Joint Reservoir Committee and Authority Board Meeting

Agenda Item 3.2: Biological Mitigation Approach for Contracting

August 18, 2023

Sites

Summary of Key Mitigation Actions to be Implemented by the Authority

Resource Area	Construction	Operations
Agricultural	Purchase conservation easements	--
Air Quality	MOU with air districts and offset emissions	MOU with air districts and offset emissions
Biological Resources		
- Terrestrial	Survey, design considerations, avoid, compensate	Monitor and avoid
- Aquatics	--	Monitor, adaptive management, compensate
Cultural and Tribal Cultural Resources	Survey, avoid, minimize, mitigate	Survey, avoid, minimize, mitigate
Greenhouse Gas Emissions	Calculate, minimize, achieve net zero emissions	Calculate, minimize, achieve net zero emissions
Water Quality	Pre-construction monitoring	Monitor and adaptive management

** Does not include mitigation actions and BMPs implemented by construction contractors

Principle #1 – Mitigation Acquisition will be Sequenced and Timed to Avoid Impacting Construction Progress

- Survey
  - Land cover types
  - Protocol-level species surveys
- Refine impact numbers based on survey results
- Avoid and minimize impacts where possible
  - Design refinements
  - Construction fencing and monitoring
- Compensatory mitigation for impacts that cannot be avoided
  - Likely to be required in advance of impact occurring
    - By year AND a 10% stay ahead
  - Likely to be our single largest mitigation cost
  - Longest lead requirement prior to construction actions

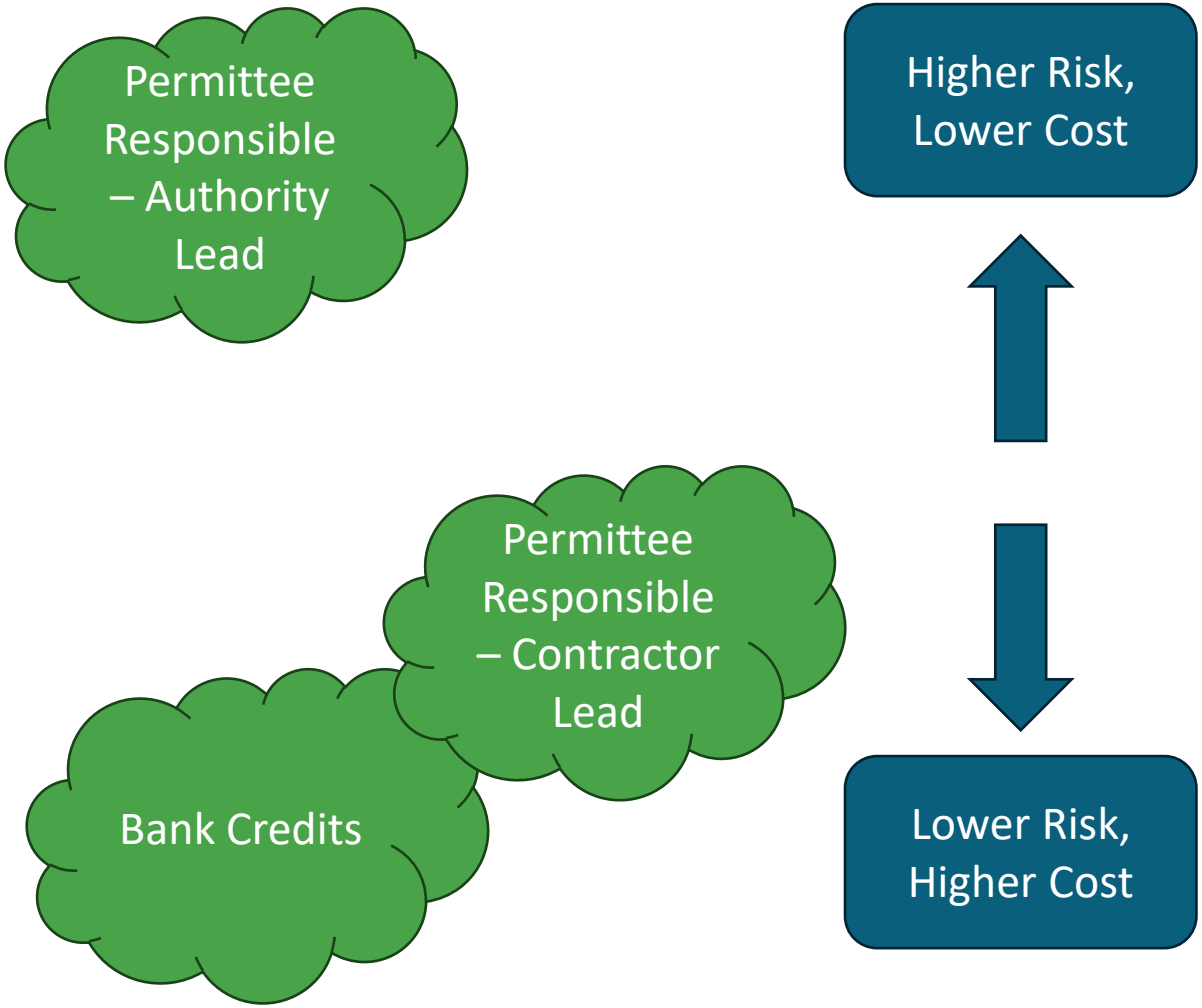
Compensatory mitigation planning and contracting should begin early to minimize the risk of possible construction delays

Principle #2 – Remain Open to Allowed Approaches to Providing Mitigation

1. Purchase bank or in-lieu credits
2. Permittee-responsible mitigation, Authority implement
3. Permittee-responsible mitigation, Contractor implement
   - Contract type for permittee-responsible mitigation
     - Design-bid-build
     - Design-build
     - Design-build-operate (including progressive)

Likely that Authority would implement all three approaches depending on construction schedule needs and species.

Trade Offs in Decisions on Mitigation Approach and Contracting



Components to Consider:

- ✓ Schedule and construction delays
- ✓ Costs (including unforeseen)
- ✓ # of Authority staff and expertise needed
- ✓ Failure of mitigation (i.e., plants die, fire/drought)
- ✓ Mitigation doesn't meet agency needs / requirements
- ✓ Coordination among contractors / providers
- ✓ Over / under mitigate due to needing to move quickly
- ✓ Project changes result in mitigation changes

Principle #3 – Mitigation Contracting Strategy Needs to Align with the July 2022 Board Adopted Contracting Strategy

- Effort undertaken in early to mid 2022 to develop the Authority's contracting strategy
- Established following values, reflecting high-level vision and preference for packaging work and delivery methods:
  - Oversight – to remain streamlined and efficient, the Authority will engage in an oversight role during design and construction
  - Construction Contracts – the number and size of construction contracts must prioritize qualified contractors and management of cost and risk
  - Project Cost – cost certainty must be established as soon as possible
  - Project Schedule – look for opportunities to expedite schedule to reduce Project Cost
  - Project Risks – balance risks with values

Are these values applicable to contracting for terrestrial biological mitigation?

Approach to Refining Contracting Strategy for Compensatory Terrestrial Biological Mitigation

1. Establish values and principles
2. Prepare draft strategy
3. Seek contractor and industry input on draft strategy
   - Workshop
   - One-on-one meetings
4. Refine and prepare final strategy
5. Return to RC/AB for approval of final strategy

Approach similar to approach for developing July 2022 Contracting Strategy

Next Steps

- Prepare draft strategy
  - Assessing a number for factors to determine approach to lump and split needs for contracting
    - Stacking of mitigation requirements important for cost control
    - Construction schedule considerations and timing for getting mitigation in place
- Seek contractor and industry input on draft strategy
  - Workshop preparations
  - One-on-one meetings

Questions?

Sites