Participants make final decisions.

State Uses of Sites Water

- Total capacity share – 17.3%, 244 taf
- State Public Benefits – Ecosystem:
 - 2/3rd SOD Refuge
 - 1/3rd NOD Refuge
- Other State public benefits:
 - Local Flood Control
 - Recreation
 - Drought Emergency Supplies (pending)



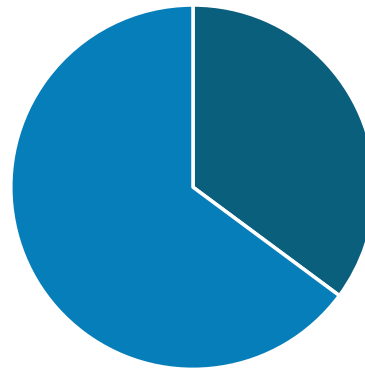
Federal Uses of Sites Water

- Total capacity share – 16%, 225 taf, could go to 25%
- Anadromous Fish – enhance protection of all life stages consistent with CVPIA, ie Reclamation exchanges with Shasta
- Operational Flexibility – allocate Sites water for authorized CVP purposes
- 35 taf avg annual, ~2X in dry years

Sites Water: Geographic Reach to Disadvantaged Communities

- Prop 1 and Prop 4 prioritize Proposition-funded water projects that provide benefits to Disadvantaged Communities (DACs)
- Sites Participants service areas include a substantial share of California’s DAC population.
 - Est’d ~8.4 million DAC residents (~90% of CA DAC population)*

Share of Sites Participants’ service-area populations Living within DAC Census Tracts *



~35% of Sites Participants’ service –area population lives in DAC census tracts

- Population in SB 535 DAC census tracts (within Sites Participants' service-areas)
- Population not in DAC census tracts (within Sites Participants' service-areas)

* DACs per SB535 (CalEnviroScreen) definition. Figures reflect geographic overlap of DAC tracts with Sites Participants’ service-areas

Sites Delivers “Built In” Community Benefits

Jobs and Local Economy

- 4,300 job-yrs of construction work, \$588M wages +benefits
- 35 operations positions, ~ \$5M/yr wages + benefits
- Local business participation + local hiring goals under Construction Workforce Policy
- More reliable water supply to the North State ag production

Local Infrastructure Improvements

- 46 miles of roads improved, 14 bridge crossings improved
- New Sites-Lodoga Bridge fully paid for by the Project
- Infrastructure improvements designed to strengthen local access and resilience

Public Safety and Community Protection

- Coordination with local fire, emergency service and law enforcement to strengthen capabilities during workforce and traffic influx

Recreation and Quality of Life

- ~500 acres of new publicly accessible recreation facilities

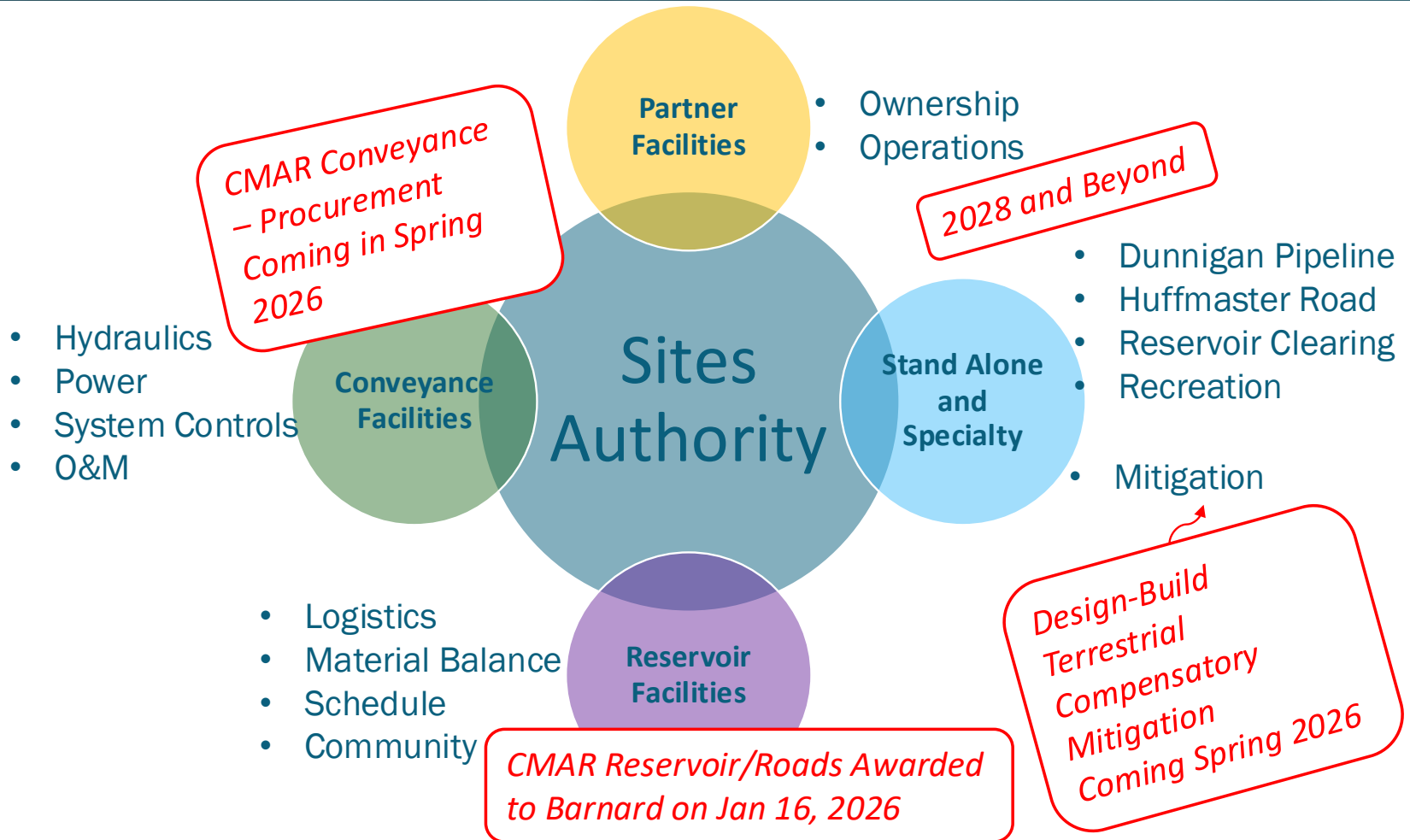
”Leave Behind” community assets

- Temporary housing/project facilities designed to support Maxwell growth plans

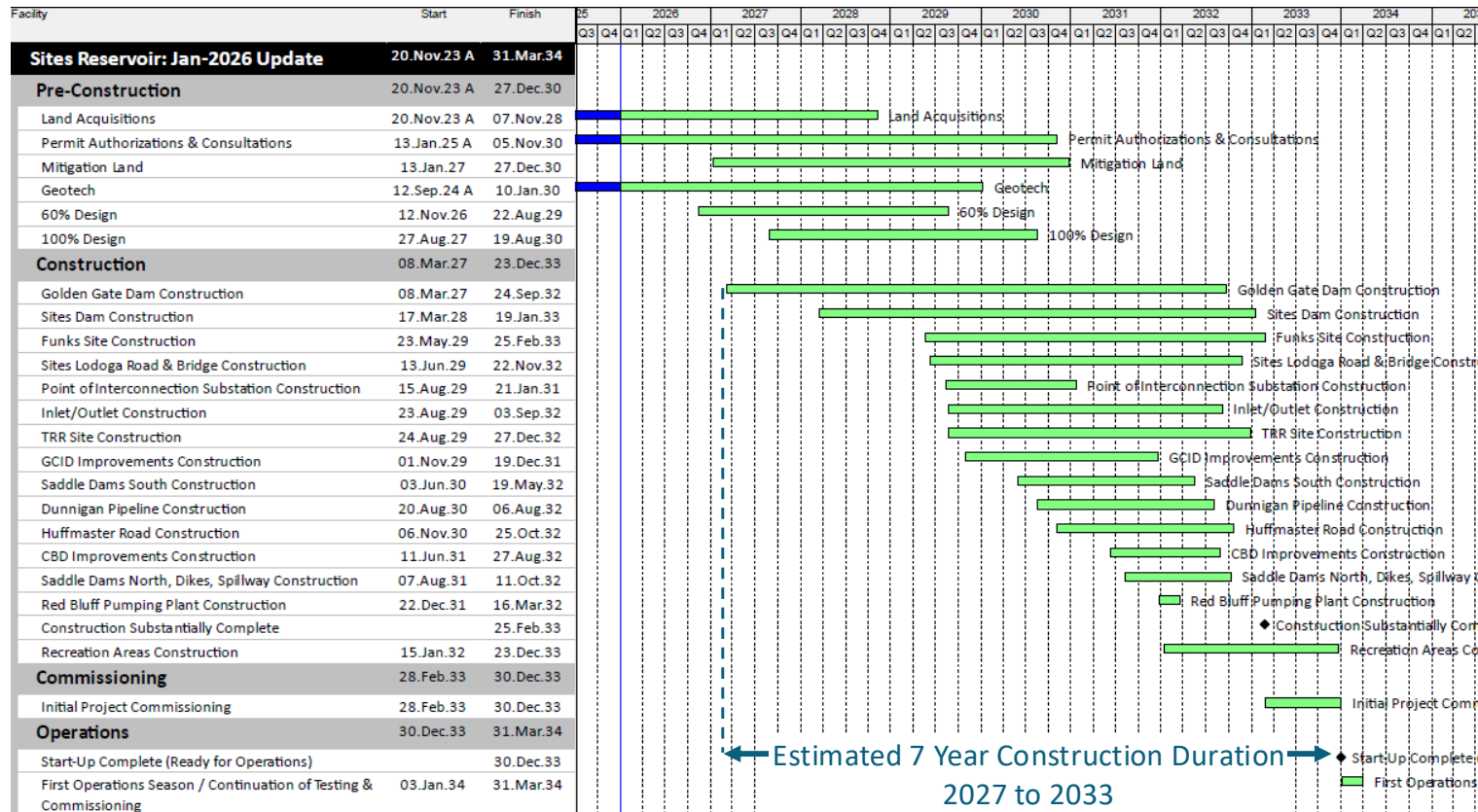
Delivered through adopted policies, permitting requirements, and executed agreements with local partners

The Authority has a strategy for delivering the Project and managing risk

Contracting Strategy adopted in July 2022

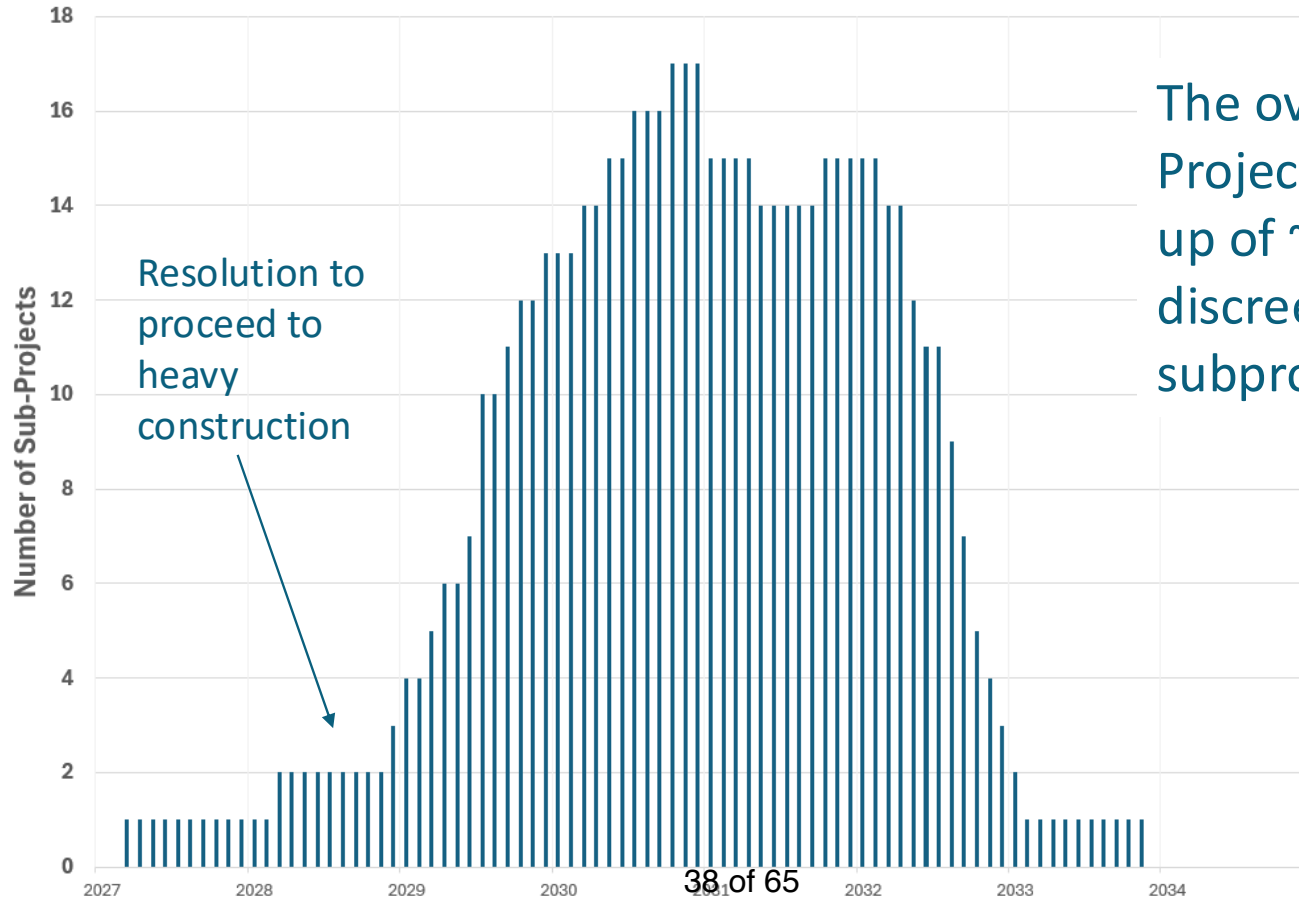


Overall Sites Project Schedule (updated Jan 2026)



Construction Phasing

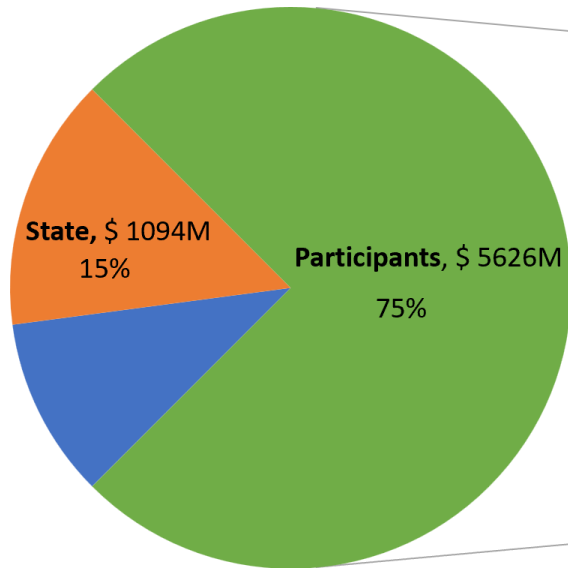
Number of Sub-Projects in Construction



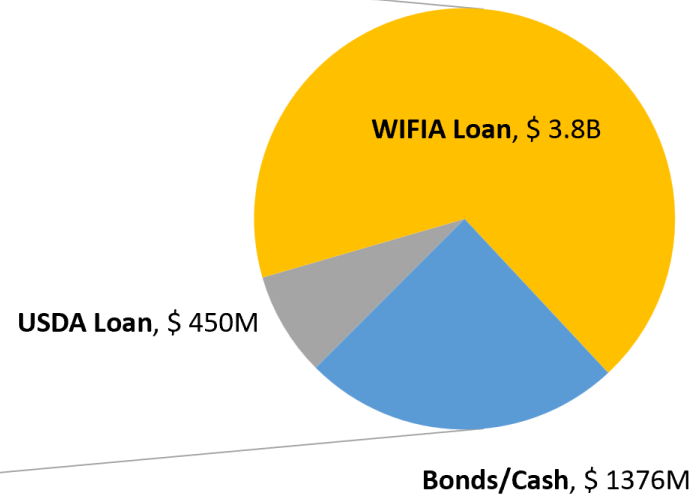
The overall Project is made up of ~20 discreet, large subprojects.

Identified Project Funding Sources A Local, State, and Federal Partnership

All Storage Partners

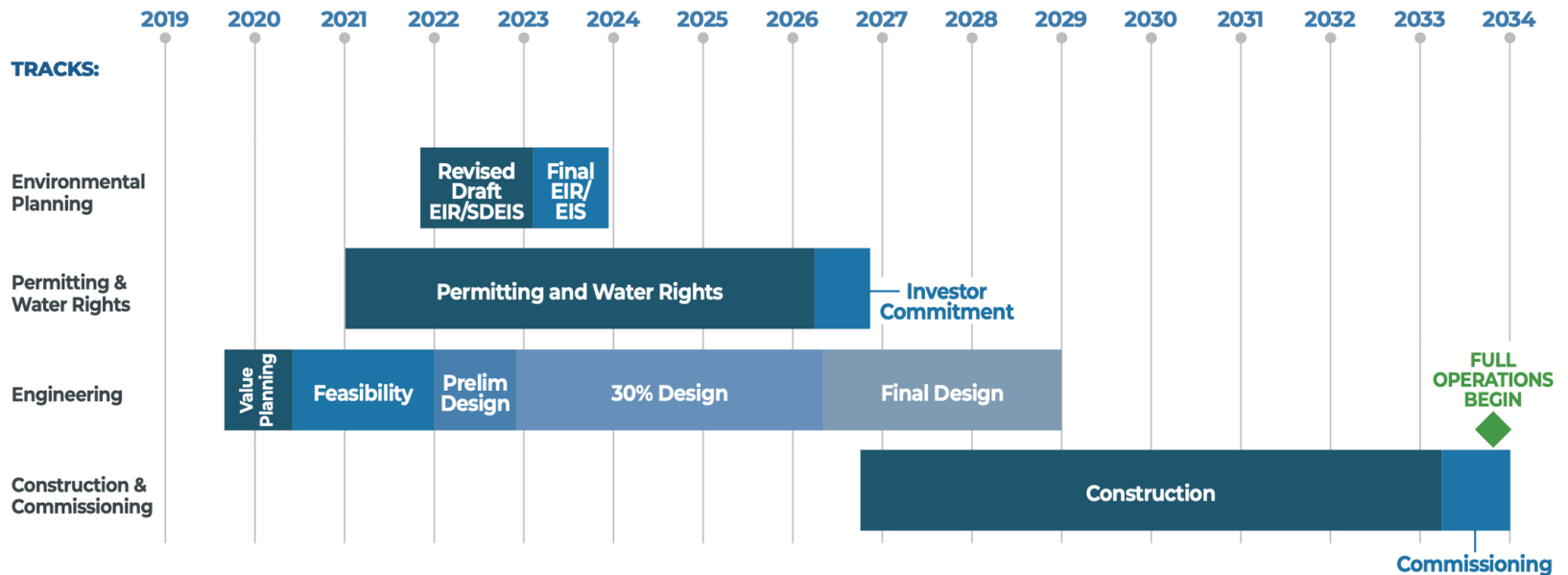


Project Participant Financing



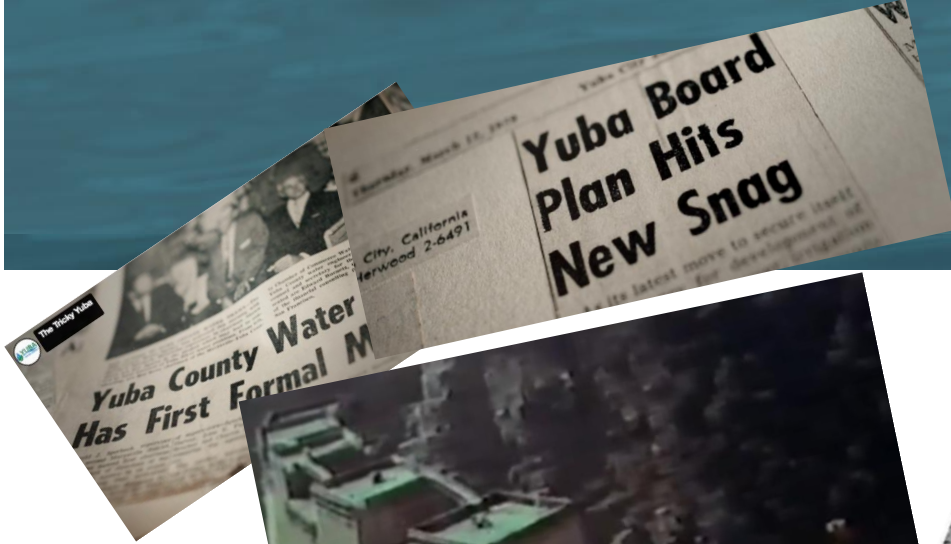
Timeline: Construction is on the Horizon

Sites Project Schedule (adopted January 2026)



ITEM 8

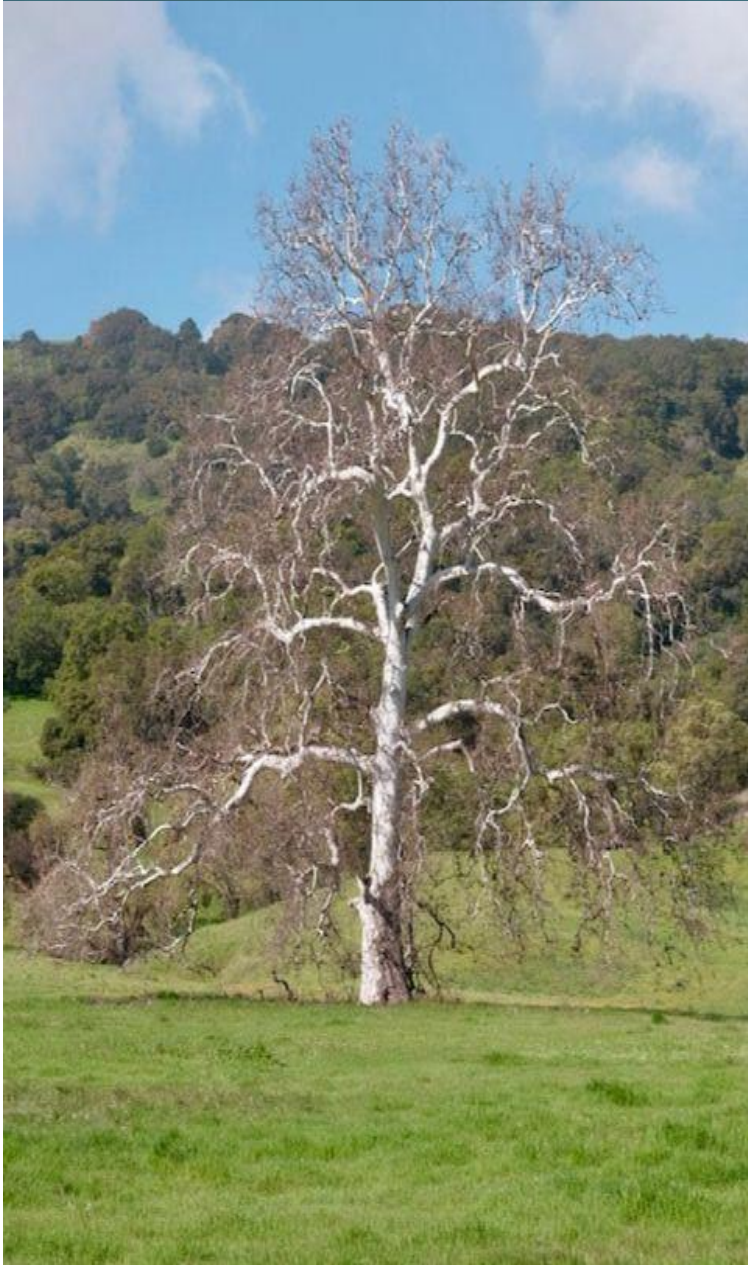
"Yuba County Voters Approved a measure pledging 2 times the Assessed Value of all land in the County to build New Bullards Bar Dam,". (1961)



"At \$1.9B Diamond Valley Lake is a massive infrastructure investment. Questions raised whether costs justified." (1991)

"California's Bold Water Plan: \$1.75 Billion State Water Project Sparks Debate on Cost and Feasibility" (May 10, 1960)





Closing

*“A society grows
great when old men
and women plant
trees in whose
shadow they shall
never sit “–*

Greek Proverb

Questions?



October 28, 2025

Imported Water Subcommittee

Alternative Flood/Recharge Diversion Criteria

February 13, 2026



Overview

- Objective
- Concept and examples
- Summary

Objective for Alternative Criteria

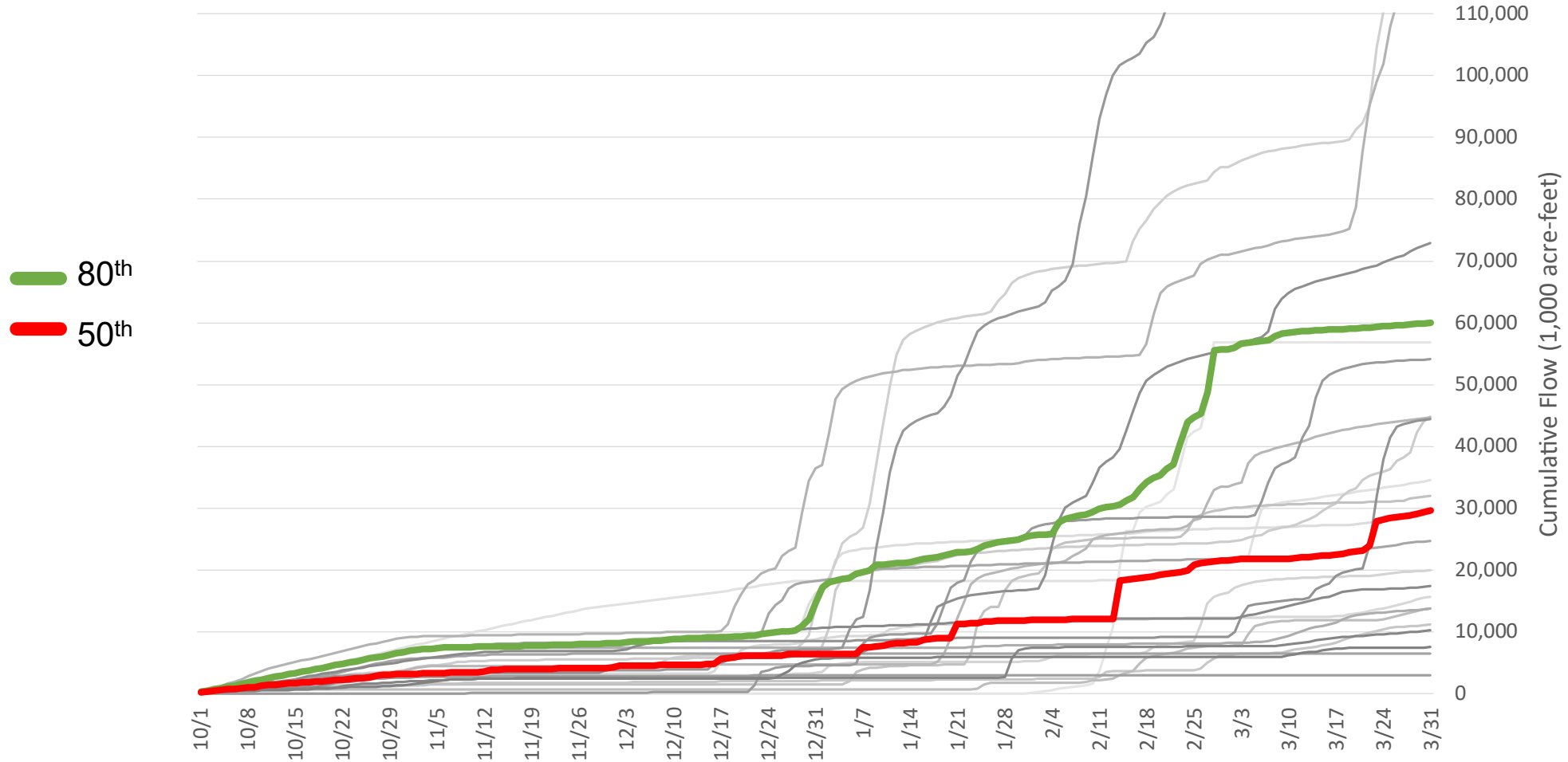
- Develop alternative to 90/20 for Sacramento Valley streams
- Diversion criteria should:
 - Limit diversions to winter, wet years, and higher flows
 - Limit diversions to a portion of daily and/or seasonal flow
 - Protect existing legal users of water including CVP/SWP
 - Protect public trust resources
 - Allow implementation across the Sacramento Valley
 - Provide for improved ability to forecast diversions, operate to diversion criteria, and allow for additional diversion opportunities

Alternative Criteria Concept

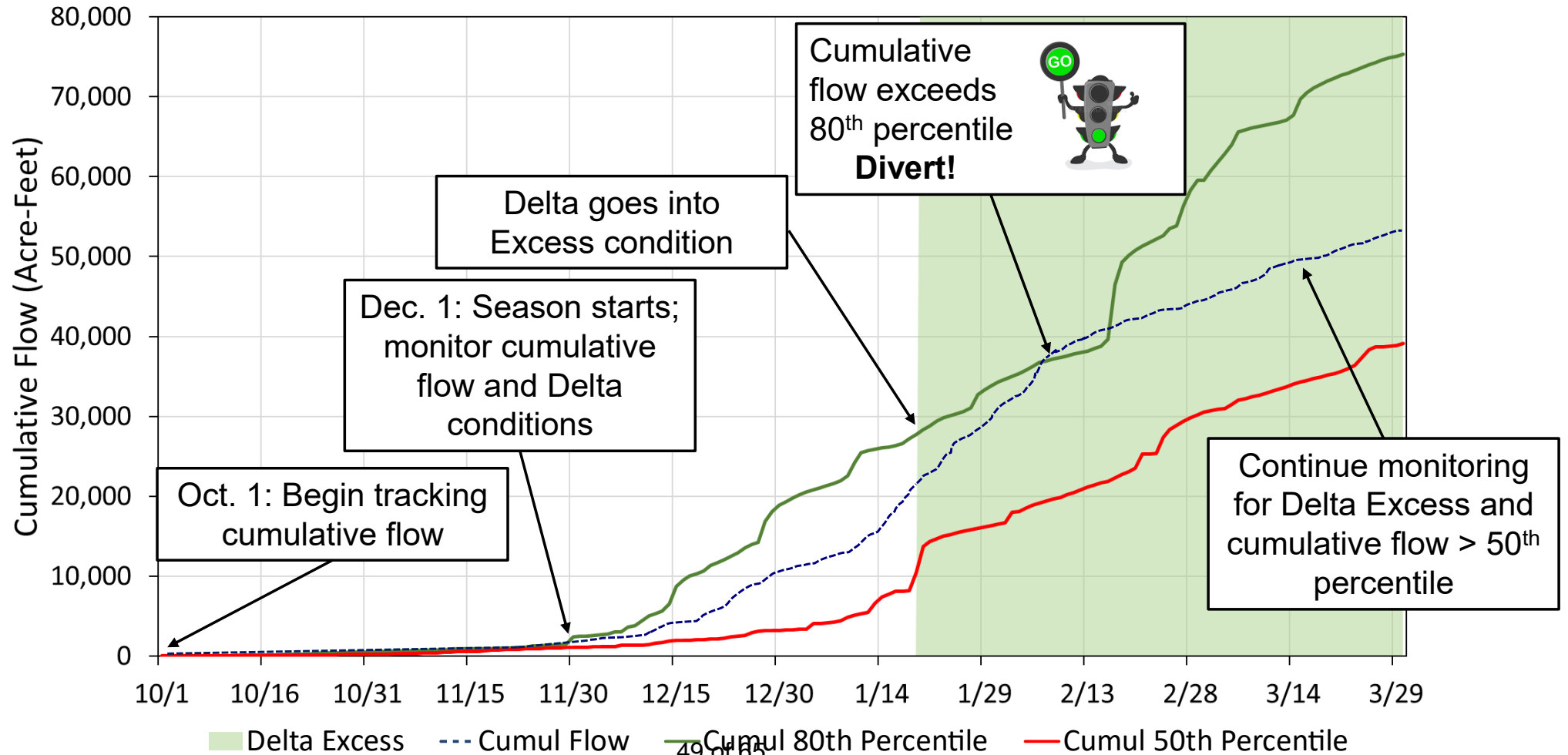
- Season: December 1 through March 31
- Daily diversion limit: Up to 20% of daily flow
- Bypass flow:
 - Downstream W/R face value to next downstream “control point”
 - Delta Excess conditions, including most Restricted conditions
- Start diversions: cumulative water year volume exceeds 80th percentile historical water year cumulative volume
- Stop diversions: cumulative water year volume falls below 50th percentile historical water year cumulative volume



Alternative Criteria: Diversion Envelope



Alternative Criteria: Example

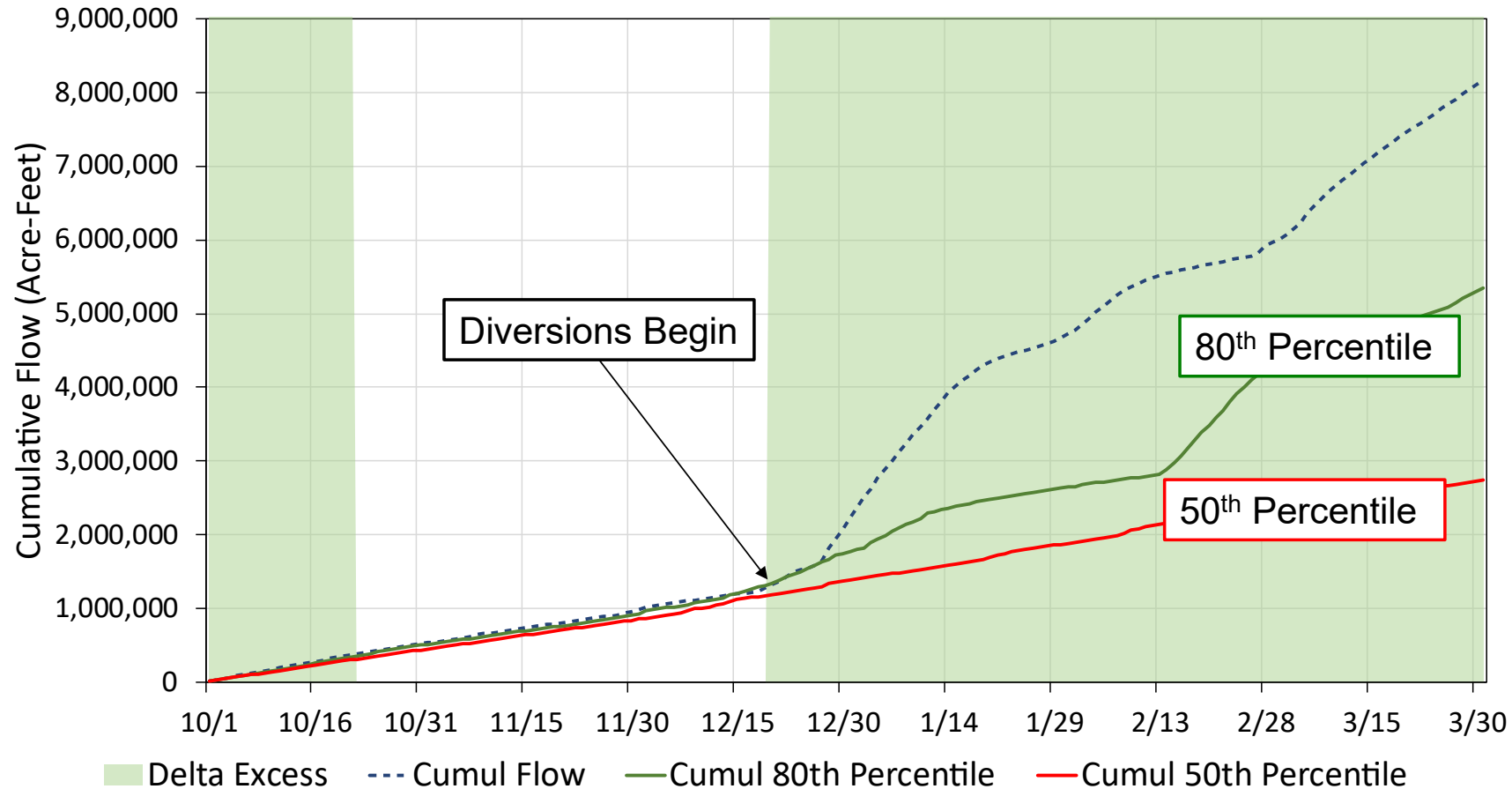




Alternative Criteria Examples

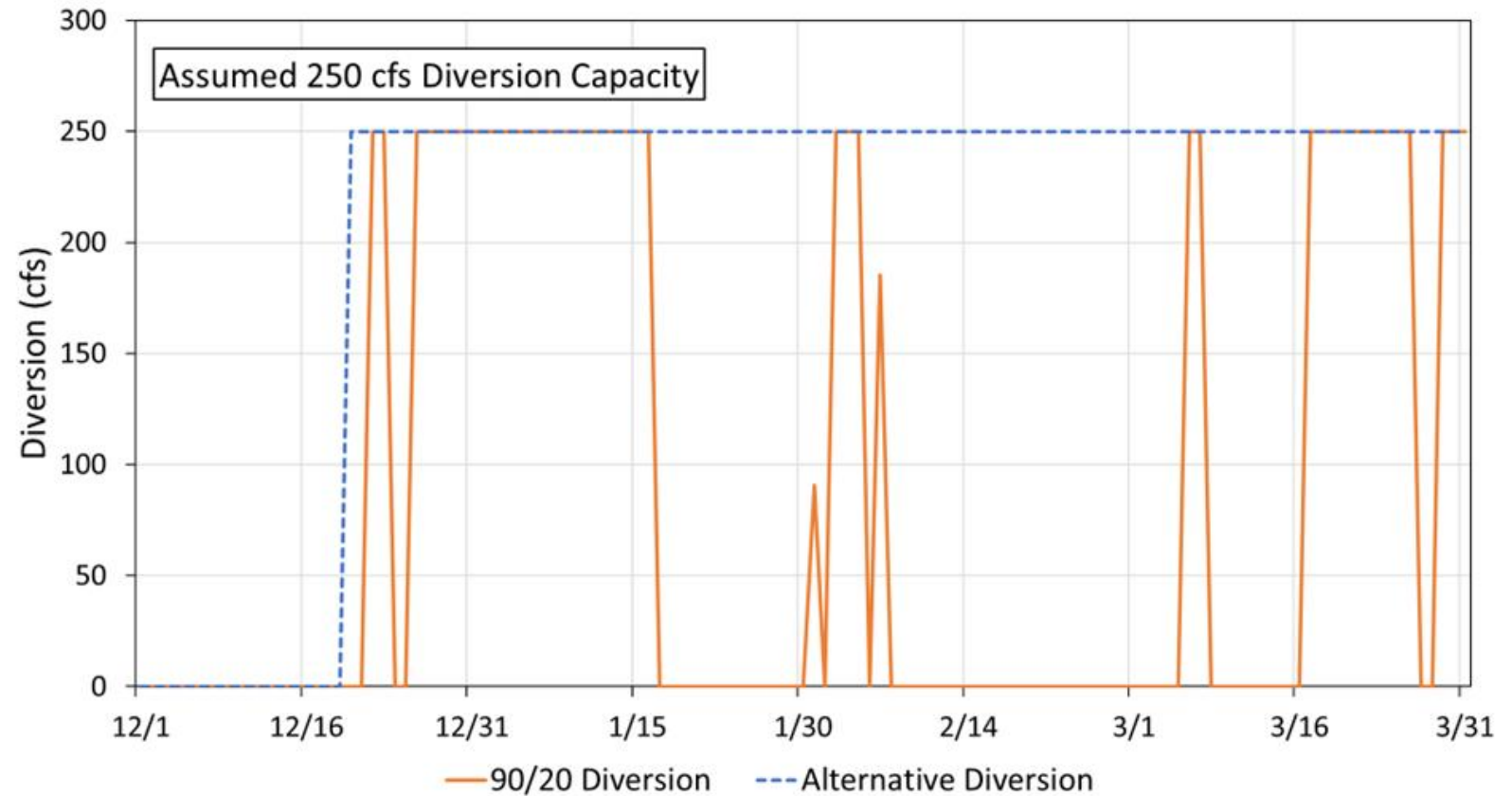
- Sac River @ Bend Bridge (BB): WY 2006
 - Wet year, large stream, extended period of diversions
- Bear River: WY 2000
 - Above Normal year, medium-sized stream, highly regulated, dry start to water year
- Elder Creek: WY 2013
 - Dry year, smaller stream, largely unregulated, wet start to water year

Alternative Criteria Example: WY 2006 Sac River @ BB

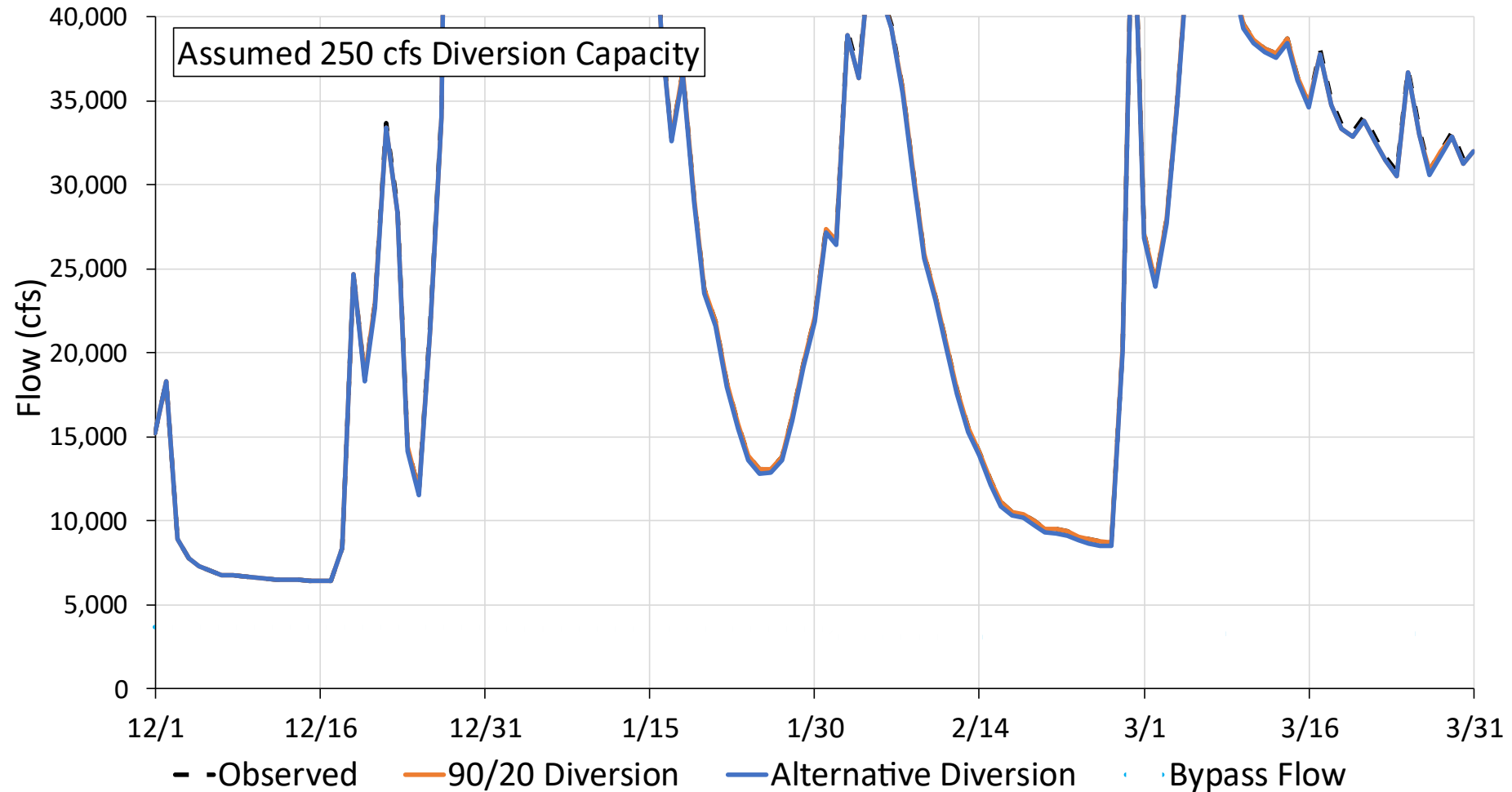


Example Diversions: WY 2006 Sac River @ BB

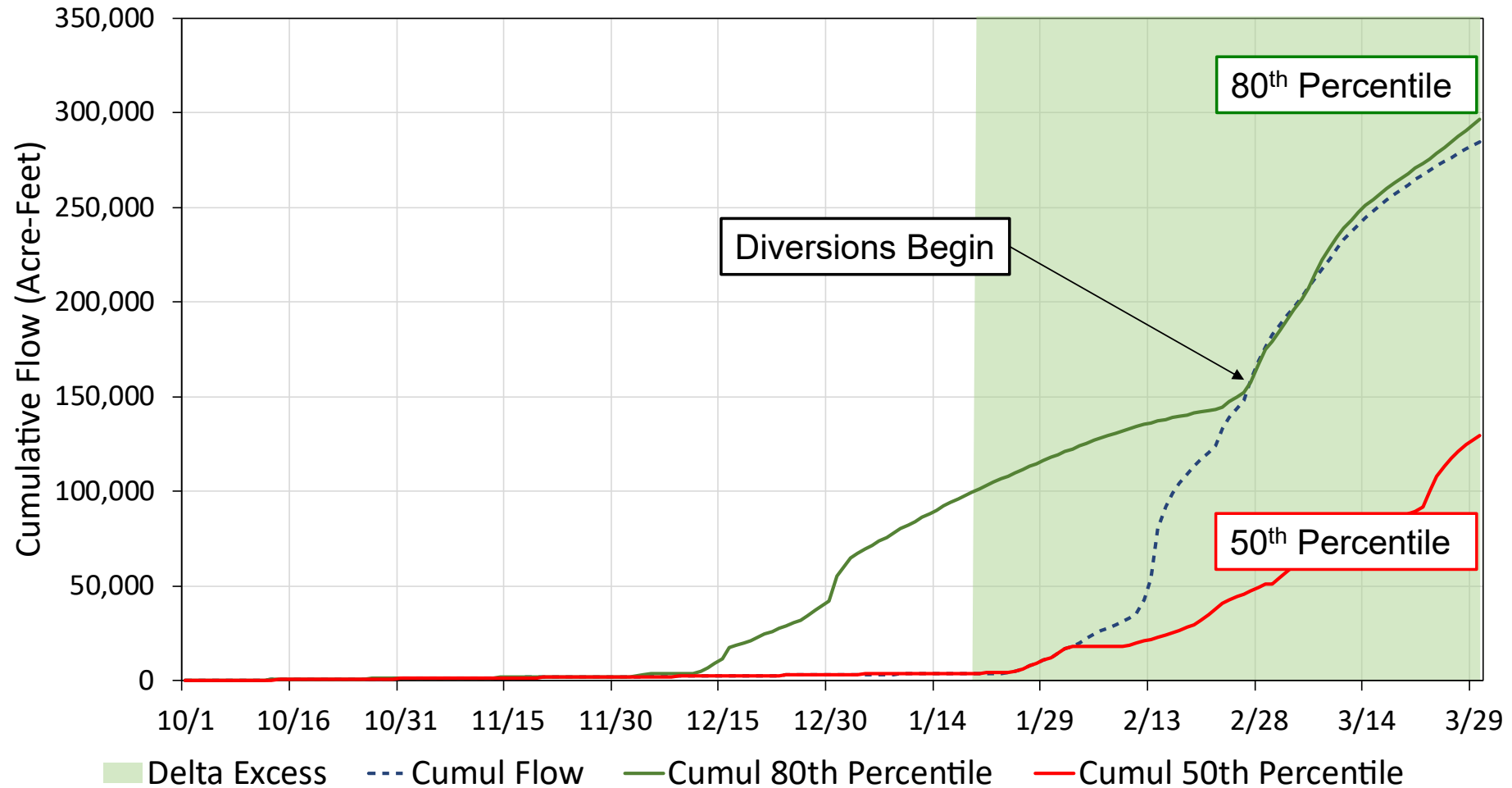
| Criteria | Days | Volume (TAF) |
|--------------------|------|--------------|
| 90/20 | 44 | 21.4 |
| Alternative | 102 | 50.6 |



Resulting Streamflow: WY 2006 Sac River @ BB

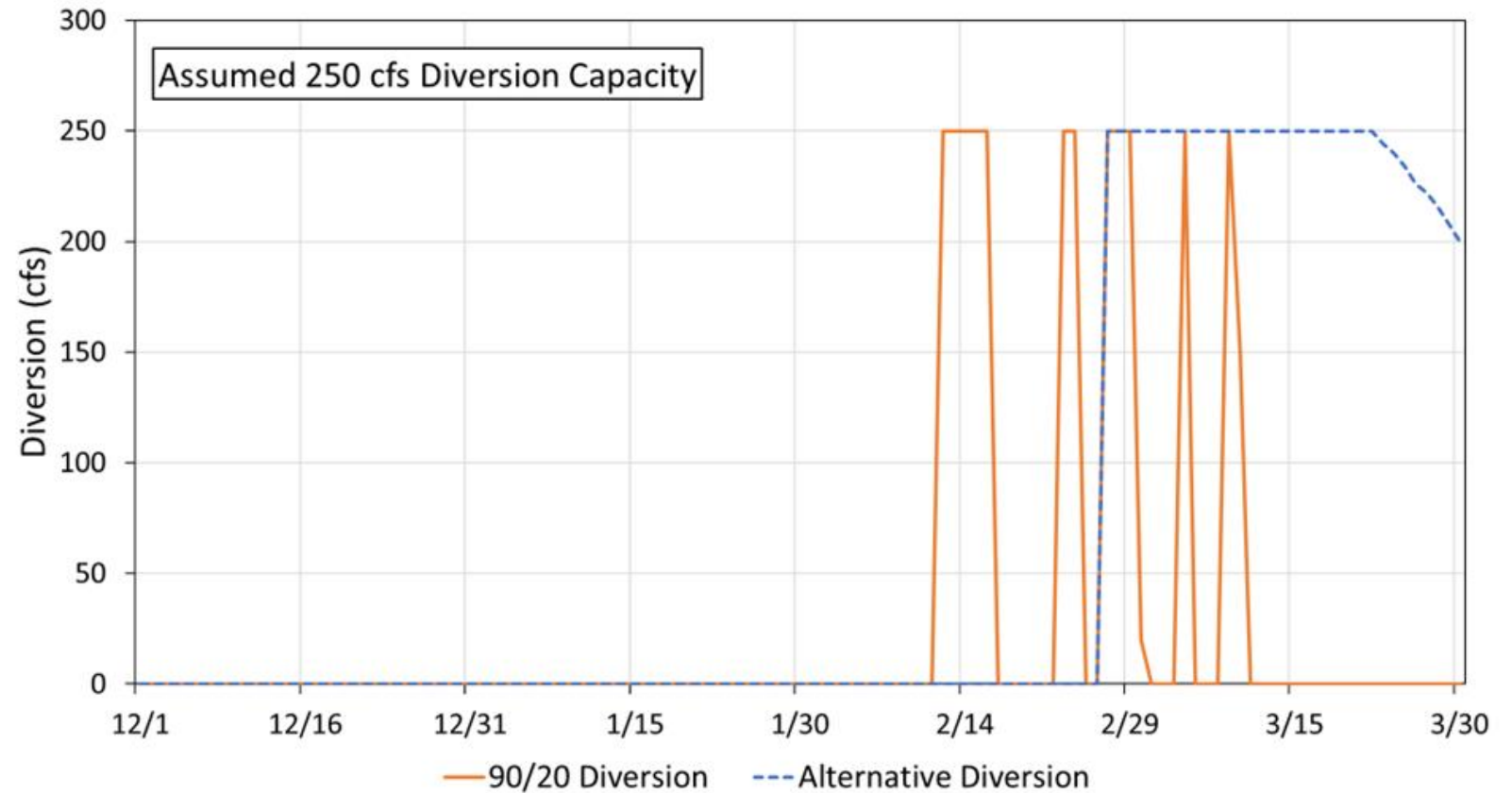


Alternative Criteria Example: WY 2000 Bear River

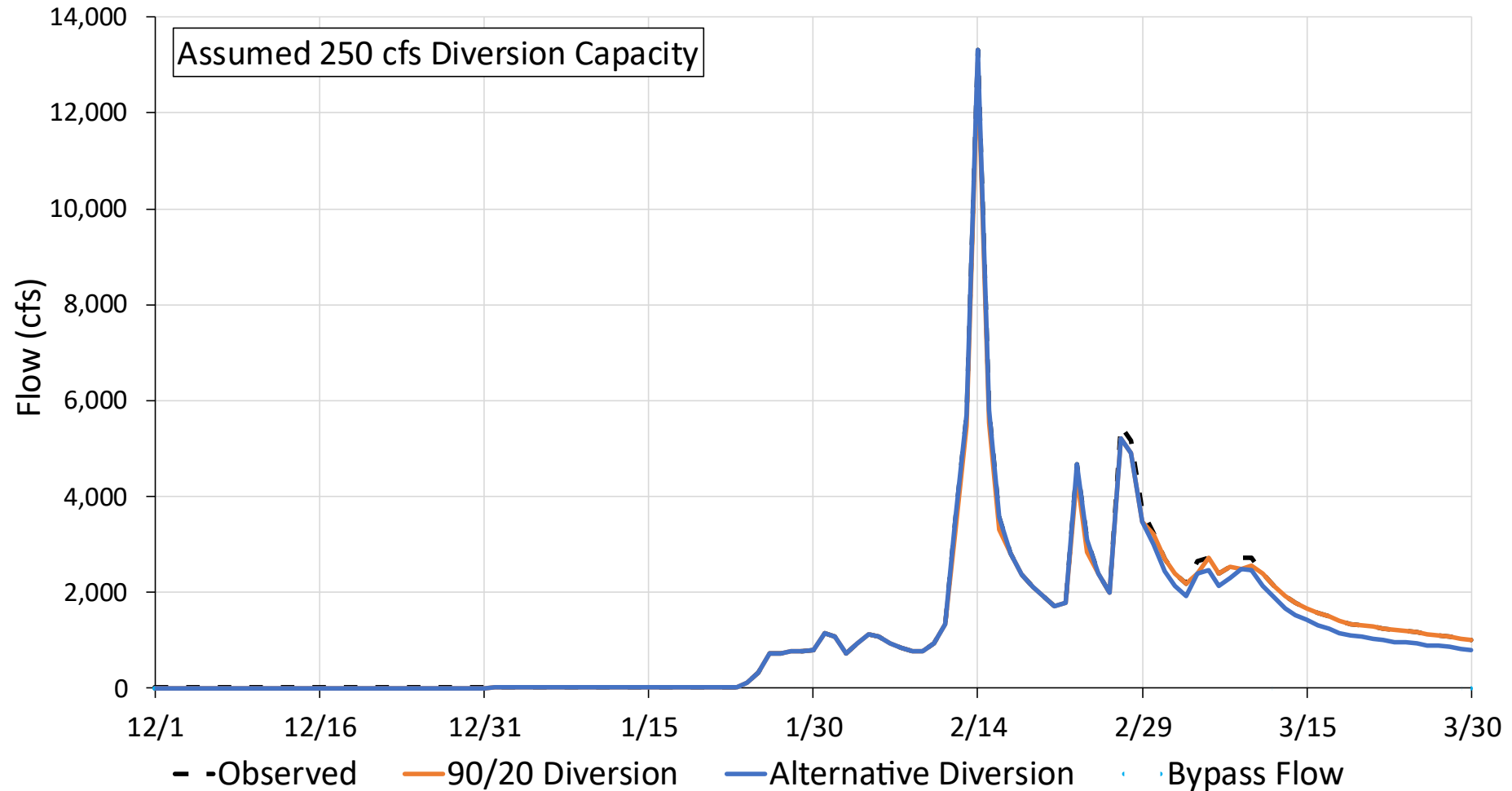


Example Diversions: WY 2000 Bear River

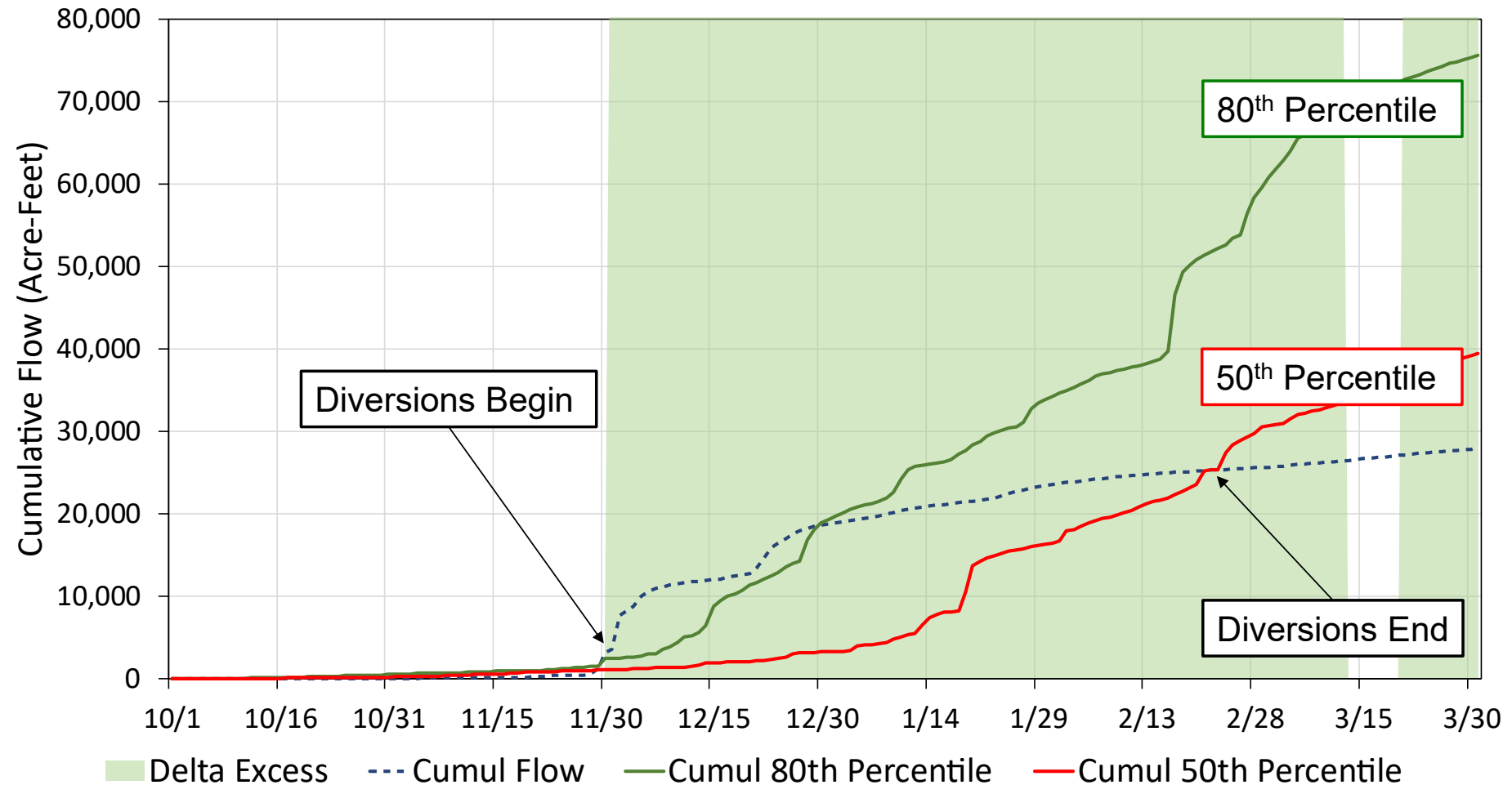
| Criteria | Days | Volume (TAF) |
|--------------------|------|--------------|
| 90/20 | 14 | 6.3 |
| Alternative | 33 | 16.0 |



Resulting Streamflow: WY 2000 Bear River

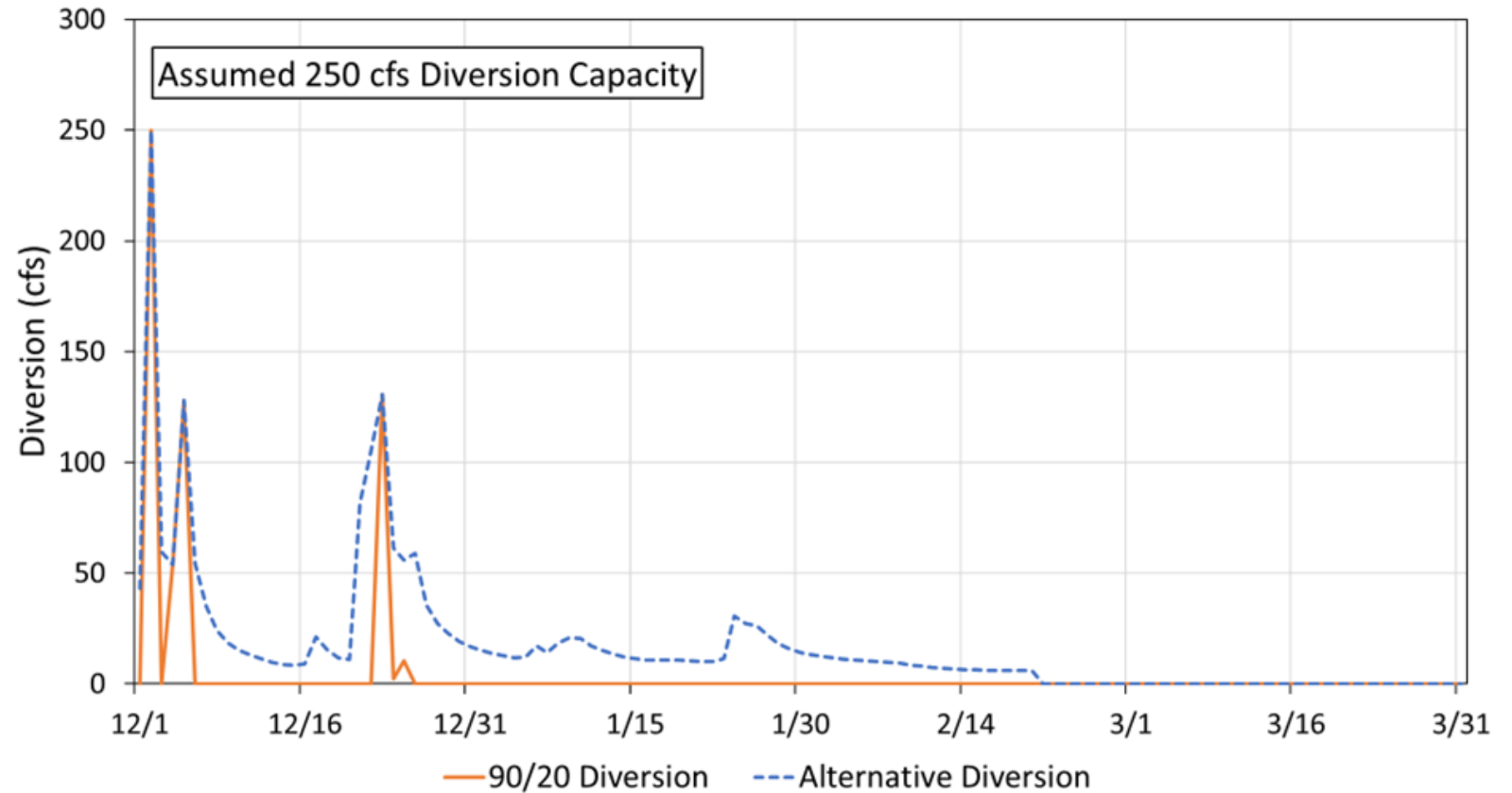


Alternative Criteria Example: WY 2013 Elder Creek

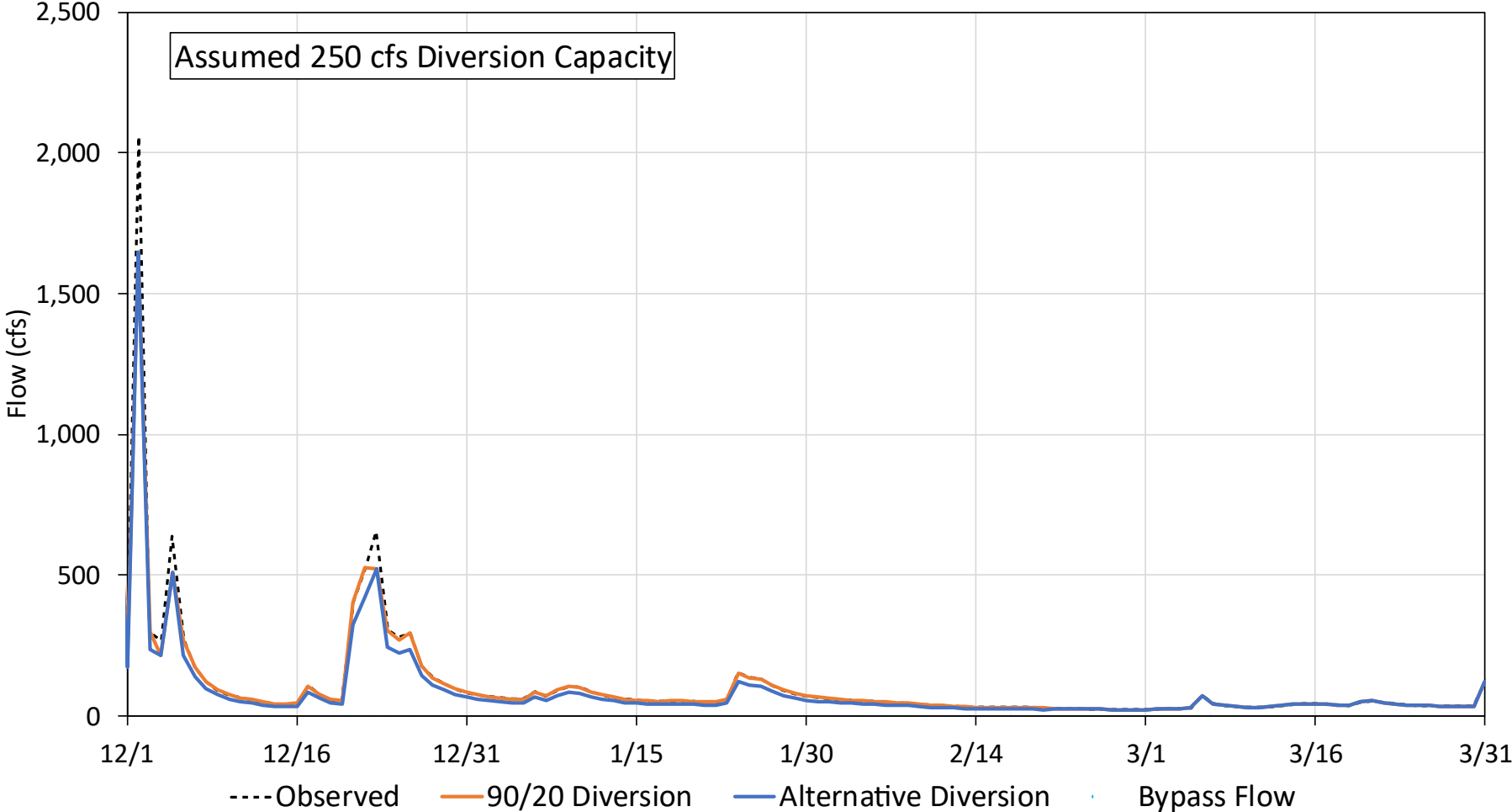


Example Diversions: WY 2013 Elder Creek

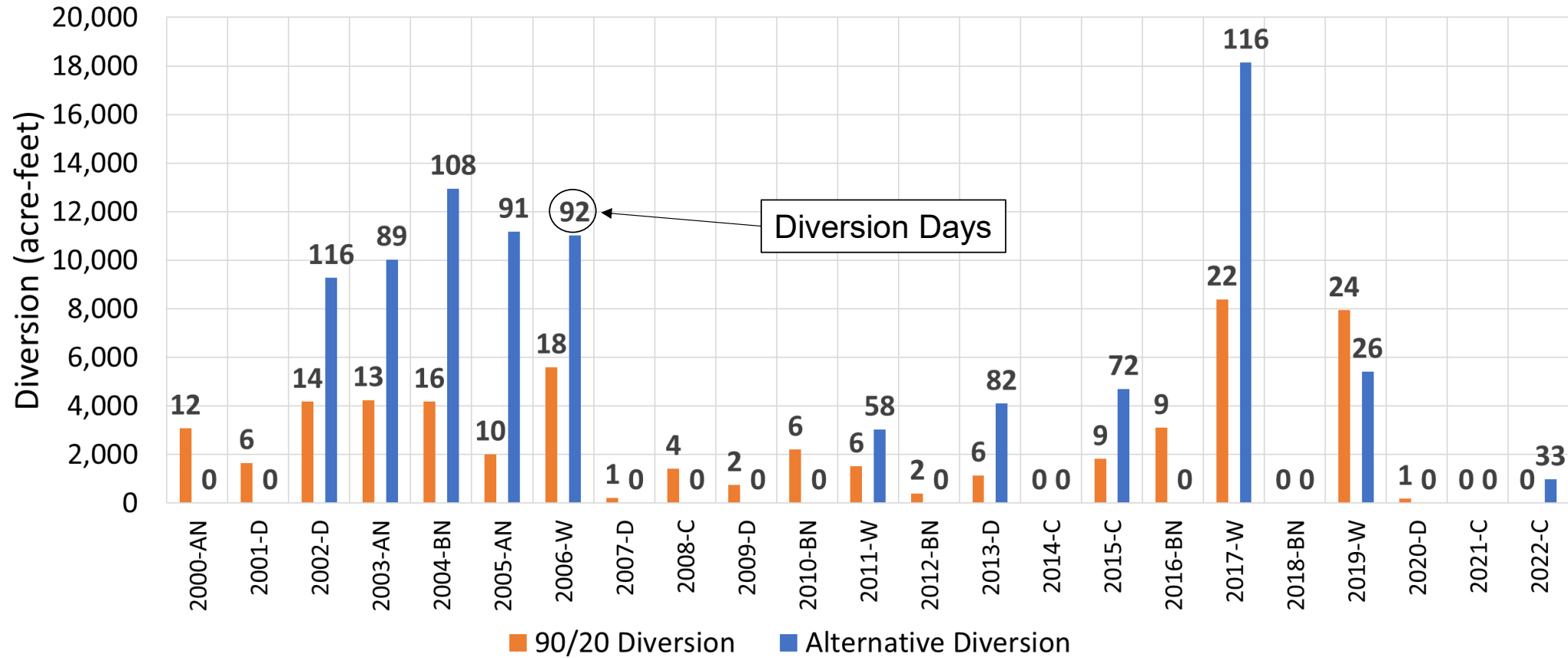
| Criteria | Days | Volume (TAF) |
|--------------------|------|--------------|
| 90/20 | 6 | 1.1 |
| Alternative | 82 | 4.5 |



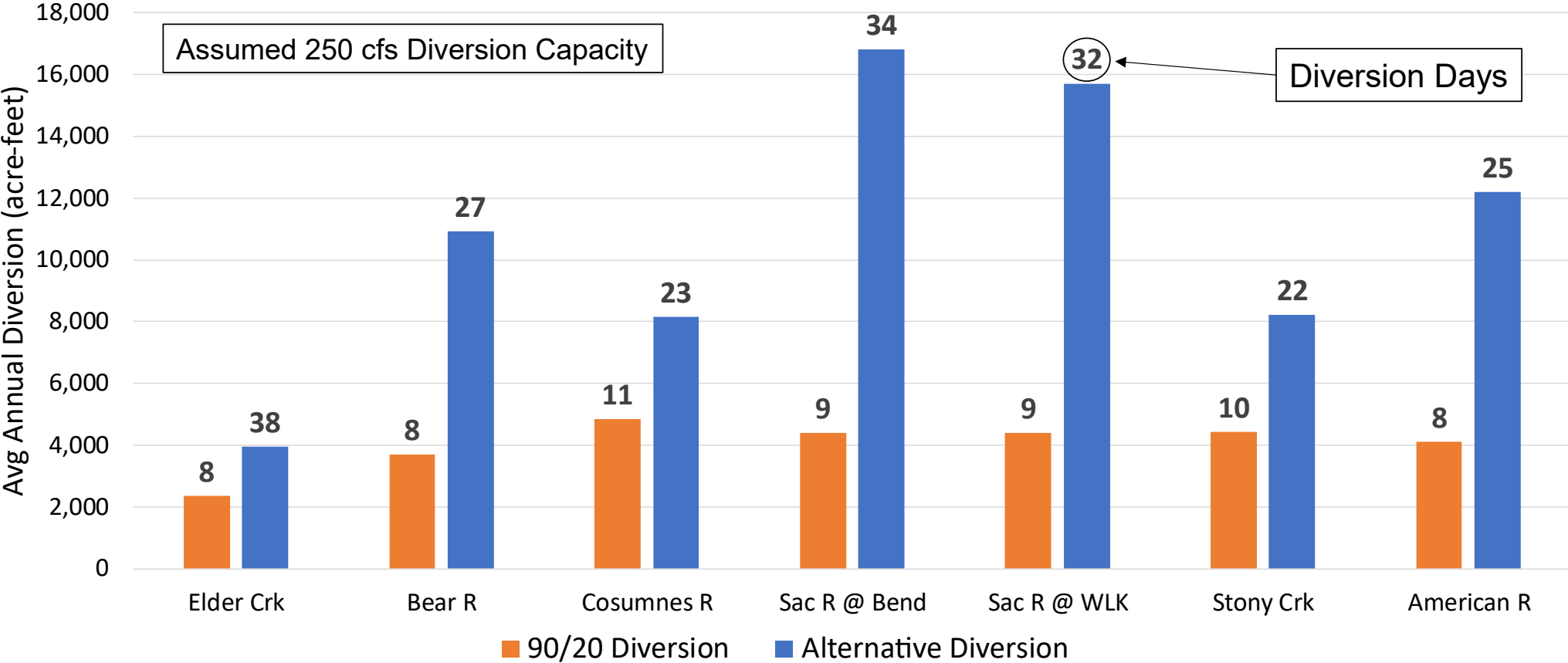
Resulting Streamflow: WY 2013 Elder Creek



Annual Example Results: Elder Creek



Initial Summary of Results



90/20 and Alternative Criteria Comparison

| Requirement | 90/20 | Alternative |
|-----------------------------|--|---|
| Season | 12/1 – 3/31 | 12/1 – 3/31 |
| Daily Diversion Limit | 20% | 20% |
| Bypass Requirement | Daily 90 th Percentile Flow | Downstream Senior Water Right Face Value |
| Delta Condition | Excess Excess w/ Restrictions* | Excess Excess w/ Restrictions* |
| Green Light (diversions on) | Daily flow exceeds daily 90 th Percentile flow | Observed cumulative water year volume exceeds the 80 th percentile cumulative |
| Red Light (diversions off) | Daily flow is less than daily 90 th Percentile flow | No Green Light has occurred OR Observed cumulative water year volume falls below the 50 th percentile cumulative |

Alternative Criteria Summary of Benefits

- More diversion days, more consecutive diversion days
- Much easier to forecast diversion opportunities
- Somewhat simpler diversion criteria
- Diversions largely limited to wetter periods
- Flood control
- GW conditions

Current and Next Steps

- Have performed several sensitivity analyses testing different parameters of the criteria
- Additional considerations, including environmental flows
 - Currently evaluating incorporation of CEFF “functional flow” elements for instream protections
- Receiving feedback from water users, DWR, CDFW, NGOs
- Refine criteria as necessary
- Propose to SWRCB staff

Discussion

February 13, 2026

