



Topic: **Reservoir Committee Agenda Item 4-3**      **2019 June 20**

Subject: **2019 Work Plan Revision**

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**Requested Action:**

Consider approval of the revised 2019 Work Plan as presented in Attachment A: Revised 2019 Reservoir Project Agreement, Exhibit B.

**Detailed Description/Background:**

The Budget and Finance Work Group has done a detailed review of the revised 2019 Work Plan and the details associated with the reductions. The previously approved 2019 Work Plan assumed that some engineering activities would be funded by appropriations from the WIIN Act, with associated cost share revenue through the WSIP. The revised 2019 Work Plan removes WIIN Act Revenue from the 2019 Work Plan to ensure a positive cash flow is maintained throughout 2019 should further delays occur. The revised 2019 Work Plan also reduces the revenue received from Reservoir Committee participation to reflect actual participation. The reduction in these two revenue sources results in a reduction of reimbursement of eligible cost-share through the WSIP Early Funding Agreement. Expenses were reduced to ensure consistent positive cash flow throughout 2019. The revised 2019 Work Plan:

- Prioritizes work related to the reservoir operations, permitting, and environmental planning
- Defers the ramp up of management, integration, and control functions
- Defers engineering design work that is not on the critical path
- Defers power supply and hydropower generation related work
- Defers field data collection and surveys, that are not on the critical path or that are dependent upon when WIIN Act funds become available

Should WIIN Act (or other federal funds) become available during FY2019, the associated preliminary engineering and pre-construction activities would resume.

**Prior Reservoir Committee Action:**

May 20, 2019: The Reservoir Committee deferred back to the Budget and Finance Work Group for further evaluation.

November 16, 2018: The Reservoir Committee approved their portion of the work plan and Exhibit B for inclusion in the Participation Agreement.

November 19, 2018: The Authority Board approved the Final Work Plan and Budget.

July 16, 2018: The Authority Board approved the "Workplan and Monthly Cashflow Analysis for Phase 2 for the Sites Reservoir Project" with its release solely for the following uses:

1. Development of the Phase 2 Finance Plan.
2. Developing an Exhibit to include in the Phase 2 Reservoir Project Agreement.
3. Developing an Exhibit to include in the Phase 2 Procurement Request for Qualifications.
4. Developing the FY2019 Budget.

**Fiscal Impact/Funding Source:**

This change does not require any additional revenue. It is deemed to be revenue-neutral relative to the currently approved budget. Expenses were reduced to ensure consistent positive cash flow throughout 2019.

**Staff Contact:**

Joe Trapasso

**Attachments:**

Attachment A – Revised 2019 Reservoir Project Agreement, Exhibit B

EXHIBIT B  
RESERVOIR COMMITTEE  
2019 WORK PLAN

2019 June 20 Revised Phase 2 Reservoir Committee Meeting - Attachment A - Agenda Item 4-3

Proposed Budget  
Res. Comm= 9 mon

Expense (-) or Revenue (+)	Cost Center	Task	2019 Budget
Expense	C.R. Policy		\$ (1,472,023)
	Engagement		\$ (60,000)
	Operations	Contingency	
		Env Interests	\$ (79,233)
		Exchange	\$ (72,807)
		Modeling	\$ (611,862)
		Op POA	\$ (146,062)
		Staff+	\$ -
		Storage	\$ (342,113)
		Water Rights	\$ (208,390)
		Water Rights+	\$ (186,133)
	<b>Operations Total</b>		<b>\$ (3,178,623)</b>
	Power	Grid Interconn+	\$ -
		H2oPower+	\$ -
		Staff Aug+	\$ -
		Staff+	\$ -
	<b>Power Total</b>		<b>\$ -</b>
	Res. Comm. OH	Advisory	\$ (20,000)
		Office	\$ (3,240)
		Participation	\$ (347,000)
		PROCURE	\$ -
		PROCURE-2	\$ -
		Rebalance	\$ (230,000)
		Staff	\$ (1,078,200)
		Staff Aug	\$ (3,866,008)
		Staff Aug+	\$ -
		Support	\$ (46,800)
		Legal	\$ (126,000)
		Technology	\$ (5,760)
		USDA-1	\$ -
		WSIP-1	\$ -
	<b>Res. Comm. OH Total</b>		<b>\$ (5,723,008)</b>
	Water	Dam Design	\$ -
		Economics+	\$ -
		EIR-EIS	\$ (1,992,848)
		Field Studies	\$ (230,847)
		Field Surveys	\$ (100,000)
		Permit Coord	\$ (3,192,705)
		Rights of Entry	\$ (456,810)
	<b>Water Total</b>		<b>\$ (5,973,210)</b>
<b>Expense Total</b>			<b>\$ (14,874,842)</b>
Revenue	C.R. Policy		\$ 1,472,023
	Res. Comm.		\$ 11,560,000
	WIIN		\$ -
	WSIP		\$ 1,880,000
<b>Revenue Total</b>			<b>\$ 14,912,023</b>
<b>Grand Total</b>			<b>\$ 37,181</b>