

Sites Joint Reservoir & Authority Board

Agenda Item 02-01 Amendment 3 Work
Plan Update & 2026 Budget Adoption

October 17, 2025



Work Plan Update Requested Actions

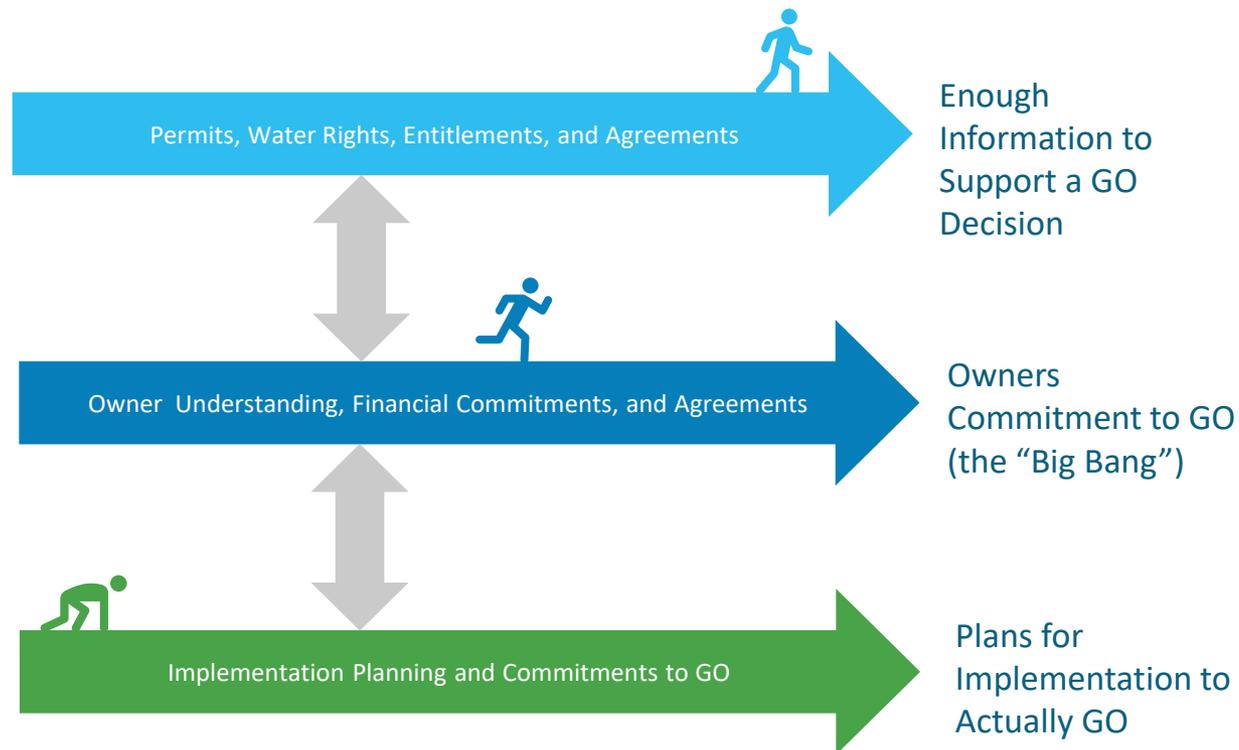
Requested actions to be covered today:

1. Approval of Amendment 3 Work Plan update
2. Approval of an extension of Amendment 3 to December 31, 2026
3. Adoption of 2026 Annual Budget
4. Approval of revisions to the Delegation of Authority to be effective January 1, 2026.

Amendment 3 Extension

- Amendment 3 Work Plan initially adopted in Sept 2021
- A3 Original WP Period of Performance: 1/1/2022 – 12/31/2024
 - October 2023: Approval of A3 extension through 12/31/2025
 - October 2024: Approval of A3 extension through 6/30/2026
 - **Requested action**: 6-month extension through 12/31/2026
 - Reasoning: Delays in Water Right Permit
- These types of Project Agreement changes have occurred in the past as follows and Staff proposes to use the same approach in this case:
 - RC and AB approval by a 75% vote of each body (weighted for the RC). This super-majority vote is required by the Project Agreement and the current Bylaws as a material change.
 - The record of the meeting will serve as the formal documentation memorializing these changes and satisfaction of the 75% threshold.
 - No home board approvals are required which presumes each Participant representative has been given the authority to commit its agency to this change.
- **Impact**: Limited Revenue & Competing Priorities for Finite Funds

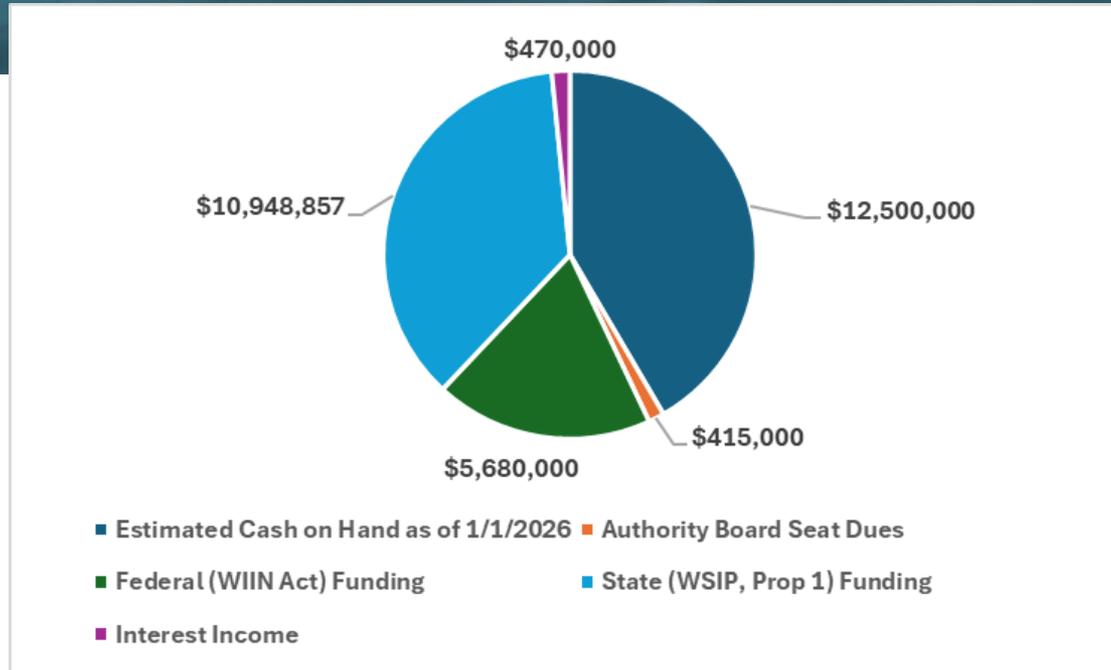
Staff continues to focus on three strategic imperatives as we plan and budget for work



Refreshing the way we manage projects...

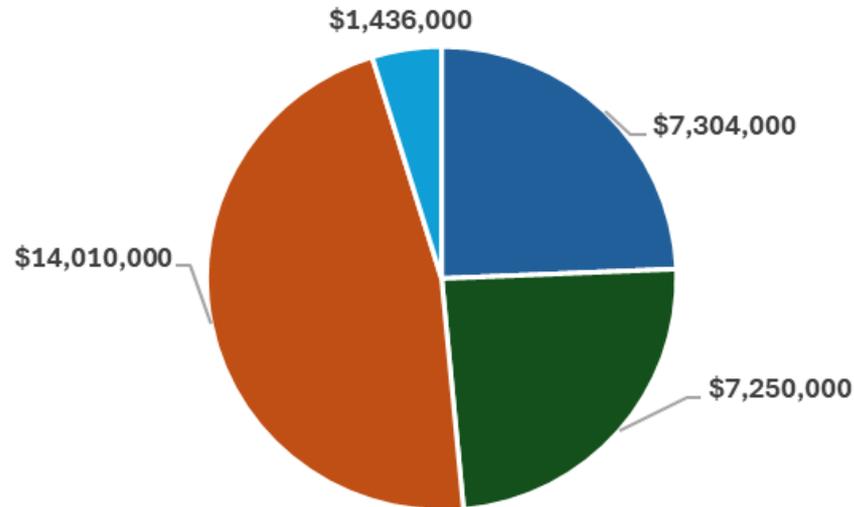
- All work performed in 2026 will be tied to a “project” with a dedicated Project Manager
- Projects will be based on one of the following key drivers:
 - Imperative #1: Information to support a GO decision
 - Imperative #2: Supporting a Decision to GO
 - Imperative #3: Being ready to actually GO
- 2026 Budget will now be adopted, tracked, and managed by Projects instead of Subject Areas
- Budgets are identified as either *Committed* or *Uncommitted*
 - **Committed:** Budget assigned to a known resource
 - **Uncommitted:** Budget anticipated to be needed however resource is TBD

Proposed 2026 Revenue Budget



Estimated Cash on Hand as of 1/1/2026	\$	12,500,000
Reservoir Committee Cash Call	\$	-
Authority Board Seat Dues	\$	415,000
Federal (WIIN Act) Funding	\$	5,680,000
State (WSIP, Prop 1) Funding	\$	10,948,857
Interest Income	\$	470,000
		<hr/>
Total Estimated 2026 Revenue, rounded	\$	30,000,000

Proposed 2026 Expense Budget by Imperative



- Imperative 1: Information to Support a GO Decision
- Imperative 2: Supporting a Decision to GO
- Imperative 3: Being ready to actually GO
- Contingency

Imperative 1: Information to Support a GO Decision	\$	7,304,000
Imperative 2: Supporting a Decision to GO	\$	7,250,000
Imperative 3: Being ready to actually GO	\$	14,010,000
Contingency	\$	<u>1,436,000</u>
Total 2026 Proposed Expense Budget	\$	<u>30,000,000</u>

Proposed 2026 Expense Budget by Project

Imperative 1: Information to Support a GO Decision - \$7,304,000

	Committed	Uncommitted	Total
Key Agreements & Reports	\$ 610,000	\$ 55,000	\$ 665,000
Key Permits & Environmental Agreements	\$ 525,000	\$ 75,000	\$ 600,000
Interim & Permanent Financing	\$ 200,000	\$ 250,000	\$ 450,000
Project Management Support-Fixed	\$ 2,855,368	\$ 124,632	\$ 2,980,000
Project Management Support-Variable	\$ 2,588,224	\$ 20,776	\$ 2,609,000
Total Imperative 1	\$ 6,778,592	\$ 525,408	\$ 7,304,000

Imperative 2: Supporting a Decision to GO - \$7,250,000

	Committed	Uncommitted	Total
Home Board Support	\$ 1,880,096	\$ 87,904	\$ 1,968,000
Interim & Permanent Financing	\$ 700,000	\$ 50,000	\$ 750,000
Project Management Support-Fixed	\$ 2,410,298	\$ 102,702	\$ 2,513,000
Project Management Support-Variable	\$ 1,798,612	\$ 220,388	\$ 2,019,000
Total Imperative 2	\$ 6,789,006	\$ 460,994	\$ 7,250,000

Imperative 3: Being ready to actually GO - \$14,010,000

	Committed	Uncommitted	Total
Preparing for Construction & Reservoir CMAR	\$ 6,195,000	\$ 1,455,000	\$ 7,650,000
Priority Acquisitions & Land Management	\$ 105,000	\$ 4,115,000	\$ 4,220,000
Mitigation Related Activities & Support	\$ 223,000	\$ 207,000	\$ 430,000
Environmental Compliance & Plan Developme	\$ 945,000	\$ 5,000	\$ 950,000
Conveyance CMAR	\$ 755,000	\$ 5,000	\$ 760,000

Total Imperative 3 **\$ 8,223,000** **\$ 5,787,000** **\$ 14,010,000**

Contingency \$ 1,436,000 \$ 1,436,000

Total Proposed 2026 Expense Budget **\$ 21,790,598** **\$ 8,209,402** **\$ 30,000,000**

Proposed 2026 Expense Budget- Imperative 1: Information to Support a GO Decision

- *Key Agreements & Reports - \$665,000*
 - Program Baseline Report
 - Benefits & Obligations Contract, Bylaws, JPA, Ops Plan
 - Other Key Agreements that may arise as necessary to Support a GO decision
- *Key Permits & Environmental Agreements - \$600,000*
 - State & Federal Funding Agreements
 - CWA Permits
 - Key Programmatic Permits, Surveys & Compliance (*ITP Amendment for Burrowing Owls, Operations BA/BiOPS, Eagle Construction Permit*)
- *Interim & Permanent Finance Programs - \$450,000**
 - Plan of Finance
 - Draft Funding Agreements
 - Credit Rating Analysis
- *Fixed Project Management Support - \$2,980,000**
 - Staff, Fees to Maintain Support, Website, Auditor, Office Expenses, etc
- *Variable Project Management Support - \$2,609,000**
 - Extension of Staff, Legal, Community Outreach, Cultural Compliance including implementation of terms in Sec. 106 and Final EIR/EIS, Tribal Working Group, activities to stay compliant with current permits, etc

Proposed 2026 Expense Budget-

Imperative 2: Supporting a Decision to GO

- Home Board Support- **\$1,968,000***
 - Provide information, answer questions, additional analysis as may arise to support a Decision to GO
- Interim & Permanent Financing - **\$750,000***
 - Financing Procurement
 - Financing Agreements
 - Close on Financing
- Fixed Project Management Support - **\$2,513,000***
 - Staff, Fees to Maintain Support, Website, Office Expenses, etc.
- Variable Project Management Support - **\$2,019,000***
 - Extension of Staff, Legal, Community Outreach, required ITP terms and conditions, Cultural Compliance such as cemetery relocation planning, etc.

* - these projects are split between imperatives 1 and 2 but will be managed as a cumulative project total of both imperatives.

Proposed 2026 Expense Budget-

Imperative 3: Being Ready to Actually GO

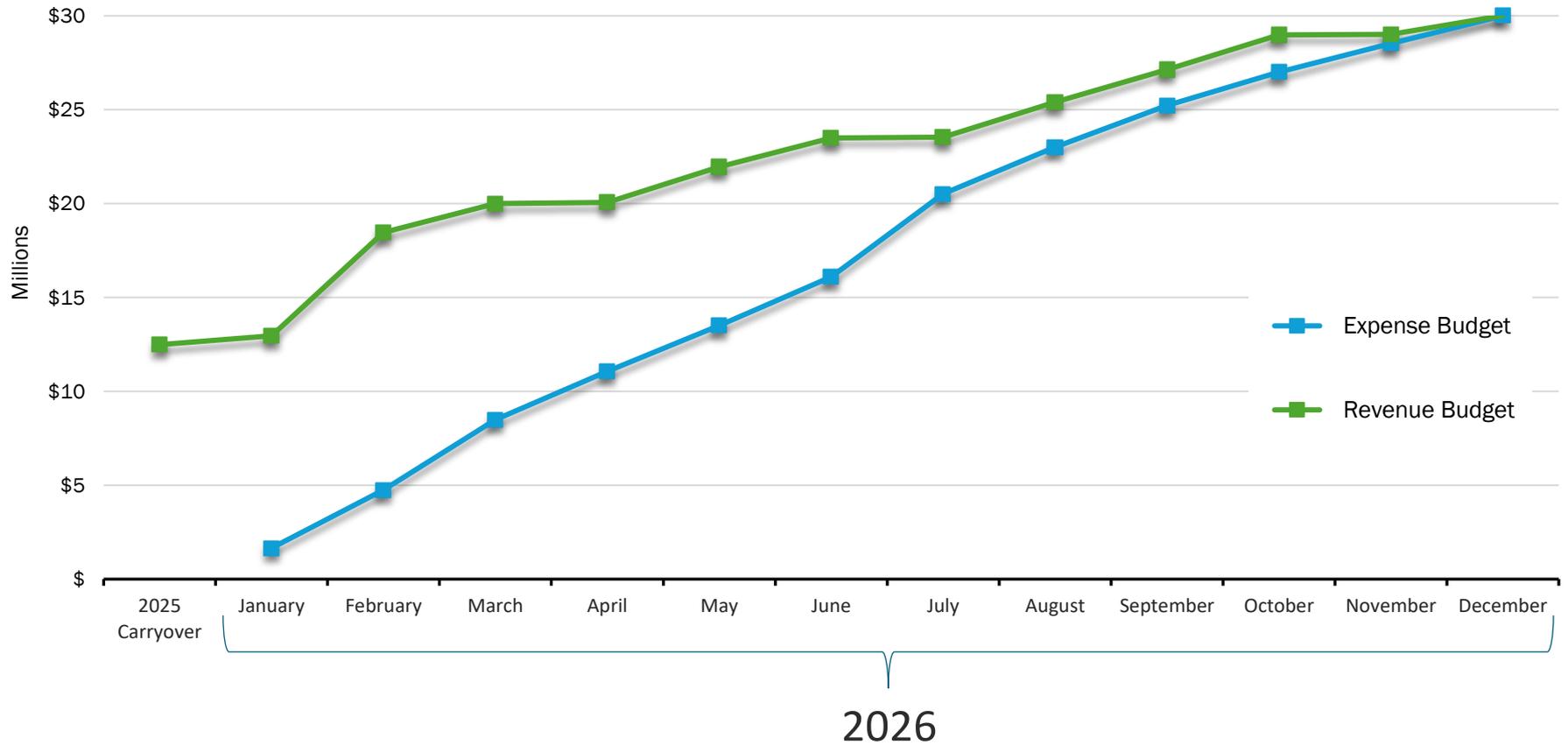
- Preparing for Construction & Reservoir CMAR- *\$7,650,000*
 - Environmental Surveys on available land to clear the way for construction
 - Develop & Submit Required Permit Plans to support construction (Cultural, CDFW ITP, CDFW Streambed, USFWS)
 - Construction Program Delivery Plan
 - Reservoir CMAR Procurement & Preconstruction services
 - Biological Terrestrial Mitigation Procurement and Preconstruction task
 - Reservoir Engineering – Preconstruction phase
 - Construction Traffic Study
 - Construction Power Agreements
 - Ground Breaking Ceremony
 - CallSO Fee

Proposed 2026 Expense Budget- Imperative 3: Being Ready to Actually GO, cont.

- Priority Acquisitions & Land Management- *\$4,220,000*
 - Priority Acquisitions
 - Land Management of owned property
 - Improvements to Seaters Property
- Mitigation Related Activities & Support- *\$430,000*
 - Mitigation Procurement
 - Mitigation Contractor Task Order 1 & Security Note
- Environmental Compliance & Plan Development- *\$950,000*
 - Environmental Compliance Plan Development
 - Air District Fee
- Conveyance Facilities - *\$760,000*
 - Conveyance CMAR Procurement
 - Conveyance Engineering

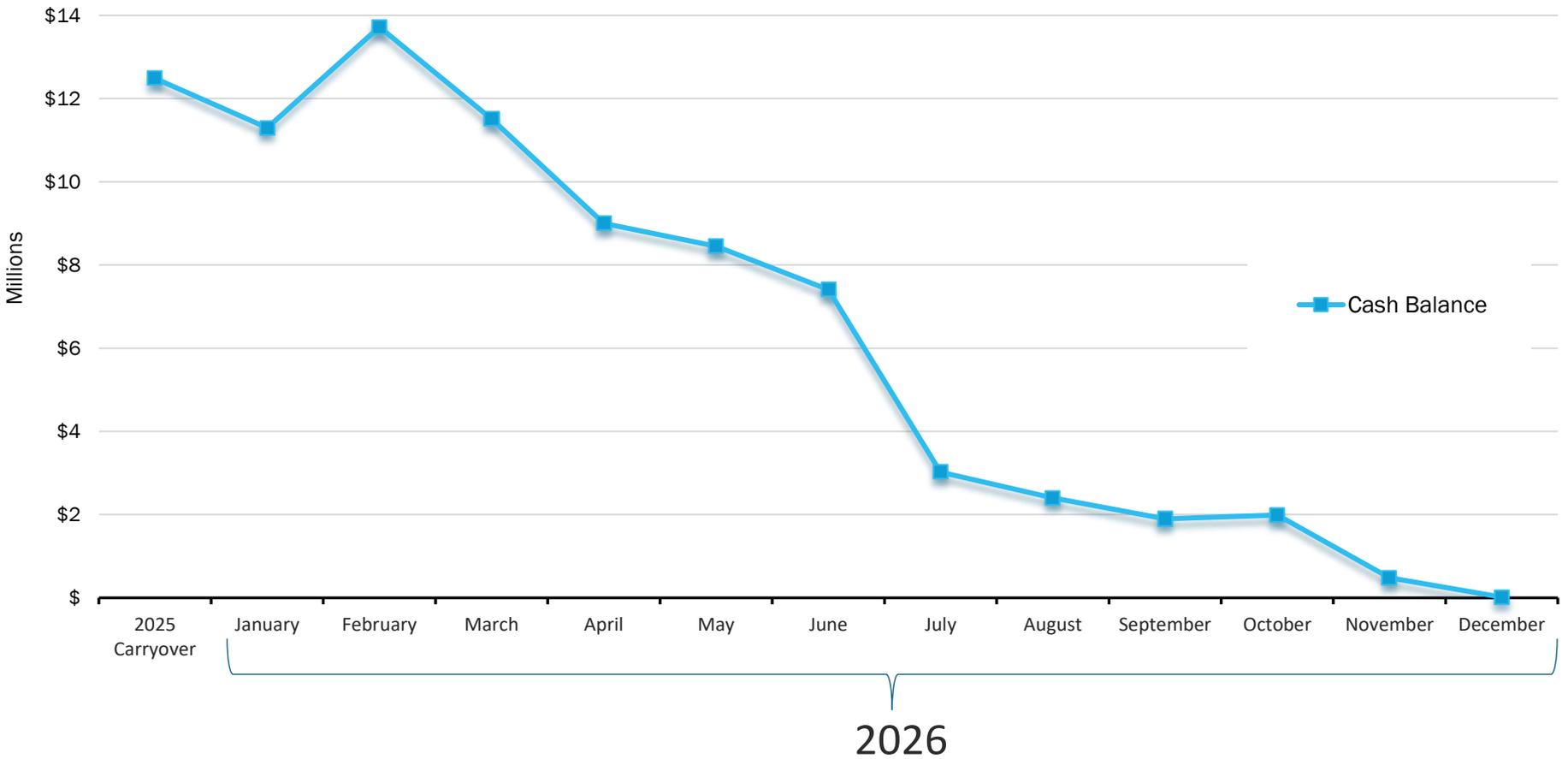
Cash Flow Curve

2026 Cash Flow Curve



Cash Balance Drawdown Curve

2026 Cash Balance Drawdown



Requested Changes to Delegation of Authority

Request board approval of revisions to Delegation of Authority to align with Budget by Projects not subject area

7	Professional Services or General <u>Services Agreement</u>							
	a. Up to \$500,000 within the approved budget except legal services		R	R	R	A	I	I
	b. Up to \$500,000 NOT WITHIN budget with cost offset except legal services		R		R	A	I	I
	c. Greater than \$500,000 and all legal services		R		R	R	R	A
	d. Construction services up to and including threshold for simplified acquisition procedure and within approved budget		R		R	A		

8	Professional Services or General <u>Services Amendment</u> including Legal Services							
	a. Contract/Task Order within Contract/Task Order approved Project budget amount up to \$500,000				R	A	I	I
	b. Reallocation of Task Budgets Within Contract/Task Order				A	I	I	
	c. Exceeds Remaining Contract/Task Order amount over \$500,000				R	R	R	A
	d. Adding Task Order to Initiate Litigation				R	R	R	A

Staff will continue to report all changes to project budgets, contract authority, task order increases and contingency releases in the quarterly report to the Board.

Requested Changes to Delegation of Authority, cont.

Request board approval of changes to Delegation of Authority to align with Budget by Projects not subject area, continued

3	Budget Transfers							
a.	Transfers up to \$100,000 \$500,000 between subject areas projects and no increase in approved total FY budget	Yes			R	A	I	I
b.	Transfers over \$100,000 \$500,000 or exceeding total FY budget				R	R	R	A
c.	Use of Contingency up to \$100,000	Yes			R	A	I	I
d.	Use of contingency over \$100,000				R	R	R	A

Staff will continue to report all changes to project budgets, contract authority, task order increases and contingency releases in the quarterly report to the Board.

Next Steps

- Today:
 - Approval Amendment 3 Work Plan Update
 - Approval of extension to Amendment 3 period (12/31/2026)
 - Adoption of 2026 expense & revenue budget
 - Approval of revisions to the Delegation of Authority
- November 2025:
 - Approval of increase to contract authority
- December 2025:
 - Extend consultant contracts into 2026(not a Board item)

Questions?



Thank you!