Operations & Engineering Workgroup

July 8, 2026

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Agenda

1.1 - Discuss the first two years of Phase 3 (Design, Land Acquisitions and Pre-Construction Activities)

1.2 - Review conveyance agreements and rate development for existing facilities and systems.

Agenda Item 1.1

Discuss the first two years of Phase 3 (Design, Land Acquisitions and Pre-Construction Activities)

JP Robinette

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For Today

Issue for Discussion

- Discuss Phase 3 activities for 2027 and 2028

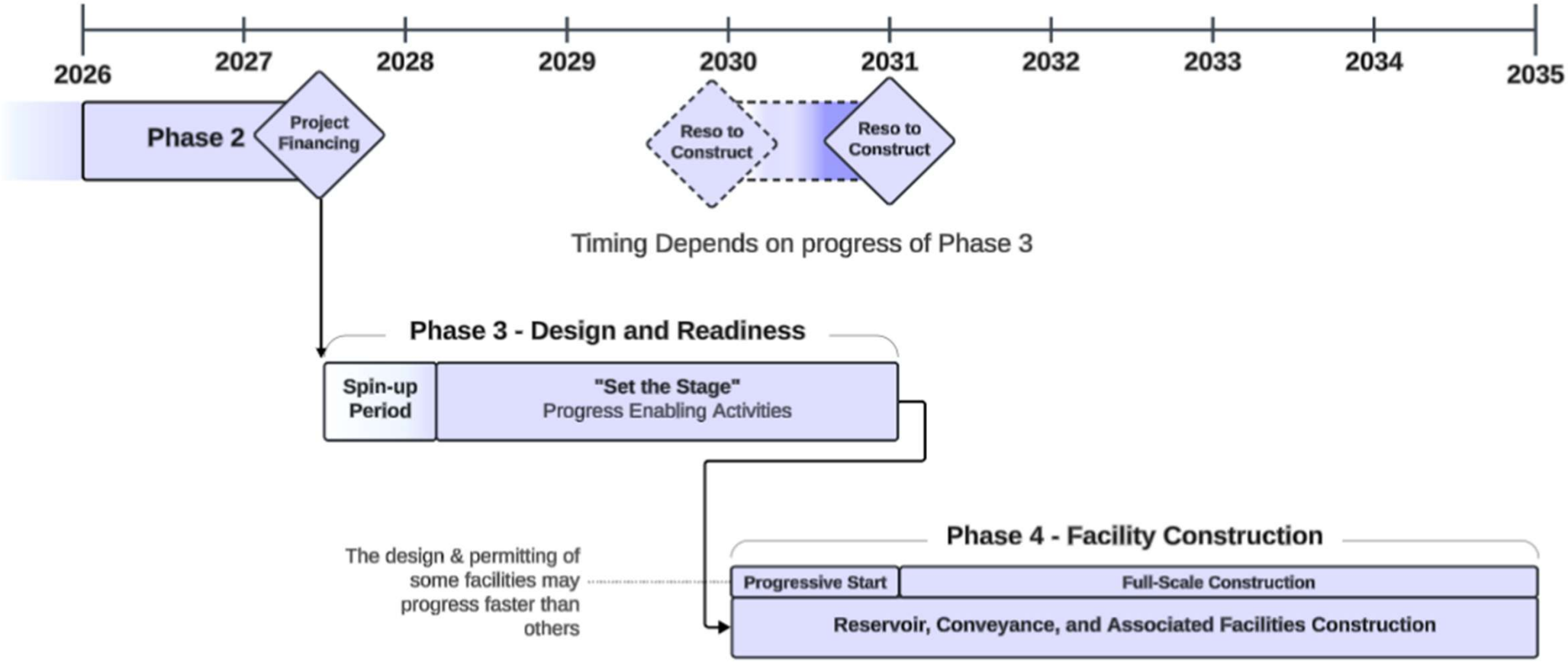
Policy Direction Needed

- Build understanding of construction enabling activities that require funding in 2027 and 2028 to support the critical path and reduce cost and schedule uncertainty.

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Project Phases

Dates shown for illustration purposes only – updated overall schedule being developed



Purpose of Phase 3 – Set the Stage for Construction

Enabling Activities → Construction Readiness

Enabling Activities

- Build out Delivery Team
- Land purchase
- Environmental baseline surveys
- Permit authorizations
- Geotechnical investigations
- Design
- Secure compensatory mitigation

Enable Efficient Construction

Complete enabling activities and build sufficient runway for Major Construction

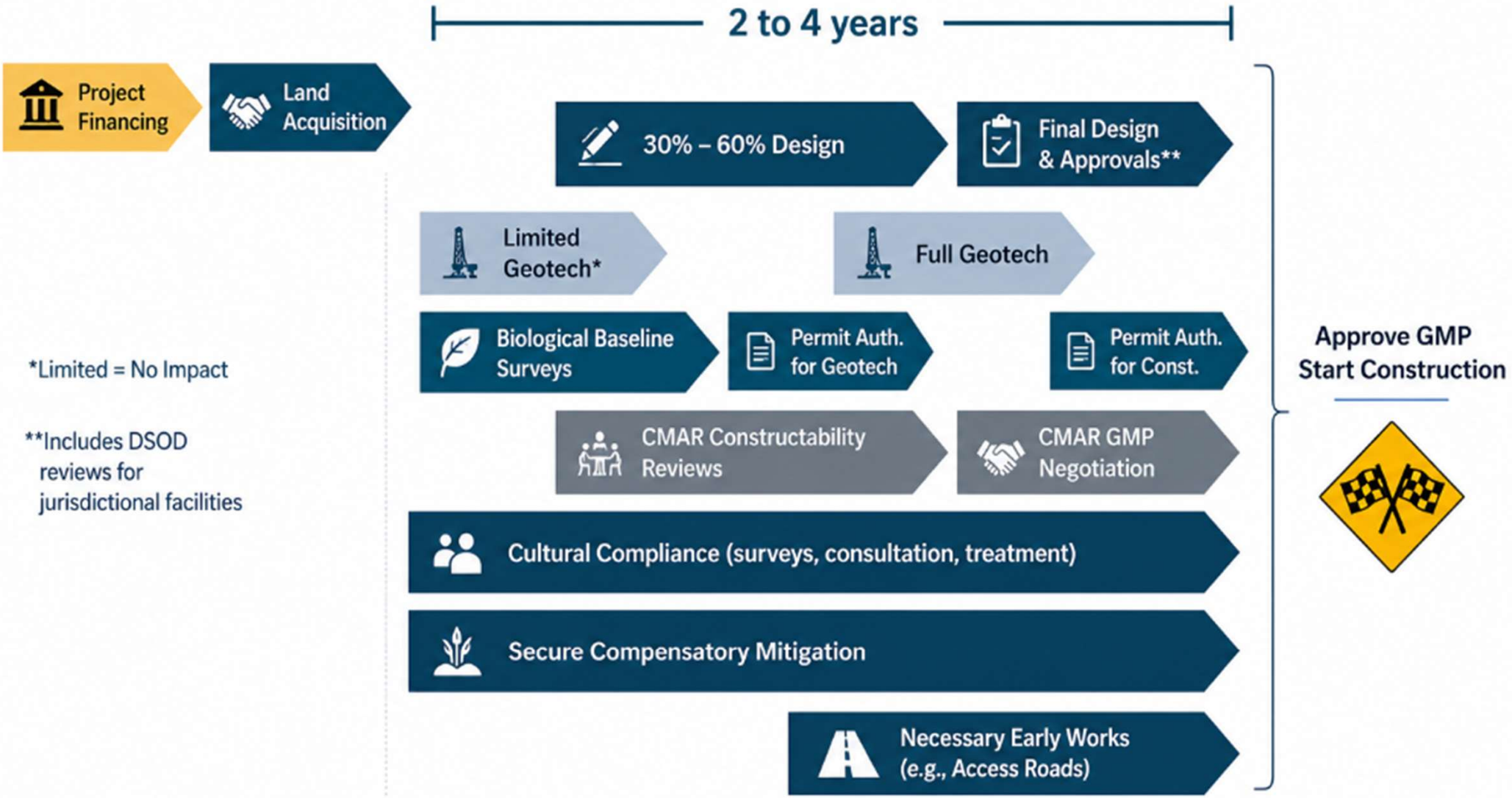
Refine Cost & Schedule

Complete geotechnical investigations and design

Advance Project & Risk Understanding

Transition from “desktop “ to “field” level of understanding

Activities Required for a Major Facility



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Land Acquisition



Land Acquisition (cont.)

Factors Influencing Land Acquisitions



These external factors create schedule uncertainty.

Environmental Baseline Surveys

- Permits were obtained prior to property access.
- Agencies require baseline environmental surveys after access is obtained. Surveys include multiple resource areas: *Botany, Wildlife, Wetlands, Cultural resources*
- Botany and biological surveys need to occur in specific seasons, as required by the Permits.
- Current planning assumes approximately up to two years to complete baseline environmental surveys and obtain associated permit authorizations. Coordinating with resource agencies on summary reports and durations.

Cultural Resource Compliance

- Section 106 compliance is a process that requires extensive consultation with Tribes, along with State and Federal agencies.
- The Section 106 Programmatic Agreement allows the Project to perform Section 106 compliance in phases called Work Plans.
- As the lead federal agency, Reclamation is responsible for the Section 106 process, including consultation with Tribes and SHPO.
- **Key Takeaway:** Prioritizing cultural resource investigations, establishing and maintaining Tribal relationships, and timely Section 106 consultation are essential to getting into construction and reducing risks.

Compensatory Mitigation

- Each permit requires that the Project's impacts are offset through the securing compensatory mitigation.

- The schedule must account for procuring a mitigation contractor and providing sufficient time for that contractor to identify, acquire, and establish the required mitigation lands.

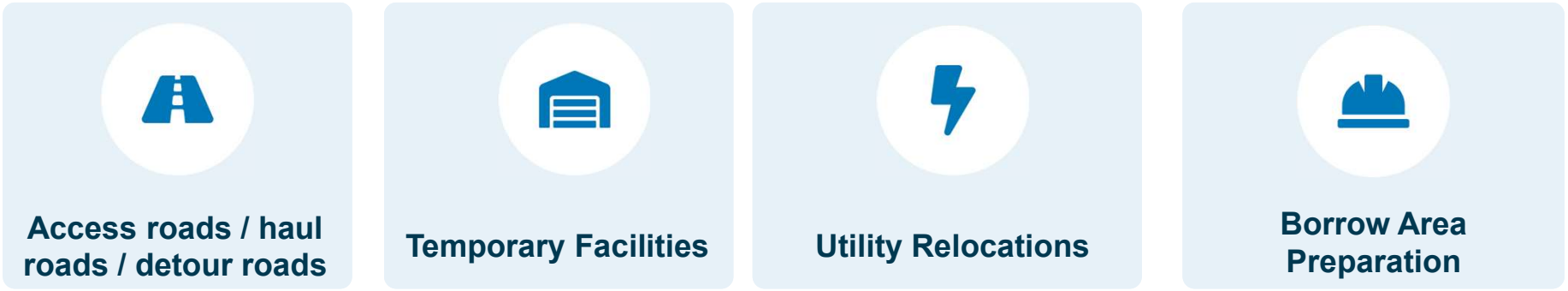
- **Key Takeaway:** Compensatory mitigation must be planned and implemented early enough to support the overall construction schedule.

Geotechnical Investigations and Design

1. Geotechnical data is primary driver of the final design schedule.
2. Some investigations depend on construction permits, linking them to the environmental survey schedule.
3. The majority of geotechnical investigations remains to be completed during Phase 3.
4. Field investigations help identify, design for, and mitigate construction risks and increase confidence in cost and design.

Phase 3 - Early Works Construction Items

- Early works set the stage for major construction effort and could include:



Phase 3 - Evolution of Project Understanding

DESKTOP UNDERSTANDING
"What we think we know"

FIELD UNDERSTANDING
"What we know"





REDUCING UNCERTAINTY

What Success Looks Like 2 years after the Start of Phase 3?

Set the stage for construction through completing enabling activities

Evolve to a field understanding of the project

Enable Efficient Construction

Completion of enabling activities

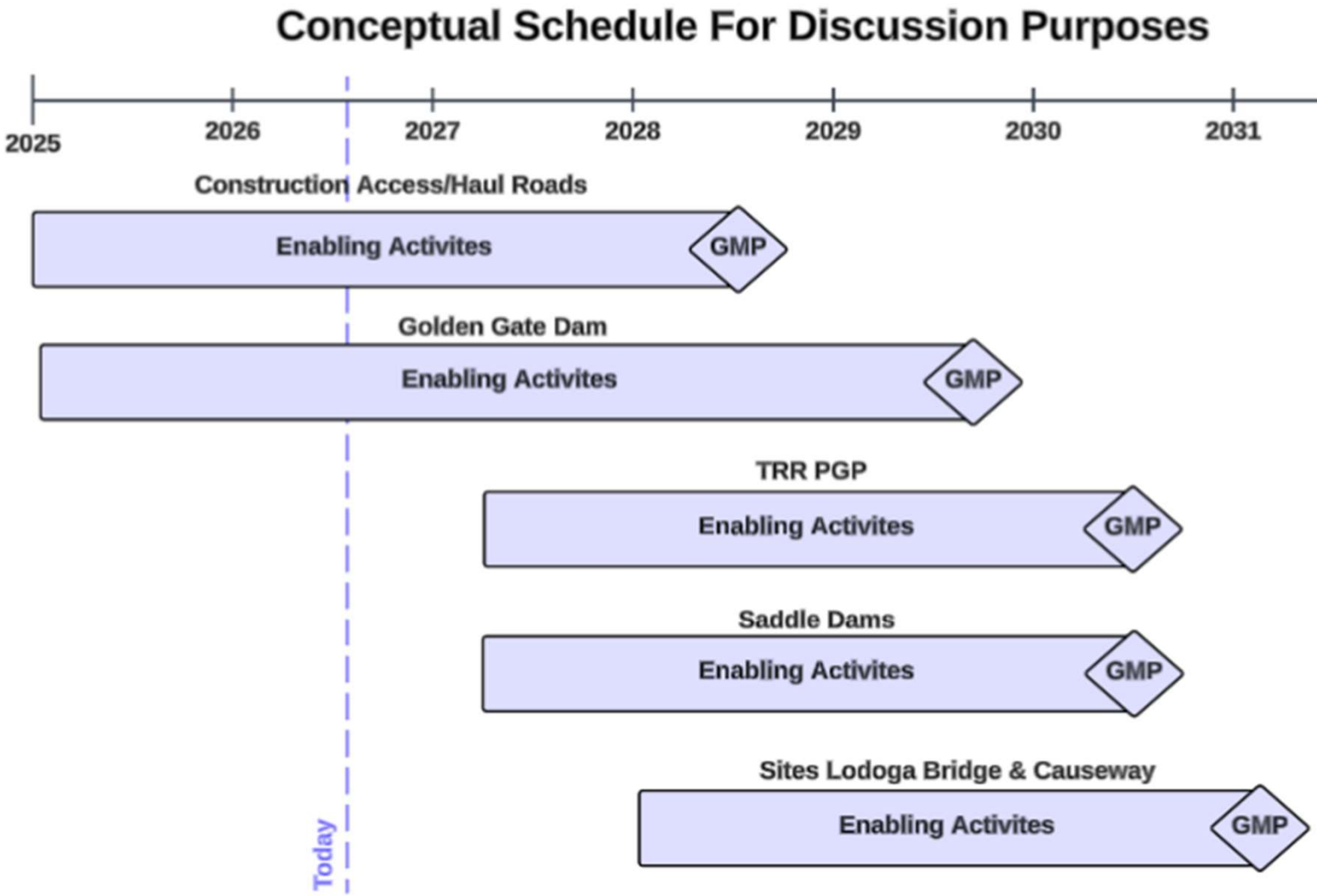
Refine Cost & Schedule

Through investigations and design development

Advance Project & Risk Understanding

Transition from “desktop “ to “field” level of understanding

As enabling activities are completed, designs will be finalized and GMPs will be issued



KEY TAKEAWAYS

GMPs are issued as enabling activities are completed on a package-by-package basis

As GMPs are issued, the project budget certainty increases

Summary

Key Points

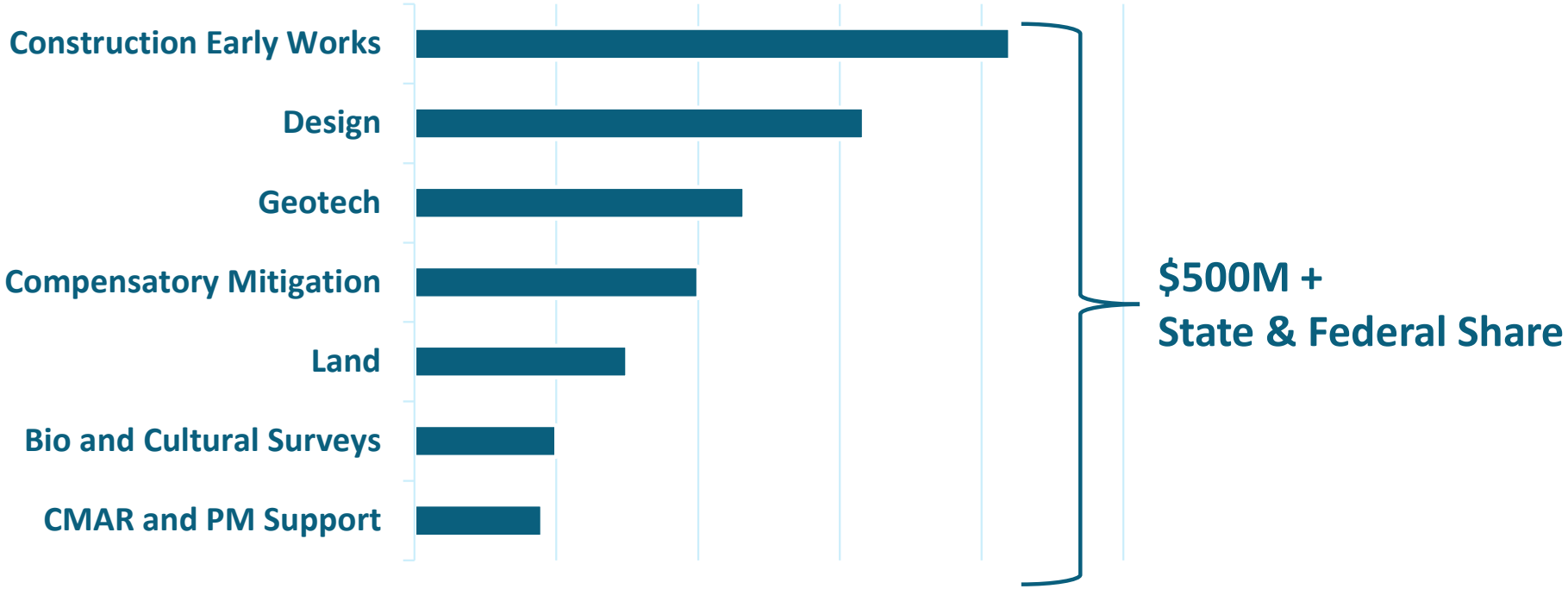
1. Enabling activities are key progress milestones, which start with land acquisitions.

2. Construction proceeds after enabling activities build adequate runway.

3. Phase 3 reduces cost and schedule uncertainties before major construction begins.

Tie to Budget – IN PROGRESS

Conceptual Budget for First Two Years of Phase 3



Agenda Item 1.2

Review conveyance agreements and rate development for existing facilities and systems

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Issue for Discussion

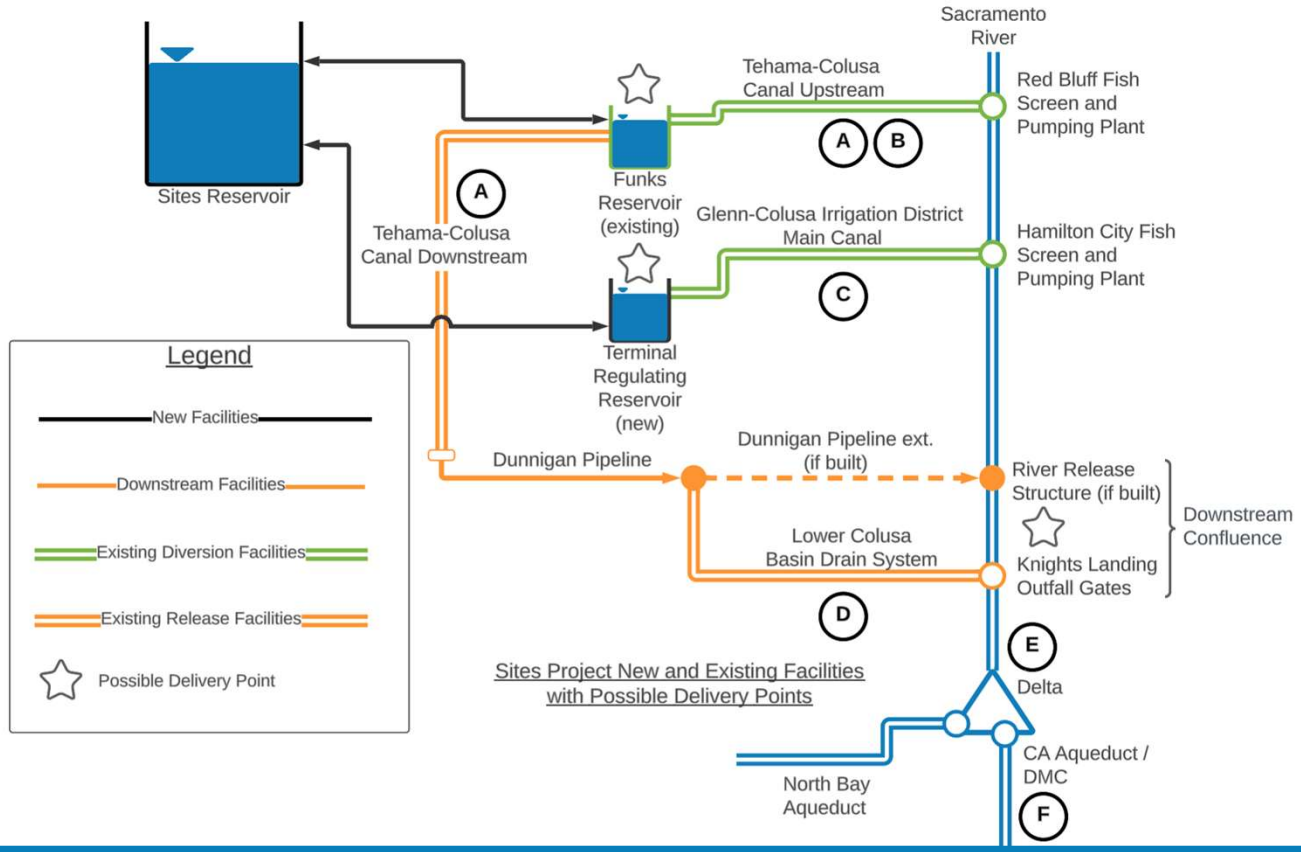
- Conveying water requires the use of existing facilities administered under various agreements with other entities

Policy Direction Needed

- Build understanding of the agreements for conveyance and their cost components to be included in the Plan of Finance (and the Program Baseline Report)

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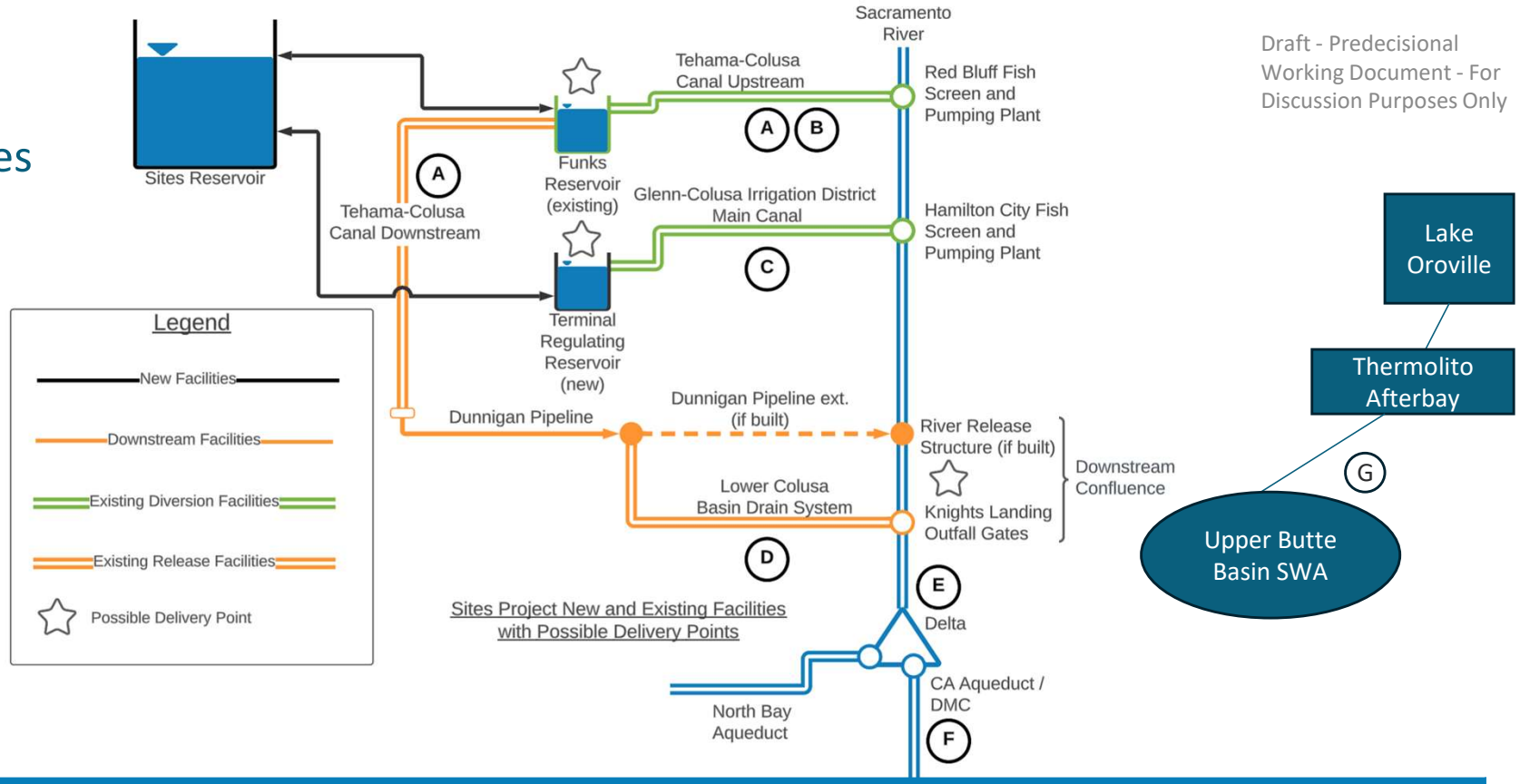
Participant Deliveries



LABEL	AGREEMENT	PLAN OF FINANCE (tentative amts in 2026$, excludes power cost)
A	TCCA, FUA	$15/AF fill, $10/AF releases
B	Recl, Excess Capacity	$4/AF, covers fills and releases
C	GCID, FUA	$24/AF fill (includes power costs)
D	Various, incl. RD108 Ops	$6/AF releases
E	DWR/Reclamation Ops Agmt	20%-30% Carriage Water Loss (in Ops model)
F	Reclamation, Excess Capacity DWR, Conveyance SLDMWA, Non-Federal OE	$3/AF (depends on POD) $23/AF (depends on POD) $28/AF (depends on POD)

State Prop 1
Refuge Deliveries

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LABEL	AGREEMENT	PLAN OF FINANCE (tentative amts in 2026$, excludes power cost)
A	TCCA, FUA	$15/AF fill, $10/AF releases
B	Recl, Excess Capacity	$4/AF, covers fills and releases
C	GCID, FUA	$24/AF fill (includes power costs)
D	Various, incl. RD108 Ops	$33/AF releases (includes losses, lost opportunity costs, and RD108 charges)
E	DWR/Reclamation Ops Agmt	20%-30% Carriage Water Loss (in Ops model)
F	Reclamation, Excess Capacity DWR, Conveyance SLDMWA, Non-Federal OE	$3/AF (depends on POD) $23/AF (depends on POD) $28/AF (depends on POD)
G	DWR, Exchange Western Canal or Richvale ID, MOU	~TBD $10-$15/af

Engineering and Construction Manager's Report

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Engineering and Construction Manager's Report

- Program Baseline Report Updates
- Conveyance CMAR Update and Next Steps
- Permit Authorizations Status and Next Steps
- Future Topics

Questions?