

Requested Action:

Review and comment on the priorities for engineering and construction and related activities in preparation for the initiation of Phase 3/4/5.

Detailed Description/Background:

While there is still much to do to prepare for and achieve full investor commitment before entering into Phase 3/4/5, significant efforts are underway to be prepared to hit the ground running when Phase 3/4/5 starts next year. Board feedback on these efforts would be immediately beneficial to the preparation of the 2026 budget, which is planned for consideration by the Board next month. Also, walking through the key activities to take place over the next 1 to 3 years will help build understanding and establish appropriate expectations for the Project team.

Near-Term Priority Land Actions:

Staff are focused on identifying the actions necessary to support early construction needs. This work indicates that additional land, beyond current holdings, will be required to continue construction beyond 2027. The Authority's existing land holdings are sufficient to support the anticipated onsite work planned through 2027; however, additional "runway" of environmentally cleared land is necessary to sustain construction activities thereafter.

Given the long lead times associated with permit requirements, particularly for habitat, species, and cultural resource surveys, proactive planning and near-term action are essential to enable work beyond 2027. Staff believe that to maintain the opportunity for alignment with the Programmatic Schedule, adopted in October 2023, which targets operational completion by the end of 2032, the following areas (Attachment A Map) would need to be accessed and/or acquired in the term such that they are environmentally cleared no later than the end of 2027:

- Lands within the Golden Gate Dam cofferdam inundation area.

- Lands associated with Funks Generation and Pumping Plant and facilities.
- Lands associated with the TRR structure and facilities.
- Lands associated with the Funks access road.
- Lands associated with the Sites-Maxwell detour road (shoo-fly).
- Lands associated with the Sites diversion structure (Stone Corral Creek).

Some of these areas are already under Authority ownership or have been granted access and are already undergoing environmental clearance, but several of these priority areas don't have access, including lands that extend into the Sites Valley. Staff made a point of highlighting these areas during the July 2025 Landowner meeting. What we have heard in response was concerns about project timing, valuation methods, and process for relocations. It was made abundantly clear that the Authority is not in a position to initiate significant land purchases until after investor commitment is achieved, which is not expected until Q3 or Q4 of 2026, and that this schedule is heavily dependent upon receiving the water right from the State Water Resources Control Board. Outreach and continued communications are occurring with affected landowners.

At the October Board meeting, Staff will include funds in the proposed budget for near-term land acquisition and land access actions needed to support these objectives to the extent afforded by available funds.

Work Package 1

The scope of engineering and construction work planned for 2026 and 2027 is being prepared. Construction work is planned to start in 2027, referred to as Work Package 1, and supporting precursor tasks planned in 2026 would include:

- Written plans to comply with Project permits will be prepared to describe the proposed ground disturbing work and its anticipated impacts to habitat and species, backed by specified field surveys.
- A groundbreaking ceremony is planned to occur when the Benefits and Obligations contract and the state and federal funding agreements are executed (summing to 100% of capacity interest), assuming to occur in mid to late 2026.
- Purchasing priority area land and paying for access agreements where land acquisition is not feasible immediately.

- Conducting land surveys to fulfill permit conditions, precursor to ground disturbing activities.
- Roads and Reservoir Construction Manager At Risk (CMAR) performing pre-construction activities.

For 2027, Staff envisions Work Package 1 focusing on:

- Constructing key access roads and staging areas on Authority-owned lands
- Conducting in-depth geotechnical field investigations, including partial development of the two rock borrow areas to better understand and map geologic formations as well as produce aggregate road surfacing material for haul roads.
- Initiating acquisition of mitigation lands necessary to comply with permitted conditions.

Long-Term Organizational Needs

As Staff gains a clearer understanding of the sequencing of construction activities, attention is also given to the timing of when and what resources will be needed for construction oversight and general program management. It is understood that the Project will require substantial bench-strength to perform construction oversight functions.

Staff envisions the on-site work planned for in 2027 under Work Package 1 to be managed within existing resources. In late 2026 and early 2027, Staff would need to ramp up to include construction related resources including conducting procurements to secure construction oversight support as the Project ramps up toward full construction.

Currently, the long-term vision for construction and CMAR oversight is a combination of Authority Staff and a contracted Owner's Representative team. This team is envisioned to support functional needs such as quality assurance, material testing, inspection, construction management, project/program management, construction project controls, and general staff augmentation. The team could consist of one or more firms. Design services during construction are envisioned to be provided, in large part, by the Engineer of Record, although there may be opportunities for other design firms to be engaged in the areas that do not involve CMAR contracting. The onboarding of the Owner's Representative is envisioned to coincide with the start of 2028.

The organization for construction and CMAR oversight is being coordinated with the other Departmental areas of the Authority's business functions – Administration, Operations and Environmental Compliance, and Land

Management. An updated Construction Organization Chart will be made available for next month's 2026 Budget Review.

Fiscal Impact/Funding Source:

There is no fiscal impact associated with the planning for construction, as this involves staff time that is already included in the 2025 Approved Budget.

Staff Contact:

JP Robinette/Kyle Hughes

Primary Service Provider:

None.

Attachments:

Attachment A - Map of Priority Lands for Access/Acquisition To Support Post-2027 Construction Activities

