

Agenda Item 02-02: Amendment 3 Project Agreement & Work Plan

Joint Reservoir Committee & Authority Board

September 22, 2021



Amendment 3 Work Plan



Amendment 3 Work Plan

What's Changed From Last Month?

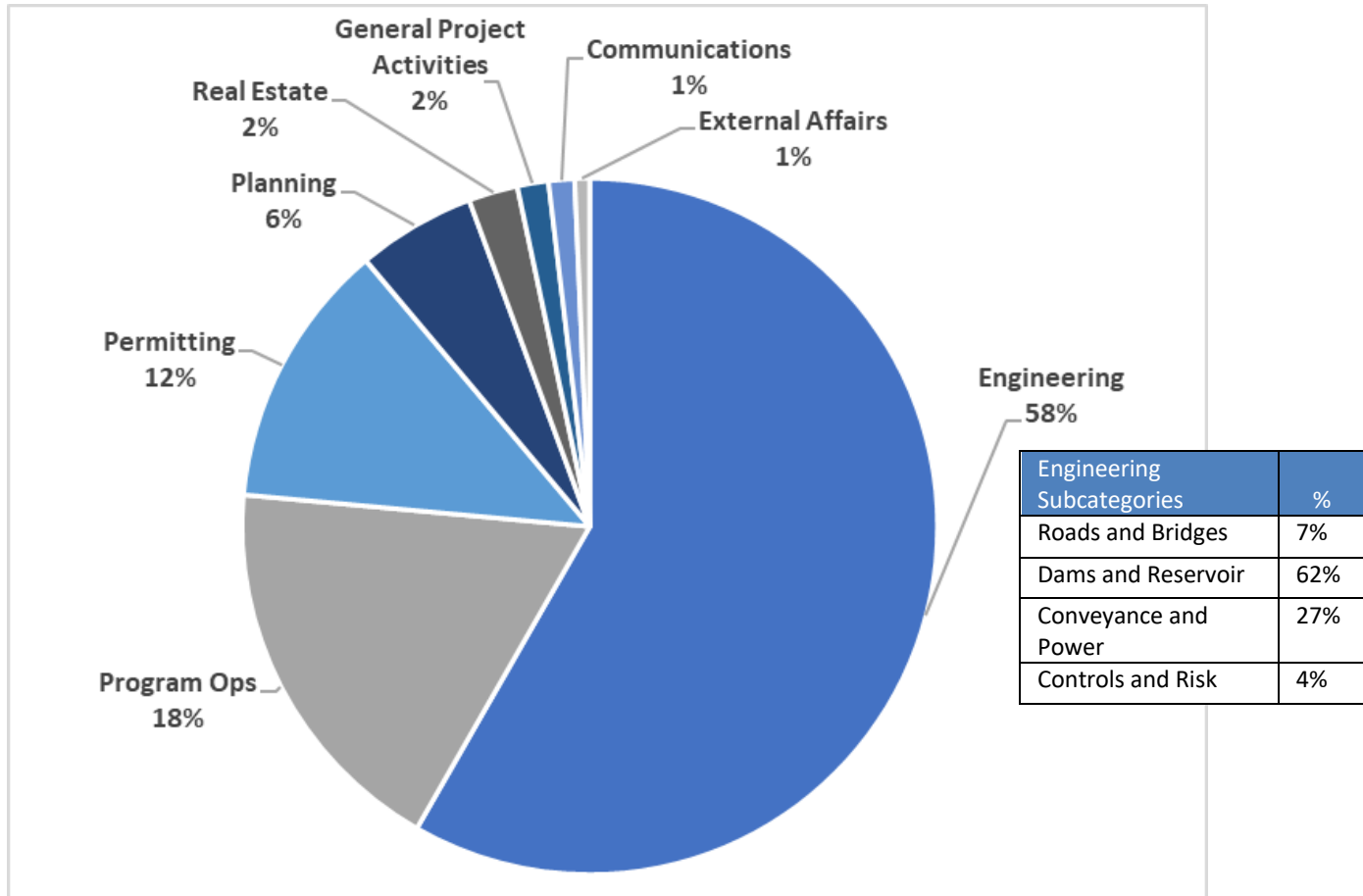
- No significant changes; Couple clarification edits
- Attachment A – Amendment 3 Budget by Subject Area and Firm
- Work plan assumptions remain the same

Amendment 3 Work Plan

What's Next?

- Seeking approval at today's Joint Meeting
- Participants take the Agreement back to their home boards
- Consultant task order development

Amendment 3 Work Plan



Amendment 3 Work Plan

Key Project Metrics


- Anticipated Total Spent at the End of Amendment 3 = \$188M
- Estimated Total Project Cost = \$3.93B (Assumes Alternative 1)
- Amendment 3 is Approx. 3.1% of Estimated Total Project Cost
- Estimated Total Cost at the End of Amendment 3 is 4.8% of Estimated Total Project Cost
- Design Level at Completion of Amendment 2 is 10%
- Design Level at Completion of Amendment 3 is 30%*
*Select Areas will be Developed to 65% in Support of Permitting

Third Amendment to 2019 Reservoir Project Agreement



What is different about Amendment 3?

Amendment 3...


- is longer than prior agreements, covering work through the **end of 2024**
- asks Participants to be **ready to finance by mid-2023** by
 - identifying how they will secure revenue to fund all project costs
 - agreeing to progress updates (two-way)
- includes **annual adjustment** opportunities for budget and schedule (pace) 
- **NEW:** asks Participants to affirm primary and alternate representatives (3a)

September RC/AB Action

Consider approval of the Amendment 3 Agreement and Work Plan with a period of performance of January 1, 2022 to December 31, 2024 **for the purpose of initiating Participant home board review, deliberation, and execution of the agreement.**

What does your vote on Amendment 3 mean?

Reservoir Committee

- Right work plan to **achieve investor goals**, right pace 
- Recommend the work plan, which includes the budget, for approval by the Authority Board
- **Agree to take Amendment 3 to home-board for consideration**, determination of participation level, and execution and be ready to pay the April 1 invoice

Authority Board

- Right agreement to continue to cover Participant share of project costs and right assumptions for other funding sources
- **Securing revenue** will meet the requirements for financing the project and **not become “critical path”**
- Approve sending Amendment 3, with exhibits, to Participants to execute
- Provides **basis for CWC** to determine Sites remains eligible for Prop 1 funding