



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 1.4

February 20, 2026

Subject: **Fourth Quarter (Q4) 2025 Financial Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority's Fourth Quarter 2025 Budget Financial Report.

Detailed Description/Background:

This report covers the Q4 2025 budget year quarterly financial report and fulfills the Authority's Budget Policy requirement for quarterly financial update reports to the Reservoir Committee (RC) and Authority Board (AB).

Key takeaways of this report include:

- **Revenue Performance**

Funds received in Q4 2025 totaled \$624,000, approximately \$1.6 million below plan. Although interest revenue exceeded projections during the quarter, total revenue variance was primarily attributable to the reduction of Federal reimbursements.

Expenses were also below plan during the quarter, resulting in cost savings; however, the lower expenditure level reduced the amount eligible for Federal reimbursement. When considered collectively, the reduction in expenditures and corresponding reimbursement results in a net savings to the Authority.

- **Expenditure Performance & Cost Management**

The total Q4 2025 spending plan was \$9.1 million, compared to actual cash disbursements of approximately \$4.5 million, representing a variance of approximately \$4.6 million under plan. This variance reflects identified and implemented efficiencies, deliberate pacing of project activities to ensure alignment with the Board's Three Imperatives and careful prioritization of critical path work.

Engineering reflected the largest variance during the 4th quarter, with a planned budget of \$3.4 million and actual spending of approximately \$1.3 million. Permitting also reflected moderated activity levels, with a budget of \$2.0 million and actual cash disbursements of approximately \$1.1 million. These differences are primarily attributable to the intentional sequencing of activities to ensure resources remain focused on the most mission-critical efforts and rigorous oversight on costs incurred. The

planned costs associated with the CAISO interconnection study fee was \$1.62M less than budgeted.

- Since the June 2025 budget rebaselining, staff has identified approximately \$7 million in cumulative efficiencies, reflecting rigorous financial oversight and disciplined alignment of work efforts with the three imperatives. This strategic approach to spending preserves liquidity and positions the Authority to deliver critical 2026 activities necessary to complete the current Project phase and investor commitment.

- **Cash Position & Funding Outlook**

The Authority's bank account balance at the end of Q4 was approximately \$16.8 million, representing a decrease of \$4.3 million during the reporting period. The account balance is projected to continue to decline throughout 2026 as expenditures are incurred.

Currently, the primary funding sources available to cover expenditures through investor commitment and loan funding initiation are Federal reimbursements from Reclamation and Prop 1 WSIP early funding which is expected to be \$10.9 million.

- **Contingency & Budget Adjustments**

There were **no allocations of unrestricted contingency funds** during the quarter. At the June 2025 Board meeting, the Authority adopted a revised 2025 budget, reallocating remaining contingency funds to priority activities and providing additional funding support for anticipated 2026 activities.

- **Contract Activity**

Contract Authority during Q4 2025 is provided below, in accordance with reporting requirements outlined in the Authority Delegation of Authority and corresponding policies.

5 contract changes occurred during the Q4 period:

- AECOM – Amendment to provide support with benefit analyses related to the development of the Prop 1 Public Benefits agreement.
- CH2M Hill Engineers (Engineering) - Amendment to expand support with various activities including Colusa Basin Drain Modeling, PG&E Temp Power application, Tehama Colusa Canal Modeling, and a Power Market Analysis.
- HDR – Amendment to provide additional services related to the development of an EPP Delivery Plan and Environmental Planning of land currently owned by the Authority.
- ICF – Amendment to reallocate budget within the ICF existing task order to fund vernal pool branchiopod surveys.

- Katz – A no cost change amendment to balance budgets within the Katz task order and reflect actual work to be performed.

The Budget and Finance Committee has reviewed the Q4 2025 Financial Report, and all comments have been incorporated into the attached report.

Prior Authority Board Action:

November 2025: Accepted the Sites Project Authority's Third Quarter 2025 Budget Financial Report.

Fiscal Impact/Funding Source:

The approved Amendment 3 Work Plan contains sufficient funds to continue financial reporting through December 31, 2026. Staff will continue to monitor budget status throughout the Amendment 3 period. Work Plan status updates will continue to be provided to the Board biannually, with the next update planned for June 2026.

Staff Contact:

Shayleen O'Connell/ Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q4 2025 Financial Report



Quarterly Financial Report Fiscal Year 2025 – Fourth Quarter Financial Report

Funds Received (figures x \$1,000)

Figures provided below are on a cash basis

Funding Source	Q1	Q2	Q3	Q4	FY to Date	Budget ¹ FY2025
Authority Board Membership	410	5	-	-	415	415
Federal WIIN Act Funding	-	-	-	-	-	2,105
Interest Income	352	303	249	204	1,108	924
Reservoir Committee Cash Calls	6,012	248	-	400	6,660	6,660
State Prop 1 (WSIP)	-	-	-	-	-	-
Rental Income	-	-	-	20	20	-
Funds Received Total	6,774	556	249	624	8,203	10,104
Carryover from 2024					29,887	29,887
Estimated Total Available Funds in 2025					38,090	39,991

1 - FY Budget figures from Work Plan Budget Update approved at 6/2025 Board meeting.

Cash Disbursements Activity (figures x \$1,000)

Figures provided below are on a modified cash basis

Subject Area	Q1	Q2	Q3	Q4 ¹	FY to Date	Budget FY2025	% Spent
Communications	128	95	96	123	443	453	98%
Engineering	1,085	1,411	535	1,269	4,300	6,701	64%
External Affairs	95	95	95	95	378	378	100%
General Project Activities	148	167	186	313	815	769	106%
Permitting	2,147	2,451	1,489	1,107	7,195	9,310	77%
Planning	41	42	9	23	114	153	75%
Program Ops	1,429	1,334	1,254	1,187	5,204	5,913	88%
Real Estate	3,054	350	332	354	4,090	4,588	89%
Work Package #1	-	-	-	-	-	1,667	0%
Total Cash Disbursements	8,126	5,945	3,995	4,472	22,538	29,932	75%

1 - Two invoice totaling approx. \$284,000 are anticipated to be received and paid after the publishing of this report.

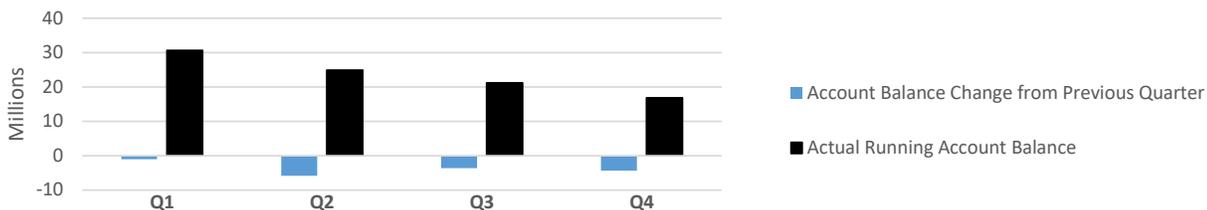
FY2025Q4 Net Income (figures x \$1,000) | Funds Received – Cash Disbursements = -\$3847 | FYTD = -\$14,336

Bank Account Balance (figures x \$1,000)

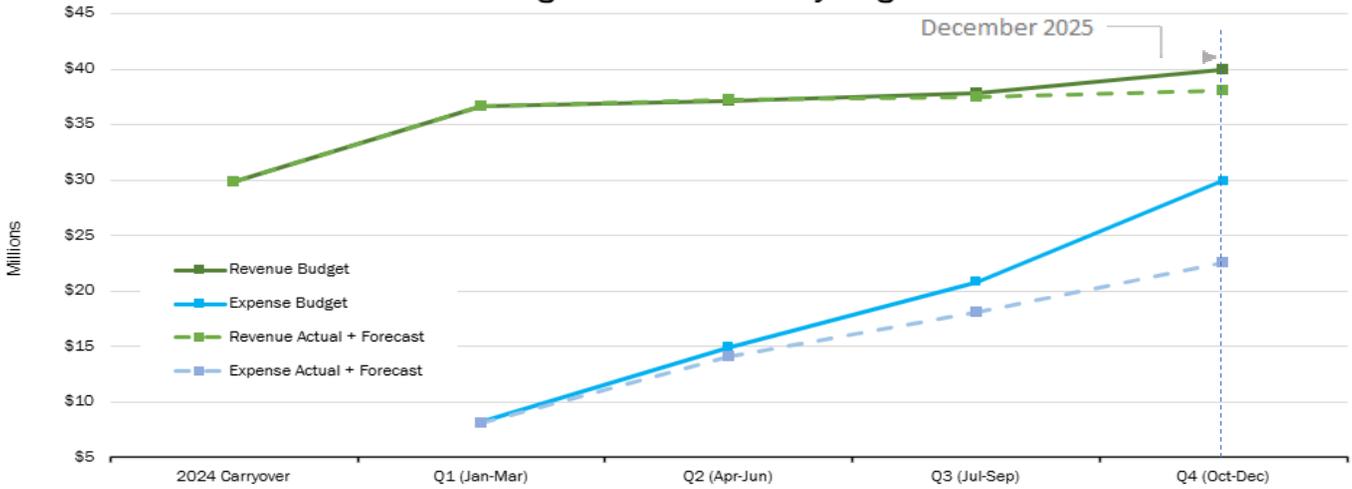
Balances shown are captured from the last day of the period shown.

Cash Balances of 4 Accounts	Actual				
	End 2024	Q1	Q2	Q3	Q4
Account Balance Change from Previous Quarter		(1,003)	(5,828)	(3,653)	(4,346)
Actual Running Account Balance	31,680	30,676	24,848	21,195	16,849

FY2025 Bank Account Balance by Quarter



2025 Budget to Actual - Monthly Progress



Note: Cash flow graph reflects revised budgets adopted at June 2025 Board Meeting

	Year-to-date (December 2025)		Revised Annual 2025 Budget	
	Budget	Actual	Budget	Actual+Forecast
Expense	\$29,930,000	\$22,540,000	\$29,930,000	\$22,540,000
Revenue**	\$39,990,000	\$38,090,000	\$39,990,000	\$38,090,000

Note: Provided values have been rounded for simplicity

**Revenue figures include 2024 Carryover funds for illustrative purposes only