



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

**July 18, 2025**

Subject: **United States Army Corps of Engineers Reimbursable Agreement**

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**Requested Action:**

Reservoir Committee and Authority Board consider authorizing the Executive Director to enter into reimbursable agreement with the United States Army Corps of Engineers to reimburse for expediting and priority review of the Project's permitting (including permit implementation) under the Army Corps' jurisdiction for a total of up to \$2,500,000 through September 30, 2035, with an initial payment of \$250,000 through September 30, 2026.

**Detailed Description/Background:**

The Army Corps' funding for technical assistance, permit issuance and overseeing permit implementation under the Clean Water Act and the Rivers and Harbors Act is generally provided by Congress. Pursuant to Section 214 of the Water Resources Development Act (WRDA) of 2000, as amended, the Army Corps may accept and expend funds contributed from non-federal public entities to provide priority review of permit applications that are related to a project or activity for a public purpose under the jurisdiction of the Department of the Army. The WRDA stipulates that use of such funds will not impact the impartial decision-making of the Army Corps either substantively or procedurally.

Due to current workload, the Army Corps has a backlog of permit applications. Although Army Corps staff have been exceptionally responsive and helpful to date, Authority staff are concerned that recent and future changes in staffing in the Army Corps may affect the Project's permitting timelines and the overall Project schedule. This constraint would likely substantially delay the issuance of subsequent permits under the Department of the Army's jurisdiction. The Clean Water Act Section 404 permit is one of the critical permits the California Water Commission has identified as necessary to proceed to investor commitment. Future Clean Water Act permits and permits under the Rivers and Harbors Act will be necessary as construction proceeds. The proposed action is to establish a reimbursement agreement to pay for expediting and priority review of the Project's permitting (including permit implementation) under the Army Corps' jurisdiction.

Under the agreement, the Army Corps would expedite and give priority to the Project. Their actual time working on the Project would be reimbursed by the Authority.

Staff believe that the reimbursable agreement offers the following benefits to the Authority:

- Although the agreement is not paying for specific staff, the Authority has been working with the Army Corps Clean Water Act permitting staff primarily in the Corps Redding Office. Army Corps staff on the Project have been consistent for the past several years. Reimbursement of staff time in this office working on the Project reduces the Authority costs in having to re-educate and build relationships with new Corps staff members as they change. Working with the smaller Redding Office brings consistency in staff along with experience and creativity to the complex issues associated with this Project.
- Reimbursement of staff time and the commitment from the Army Corps to expedite the Project is also going to ensure that Army Corps staff are not being pulled away by other large projects in California, delaying permit certainty.

The Army Corps reimbursable agreement is structured differently than the Authority's agreement with California Department of Fish and Wildlife and National Marine Fisheries Service. Under the Army Corps reimbursable agreement, the Corps will provide an estimate of their level of effort for the upcoming Federal fiscal year and provide that estimate to the Authority. The Authority then pays for the activities for the upcoming year in lump sum. The Corps staff then charge their time to the Authority for work on the Project activities. Any funds remaining at the end of the year are rolled forward into the next year.

The agreement includes provisions for the Corps to notify the Authority of potential funding shortfalls if the level of effort is anticipated to be greater than expected for the year. The Corps typically reports on expenditures annually, but the Authority has requested quarterly reporting, and the Corps has agreed to this. Consistent with the agreement terms, only actual time working on the Project activities is allowable to be reimbursed by the Authority (for example, a supervisor's time overseeing a team member is not allowable unless the supervisor is working directly on a Project activity, such as reviewing a draft permit prepared by the team member).

**Prior Action:**

None.

**Fiscal Impact/Funding Source:**

The budget adopted at the June 2025 Board meeting included \$100,000 for this activity. It was discussed with the update to the Amendment 3 Work Plan that

funds set aside for “Work Package #1” would be available should additional work be required in support of the Project’s three strategic imperatives.

As a result, the remaining \$150,000 to reach the negotiated fee with Army Corps would come from the budget line item identified for Work Package #1. The initial \$250,000 is anticipated to reimburse for actual Army Corps staff time up to September 30, 2026. A reconciliation effort comparing actual Army Corps staff cost against the \$250,000 budget will be performed at least annually and any budget adjustments will be captured and reassigned as available.

Additional funds would be allocated prior to September 30, 2026, based on the anticipated level of effort for the next federal fiscal year of activities. Additional funds would be allocated for future years based on the anticipated activities for that year. In general, the budget proposal is based on one full-time equivalent at a senior scientist level. Budget allocations beyond calendar year 2025 will be brought forward at a future Board meeting.

**Staff Contact:**

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**Primary Service Provider:**

N/A

**Attachments:**

None.