



MEMORANDUM

TO: SLDMWA Water Resources Committee and Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: November 1, 2021

RE: Authorization to Execute Second Amendment to Agreement for Professional Services with CDM Smith and Related Increase in Expenditure of \$300,000 for B.F. Sisk Dam Raise and Expansion Project Support within the FY22 Leg Ops Budget

BACKGROUND

The San Luis & Delta-Mendota Water Authority ("Water Authority") by Resolution No. 2019-451 authorized the execution of a contract with CDM Smith to prepare a Feasibility Report and Environmental Impact Statement/ Environmental Impact Report ("EIS/EIR") to evaluate alternatives to raise B.F. Sisk Dam and expand storage capacity in San Luis Reservoir to provide additional water supply storage benefits for Water Authority members ("Project"). The total cost of the CDM contract approved was \$2,416,601 spread over four (4) Fiscal Years beginning in FY 20 and continuing through June of 2022 (FY 23). In FY 22, the Board of Directors approved \$668,000 for CDM for completion of the OMB required Addendum to the Feasibility Report and all the associated tasks required. Of this amount, approximately \$100,000 remained at the end of September 2021. Given all the additional needs associated with the addendum (described in the Analysis section below), and the remaining \$100,000 there is an additional need of \$282,327.41, rounded up to \$300,000.

ISSUE FOR DECISION

Whether the Water Resources Committee should recommend approval to the Board of Directors and the Board of Directors should authorize execution of an amendment to the Agreement for Professional Services with CDM Smith and related increase in expenditure of \$300,000 for B.F. Sisk Dam Raise and Expansion Project Support, including a realignment of remaining FY22 Leg Ops budget funds.

RECOMMENDATION

Staff recommends authorization to execute an amendment to the Agreement for Professional Services with CDM Smith and related increase in expenditure of \$300,000, including a realignment of remaining FY 22 Leg Ops budget funds.

ANALYSIS

The additional scope of work that has resulted in the request for amendment and budget modification is as follows (October 2021 through February 2022):

- Task 6: CDM Smith will continue to participate in the regular bi-weekly progress meetings with Reclamation and SLDMWA project team. Additionally, CDM Smith will participate in the frequent unscheduled meetings with SLDMWA and the Reclamation project manager and continue to coordinate with Reclamation's project team on key deliverables. The frequency of this coordination has exceeded the amount assumed by CDM Smith in our existing budget, and CDM Smith has used our observed burn rate for this task in 2021 to project funding needed through February 2022.
- Task 8: CDM Smith team will participate in two additional Board of Directors meetings to support the selection of an operational configuration for the expanded reservoir for presentation in the Feasibility Report Addendum. Preparation for and participation in these meetings will include the development of briefing materials, presentations, handouts, meeting summaries, 1 issue paper documenting the ultimate decision by the board. The CDM Smith team will not conduct additional CalSim modeling beyond what was developed to support the evaluation of the three operational configurations in August 2021. CDM Smith assumes that the ultimate operational configuration selected could shift the specific storage mix identified allocated to the investors, but that those shifts can be evaluated using the already developed post-processing tool. CDM Smith will complete an economic evaluation of the three operational configurations already identified including updates to the Emergency Water Supply benefits calculation methodology (emergency water supply benefits updates budgeted under Task 10.1). CDM Smith will also complete an economic evaluation for up to one more operational configuration identified by the board.
- Task 9 (Subtask 9.2): CDM Smith will address comments on the recently completed cost estimate updates including DEC review comments from Reclamation.
- Task 10 (Subtask 10.1 and Subtask 10.2): CDM Smith has already provided separate memoranda addressing several key components of the Feasibility Report Addendum - the transportation benefits memorandum and the seismic only cost estimates memorandum. CDM Smith will prepare two additional memorandums on the emergency water supply benefits and the operational configuration selection to help facilitate expedited reviews by SLDMWA and Reclamation. The details presented in all four memorandums will later be compiled in the Draft Feasibility Report Addendum.

The corresponding budget modifications for October 2021 through February 2022 are as follows:

| Task | | Budget Needed | Budget Remaining | New Funding Required |
|--------------|---|----------------------------|----------------------------|----------------------------|
| 6 | <i>Project Management</i> | <i>\$215,594.00</i> | <i>\$ -</i> | <i>\$215,594.00</i> |
| 8 | <i>Operational Configuration Selection</i> | <i>\$58,588.96</i> | <i>\$ -</i> | <i>\$58,588.96</i> |
| 9 | <i>Feasibility Design Updates</i> | <i>\$246,252.25</i> | <i>\$209,226.57</i> | <i>\$37,025.68</i> |
| 9.1 | SR 152 Modifications Design | \$ 209,226.57 | \$ 209,226.57 | \$ - |
| 9.2 | TSC Cost Estimate Updates | \$37,025.68 | \$ - | \$37,025.68 |
| 10 | <i>Feasibility Report Addendum</i> | <i>\$132,668.56</i> | <i>\$61,549.79</i> | <i>\$71,118.77</i> |
| 10.1 | Draft Addendum | \$94,253.20 | \$45,148.42 | \$49,104.78 |
| 10.2 | Final Addendum | \$38,415.36 | \$16,401.37 | \$22,013.99 |
| Total | | <i>\$653,103.77</i> | <i>\$270,776.36</i> | <i>\$382,327.41</i> |

Although the above table indicates a new funding need of \$382,327.41, there is approximately \$100,000 of remaining funds in the FY22 Leg Ops / Direct Funding / Water Storage Studies line item for this project.

To cover the additional \$282,327.41 budget increase, staff is proposing to realign \$300,000 of Leg Ops budget funds remaining in the Legal Contingency and Science Program line items to make up the difference, which will reduce the funding in those respective areas by \$100,000 and \$200,000 respectively. Note that staff does not currently anticipate needing those funds for the duration of FY 22. An amendment to the existing CDM Smith agreement is being drafted, and will be executed following Board action.

BUDGET

The required funds are included in the FY 22 Leg Ops budget. At this point, approximately \$121,950 is also anticipated to be needed in FY23 for CDM Smith to complete activities within their contract for this project, but no action is required regarding FY 23 budget at this time.