



Meeting: **Reservoir Committee & Authority Board Agenda
Item 3.6**

October 16, 2026

Subject: **Impact Alleviation Discussions with Maxwell Unified School District**

Requested Action:

Receive a status report on discussions between the Authority and Maxwell Unified School District toward achieving an Impact Alleviation Agreement.

Detailed Description/Background:

This report provides an update on the discussions about an impact alleviation agreement with Maxwell Unified School District (MUSD). The last report on this subject was in June 2026. The Board has previously indicated an interest in being briefed on matters involving local community entities. Board feedback on the approach Staff is taking to achieve a mutually beneficial outcome would be helpful.

Since the last report to the Board, Staff met with MUSD staff and exchanged the attached correspondence. Recall that in cooperation with MUSD, the Authority competitively selected and paid 100% of the cost for the consulting firm, BAE Urban Economics, to prepare an independent impact analysis of potential project effects on the current and future operations of the Maxwell Schools. The report concluded that:

- No significant historical or latent fiscal impacts attributable to the Project were identified. The report noted that regional demographic and economic trends are the primary drivers of enrollment decline.
- During construction, there are no definite impacts but there are possible areas of impacts depending on actual conditions including: i) school bus reroute mileage/wear and tear cost and time at up to \$5,000 per year (2026 dollars) ii) the need for crossing guard and student safety measures are possible depending on project adherence to limited use of Oak Street in Maxwell, iii) employment incentives to assist MUSD in retaining certain staff estimated at up to \$372,000 annually in current dollars may be needed. A “paid as incurred” approach is suggested.
- The Sites Reservoir Project is not expected to create long-term structural operating deficits for the MUSD.
- Long-term, projected enrollment increases are expected to remain within existing school capacity and are expected to be offset by associated State funding. Facility and modernization costs associated with potential future residential growth were estimated to range from approximately \$154,000 to \$338,000, depending on actual housing and population growth. This is net of developer fee revenue secured by

MUSD from new development and based on current fees not being adjusted by MUSD. Again, due to the uncertainty, a “paid as incurred” approach is suggested.

Since the last report, Staff met with MUSD to review the BAE analysis and discuss a path toward agreement. MUSD continues to disagree with portions of the analysis and has raised concerns regarding the Project’s potential fiscal impacts and differences between updated construction information and assumptions used in the Final EIR. Staff continues to recommend an agreement focused on monitoring identified areas of concern, promptly addressing documented Project-caused costs as they occur, and providing a process to address additional impacts if actual conditions differ materially from current expectations. (see attachment A)

Prior Action:

June 2026: Review and comment on the status update on Impact Alleviation Agreements with interested parties as identified in the County Development Agreements.

Fiscal Impact/Funding Source:

The cost of the preparation of the Alleviation Agreements and the supporting analysis is included in the Amendment 3 work plan. Costs associated with the commitments being made will be incorporated into the updated Project cost estimate.

Staff Contact:

Jerry Brown

Attachments:

Attachment A – MUSD 9.18.26 Fiscal Impact Analysis and Impacts to Maxwell Unified School District Letter

Attachment B – Sites 10.12.26 Response Letter



Maxwell Unified School District

P. O. Box 788 / 515 Oak St., Maxwell, CA 95955

Phone (530) 438-2052 Fax (530) 438-2693

Summer Shadley, Superintendent

September 18, 2026

Dear Mr. Brown:

I am writing on behalf of Maxwell Unified School District regarding the final Fiscal Impact Analysis prepared by BAE Urban Economics and our July 15, 2026, meeting. During that meeting in my office, you stated that, based on the study's findings, the Sites Project Authority was rescinding its previous offer of \$50,000 per year for seven years during construction.

As you are aware, MUSD does not agree with the report's findings primarily because the report does not consider the data and information contained in the FEIR for the Sites Project as it relates to immediate and future impact to MUSD and its students. If the FEIR cannot be relied upon, we would expect that the Authority's Board will make revisions publicly.

MUSD must have accurate and complete data and information to properly assess the Project's impacts and determine appropriate mitigation. Further, the Authority's rescission of its previous offer has not yet been confirmed in writing. Please provide written confirmation of the Authority's position by October 9, 2026, so that I may accurately update the MUSD Board of Trustees. Additionally, we have not received any correspondence regarding how the Authority intends to move forward in addressing the impacts of the Project on the District and our students. I would appreciate a written update regarding the Authority's proposed next steps by October 9, 2026, so that I may provide an accurate update to the Board and the MUSD community.

Thank you for your attention to this matter. I look forward to hearing from you.

Sincerely,

Summer Shadley

Superintendent

Maxwell Unified School District

cc: Maxwell Unified School District Board of Trustees

Colusa County Board of Supervisors

Sites Project Authority Board of Directors



October 12, 2026

Summer Shadley
Superintendent
Maxwell Unified School District
515 Oak Street
Maxwell, CA 95955

Subject: Sites Project Fiscal Impact Analysis and Path Forward

Dear Ms. Shadley:

Thank you for your September 18, 2026, letter regarding the BAE Urban Economics Fiscal Impact Analysis and our July 15 meeting. I appreciate the District's continued engagement and recognize your responsibility to protect the interests of Maxwell Unified School District, its students, and the Maxwell community.

I would like to clarify the Authority's position regarding its previous financial offer and reiterate the approach I presented during our July 15 discussion.

Status of Previous Financial Offer

The Authority previously proposed providing the District \$50,000 annually for seven years during Project construction. This proposal was developed before completion of the independent BAE Fiscal Impact Analysis, which provides a more detailed understanding of the potential fiscal impacts to the District. While the analysis does not establish a basis for fixed annual compensation at this level, the Authority recognizes the importance of its previous offer to the District and the value of providing financial certainty as construction approaches.

With this in mind, the Authority is prepared to maintain its previous offer of \$50,000 annually for seven years as part of a mutually acceptable Impact Alleviation Agreement. This commitment reflects our desire to recognize the District's concerns, maintain a positive working relationship, and establish a practical basis for reaching an agreement. We believe this represents a meaningful financial "stay ahead" type of commitment by the Authority, particularly when combined with an agreement to address additional documented Project-related impacts should they occur. Our intention in maintaining this offer is to provide a foundation for reaching agreement on the remaining issues, rather than opening negotiations over the amount of fixed annual compensation.



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Fiscal Impact Analysis and the Final EIR

We recognize that MUSD disagrees with certain findings of the BAE Fiscal Impact Analysis, particularly those concerning the permanent conversion of land within the District's boundaries and the potential effects of construction activities on District operations.

Your letter also questions whether the Authority can continue to rely upon the certified Final Environmental Impact Report (EIR) because the construction workforce estimates and anticipated construction schedule used in the BAE analysis differ from those evaluated during the environmental review process.

We respectfully disagree with the suggestion that these differences, by themselves, call into question the adequacy of the Final EIR.

The Final EIR and the BAE analysis were prepared for different purposes. The Final EIR evaluates the environmental consequences of constructing and operating the Sites Project, while the BAE analysis evaluates potential fiscal impacts to the District using updated information concerning anticipated construction activities, workforce characteristics, and the District's financial circumstances.

As the Project advances, refinements to construction methods, workforce requirements, and the timing of individual activities will continue. The availability of more current information for a subsequent fiscal analysis does not establish that the assumptions used in the previously certified environmental document were inappropriate or that its conclusions are no longer valid.

California law establishes specific requirements for determining when changes to an approved project warrant additional environmental review. Under Public Resources Code Section 21166 and CEQA Guidelines Section 15162, differences in project assumptions or construction schedules do not automatically require revision of a certified EIR. The relevant consideration is whether changes to the Project, changed circumstances, or qualifying new information result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There is nothing in the BAE analysis that would lead the Authority to believe that new significant environmental effects or a substantial increase in the severity of a previously identified significant effect would occur with the more current construction workforce estimates and anticipated construction schedule.

Proposed Path Forward

As I discussed with you on July 15, I believe the Authority and the District share an important objective: ensuring that material adverse impacts caused by the Sites Project, if any, are addressed fairly and promptly.



The approach I presented at our July 15 meeting was intended to establish a practical framework that provides the District with meaningful financial certainty while ensuring that additional financial obligations of the Authority are connected to actual Project-related impacts. By maintaining the previously offered annual payment and supplementing it with procedures to identify and address documented impacts as they occur, I believe we have the essential elements of a balanced agreement that recognizes the interests of both parties.

Such an agreement could include:

1. Regular coordination between the District and the Authority before and during construction.
2. Monitoring of transportation, employee retention, enrollment, and other mutually identified areas of concern. These were the areas BAE advised we focus on based on their analysis and experience.
3. Timely reimbursement by the Authority of documented, actual Project-caused costs, to the extent such costs are not otherwise addressed through the fixed annual payments, under agreed-upon procedures.
4. A process for evaluating and addressing additional impacts if actual conditions differ materially from current expectations.

I recognize that the District seeks financial certainty and that our agreement must provide more than a general commitment to revisit these matters in the future. The Authority's willingness to maintain its previous financial offer, together with the proposed procedures for addressing actual Project-related impacts, is intended to provide that certainty.

I believe we have reached a point where the essential elements of an agreement are clearly laid out for us. The Authority has made a meaningful commitment to support the District during construction, and I hope MUSD will view the proposed approach in that spirit. With the issue of the fixed annual payment now clarified, I suggest that we focus our remaining efforts on finalizing the agreement provisions necessary to provide both parties with the assurances they need.

I appreciate your continued engagement and look forward to working together to bring these discussions to a successful conclusion.

Sincerely,



Jerry Brown
Executive Director



cc: Maxwell Unified School District Board of Trustees
Colusa County Board of Supervisors
Sites Project Authority Board of Directors

