

Reservoir Committee and Authority Board Meeting

Agenda Item 2.3: Contingency Acquisition Land Approach

March 20, 2026



For Today

Issue for Discussion

- Conclusion of the Early Land Acquisition Program
- Developing a Contingency Land Acquisition Approach

Policy Direction Needed

- Authorize staff to establish and implement a Contingency Land Acquisition Program

Early Land Acquisition Program

- The Early Land Acquisition Program has been active since late 2023
- Four properties have been acquired – approximately 2,200 acres
- Two additional properties are under negotiations – anticipate acquisition in 2026
 - Once these properties have been acquired the Early Land Acquisition Program will be concluded
- These early land acquisitions secured key project infrastructure locations and will help maintain the current construction schedule

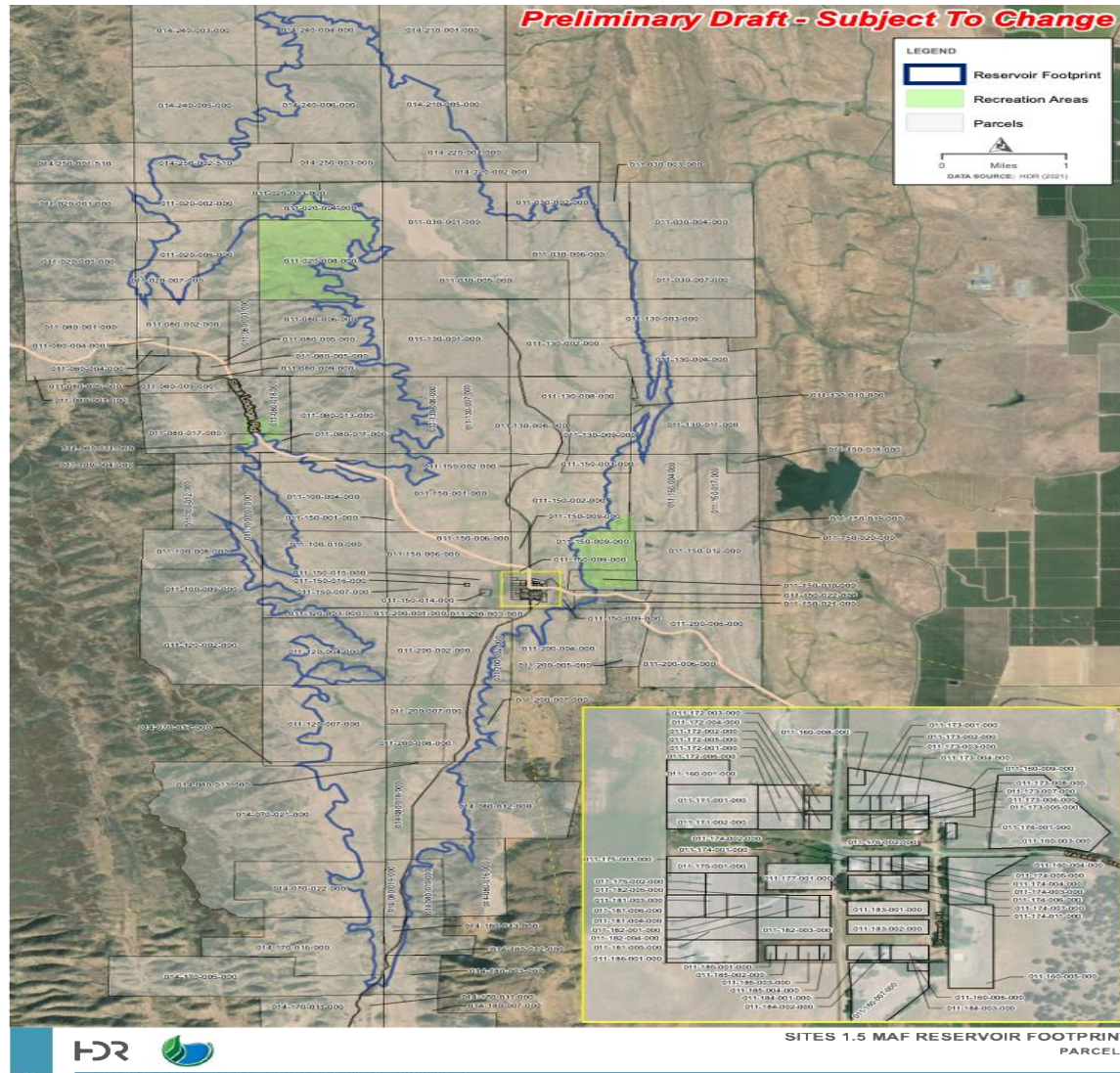
Contingency Acquisition Program

- Staff is proposing a Contingency Land Acquisition Program which would allow negotiation of price and terms for purchase for a limited number of parcels in 2026 - which would be activated immediately upon achieving certain near-term schedule events
- There would be no closing or release of funds until after the start of Phase 3.
- Provides participating landowners with clear information about the timing, valuation, and overall acquisition process – allowing for estate planning
- Allows the Authority to secure the rights to acquire key parcels and finalize the acquisition at the start of Phase 3 – helps to maintain the current construction schedule

Contingency Acquisition Approach

- Open to all landowners in the reservoir footprint who are willing to commit to the contingency acquisition approach
 - Agree to conducting an appraisal, to enter negotiations with the Authority, and work to an agreement
- Limited to up to 10 agreements
- If more than 10 landowners request participation – the Authority will prioritize based on the following criteria
 - Parcels critical for 2028 construction activities
 - Parcels where key Project infrastructure is located
 - Parcels that offer opportunities for environmental mitigation to support construction activities

Contingency Acquisition Approach



Contingency Acquisition Approach

- Program would be implemented in compliance with the Uniform Relocation Act (URA) and consistent with the Authority's Real Property and Land Management Policy
- Process will follow all standard acquisition procedures and processes
 - appraisals, offer packages, and negotiate purchase agreements
- Some purchase agreements may require relocation benefits
 - residential and/or business
- Principals of negotiation would be established by the Board similar to the Authority's current process
- Purchase agreements would be approved by the Board in a separate action.

Contingency Acquisition Approach

- Purchase agreements executed under this approach will include a specific "contingency clause" - stating the agreement is subject to all the following conditions
 - **Securing the Water Supply Contract** – The Authority must successfully enter into contracts with project participants and agreements with the Project's federal & state partners
 - **Authority/Reservoir Committee approval of a Resolution to Finance Construction** – The Authority must formally issue a Resolution to Finance Construction which serves as an official commitment to borrow money
 - **Availability of Acquisition Funds** – Acquisition funds must be budgeted by the Authority and made available for deposit in each transactions escrow account
 - When these three milestones are completed - the Authority will fund and close escrow on the subject properties.
 - Under the current project schedule, it is anticipated these acquisitions would take place in the 1st quarter of 2027

Next Steps

- Seek Authority Board authorization to move forward with the program - March 20, 2026
- Letter to reservoir footprint landowners in April 2026 seeking participation, limited time for reply (30 days)
- Selection and Implementation of the program May 2026 – December 2026
- Authority/Reservoir Committee issue a Resolution to Finance Construction - January 2027
- Authority secures funding (60 days) – January 2027-February 2027
- Finalize and close escrow on parcels in the contingency acquisition program – March 2027