



Requested Action:

Reservoir Committee and Authority Board consider approval of:

1. Revised Fiscal Year 2024 Expense Budget.
2. Adjust the total consultant contract authority for specified consultant contracts to cover Fiscal Year 2024 and 2025 work scope items.

Detailed Description/Background:

The Sites Project Authority approved a revision to the Amendment 3 Work Plan in October 2023, which reflected changes to the original work plan related to adding a year to the work period as well as a reprioritization of work focused on execution of the Benefits and Obligations Contracts and critical path activities identified in the project schedule. During the adoption of the Revised Amendment 3 Work Plan, a budget for 2024 was approved for use in bringing consultants under contract for services to be performed in 2024.

2024 Expense Budget Revisions

With the approval of the 2024 annual budget, staff began negotiating scope and budget changes with the consultants to align future work with the priorities outlined in the revised Amendment 3 Work Plan and the Preliminary Initial Overall Project Schedule. As a result of consultant negotiations, relatively minor changes were applied to the budgets approved in October 2023. The table below outlines the proposed budget changes by subject area for each year, including the 2-year total. While the requested action is to approve the revised 2024 budget, the 2025 and 2-year total budgets are also provided for planning purposes and should be considered as informational at this time.

Takeaways from the revised budget include:

- An increase to the overall 2-yr budget of \$400k or a change of less than 1%. This overage will be addressed in the FY2025 Budget approval that occurs at the end of 2024. Staff expects budget changes to occur throughout 2024 and is confident there is adequate flexibility to address this without impacting the completion of critical work. The Board has seen in past years how budgeted overruns have been effectively managed without impact on the project. The one thing that is different here that Staff will watch carefully as we reach the end of 2025 when available funds and flexibility becomes more limited without new revenues.

- Several subject areas require an adjustment to timing of expenses between 2024 and 2025.
- Several subject areas require minor changes to the 2-year totals, the largest being \$320k.

Subject Area	2024			2025			Total		
	Current 2024 Budget	Revised 2024 Budget	2024 Delta	Current 2025 Budget	Revised 2025 Budget	2025 Delta	Current 2-yr Total	Revised 2-yr Total	Total Delta
Communications	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Engineering	\$ 27,300,000	\$ 25,000,000	\$ 2,350,000	\$ 10,000,000	\$ 12,400,000	\$ (2,420,000)	\$ 37,300,000	\$ 37,400,000	\$ (60,000)
External Affairs	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ 800,000	\$ 800,000	\$ -
General Project Activities	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Permitting	\$ 7,000,000	\$ 8,900,000	\$ (1,930,000)	\$ 7,200,000	\$ 5,600,000	\$ 1,660,000	\$ 14,200,000	\$ 14,500,000	\$ (280,000)
Planning	\$ 400,000	\$ 500,000	\$ (50,000)	\$ 500,000	\$ 100,000	\$ 330,000	\$ 900,000	\$ 600,000	\$ 280,000
Program Ops	\$ 6,700,000	\$ 6,500,000	\$ 130,000	\$ 6,900,000	\$ 7,400,000	\$ (450,000)	\$ 13,600,000	\$ 13,900,000	\$ (320,000)
Real Estate	\$ 6,200,000	\$ 6,200,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 8,300,000	\$ 8,300,000	\$ -
Total	\$ 48,900,000	\$ 48,400,000	\$ 500,000	\$ 28,100,000	\$ 28,900,000	\$ (880,000)	\$ 77,000,000	\$ 77,400,000	\$ (380,000)

The proposed allocation of budget by subject area for the remainder of Amendment 3 remains very similar to the allocation that was approved in October 2023, as shown in the table below.

Subject Area	Percent of Total Budget	
	Current 2-yr Total	Revised 2-yr Total
Communications	1%	1%
Engineering	48%	48%
External Affairs	1%	1%
General Project Activities	1%	1%
Permitting	18%	19%
Planning	1%	1%
Program Ops	18%	18%
Real Estate	11%	11%
Total	100%	100%

Consultant Contract Authority – 2024 Task Order Amounts by Consultant

Changes to the expenses budget due to the revised Amendment 3 Work Plan have resulted in a need to increase the not-to-exceed contract authority of many existing consultants identified to support the execution of the work plan. It should be noted that approximately \$20M in additional expense budget has been added to the project with the approved extension of the Amendment 3 work period to include 2025. The following table provides the requested increase to not-to-exceed contract authority by consultant.

Consultant	Existing 3-yr Total	Proposed 4-yr Total	Change
HDR	\$ 12,539,934	\$ 18,311,562	\$ 5,771,628
BC	\$ 10,131,961	\$ 13,581,064	\$ 3,449,103
Katz	\$ 1,620,109	\$ 2,051,106	\$ 430,997
CH2M Operations	\$ 2,579,987	\$ 2,689,091	\$ 109,104
ICF	\$ 11,988,357	\$ 12,167,145	\$ 178,788
CH2M Conveyance	\$ 10,631,718	\$ 11,951,435	\$ 1,319,717
Fugro	\$ 20,223,351	\$ 21,297,369	\$ 1,074,019
Dunn Consulting	\$ 328,320	\$ 432,000	\$ 103,680
Catalyst Group	\$ 94,136	\$ 237,591	\$ 143,455
MBK Engineers - Operations	\$ 452,037	\$ 581,388	\$ 129,351
Montague DeRose & Associates	\$ 855,000	\$ 1,176,414	\$ 321,414
Nossaman, LLP*	\$ 880,327	\$ 1,545,740	\$ 665,413
Perkins Coie, LLP*	\$ 2,511,516	\$ 2,980,943	\$ 469,427
Somach Simmons & Dunn	\$ 1,047,436	\$ 1,792,855	\$ 745,419
Stradling, Yocca, Carlson & Rauth	\$ 356,243	\$ 945,665	\$ 589,422
The Ferguson Group	\$ 674,740	\$ 962,580	\$ 287,840
Young Wooldridge	\$ 464,101	\$ 512,439	\$ 48,338

*Contract Authority for Nossaman LLP and Perkins Coie LLP reflects pending Board action in the same Board agenda

Prior Action:

October 2023 –_Approved the Amendment 3 Work Plan Update including a 1-yr extension to include 2025 and the 2024 Budgets.

Fiscal Impact/Funding Source:

The proposed budget changes result in a reduction of the 2024 budget by \$500k and a planned increase of the 2025 budget by \$880k for an overall 2024 and 2025 expense total of \$77.4M, or an approximately \$400k increase from what was provided in the revised Amendment 3 Work Plan. Staff will continue to monitor expense and revenue assumptions regularly and provide updates at semi-annual work plan check-ins.

Approval of the not-to-exceed contract authority will allow the Executive Director to execute contracts with the various consultants necessary to perform the work plan.

Staff Contact:

Marcus Maltby/Joe Trapasso

Primary Service Provider:

Brown and Caldwell

Attachments:

None