Meeting: **Reservoir Committee & Authority Board** **May 22, 2026**
Agenda Item 1.5

Subject: **First Quarter (Q1) 2026 Financial Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority's First Quarter 2026 Budget Financial Report.

Detailed Description/Background:

This report covers the Q1 2026 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 Q1 2026 totaled approximately $552,000, approximately $38,000 below plan. This variance is primarily due to approximately $50,000 in outstanding Authority Board dues remaining unpaid at the end of the quarter. Approximately $5,000 of these outstanding amounts has subsequently been received following quarter-end and prior to preparation of this staff report.

  As described below, project expenditures during Q1 were below planned levels, resulting in lower reimbursement revenue activity (estimated at approx. $0.5M) during the quarter. Due to the timing associated with State and Federal invoicing and reimbursement processing, the impact of reduced expenditures on reimbursement revenue is anticipated to be reflected in the subsequent quarterly report and in the FY26 Mid-Year Budget Review to be presented in July 2026.

- **Expenditure Performance & Cost Management**

  The total Q1 2026 spending plan was approximately $6.4 million, compared to actual cash disbursements of approximately $4.0 million, representing expenditures approximately $2.4 million below plan. This variance reflects identified and implemented efficiencies, deliberate pacing of project activities to provide remaining funds "stretching" as needed, and careful prioritization of critical path work activities.
  Additional project activities anticipated to commence during Q2 2026 include environmental surveys and potential land acquisition efforts.

These activities represent significant project work efforts and are expected to increase expenditures beginning in Q2.

- **Cash Position & Funding Outlook**

  The Authority's bank account balance at the end of Q1 2026 was approximately $13.4 million, representing a decrease of approximately $3.5 million during the reporting period. Cash balances are projected to continue declining throughout 2026 as planned project expenditures are incurred. Staff will continue efforts to maximize State and Federal reimbursement revenue in order to maintain adequate cash balances throughout the year.

  Payment requests totaling approximately $7.6 million have been submitted to both State and Federal funding agencies and are anticipated to provide additional revenue upon receipt. Both reimbursements are expected to be received prior to the end of Q2 2026.

- **Contingency & Budget Adjustments**

  No allocations of unrestricted contingency funds occurred during the quarter. The unrestricted contingency balance remains at approximately $1.4 million.

- **Budget Transfer Activity**

  A total of 31 budget transfers occurred during the quarter. The majority of budget transfers occurring during Q1 were associated with contracting uncommitted funds previously earmarked for specific activities that were not yet ready to be deployed at the start of the year. Staff utilized this approach to avoid overcommitting funds until schedule certainty, scope definition, and, in certain cases, consultant selection had been further evaluated.

  The Budget Transfers table included in the attached Q1 2026 report also identifies 22 instances of increases to contract authority, in accordance with reporting requirements established under the Authority's Delegation of Authority and corresponding policies.

  While adjustments occurred within individual project budget categories, the FY 2026 budget experienced no net overall change.

  The Budget and Finance Committee reviewed the Q1 2026 Financial Report, and all comments provided by the Committee have been incorporated into the attached report.

- **Estimated Cash Carryover & 2027 Funding Outlook**

  Initial expense and revenue forecasts currently project an estimated year-end 2026 cash balance of approximately $4.75 million. Staff will continue to refine forecast assumptions and closely monitor expenditure activity, reimbursement timing, and overall cash flow throughout the remainder of the year.

Based on the current projected base spending rate, the estimated year-end cash balance could provide approximately three to five months of funding capacity entering 2027. Actual carryover availability and duration will depend on final expenditure levels, reimbursement collections, project activity timing, and Board direction regarding work plan implementation priorities.

The Budget and Finance Committee has reviewed the Q1 2026 Financial Report, and all comments have been incorporated into the attached report.

Prior Authority Board Action:

February 2026: Accepted the Sites Project Authority's Fourth 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. Staff will continue to refine work plan projections and provide status updates to the Board biannually, with the next update planned for the FY26 Mid-Year Budget Review in July 2026.

Staff Contact:

Shayleen O'Connell/ Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q1 2026 Financial Report

Quarterly Financial Report
Fiscal Year 2026 - First Quarter Financial Report

Funds Received (rounded)

Figures provided below are on a cash basis

Funding Source	Q1	Q2	Q3	Q4	YTD	Budget
Reservoir Committee Cash Calls	$ -				$ -	$ -
Authority Board Dues	$ 365,000				$ 365,000	$ 415,000
Federal WIIN Act Funding	$ -				$ -	$ 5,680,000
State Prop 1 (WSIP)	$ -				$ -	$ 10,949,000
Interest Income	$ 152,000				$ 152,000	$ 470,000
Rental Income	$ 34,000				$ 34,000	$ -
Funds Received Total	$ 551,000	$ -	$ -	$ -	$ 551,000	$ 17,514,000
Carryover from 2025					$ 15,500,000	$ 12,500,000
Estimated Total Available Funds in 2026					$ 16,051,000	$ 30,014,000

Cash Disbursements Activity (rounded)

Figures provided below are on a modified cash basis

Proj No.	Project Name	Q1	Q2	Q3	Q4	FYTD	Budget	% Spent
101	Key Agreements & Reports	$ 342,000	$ -	$ -	$ -	$ 342,000	$ 769,000	44%
102	Key Permits & Environmental Agreements	$ 264,000	$ -	$ -	$ -	$ 264,000	$ 680,000	39%
103	Interim & Permanent Finance Programs	$ 22,000	$ -	$ -	$ -	$ 22,000	$ 1,200,000	2%
201	Home Board Support	$ -	$ -	$ -	$ -	$ -	$ 100,000	0%
301	Preparing for Construction & Reservoir CMAR	$ 557,000	$ -	$ -	$ -	$ 557,000	$ 7,533,785	7%
302	Priority Acquisitions & Land Management	$ 48,000	$ -	$ -	$ -	$ 48,000	$ 4,220,000	1%
303	Mitigation Related Activities & Support	$ 1,000	$ -	$ -	$ -	$ 1,000	$ 390,000	0%
304	Environmental Compliance & Plan Development	$ -	$ -	$ -	$ -	$ -	$ 556,000	0%
306	Conveyance CMAR	$ 357,000	$ -	$ -	$ -	$ 357,000	$ 827,000	43%
901	Project Management Support	$ 2,394,000	$ -	$ -	$ -	$ 2,394,000	$ 12,288,215	19%
999	Contingency	$ -	$ -	$ -	$ -	$ -	$ 1,436,000	0%
Total Cash Disbursements		$ 3,985,000	$ -	$ -	$ -	$ 3,985,000	$ 30,000,000	13%

Bank Account Balance (rounded)

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

	End 2025	Q1	Q2	Q3	Q4
Change in Account Balance from Previous Quarter		$ (3,457,000)	--	--	--
Actual Running Account Balance	$ 16,860,000	$ 13,402,000	--	--	--

Unrestricted Contingency Balance (rounded)

		Unrestricted Contingency Releases by Quarter				
	Work Plan Budget	Q1	Q2	Q3	Q4	Current Balance
Contingency	$ 1,436,000	$ -	$ -	$ -	$ -	$ 1,436,000

Unrestricted Contingency Releases

Destination Project	Authorization Date	Description of Change	$ Authorized
None this Period			

Closed Contracts & Task Orders

Contracted Party	Start	Finish	Task Order ID	$ Authorized	$ Spent
none this period					

Net Budget Changes

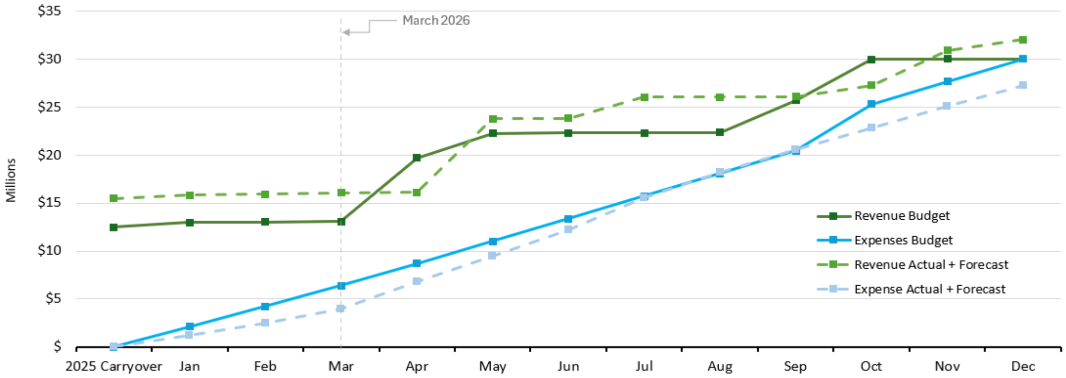
			Net Budget Changes by Quarter				
Proj No.	Project Name	Initial Budget	Q1	Q2	Q3	Q4	Currently Budget
101	Key Agreements & Reports	$ 665,000	$ 104,000				$ 769,000
102	Key Permits & Environmental Agreements	$ 600,000	$ 80,000				$ 680,000
103	Interim & Permanent Finance Programs	$ 1,200,000	$ -				$ 1,200,000
201	Home Board Support	$ 50,000	$ 50,000				$ 100,000
301	Preparing for Construction & Reservoir CMAR	$ 7,650,000	$ (116,215)				$ 7,533,785
302	Priority Acquisitions & Land Management	$ 4,220,000	$ -				$ 4,220,000
303	Mitigation Related Activities & Support	$ 430,000	$ (40,000)				$ 390,000
304	Environmental Compliance & Plan Development	$ 950,000	$ (394,000)				$ 556,000
306	Conveyance CMAR	$ 760,000	$ 67,000				$ 827,000
901	Project Management Support	$ 12,039,000	$ 249,215				$ 12,288,215
999	Contingency	$ 1,436,000	$ -				$ 1,436,000
	Total Contract Changes	$ 30,000,000	$ -	$ -	$ -	$ -	$ 30,000,000

Quarterly Financial Report
Fiscal Year 2026 - First Quarter Financial Report

Budget Changes by Event

Consultant/Vendor	Scope of Work Description	$ Authorized	Project		Change to Contract Auth	Notes
			From	To		
Colusa County	Maxwell office rent	$ 12,000	--	901	N	Net zero change
HdL	Tax analysis planning	$ 20,000	--	901	N	
BAE	Fiscal impact analysis	$ 46,000	--	901	N	
Catalyst Group	Strategic planning	$ 80,000	--	901	N	
Project Management Support - Fixed	Budget reallocation	$ (248,602)	901	--	--	
Preparing for Construction & Reservoir CMAR	Budget reallocation	$ (49,215)	301	--	--	
Project Management Support - Variable	Budget reallocation	$ 139,817	901	--	--	
CreativEnvironment Group	Reallocate to extension of staff task	$ 40,000		901	N	
CreativEnvironment Group	Reallocate to extension of staff task	$ (40,000)	303		--	
CreativEnvironment Group	Reallocate to extension of staff task	$ 160,000		901	N	
CreativEnvironment Group	Reallocate to extension of staff task	$ (160,000)	304		--	
Barnard Construction	Preconstruction Services	$ 1,000,000		301	Y	
Uncommitted	Preconstruction Services	$ (1,000,000)	301		--	
BBK	Insurance risk analysis	$ 25,000		901	Y	
Uncommitted	Insurance risk analysis	$ (25,000)	901		--	
ICF	Plant svery & Section 106 WP #1 and #2	$ 115,000		301	Y	
Uncommitted	Plant svery & Section 106 WP #1 and #3	$ (115,000)	301		--	
HDR	Section 106 WP #1 and #2	$ 30,000		301	Y	
Uncommitted	Section 106 WP #1 and #3	$ (30,000)	301		--	
HDR	Sharepoint management	$ 24,000		901	Y	
Uncommitted	Sharepoint management	$ (24,000)	901		--	
HDR	GIS management for real estate	$ 25,000		302	Y	
Uncommitted	GIS management for real estate	$ (25,000)	302		--	
Ferguson Group	Grant application support	$ 28,000		901	Y	
Uncommitted	Grant application support	$ (28,000)	901		--	
Brown and Caldwell	State EFA #2 development and invoicing	$ 17,000		102	Y	
Uncommitted	State EFA #2 development and invoicing	$ (17,000)	102		--	
MM Water Resources	Deputy EPP Manager	$ 365,040		901	Y	
Uncommitted	Deputy EPP Manager	$ (365,040)	901		--	
Welsh Consulting	CMAR procurement evaluation	$ 30,000		306	Y	
Uncommitted	CMAR procurement evaluation	$ (30,000)	301		--	
Pinion	As-needed accounting services	$ 10,000		901	Y	
Uncommitted	As-needed accounting services	$ (10,000)	901		--	
Starting Line Advisory	Accounting & procurement services	$ 200,000		901	Y	
Uncommitted	Accounting & procurement services	$ (200,000)	901		--	
CH2M Hill	Additional modeling services	$ 104,000	--	101	Y	Net zero change
CH2M Hill		$ 60,000	--	102		
CH2M Hill		$ 100,000	--	201		
Uncommitted		$ (174,000)	304	--	--	
Uncommitted		$ (40,000)	102	--		
Uncommitted		$ (50,000)	201	--		
HH Consultants	CMAR procurement evaluation	37000		306	Y	
Uncommitted	CMAR procurement evaluation	$ (37,000)	301		--	
ICF	Envir survey initial phase and planning work	$ 70,000		301	Y	
Uncommitted	Envir survey initial phase and planning work	$ (70,000)	301		--	
HDR	Envir survey initial phase and planning work	30000		301	Y	
Uncommitted	Envir survey initial phase and planning work	$ (30,000)	301		--	
ICF	Perform environmental surveys	$ 1,601,000		301	Y	
Uncommitted	Perform environmental surveys	$ (1,601,000)	301		--	
HDR	Perform environmental surveys	$ 161,100		301	Y	
Uncommitted	Perform environmental surveys	$ (161,100)	301		--	
Theresa A Lightle	Financial framework services	$ 25,000		901	Y	
Uncommitted	Financial framework services	$ (25,000)	901		--	
Water Ecology	Mitigation procurement evaluation	$ 40,000		303	Y	
Uncommitted	Mitigation procurement evaluation	$ (40,000)	303		--	
SWRCB	Waste Discharge Fee	$ 1,403		901	N	
Uncommitted	Waste Discharge Fee	$ (1,403)	901		--	
ICF	Draft Water Right Technical Assistance	$ 30,000		102	Y	
Uncommitted	Draft Water Right Technical Assistance	$ (30,000)	304		--	
CH2M Hill	Draft Water Right Technical Assistance	$ 30,000		102	Y	
Uncommitted	Draft Water Right Technical Assistance	$ (30,000)	304		--	
Yolo County	Development Agreement Application Fee	$ 14,021		901	N	
Uncommitted	Development Agreement Application Fee	$ (14,021)	901		N	

2026 Budget to Actual - Monthly Progress



	Year-to-date (March 2026)		Annual 2026 Budget	
	Budget	Actual	Budget	Actual+Forecast
Expense	$6,388,000	$3,985,000	$30,000,000	$27,263,000
Revenue**	$13,076,000	$16,052,000	$30,000,000	$32,013,000

Note: Provided values have been rounded for simplicity

**Revenue figures include 2025 Carryover funds for illustrative purposes only