

Agenda Item 3.2

Review and comment on development of an overall project schedule through completion of construction

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Program Schedule Objectives



MANAGE COST



MANAGE RISK



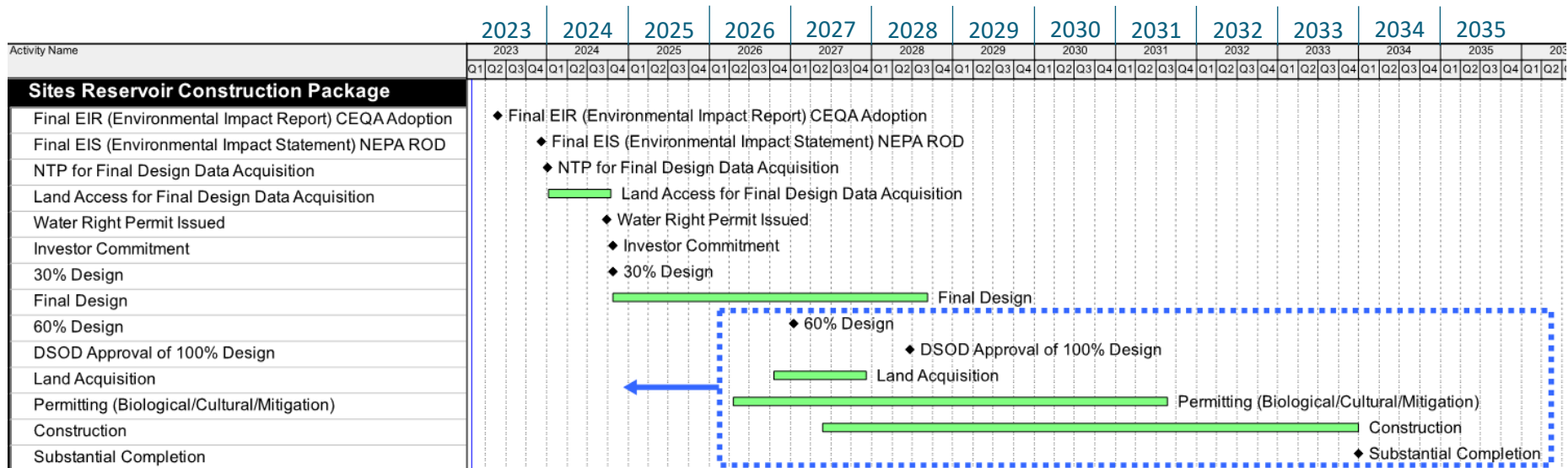
ACHIEVE EXPEDITIOUS
PERMITTING
DECISIONS



MAINTAIN CREDIBILITY

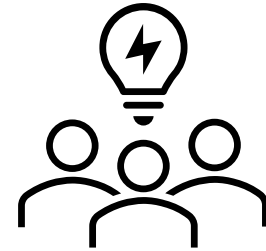
The un-optimized schedule shows a completion date in 2033

- Approx. 2,720 working days until "Substantial Completion"
- 601 Activities
- 1,058 Relationships
- 124 Milestones with 12 Milestones Completed
- 55 Key Deliverables with 4 Completed and 22 In-Progress



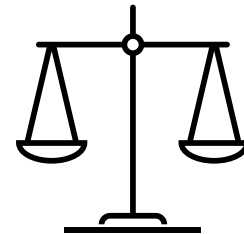
Staff is working to optimize the schedule

Developed a comprehensive list of schedule reducing opportunities



Spanning multiple disciplines and workgroups

Address time saving “trade-offs”

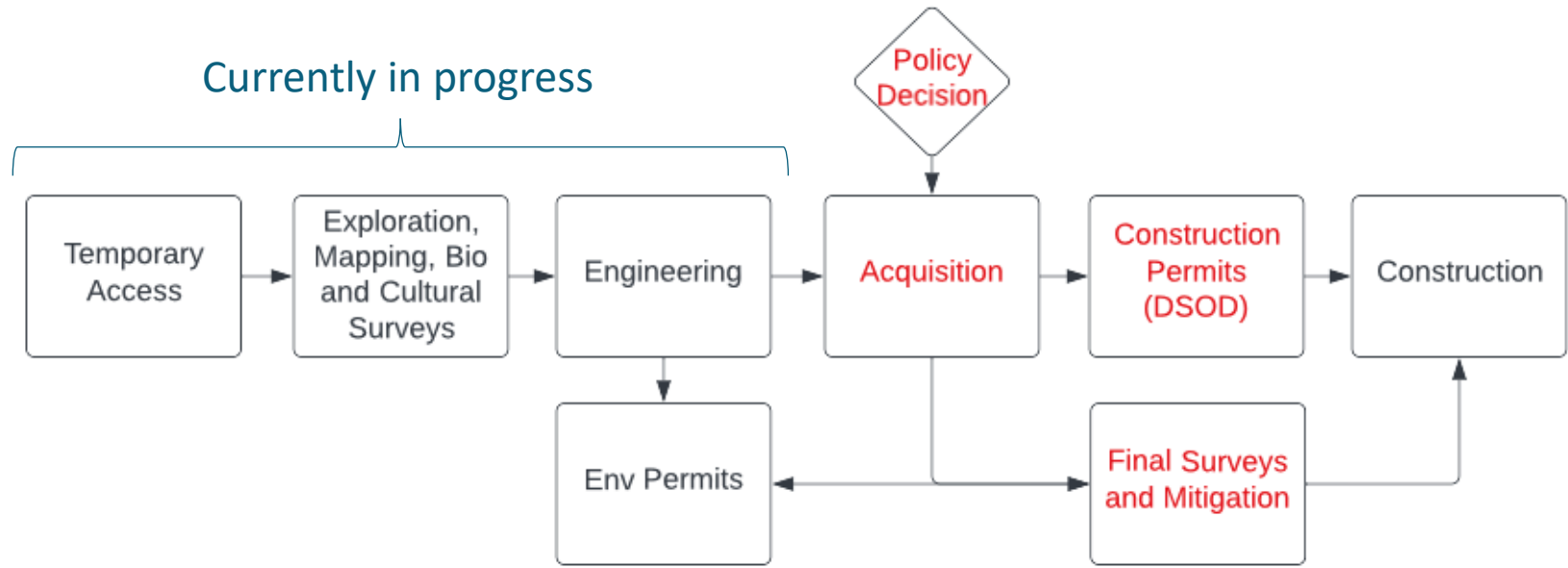


The goal is to initiate operations by end of 2031, assuming a 2025 groundbreaking.

Potential schedule optimization actions

- Develop an Early Land Acquisition Program (Today's Discussion)**
- Procure the CMAR sooner (Q2-2023 Discussion)**
- Secure with DSOD the resources needed for phased approvals
- Increase design resources
- Securing terrestrial habitat permit mitigation strategies
- Advance design of dam precedent activities faster
- Streamline design submittals and issue construction packages on less advanced designs and performance specifications

Policy decisions will influence schedule



- Based on current policy assumptions, the schedule extends into 2033
- To be on-line sooner, execution of the **development process** on key facility parcels must begin as soon as possible

An early acquisition program could have two steps

- A. Strategic acquisitions from willing sellers, **straw-person “Early Acquisition Program” for discussion today (within approved budget only)**
- B. Policy-level requirements for beginning acquisitions, particularly with non-productive negotiations (LMC)
 - Requirements: CEQA, Funding in place
 - Authority’s discretion: Water Right, Level of design (i.e. 30% or 60%), others?



*These actions generally influence the **start dates of activities***

Early Acquisition Program – Step A

Draft Recommendation - For Feedback:

Pursue strategic acquisition of properties from willing sellers before receiving the Water Right and within the budget constraints of Amendment 3.

Identify strategic properties based on the following criteria:

- A. Relationship to the Critical Path
- B. Property owners' willingness to sell
- C. Purchase fits within not-to-exceed 'contracted funds'

Early Acquisition Program – Step A

Initial Program Details:

- Initial evaluation has identified a group of key properties (“Group 1”) meeting the established criteria.
- Group 1 properties preliminarily estimated at approx. \$2.0M - \$2.5M

Possible Sources of Funding – In order of priority per staff perspective

1. Partial Repurpose of options agreements – Up to \$2M (already budgeted)
2. Reprioritize/reallocate existing funds (eg 2022 Closeout Variance) –\$3.5M
3. Prepay of federal funds (ie exceed the 16% federal cost share temporarily)
4. Seek authority to exceed 5% Prop 1 limit on EFA
5. Activate the last increment of approved 2023 cash call - \$40/AF or ~\$6.5M

Early Acquisition Program – Step A

Strategic Benefits of an Early Acquisition Program:

- First step to realizing material schedule & cost reduction
- Sets up the Authority to acquire and manage land
- Project momentum and credibility
- **Others???**

Discussion



How comfortable are you acquiring land ahead of receiving a Water Right? What is your risk tolerance? Do the benefits outweigh the risks?



How aggressive should we be in early land acquisition? Should our criteria expand?

Next Steps

- Staff continues to analyze and optimize current assumptions in establishing the recommended Program Schedule with the Operations and Engineering Workgroup and the Land Management Committee
- **April 2023:** review and consider adoption of the recommended Program Baseline Schedule

Questions?

