

Sites Reservoir Committee & Authority Board

Agenda Item 3.1 Update on Plan of Finance

August 21, 2026



Plan of Finance Update – Aug 2026

1. Issue for Discussion: **Update to the 2023 Plan of Finance**
2. Requested Policy Direction: **Information Only**

Major Changes – August 2026

- 1. Construction Schedule:** Updated Construction Schedule with substantial completion shifted one year to 2034
- 2. Escalation:** Updated for higher-than-projected escalation experienced from 2024–2026
 - 4.45% per year vs 3.7% per year
- 3. State Funding:** WSIP funding eligibility increased from \$1.094 billion to \$1.363 billion, an increase of approximately \$269 million.

Assumptions & Cost Drivers

Capital Cost

- Recent Cost Estimate of \$7.5 Billion (2024 dollars), the “Governance Estimate” for the Project has not changed
- Cost Estimate of the Project includes all costs - construction, planning and design, land and right-of-way, environmental and permitting, and other activities such as project management and support, legal, contingencies, etc.
- Forecast based on substantial project completion at the end of 2034 with start-up costs and punch list items included for 2034 and 2035. Initial operations to start in 2034 and 2035.

Operating and Maintenance Costs

Fixed O&M: Labor, materials, chemicals, repair and replacements, in-lieu of property taxes, franchise fees, insurance, legal and administrative costs

Variable O&M: Cost of power to pump water into and out of the reservoir, as well as conveyance (wheeling) through existing facilities operated by partners

*Costs categories are aligned with definitions in the B&O

Updated Governance Estimate

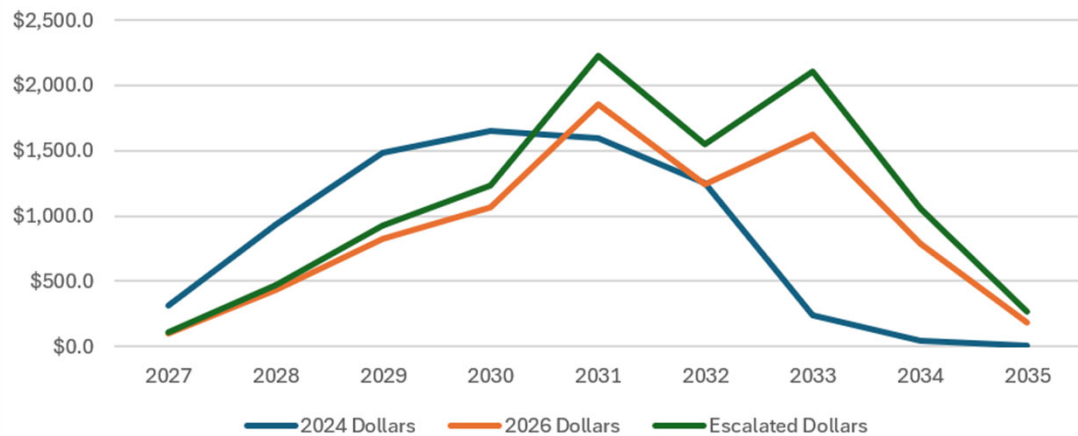
Table 4. Construction Funding by Source (2027-2035)

	Aug. 2026 Update		Jan. 2026 Update	
	Dollars (millions)	Percent	Dollars (millions)	Percent
State of California	1,308	13%	1,040	11%
Bureau of Reclamation	1,584	16%	1,513	16%
Participants	7,044	71%	6,871	73%
Total	9,936	100%	9,424	100%

Table 4. Construction Funding by Source (escalated dollars)

Construction Schedule Update

Project Cash Flows
(millions of dollars)



Year	2024 Dollars	2026 Dollars	Escalated Dollars
2027	\$ 315.4	\$ 102.3	\$ 106.9
2028	932.0	437.7	473.6
2029	1,480.8	825.9	922.2
2030	1,651.5	1,063.5	1,229.1
2031	1,591.8	1,857.6	2,230.2
2032	1,247.4	1,241.8	1,547.5
2033	239.1	1,624.6	2,107.8
2034	47.4	787.2	1,057.1
2035	2.6	186.0	261.8
Total	\$ 7,508.0	\$ 8,126.6	\$ 9,936.2

Project Escalation Rates & Interest Rates

- Construction Costs escalated from 2024 to 2026 based on average 4.45% annual increase vs 3.7% due to higher than projected escalation
- Long-term future escalation remains unchanged at overall average of 3.7%

Table 1. Major Assumptions and Cost Drivers

	August 2026 Update	January 2026 Update	2023 Update
Construction Start Year	2027	2027	2025
Construction End Year	2035 (1)	2035 (2)	2031
Project Escalation Rates			
Planning and Design	3.0%	3.0%	2.00%
Construction:			
Reservoir	3.9%	3.9%	2.00%
Conveyance	3.5%	3.5%	2.00%
Land	7.0%	7.0%	2.00%
Fixed O&M	3.5%	3.5%	2.50%
Variable O&M (3)	3.5%	3.5%	2.50%
Power Costs	3.0%	3.0%	2.00%
Power Revenues	2.0%	2.0%	2.00%
Interest Rates			
Short-term (interim)	3.5%	3.5%	3.00%
Long-term Revenue Bonds	5.0%	5.0%	5.00%
WIFIA	4.0%	4.0%	3.75%
Investment Earnings	2.0%	2.0%	2.00%

(1) Substantial completion at the end of 2034. Includes start-up, testing and punchlist items in 2035

(2) Substantial completion at the end of 2033, with start-up, testing and punchlist items in 2034 and 2035

(3) Escalation rate applies to all variable O&M except power

Participant Financing

Table 4. Participant Financing
Aug. 2026 Update

	(millions of dollars)			
	Interim	WIFIA	Revenue Bonds	Total Long-term Debt
Interest Only	7,256.3	5,478.3	1,882.8	7,361.2
CAP1 thru Construction	8,000.5	5,541.6	2,602.9	8,144.5

Table 4. Participant Financing
Jan. 2026 Update

	(millions of dollars)			
	Interim	WIFIA	Revenue Bonds	Total Long-term Debt
Interest Only	7,128.4	5,231.8	1,999.8	7,231.6
CAP1 thru Construction	7,871.2	5,286.7	2,724.0	8,010.7

	Aug. 2026	Jan. 2026
PayGo Construction	7,045,082	6,870,233

Level Annual Debt service increases from \$398M to \$405M for interest only and from \$444M to \$450M for CAP1

Updated Variable Costs

Table 5. Variable O&M (\$/af)

	2026 Cost (\$/AF)	Escalation
Power Cost	12.95	2.0%
Conveyance Cost - Fill		
GCID	24.00	2.0%
TCCA	15.00	2.0%
Conveyance Cost - Downstream		
TCCA	10.00	2.0%
RD 108 Operations	6.00	2.0%
Reclamation - Excess Capacity	4.00	2.0%
Power Revenues	15.73	2.0%

*Preliminary draft numbers. Subject to change pending further discussions.

Questions?

