

Sites Joint Reservoir & Authority Board

Agenda Item 02-01 Amendment 3 Work
Plan Update

October 20, 2023



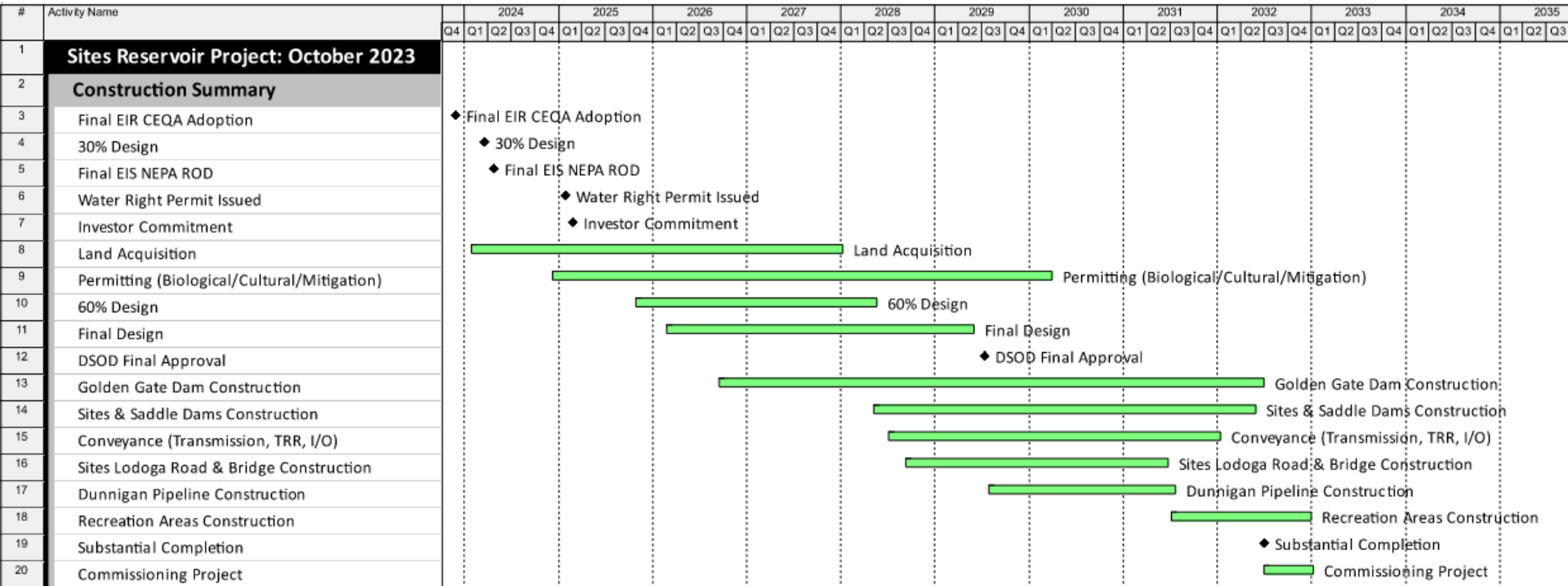
Work Plan Update Requested Actions

- Five requested actions to be covered today:
 - Adoption of Program Baseline Schedule
 - Approval of Amendment 3 Work Plan update
 - Approval of 1-yr extension to Amendment 3 period
 - Approval of 2024 Cash Call
 - Approval of 2024 Annual Budget

Recommendation of budget principles based on schedule optimization efforts

- Complete required permits, agreements, and cost estimates to support signing Benefits and Obligations Contracts and financing by the end of 2025 (Highest Priority)
- Hire Reservoir Package CMAR and Mitigation Contractor early 2025
- Acquire property for Golden Gate Dam, Sites Dam, and Sites Lodoga Rd Detour sub-projects
- Begin programmatic pre-construction requirements
- Execute Golden Gate Dam Foundation Excavation sub-project starting early 2024 (after 30% design). Check-in to see if Sites Dam Foundation Excavation and Sites Lodoga Rd Detour designs can be started mid-2024 based on budget forecasts.
- Remain in queue for CAISO interconnection by showing option(s) for land acquisition and paying the 1st Financial Security deposit to continue interconnection studies.

Program Baseline Schedule



Reprioritized activities in 2023-2024 budget results in a **2032 operational date**, representing an improvement of one year from the baseline presented in 2033.

Revised Amendment 3 Budget Totals

Current Amendment 3 Budget

	2022	2023	2024	2025	Total
Expenses	\$24.7M	\$65.9M	\$31.8M	--	\$122.4M
Revenue*	\$36.3M	\$54.0M	\$65.0M	--	\$155.3M

*For cash flow purposes, includes carryover from previous periods

Proposed 2023 WP Update – Includes actual and forecasted values

	2022	2023	2024	2025	Total
Expenses	\$24.7M	\$40.5M	\$48.9M	\$28.1M	\$142.2M
Revenue*	\$36.7M	\$53.0M	\$39.1M	\$14.1M	\$142.9M

*For cash flow purposes, includes some carryover from previous periods

Proposed 2024 Revenue Budget

Revised Revenue Budget by Source	Existing 2024 Work Plan	Revised 2024 Budget
Reservoir Committee Cash Call	\$32.5M	\$25.6M
Authority Board Seat Dues	\$0.5M	\$0.5M
Federal (WIIN Act) Funding	\$32.0M	\$13.0M
State (Prop 1 [WSIP])	--	--
Revenue Total	\$65.0M	\$39.1M
Estimated Cash on Hand 1/1/2024	--	\$24.7M
Estimated Available Funds	--	\$63.8M

Proposed 2024 Expense Budget

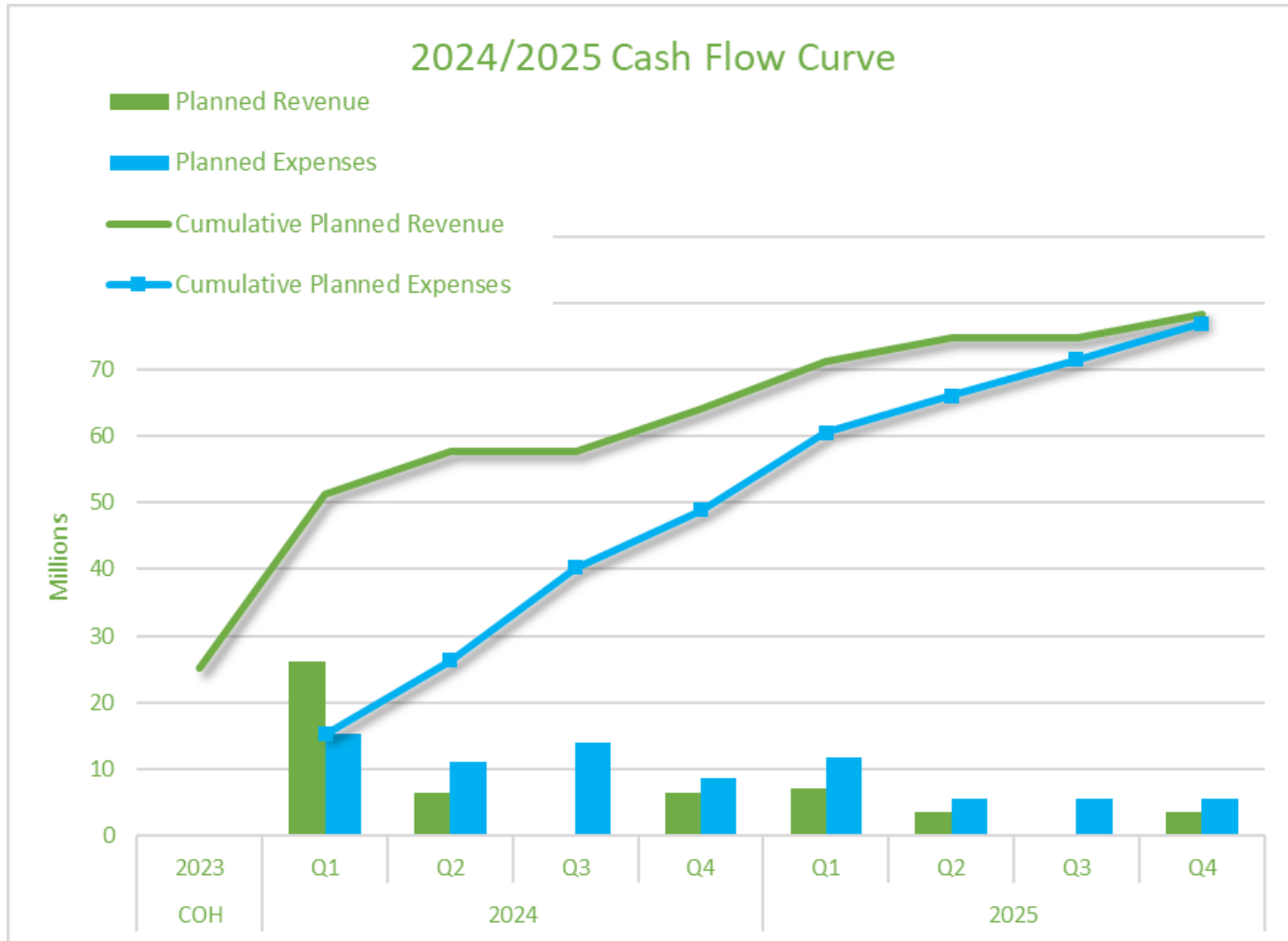
Revised Expense Budget by Subject Area	Existing 2024 Work Plan	Revised 2024 Budget
Communications	\$0.5M	\$0.5M
Engineering	\$19.0M	\$27.3M
External Affairs	\$0.3M	\$0.4M
General Project Activities	\$0.3M	\$0.5M
Permitting	\$3.8M	\$7.0M
Planning	\$0.3M	\$0.4M
Program Ops	\$6.2M	\$6.7M
Real Estate	\$1.4M	\$6.2M
Total	\$31.8M	\$48.9M

Note: Approximately \$3.9M in total contingency is included in the subject area budgets shown above

Comparing Expenses Totals

Subject Area	Orig 3-yr WP Totals		Proposed 4-yr Totals		Change in %
	2022-2024	%	2022-2025	%	
Communications	\$1,449,000	1.2%	\$2,088,050	1.5%	0.3%
Engineering	\$69,716,000	58.3%	\$64,840,550	45.6%	-12.7%
External Affairs	\$828,000	0.7%	\$1,475,500	1.0%	0.3%
General Project Activities	\$1,730,000	1.4%	\$2,084,000	1.5%	0.0%
Permitting	\$14,829,000	12.4%	\$25,183,600	17.7%	5.3%
Planning	\$6,582,000	5.5%	\$8,999,400	6.3%	0.8%
Program Ops	\$21,724,000	18.2%	\$28,002,500	19.7%	1.5%
Real Estate	\$2,740,000	2.3%	\$9,586,800	6.7%	4.4%
Total	\$119,598,000		\$142,260,400		

Cash Flow Curve for Remainder of A3



After completion of the 30% design, the Program will be tracked by Sub-Project

Sub-Project	2024	2025
Investor Commitment (work in support of financing)	\$13,370,000	\$6,630,000
Golden Gate Dam Foundation, Key Properties & Geotech	\$17,435,000	\$1,865,000
Prep for Construction of Golden Gate Dam	\$2,695,000	\$2,805,000
Power/CAISO Eligibility	\$465,000	\$6,635,000
Sites Dam, Key Properties & Geotech	\$1,500,000	\$0
Sites Lodoga Rd Detour, Key Properties & Geotech	\$750,000	\$0
EIR Requirements	\$221,000	\$230,000
Program Operations/ Overhead	\$8,586,000	\$5,814,000
Contingency	\$3,920,000	\$4,080,000
Total	\$48,942,000	\$28,058,000

Tracking by sub-project is an important step because...

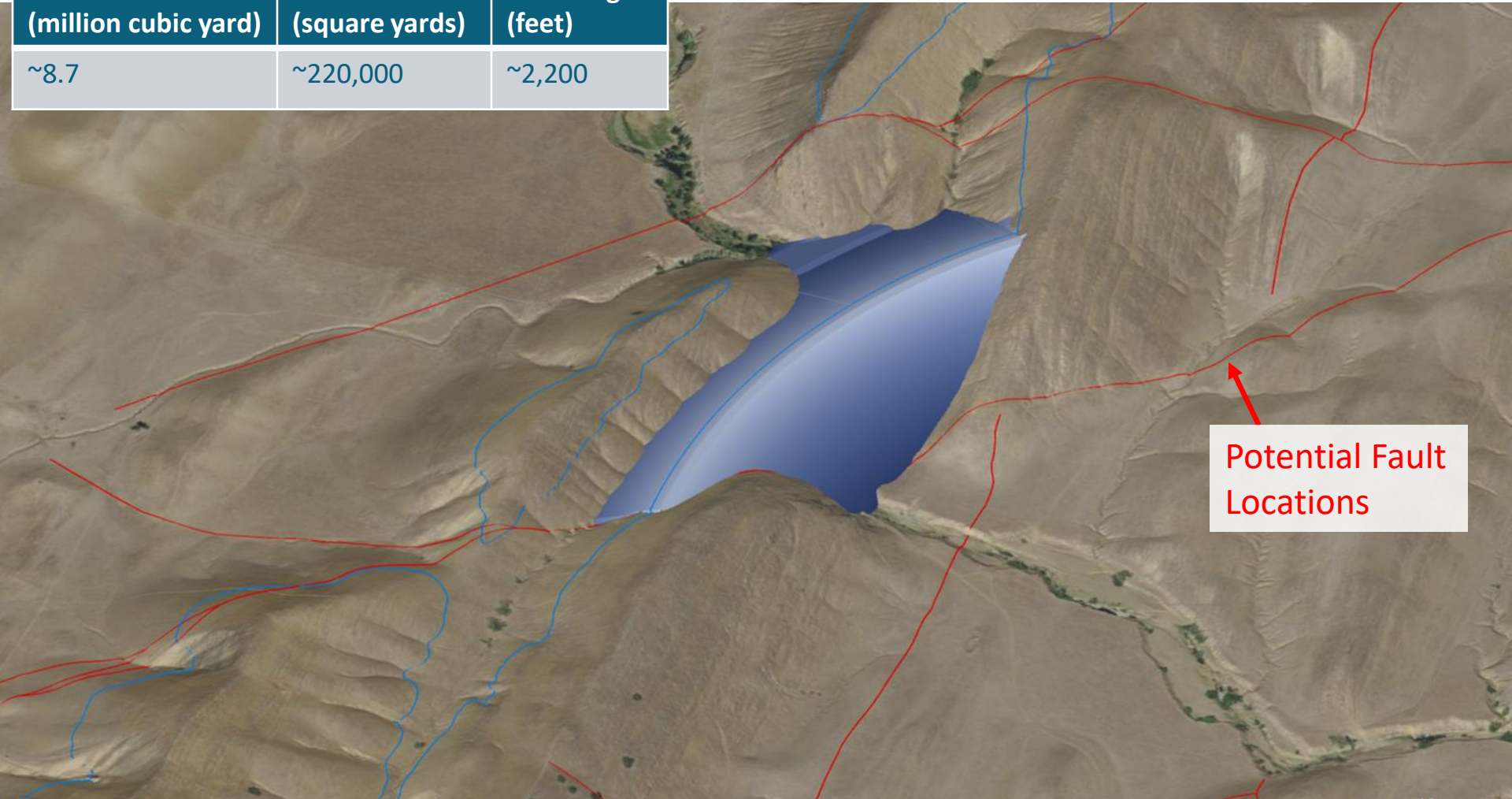
- It allows sub-projects to be more readily started, slowed, or stopped with program changes
- Reporting can focus on sub-project performance and efficiencies
- Activities can be tracked for funding eligibility by funding source (ex: WIFIA eligible costs)
- Project costs can be tracked by facility and as a cost of developing “Base” or “Downstream” facilities
- It represents a movement of the project from Program Planning to Project Delivery

The Golden Gate Foundation Excavation sub-project starts with a value engineering process

1. Perform Focused Geotechnical Exploration at Right Abutment of Middle and Upstream Alignments
2. Incorporate Geotechnical Data into Alignment Evaluation
 - a) Safety
 - b) Cost and Schedule/Risks
3. Design Engineering Team Presents Recommended Alignment to Authority
4. Focus remaining Geotechnical Exploration on Selected Alignment

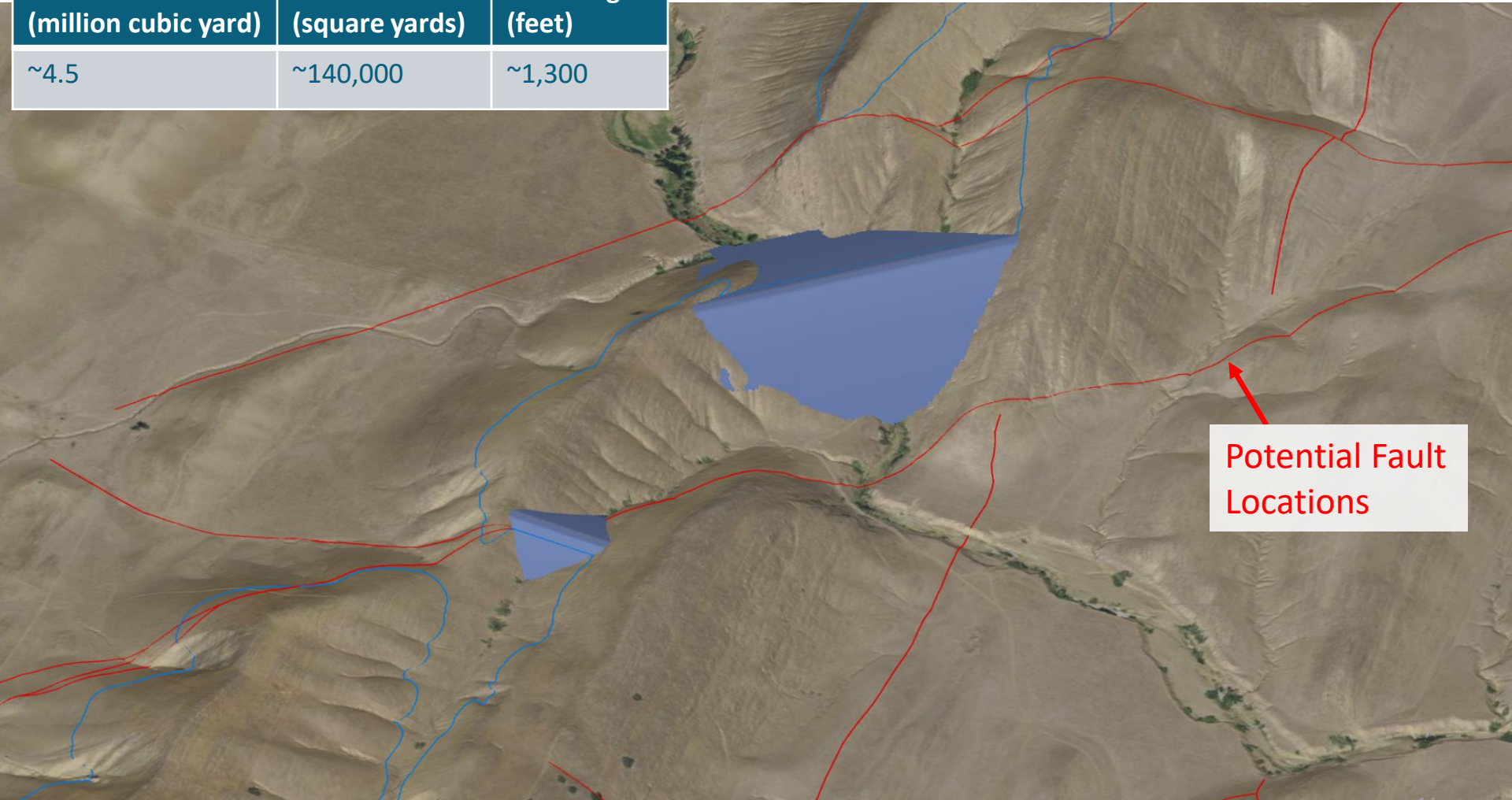
Example: Golden Gate Dam Foundation Excavation Sub-Project Value Engineering Considerations

Volume (million cubic yard)	Area (square yards)	Axis Length (feet)
~8.7	~220,000	~2,200



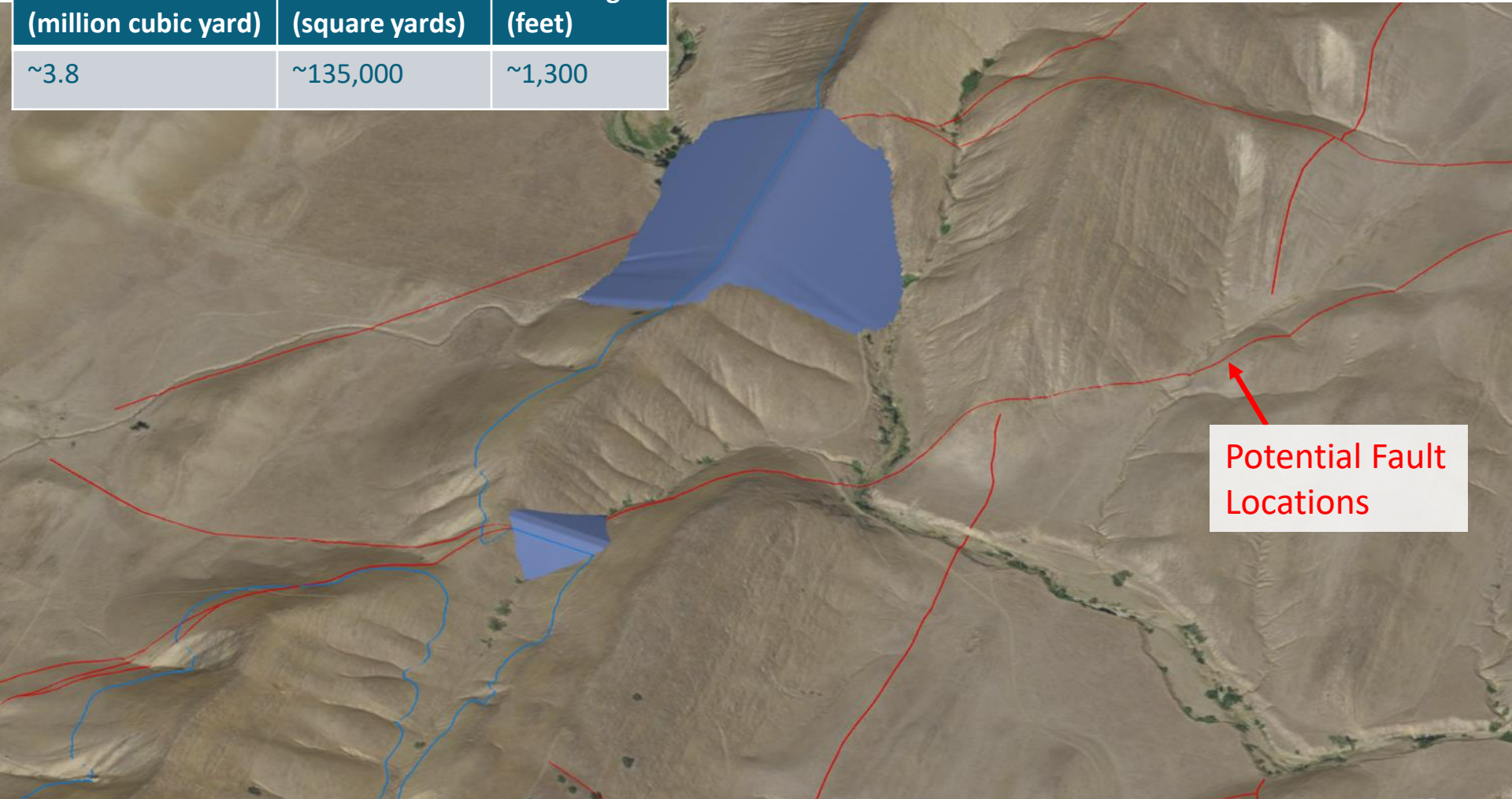
Value Engineering: Potential Middle Option

Volume (million cubic yard)	Area (square yards)	Axis Length (feet)
~4.5	~140,000	~1,300



Value Engineering: Potential Upstream Option

Volume (million cubic yard)	Area (square yards)	Axis Length (feet)
~3.8	~135,000	~1,300



Optimizing the Golden Gate Dam moves the needle on cost and affordability

Alignment	Approximate Volume (million cubic yards)	Approximate Area (square yard)	Approximate Axis Length (feet)
Current Design	8.7	220,000	2,200
VE: Potential Middle Option	4.5	140,000	1,300
VE: Potential Upstream Option	3.8	135,000	1,300

- Value engineering options have potential cost savings of up to \$200 million
- Additional geotechnical data is required to confirm viability of value engineering options and progress engineering analyses
 - Focus geotechnical investigations to inform assessment of Golden Gate Dam Middle/Upstream options and advance Foundation Excavation sub-project towards a 60% design level

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Staff Proposed Changes to Amendment 3 Project Agreement

- Extend A3 work period new end date – Dec 31,2025
- Revise timing of \$40/AF 2023 cash call – Jan 1, 2025

These types of Project Agreement changes have occurred in the past

- RC/AB approval 75% vote – required Project Agreement/Bylaws material changes
- Meeting record serves as formal documentation changes/satisfies 75% threshold
- No home board approvals required presume each Participant rep authority to commit its agency to changes

Questions?

