



Meeting: **Joint Reservoir Committee & Authority Board**
Agenda Item 1.5

June 16, 2023

Subject: **Reclamation Preconstruction Memorandum of Agreement (MOA)**

Requested Action:

Reservoir Committee and Authority Board consider authorizing the Executive Director to enter into a new Memorandum of Agreement that outlines roles and responsibilities along with cost sharing for the remainder of Phase 2 and 3 of the Project with the Bureau of Reclamation.

Detailed Description/Background:

Reclamation and the Authority entered into a Memorandum of Understanding in 2015 (2015 MOU) to outline roles and responsibilities along with cost sharing for the purposes of completing the federal feasibility studies and related environmental compliance activities. The 2015 MOU was amended in 2019 (2019 Amendment) to adjust the cost share to bring it in line with the Water Infrastructure Investment for the Nation Act (WIIN Act) authorization and to extend until December 2024. Reclamation completed the Final Feasibility Report in December 2020 and both Reclamation and the Authority have largely completed the related environmental compliance activities. Project activities are now moving into a preconstruction phase (using Federal Government terminology) and Reclamation is proposing to replace the current MOU with a new Memorandum of Agreement (2023 MOA) to address the current and upcoming Project activities.

The proposed 2023 MOA includes those activities necessary to move the Project forward into construction that occur after the Final Feasibility Report but prior to the issuance of the first construction contract. These preconstruction activities include continued planning, engineering including geotechnical investigations, design, environmental permitting, and the water right process.

The 2023 MOA identifies:

- Roles and responsibilities for the preconstruction activities and specifically for the ongoing and remaining permitting activities, including confirming Reclamation being the construction and operations lead for ESA permitting;
- Processes and teams for working collaboratively, decision-making and elevation of issues;
- Cost sharing of up to 25 percent of total actual Project costs consistent with the WIIN Act authorization consistent with Federal law; and,

- Processes for information sharing.

Outlining and documenting these roles and responsibilities of both the Authority and Reclamation is beneficial to the Project as it increases efficiency and allows for appropriate planning and staffing of the Project by both the Authority and Reclamation. Staff is currently working with Reclamation on the next Financial Assistance Agreement that will include federal reimbursement of a portion of eligible project costs incurred after Federal feasibility and through the end of Amendment 3.

Where applicable, the terms of the 2023 MOA are consistent with federal law, the Authority's Amendment 3 Work Plan priorities, and the Authority's Strategic Plan.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source:

Reclamation requires the 2023 MOA to be executed prior to issuance of the next Financial Assistance Agreement for Project funding as the MOA outlines cost-share responsibilities consistent with Federal law. Executing the next Financial Assistance Agreement is important for the Authority to continue fulfilling the federal funding revenue assumptions in the Amendment 3 Work Plan. Execution of the 2023 MOA is critical for the Authority to meet its planned Amendment 3 Work Plan revenues.

Staff Contact:

Ali Forsythe

Primary Service Providers:

None

Attachments:

None.