



Meeting Minutes

Meeting of the California Water Commission

Wednesday, January 21, 2026

California Natural Resources Building

715 P Street, 2nd Floor Room 302 A & B

Sacramento, California 95814

Beginning at 9:30 a.m.

1. Call to Order

Commission Chair Fern Steiner called the meeting to order at 9:30 a.m.

2. Roll Call

Commissioners Bland, Curtin, Gallagher, Hurt, Makler, Matsumoto and Steiner were present, constituting a quorum. Commissioner Solorio arrived during Item 9.

3. Acknowledgement of California Native American Tribal Governments

This is an opportunity for elected Tribal leaders and formally designated Tribal representatives to identify themselves and to specify the agenda item(s) on which they will comment, as described in the Commission's California Native American Tribal Leadership Comment Policy. No Tribal leaders or representatives asked to comment.

4. Approval of November 19, 2025, Meeting Minutes

Commissioner Hurt motioned to approve the November 19, 2025, meeting minutes.

Commissioner Curtin seconded the motion. All Commissioners present voted to approve the minutes.

5. Executive Officer's Report

Executive Officer, Laura Jensen, reported the engagement and participation numbers from the November Commission meeting, stating November was consistent with the annual average, with a total of 72 attendees and an increase in remote engagement.

Executive Officer Jensen provided information regarding a legal challenge received on December 24th from Nossaman LLP regarding the City of Ontario's CEQA challenge to the Chino Basin Program. Following a review by Commission Counsel and consultations with the Inland Empire Utilities Agency, it was determined that no immediate delays to the project timeline are anticipated, the litigation continues to be monitored.

6. Commission Member Report

Commissioner Hurt reported she met with the Senate Rules Committee to discuss historical, current, and prospective issues, as well as upcoming Commission topics related to the reappointment process.

7. Public Testimony

Public Comment from Ben King, expressed concerns regarding the Sites Project's long-term sustainability and accountability, specifically citing the lack of a mitigation plan for significant land subsidence and potential environmental impacts such as methylmercury drainage and reduced dissolved oxygen levels in the Colusa Basin.

8. Election of Commission Officers (Action Item)

Commissioner Bland nominated Chair Steiner to serve as Chair for the coming year. Commissioner Makler requested clarification if the Commission was voting to elect Vice Chair as well and Chair Steiner confirmed. Commissioner Makler nominated Commissioner Gallagher for Vice Chair and Chair Steiner seconded the motion to close the nominations. Commissioners Bland, Curtin, Gallagher, Hurt, Makler, and Matsumoto voted to elect Commissioner Steiner as Chair and Commissioner Gallagher as Vice Chair; Commissioner Steiner abstained.

9. Coordination on Water Plan Update (Senate Bill 72)

Deputy Director of DWR's Statewide Water Resources Planning and Enterprise Management, Joel Metzger, provided an overview of the 2028 Water Plan update and highlighted its transition from a data inventory to a modernized, accessible action plan leveraging local water management experience. Under the newly signed Senate Bill 72, a phased implementation is underway to meet an interim target of 9 million acre-feet of additional water supply by 2040, using tools such as new storage, recycling, and desalination while prioritizing statewide coordination.

Deputy Director Metzger reported an integrated effort is being established within the Department of Water Resources (DWR) to align the State Water Project, Sustainable Groundwater Management, Flood Control, and multi-benefit initiatives. Mr. Metzger highlighted coordination efforts they structured through a multifaceted engagement model, which includes a dedicated advisory committee, regional caucuses, and technical workgroups focused on modeling practices. To ensure statewide alignment, key agency partners are being briefed while the Water Commission is used as a central hub for the consultation process.

Public Comment from Robert Gore, of the Gualco Group, expressed support for the California Water Plan update, and applauded the initiative for its relevance, locally grounded leadership, and commitment to join DWR in advocating for necessary funding.

Public comment from Dennis O'Connor, with Mono Lake Committee, expressed support regarding the general direction of SB 72 but cautioned that the bill must address how to

reconcile statutory water targets if a rigorous watershed analysis reveals a significant gap or a lower actual need than the established mandates.

Public comment from Manny Bahia, with the State Water Contractors, commented that the State Water Project serves 27 million Californians and 750,000 acres of farmland and highlighted the potential for an 87% reduction in water supply due to climate change. Mr. Bahia emphasized the importance of maintaining current supplies and advancing the Delta Conveyance Project as the second most important safeguard for water supply against climate change.

Public comment from Andrea Abergiel, with California Municipal Utilities Agency (CMUA), expressed support for DWR's implementation of SB72 and noted that research commissioned through University of California Davis identified a potential future water supply shortfall of up to 9 million acre-feet, which led to the establishment of the bill's 2040 supply targets.

Public comment from Ian Pritchard, Deputy General Manager of Calleguas Municipal Water District, expressed support for SB72 and noted the reliability of imported water for its 650,000 residents has been challenged by an increasingly capricious climate. Mr. Pritchard believed the creation of a diverse advisory committee was critical to ensure practicality and inclusivity of the California Water Plan.

Public comment from Cynthia Gomez, Policy Program Manager with Restore the Delta, expressed concern regarding the implementation of SB72 and cited the legislation's use of arbitrary water supply targets that are believed to ignore the needs of native fish, wildlife, and tribal communities. Ms. Gomez stated the bill was criticized for promoting unsustainable water diversions from the Bay-Delta, viewed as inconsistent with the Delta Reform Act and a potential threat to the state's already struggling salmon fisheries and water quality.

Public Comment from Eddie Ocampo, Chair of the Water Blueprint of the San Joaquin Valley, expressed strong support for SB72 and emphasized the necessity of forward-looking planning to protect the region's farms, jobs, and disadvantaged communities. Mr. Ocampo reported the bill's inclusion of clear 2050 supply targets and the expansion of advisory committees to include tribal and labor voices were highlighted as essential improvements.

Commissioner Makler suggested developing a Memorandum of Understanding (MOU) to clearly define the California Water Commission's role in selecting advisory committee members and establishing ongoing consultation obligations. Commissioner Makler believed the effectiveness of the commission's existing public engagement infrastructure and the high quality of staff reports should have been commended as vital assets for the implementation process, and the necessity of establishing a substantive baseline at the outset of the project was emphasized to ensure efficient and transparent coordination between agencies. Commissioner Makler discussed the importance of establishing a comprehensive water budget baseline and noted the proposed 9 million acre-feet should be viewed within the context of the existing system's limitations. Commissioner Makler expressed concerns regarding how

subsidence impacts conveyance and leads to systemic water loss, creating a "dynamic baseline" that complicates future projections. As well as the effectiveness of the process should be enhanced by a collective agreement on these foundational figures at the outset to ensure a shared understanding of the project's true scale.

Commissioner Hurt mentioned integrating energy agencies and community accessibility within the planning process and suggested that organizations such as the California Public Utilities Commission or California Energy Commission should be included in the working group due to the inherent link between water and energy resources. Commissioner Hurt commented on the need for a dedicated community summary to ensure that tribal leaders, environmental justice groups, and the public can effectively engage with the plan despite its complexity.

Commissioner Matsumoto commented on challenges posed and highlighted staff's ability to turn conflicting opinions into actionable steps. Commissioner Matsumoto suggested the Commission serve as a practical thought partner to help distill complex data into a clear plan, while using our existing monthly public meetings as a 'plug-and-play' resource, and balance quantified human water demands, and encourage ensuring the ecosystem health and groundwater resilience remain central to the strategy.

Commissioner Gallagher commented on the framework of SB 72 and the goal of establishing a diverse 20- to 25-person advisory committee and emphasized the need for using the Commission's existing public forum and staff expertise to ensure all California water interests were represented. Commissioner Gallagher stated the project was already facing tight timelines, integrating the Commission's established relationships and recommended they accelerate progress and suggested expanding to technical working groups beyond public agencies to include private sector partners, while ensuring the final plan reflected a comprehensive, statewide perspective.

Commissioner Curtin shared his thoughts regarding climate change and noted that addressing the projected 9-million-acre-foot deficit remained mission-critical and important to maintain a strategy that balances storage, movement, and conservation. Commissioner Curtin believed existing strategies reduced conflict, the exploration of new water sources and suggested a stronger focus on the water-energy nexus and economic development drivers like housing. Commissioner Curtin believed to ensure systemic resilience as snowpacks diminish, there would be a call for enhanced infrastructure to better manage floodwaters for groundwater recharge and the integration of the Board of Forestry and the Water Commission's technical staff was recommended to bridge the gap between parochial watershed management and broad policy goals, using established public forums to navigate these complexities.

Commissioner Solorio commented on the necessity for sustainable water availability and infrastructure maintenance and highlighted the importance of integrating emerging technologies like AI into system security and improvements. Commissioner Solorio recommended they engage broader organizations such as the League of Cities and the California Association of Counties and the inclusion of proven leaders from various agencies, as

well as representatives from labor and environmental NGOs. Commissioner Solorio believed there was significant importance in having the California Water Commission serve in an advisory capacity to assist the committee's success.

10. Water Storage Investment Program: Projects Update

Water Storage Investment Program (WSIP) Manager Amy Young provided an update on the progress of projects in the WSIP.

Public Comment from Elizabeth Hurst, Program Manager for Chino Basin, stated the technical work of the Chino Basin Program's EIR was upheld by a recent judgment, and despite claims from the City of Ontario, the project timeline remained unchanged and reported progress on the advanced water purification facility and well sites, alongside the commencement of the National Water Research Panel this summer and ongoing coordination with state agencies to monetize ecosystem benefits.

Commissioner Curtin asked how much water was being saved via storage. Legal Counsel Anthony Austin commented it is around 320,000-acre feet.,

Commissioner Hurt asked if California partners with the federal government with many of these projects and have they been impacted by the withdrawal of federal funds. Ms. Young stated some projects have federal involvement.

Commissioner Bland asked for confirmation regarding the lawsuit in relation to Chino staying on their projected timeline and delays they may be facing. Executive Officer Jensen commented they are tracking progress.

11. Water Storage Investment Program: Kern Fan Groundwater Storage Project Change in Project Type (Action Item)

WSIP Manager Amy Young presented options and the staff recommendation for the request to change the Kern Fan Project from a groundwater storage project to a conjunctive use project.

Fiona Nye, Director of Water Resources for Irvine Ranch Water District, outlined the project's strategic evolution, detailing the transition from the original Kern Fan design to the current project framework. Ms. Nye explained how a value-engineering initiative was implemented to pivot from an entirely new facility build to a strategy that optimizes both new and existing infrastructure. By integrating Phase 2 construction with the existing Rosedale Conjunctive Use Program and maximizing conveyance capacity for Article 21 water, the project is now positioned to more effectively manage State Water Project supplies. Ms. Nye maintained with operational agreements in place and the successful integration of these systems, a formal recharacterization of the Kern Fan project as a conjunctive use project is requested.

Commissioner Curtin asked for clarification regarding whether the originally envisioned facilities are being replaced or if they are instead being supplemented by additional infrastructure, and if they anticipate needing more conveyance.

Ms. Nye explained the project now uses a combination of new and existing infrastructure, with the primary change being the optimization of existing recharge basins rather than the acquisition of entirely new property. Ms. Nye highlighted that through a value-engineering approach, the required turnout capacity from the California Aqueduct was refined from 500 CFS to 375 CFS which ensured that all original project benefits were still realized.

Commissioner Bland questioned how a change in project type positively impacts them.

Ms. Nye commented that while the Maximum Conditional Eligibility Determination (MCED) was currently fixed, any future adjustments would remain subject to Commission approval and looking ahead to the final funding stage, there was a possibility that a request for of capital costs could be submitted, depending on the documented level of benefits and the availability of funds at that time.

Commissioner Solorio expressed support for the interstate collaboration and the organizational leadership involved in developing Kern County's resources and drew on a personal connection to the State Water Project in Wasco and Lost Hills.

Commissioner Makler commended the creative engineering and optimization of the existing system, a request for clarification was made regarding the Commission's authority to reclassify the project at this stage. Questions were raised concerning the procedural consistency of this transition with the original award and the governing regulations, particularly given the potential future funding implications of shifting to a conjunctive use designation. Consequently, further analysis was requested from both the project proponent and staff to ensure that such a reclassification aligns with the established regulatory framework.

Fiona Nye suggested the evolution of large-scale projects often necessitates design changes over time, and a recent redesign led to the realization that the project currently aligned with the conjunctive use category and based on an internal analysis of Proposition 1 and its governing regulations, the Commission's legal counsel was requested to provide a formal opinion on the feasibility of this recharacterization.

Anthony Austin, the Commission's legal counsel noted it was confirmed by Commission staff the authority exists under current statutes and regulations to approve the recharacterization request. The fundamental goals of the project remain unchanged and the integration of existing facilities allows the design to meet the specific regulatory definition of a conjunctive use project. As a result, the basic eligibility requirements satisfied at the outset remain met, it was concluded that the project maintains its eligibility despite these design adjustments.

Commissioner Makler questioned if the project remains eligible to participate in the program as originally intended, with the understanding that subsequent funding determinations will be

evaluated under the specific criteria for a conjunctive use project. It was further concluded that allowing this modification at the current stage of project development is consistent with existing regulations and provides the necessary latitude for future assessments.

Anthony Austin commented that regulatory provisions specifically section 6013 authorize the Commission to evaluate and approve project modifications occurring after the initial Maximum Conditional Eligibility Determination (MCED) and this request is identified as such a change, confirming that the Commission maintains the requisite authority to consider the recharacterization within the existing regulatory framework.

Commissioner Steiner entertained a formal motion to approve the change of project type for the Kern Fan Groundwater Storage project to a conjunctive use. Commissioner Solorio moved and Commissioner Curtin seconded the motion. All Commissioners present voted in favor to pass the motion.

12. Water Storage Investment Program: Kern Fan Groundwater Storage

Amy Young, Water Storage Investment Program Manager, reported that under existing statutes and regulations, the Commission is authorized to award early funding for activities such as environmental documentation, planning, and permitting, capped at 5% of the Maximum Conditional Eligibility Determination (MCED). Ms. Young highlighted, as the only project in the program that has not yet requested these funds, the Kern Fan project—with an MCED of approximately \$111 million—is eligible for up to \$5.5 million to support its progress toward a final funding award in early 2028. The Commission maintains the option to award a lesser amount or deny the request entirely, staff indicated that a reasonable justification for the identified tasks has been provided. Consequently, it was recommended that the request be fully funded at the 5% cap, with the understanding that staff will work with the JPA to execute a formal funding agreement upon approval.

Fiona Nye, Director of Water Resources for Irvine Ranch Water District, provided information about how the project is designed to store up to 100,000 acre-feet of Article 21 water through a conjunctive use program involving a combination of new and existing infrastructure and explained that the revised scope includes 450 CFS of conveyance capacity and 1,300 acres of recharge facilities, approximately one-third of which will use existing ponds previously constrained by delivery limitations. Mr. Bartel explained by coordinating with the Department of Water Resources and regional water agencies, the project aims to secure multiple benefits, including drought emergency supplies, ecosystem pulse flows, and interim wetlands. Furthermore, the updated alignment parallels the Cross Valley Canal, facilitating the delivery of recovered groundwater back into the California Aqueduct or the Friant-Kern system via twelve new recovery wells.

Dan Bartel, General Manager for the Groundwater Banking Joint Powers Authority, reported Significant progress on Phase 1, with 35 acres of recharge basins largely complete and prepared for cover-cropping to manage noxious weeds. Mr. Bartel mentioned most highway crossings

have been finalized, the remaining conveyance facility is currently under design for a spring bid, and the equipping of all Phase 1 wells is expected to be completed by this summer.

Fiona Nye explained that for Phase 2, a cost-share agreement was executed with the Kern County Water Agency to facilitate a feasibility study for improvements to the Cross Valley Canal, involving weekly coordination between engineering and permitting teams. Mr. Bartel explained various conveyance options, including canal enlargement and parallel pipeline systems, are being evaluated through hydraulic analysis to address existing system constraints and this feasibility process is scheduled to conclude with an updated study and cost estimate in April 2026.

Coordination with the California Department of Fish and Wildlife is expected to commence within the next month to advance public benefits agreements, while a detailed project description is being prepared to inform supplemental environmental documentation. Direct engagement with interested parties, including the Kern Water Bank and the Kern County Water Agency, is being maintained to ensure all environmental compliance and turnout location requirements are addressed. Ms. Nye confirmed a timeline has been established targeting the completion of environmental compliance and turnout improvements by 2027, with final operational agreements and a funding award hearing projected for early 2028.

Ms. Nye stated a formal request for \$5,570,865 in early funding, representing the 5% MCED cap, was submitted to cover eligible costs related to design, technical studies, and permitting. While nearly \$2 million has already been expended on Phase 1, the requested funds will support the extensive hydraulic modeling and planning required for Phase 2. This request was presented with a high degree of confidence in the project's delivery, following the successful reimbursement of \$2.4 million from a separate reclamation grant.

Commissioner Gallagher asked for clarification that although existing facilities are being used, the public benefits associated with the project are entirely new. It was emphasized that these benefits are distinct from any existing public value currently provided by the infrastructure, ensuring that the project's commitments remain separate and additive within this public forum. Ms. Nye clarified that while the four original categories of public benefits remain unchanged, the methodology for generating them had been adjusted to account for the integration of existing infrastructure and for benefits such as the wetlands recharge area. Calculations are being performed to isolate the incremental value, measuring the additional capacity achieved on existing sites that was previously unattainable. Ms. Nye stated the updated figures, which included refined pulse flow data, will be submitted in upcoming quarterly reports to demonstrate that the total project benefits remain consistent with, or potentially exceed, original projections as the project moves toward final funding.

Commissioner Curtin asked whether the projected increase in environmental benefit value, potentially rising from \$111 million to approximately \$145 million, would serve as the basis for seeking additional funding should such resources become available.

Ms. Nye responded confirmed that while an increase in funding could potentially be sought in the future, the current request remains unchanged and the previous \$145 million estimate was

based on the original project concept; therefore, a revised valuation will be provided to the Commission during the final funding phase.

Executive Officer Jensen commented that investments are being made exclusively in new public benefits that do not currently exist and no funding is being directed toward benefits already established, ensuring that all project-related public value is newly created and additional to existing conditions.

Commissioner Steiner entertained a motion to adopt staff recommendation for the current fan project early funding request to award an early funding amount of \$5,570,865. Commissioner Solorio moved the motion and Commissioner Hurt seconded. All commissioners present voted in favor of the motion.

13. Water Storage Investment Program: Sites Project Update

Jerry Brown, Executive Director for Sites Project Authority, presented an execution plan detailing a transition into the final project phase, supported by simulation data indicating that nearly 400,000 acre-feet of water could have been diverted by mid-February 2026 under current conditions. Mr. Brown highlighted progress was reported on securing water rights and negotiating contracts with 22 local districts and federal partners, with potential shifts in participation levels as the Bureau of Reclamation seeks to increase its capacity from 9% to 16%.

Mr. Brown stated the project's impact on disadvantaged communities was highlighted, noting that 35% of the 24 million people within the service area reside in these regions and will benefit from a more reliable water supply and the infrastructure plan includes 46 miles of improved roads, 14 bridge crossings, and 5,000 acres of new public recreation facilities. While a seven-year construction period is anticipated following the securement of water rights, it was emphasized that ongoing delays continue to affect overall project affordability.

JP Robinette, Engineering and Construction Manager for Sites Project Authority, presented a project execution plan for the \$6 to \$7 billion initiative, highlighting the transition from the planning phase to the delivery phase over the next 11 months. Mr. Robinette discussed anticipated milestones with the issuance of a draft water right within the next month, followed by a six-month investor commitment period scheduled to conclude with financing in November. Mr. Robinette explained efforts to manage the significant risks associated with 11 dams and a world-class conveyance system, a contracting strategy was adopted following extensive engagement with labor, the local community, and the global contracting industry. The strategy included a "Construction Manager at Risk" package for conveyance facilities, the project's vital "circulatory and nervous system", which is scheduled for procurement this spring to ensure hydraulic reliability and the capacity to capture high-volume storm events.

Mr. Robinette confirmed a comprehensive project execution strategy was presented, highlighting the selection of Barnard Construction Company, Inc. as the construction manager at risk (CMAR) for the \$3 billion reservoir package and highlighted this package, identified as the most complex due to its 11 dams and high community traffic impact, was being synchronized with a Project Labor Agreement (PLA) expected for finalization in February. A

second major procurement for the \$1.8 billion conveyance package scheduled for this spring. Mr. Robinette stated the program schedule had been updated to reflect a one-year delay driven by water rights, with a seven-year construction duration projected from 2027 to 2033. Mr. Robinette explained how to manage the "concurrence" of 18 simultaneous sub-projects and peak annual spending of \$2 billion, the early integration of contractors was emphasized to ensure constructability and cost control and the project remains targeted for full operational status by October 1, 2033, to capture the start of the water year.

Public comment from Ben King expressed concerns regarding the 2021 Sites Reservoir Feasibility Report which failed to account for conveyance changes and lacked necessary budget provisions for subsidence mitigation and clarifications regarding Zone 3 contracts and the potential need for a new feasibility study were requested to ensure the project's long-term affordability and environmental transparency.

Public comment from Matthew Beeston, with Northern California Carpenters Union, expressed concerns regarding the selection of Barnard Construction as the CMAR, specifically citing a lack of transparency and a perceived disregard for fact-based qualifications and noted that public records requests for the contractors' statements of qualifications were delayed until shortly before the award, limiting the opportunity for a thorough investigation into reported performance issues and cost increases on previous large-scale projects.

Public comment from Robert Blunt, with Northern California Carpenters Union, expressed concerns regarding the selection of Barnard Construction over more established California-based firms, and questioned the qualifications based on Barnard's lower industry ranking and reported lack of experience with California dam projects or existing relationships with local hiring halls necessary for a skilled workforce.

Public comment from James Thuerwatcher, with California State Council of Laborers, reaffirmed support for the Sites Project and surface storage capacity, but expressed significant concerns regarding the exclusion of the laborers from the PLA negotiations and noted that using a contractor not signatory to the laborers increases risks to workplace safety, project quality, and overall reliability due to the lack of participation in jointly administered apprenticeship programs.

Public comment from Ely Johnson, Project Manager with Barnard Construction, stated a commitment remained to implementing the Sites Authority's vision for local involvement and labor as outlined in the project's RFP and clarified that the project has always been intended to operate under a PLA. Mr. Johnson confirmed current negotiations were underway with the building trades, and an open invitation was reaffirmed for the NorCal Carpenters and other labor organizations to join the process to ensure a comprehensive agreement.

Public Comment from Casey Tull, District Representative for Operating Engineers Local 3, confirmed active engagement with the Sites Reservoir Project by the Mid-Valley Building Trades and noted a multi-year involvement in developing local hire requirements.

Public comment from Mike Fuller, noted that Barnard Construction maintains a strong safety record with an EMR of 0.45 and a long-standing presence in California and the company's status as a leading dam builder was reaffirmed, alongside an expressed commitment to delivering the Sites Reservoir project through a safe and harmonious collaboration with the Building Trades. Public comment from Mark Mulliner, confirmed PLA negotiations are currently functioning as intended to ensure labor harmony and a skilled local workforce and noted that the State Building Trades has been engaged in this process since 2012, and the inclusion of the laborers is being facilitated through local leadership.

Public comment from Jay Bradshaw, stated that information provided by other trades regarding the NorCal Carpenters' participation in the PLA was inaccurate, and their authority to speak for the organization was contested. A willingness to support the Sites Reservoir Project was reaffirmed, though it was emphasized that labor harmony cannot be guaranteed by third parties while significant concerns regarding the CMAR selection and agreement terms remain unresolved.

Commissioner Makler requested clarification regarding the specific obligations within the RFP concerning the requirement for a PLA.

Mr. Robinette explained that while a construction workforce policy was adopted by the Authority early last year, the RFP required contractors to commit to entering into a PLA only after a contract was officially executed. This approach was intended to ensure the Sites Authority remained fully informed and engaged throughout the negotiation process once a formal partnership was established.

Commissioner Makler asked why the PLA was not negotiated prior to the bidding process, as is common practice, to ensure the terms were fully accounted for in the project's pricing and was a question raised regarding the rationale for delaying these negotiations until after a CMAR was already selected.

Mr. Robinette explained that a conscious decision was made by the board to delegate the responsibility of negotiating the PLA to the CMAR contractor and acknowledged that foundational legislation does not strictly require the contractor to execute the agreement in lieu of the owner, this approach was selected by the organization as the preferred delivery strategy.

Commissioner Makler asked whether any legal constraints or organizational formation documents existed that would have prevented the negotiation of a PLA prior to presenting it to potential bidders.

Mr. Robinette confirmed that while no legal barriers to a pre-negotiated agreement existed, the responsibility for the PLA was intentionally placed on the contractor as part of the CMAR delivery model. This strategy was informed by feedback from the contracting community and

regional stakeholders, who indicated a preference for the contractor to negotiate the PLA directly to ensure alignment with existing national labor agreements.

Commissioner Makler asked whether the same procurement strategy is anticipated for the upcoming conveyance facilities package, given the current public dispute and questioned whether future bids will proceed with the expectation that the awarded contractor will only initiate PLA negotiations after selection, particularly for the more complex mechanical scope of work.

Mr. Robinette stated that the upcoming 30 days will be instrumental in determining the progress and terms of the PLA for the reservoir project and noted that no specific requirement exists to follow the same procurement model for future packages, any potential shift in strategy remains a decision for the Board based on the outcome of current negotiations.

Commissioner Makler acknowledged the project execution report and emphasized the importance of transparency regarding milestones and risks and noted that their own projects typically avoid labor strife through early PLAs. Commissioner Makler expressed confusion over a cost discrepancy in the graphs, questioning if inflation escalators or financing carrying charges and asked that they explain why the cash flow exceeds the \$6.2–\$6.8 billion estimate.

Mr. Robinette explained the figures presented in the graphic are inclusive of construction escalation and inflation, reflecting a recent staff report on program cash flow that was prepared to ensure an "apples-to-apples" comparison for participants.

Commissioner Makler asked if a budgetary number, equivalent to a P80 confidence level, could be well-developed at this 30% engineering stage, accounting for both escalation and Contingency.

Mr. Robinette stated a P90 figure of \$7.5 billion, which includes all factored risks and contingencies, has been reported, while a separate management budget of \$6.2 to \$6.8 billion is still being considered by the board.

Commissioner Bland asked if given the urgent nature of the governor's letter and the perceived breach in expectations, how the labor issue was expected to be resolved in the short time remaining.

Mr. Robinette confirmed their commitment to using a union workforce remains a core policy and a contractual requirement established during the procurement process and suggested that the current labor challenges be resolved through unity and a shift in focus toward meeting aggressive local hiring goals, such as the 20% project area and 50% Sacramento Valley targets. Mr. Robinette acknowledged the selection of Barnard by independent experts was based on the "best value" and the immense responsibility of building high-hazard earthen dams and hoped that process disagreements and past wounds can be set aside to ensure the project's mission is fulfilled.

Commissioner Bland asked about consequences in the event they are not successful with their efforts.

Mr. Robinette stated if an agreement cannot be reached, a contingency plan is in place to use Ames, a prequalified subcontractor and signatory to the Carpenters Union, to handle bridge construction and other specialized concrete work.

Commissioner Matsumoto asked if the Governor's intervention and high public interest have underscored the significance of the labor issue, leading to the expectation that progress on PLA negotiations will be confirmed within the next month.

Mr. Robinette noted that while the board declined to set formal conditions, a clear directive was issued for significant progress to be made by the February board meeting. Consistent with the goal of bringing all parties together, this progress is expected to be demonstrated by the third Friday of the month.

Commissioner Matsumoto requested a status update be provided to staff following the February board meeting, followed by a formal presentation to the California Water Commission in March to clarify the progress made and whether the PLA for the reservoir will be applicable to the conveyance contract.

Mr. Robinette clarified that the two projects are currently separate, with the expectation that the successful contractor for the second project will negotiate an independent PLA, and the option remained for the board to adopt a program-wide agreement once all facts are considered.

Commissioner Matsumoto requested that tracking that milestone be prioritized to ensure that lessons learned from the current process are identified and applied to the next bidding cycle.

Commissioner Curtin expressed concerns regarding the potential for collapse at this critical stage, and noted that as a public works project, prevailing wages must be paid regardless of union affiliation, shifting the focus of the current dispute toward more complex procedural issues. Furthermore, the flexibility afforded by the CMAR delivery method is highlighted, emphasizing that the current phase involves a collaborative preconstruction contract rather than a final commitment to construction. Finally, the project's long-standing political foundation is recognized, particularly its role in providing flexibility for the agricultural industry and supporting surrounding communities. Commissioner Curtin noted that the project is being executed through a design-build or CMAR framework rather than a public-private partnership, with a PLA being selected to satisfy statutory requirements for a skilled and trained workforce. Commissioner Curtin highlighted, PLAs have been used to ensure labor stability and dispute resolution; however, concerns are raised regarding the feasibility of this specific agreement, as a significant portion of the anticipated workforce belongs to unions not affiliated with the signing organization. Furthermore, it is observed that Barnard, the selected contractor, lacks

existing collective bargaining agreements with individual crafts, leading to questions about how a project of this magnitude can be successfully managed without established labor unity.

Commissioner Curtin discussed concerns regarding the selection of a contractor with no existing collective bargaining agreements and limited regional experience, particularly for a project deemed mission-critical to California's water system. Commissioner Curtin noted the requirement for the contractor to self-perform construction on two dams is complicated by their lack of signatory status with the major trades, such as the Operating Engineers and Laborers, who will perform the bulk of the civil work. Commissioner Curtin highlighted a significant disparity in union work hours, with the selected firm having recorded only a fraction of the historical hours logged by competitors in Northern California. This lack of long-term investment in local union healthcare and retirement funds is presented as a primary source of friction and a potential risk to the project's stability.

Commissioner Curtin stated the nature of the current labor dispute is rooted in a distinction between contractors who provide temporary coverage and those who sustain the long-term infrastructure of union health and pension plans and wages are expected to be met. Commissioner Curtin expressed concerns that a non-signatory general contractor like Barnard does not provide the continuous investment in apprenticeship programs and private healthcare benefits that regular Northern California union firms maintain. The lack of institutional support was contrasted with the massive scale of the Sites Reservoir, a 1.5-million-acre-foot project, which far exceeded the scope of the contractor's previous regional work, such as the Los Vaqueros expansion and although the firm's national ranking as a "powerhouse" was acknowledged, Commissioner Curtin suggested the complexity and significance of the project require a contractor with a more established commitment to the regional unionized sector to ensure labor stability and project success.

Commissioner Curtin acknowledged the specialized expertise of Barnard in dam and reservoir projects, and highlighted concerns regarding the firm's capacity to manage a \$6 billion project that dwarfs its total annual revenue. Comparison data from Engineering News-Record (ENR) highlights that competitors like Kiewit possess significantly more experience in both CMAR contracts and large-scale California infrastructure, such as the Oroville Spillway and Folsom Auxiliary Spillway. Commissioner Curtin questioned the decision to select a firm with minimal regional union relationships for a taxpayer-funded project of this magnitude, particularly given the requirement to self-perform two dams and believed that Barnard's "company culture" best aligns with the project values is scrutinized against the practical risks of scaling a "small tiger" to meet the mission-critical needs of California's water system. Commissioner Curtin discussed concerns regarding the contractor's lack of experience in Northern California labor relations, particularly given that major trades like the Carpenters and Laborers may not be party to the proposed agreement. The Governor's intervention via a formal letter was noted as a rare and significant warning that the Sites Reservoir Project's timely completion was at risk unless "strong labor relations" are prioritized. Commissioner Curtin suggested that Barnard reconsider its non-signatory status to resolve the current "brick wall" in negotiations and concluded the

project is crucial for California's water future and identified a 30-day window for the authority and the contractor to make necessary changes and secure a viable path forward.

Commissioner Solorio expressed support toward organized labor alongside a call to avoid "micromanaging" local agencies in their selection of contractors and emphasized the importance of PLAs and local hire programs. The expertise of Barnard in large-scale dam construction was acknowledged as a valid factor in the board's decision and suggested a "dashboard" or checklist be added to future reports to provide a clear, consistent overview of each project's status regarding permitting, financing, and labor policies. Commissioner Solorio concluded the focus was placed on maintaining prevailing wage principles and regional community benefits while ensuring that the pursuit of a "perfect" agreement does not impede the urgent progress required for California's water infrastructure.

Commissioner Hurt commented on the Commission's lack of the authority to overturn the selection of the CMAR contractor and expressed great concern regarding whether the choice aligns with California's values of transparency and local economic benefit. Commissioner Hurt noted that the current labor disputes and the contractor's background have created a perceived risk to the timely completion of the project, which the Commission is charged to oversee. Consequently, the Sites Authority is expected to return in February or March to provide a status update, with the hope that proactive engagement and stronger "guardrails" will be established to rebuild stakeholder trust and ensure this mission-critical water storage project moves forward without a major breakdown.

14. 2026 Commission Workplan

Dr. Sarah Lesmeister, Assistant Executive Officer for the Water Commission, presented the 2026 Annual Work Plan, emphasizing The Water Storage Investment Program (WSIP) as the primary focus, with major milestones anticipated for public benefit contract reviews and final funding awards. Dr. Lesmeister highlighted enhanced program oversight is planned through a new framework of annual detailed updates, quarterly staff reports, and monthly real-time briefings. Outreach efforts were expected to be bolstered by a new subcontractor tasked with developing an engagement plan. The Commission will remain informed on key state initiatives such as the California Salmon Strategy and groundwater recharge.

Dr. Lesmeister provided information pertaining to how the 2026 work plan is structured around science-informed operations for the State Water Project and the potential adoption of emergency regulations for Proposition 4 programs. Dr. Lesmeister mentioned Water Storage Investment Program (WSIP) milestones and updates were being tracked quarterly, including a Sites Project funding request in quarter 4, alongside regular briefings on budget, power, and dam safety. Strategic engagement is also planned through the development of an outreach and equity plan and ongoing coordination with the Sustainable Groundwater Management Act (SGMA) and the California Salmon Strategy.

Commissioner Hurt left the meeting.

15. 2025 Annual Review of the State Water Project (Action Item)

Paul Cambra, Information Officer for the Water Commission, presented The Commission's 2025 State Water Project Annual Report and highlighted fulfillment of the statutory requirement to review construction and operations for submission to the Legislature and the Department of Water Resources (DWR). Mr. Cambra noted Progress on all six prior recommendations, including advancements in Forecast-Informed Reservoir Operations (FIRO) and the development of a risk-informed workforce strategy. The proposed findings for 2025 highlighted DWR's commitment to safety, climate adaptation, and the mitigation of impacts on endangered species. Mr. Cambra concluded with five new and four continuing recommendations, focusing on subsidence mitigation on the California Aqueduct, the transition to a 100% renewable power portfolio by 2035, and the integration of natural infrastructure solutions to address extreme hydrology.

Commissioner Steiner expressed appreciation for the presentation and information provided.

Commissioner Gallagher expressed appreciation for the exceptional work and comprehensive effort displayed in The State Water Project Annual Report, with the document being described as an effective "yearbook" of the year's significant accomplishments.

Commissioner Steiner entertained a motion to approve the report. The motion was moved by Commissioner Curtin and seconded by Commissioner Gallagher. All Commissioner present voted in favor of approving The Commission's 2025 State Water Project Annual Report.

16. Consideration of Items for the Next California Water Commission Meeting

The Commission will host the first State Water Project briefing for the year and receive its monthly update on the WSIP, a detailed update on the Harvest Water Project, new information on relevant legislation, and a refresher on the Commission's ex-parte policy.

17. Adjourn

The Commission adjourned at approximately 3:00 PM.