



WATER RESOURCES AGENCY

MEMORANDUM

Monterey County

DATE: October 8, 2019

TO: Monterey County Legislative Committee
FROM: Brent Buche, General Manager
SUBJECT: Agency projects and WIIN Act

On September 5, 2019 Agency staff, CAO office staff, and the County's state and federal lobbyists held a conference call with Bureau of Reclamation (BOR) staff in the Division of Planning to discuss the likelihood of Agency projects being eligible as a State-led storage project under the Water Infrastructure Improvements for the Nation (WIIN) Act.

BOR staff stated that the San Antonio Emergency Spillway Project would not be a good fit for this as dam safety is not applicable to this section of the WIIN Act.

The Interlake Tunnel and Spillway Raise Project (ILT) would be eligible under this program. To be considered for funding the project would need a feasibility study completed by July 31, 2020. Substantial design and environmental review must be completed to meet the feasibility study deadline.

The Agency has evaluated the ILT project against the attached feasibility determination checklist to identify a schedule, work plan and budget to complete the feasibility study.

Based on the complexity of these tasks, several things would have to be completed by early November for the Agency to be able to meet the July 2020 deadline:

1. The Agency would need a "Contributing Funds Agreement" with BOR that would enable BOR staff to assist with developing the study. This will allow the study to be completed in a manner that meets BOR criteria, since there will be no time for re-writes. BOR estimates the average agreement is \$25,000. The Agency currently does not have funds designated for BOR assistance.
2. The project description for the ILT would need to be finalized and the EIR process jumpstarted and fast tracked. The project description has been on hold waiting for the USGS to complete the model.
3. Not all the tasks outlined in the checklist or in the feasibility study itself can be covered by the existing DWR grant. By reviewing other completed feasibility studies,

the Agency has determined that in addition to what tasks overlap with the DWR grant scope of work an additional \$350,000 to \$450,000 would be required to perform the work necessary to complete the feasibility study by July 2020. The Agency has no funding available for this additional work.

Conclusion

The Agency will work to develop the project description for the ILT by the end of the month, if the necessary modeling becomes available.

The Agency has funding challenges to entering into a “Contributing Funds Agreement” or performing the necessary tasks that fall outside the DWR grant. Before an effort is made to identify the funding, the Agency has asked some questions of BOR and are awaiting a response. The main questions are regarding timing on how long it would take to enter into a “Contributing Funds Agreement” and how long the Design, Estimating and Construction (DEC) Review of the feasibility study by BOR would take. The time necessary for that review alone may make meeting the July 31, 2020 deadline infeasible.

Water Infrastructure Improvements for the Nation (WIIN) Act Section 4007 – State-Led Storage Project Checklist

Feasibility Determination Checklist:

✓	Requirement:	References:
		WIIN Act Section and Reclamation Manual
	Engineering (Technical) Feasibility; Feasibility-level Design and Cost estimates	4007(c)(2)(B)(i) Reclamation Directive and Standard FAC 09-01 https://www.usbr.gov/recman/fac/fac09-01.pdf Reclamation Directive and Standard FAC 03-03 https://www.usbr.gov/recman/fac/fac03-03.pdf
	Design, Estimating, and Construction (DEC) Review	Reclamation Policy FAC P10 https://www.usbr.gov/recman/fac/fac-p10.pdf
	Economic Feasibility; Federal Benefits exceed Federal share of costs	4007(c)(2)(B)(i), 4007(c)(2)(C)
	Federal Cost Share is 25% or less	4007(c)(1)
	Financial Feasibility; Non-Federal Funding Capability; Partner Solvency	4007(c)(2)(B)(i) 4007(c)(2)(B)(ii) 4007(c)(2)(B)(iii)

Federal Participation / Construction Determination Checklist:

✓	Requirement:	References:
	California Water Commission Consistency Determination (California projects only)	4007(f)(1)
	Governor's Letter Requesting Federal Participation	4007(c)(2)(A)
	Secretary of the Interior's Feasibility Concurrence made by January 1, 2021	4007(c)(2) 4007(i)
	Environmental Compliance Completed	4007(c)(3)
	Construction is scheduled to begin by Dec. 16, 2021	4013
	Project is named in Appropriations Legislation	4007(h)(2)
	Project Participation Agreement Signed	4007(c)(1)

WIIN Act Storage Projects Milestone Dates and Deadlines:

Feasibility Studies Complete	July 31, 2020
Feasibility Determination by Secretary (Section 4007(i))	January 1, 2021
Recommended by Regional Director for Funding	June 30, 2021
Named in Appropriations Legislation	October 1, 2021
Start of Construction (Section 4013)	December 16, 2021

(Note: Some dates above are not statutory deadlines but are estimates based on annual program execution dates and to allow time for internal reviews and transmittal.)

Design, Estimating, and Construction (DEC) Oversight

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Further information for the
DEC Oversight Program
can be found at:
www.usbr.gov/dso-dec/dec/

More Information on
Reclamation Policy and
Directives and
Standards:

FAC P10 - Independent
Oversight of Design, Cost
Estimating, and
Construction

FAC 10-01 - Identifying
Design, Cost Estimating,
and Construction Projects
for Which Independent
Oversight Review is
Required, and Performing
Those Reviews

FAC 09-01 - Cost
Estimating

The DEC Oversight Process

The DEC oversight review process provides a Bureau level review that ensures products are technically sound and provide a credible basis for decision-making. This fact sheet presents an overview of the program's purpose, requirements, and process.

Goals and Objectives

- Project is technically sound and in accordance with Reclamation Policy and Directives and Standards (D&S).
- Project provides a credible basis for senior-level decision-making.
- Cost estimates are appropriate for the project's intended purpose.
- Potential fatal flaws in the designs or estimates are identified.
- All risk and uncertainties have been fully addressed in the estimates.
- All policy, legal, partner/stakeholder, and/or public issues, impacts, and/or ramifications of a corporate nature are identified from a broad corporate perspective.

DEC Process

When is the best time for a DEC Review?

- Before the project report is going to be publicly released or provided to Congress,
- Before a politically sensitive or controversial decision,
- Before it is used by project proponents to seek Congressional authorizations or appropriations,
- Typically performed at draft Feasibility
- When the scope of the Project is not going to have any substantial changes

What are DEC Reviews looking for and evaluating?

- Design meets the planning objectives and can be built within the cost estimate
- Products are in compliance with Reclamation Policy and D&S
- Scope of work is captured either in the cost items or in the allowances
- Major risks are captured in design and estimates
- Consistency throughout project documentation
- Is this a feasibility level of effort? Are designs up to feasibility level?
- Major items are priced, and not a part of design contingencies
- Detailed breakdowns of cost drivers, and not large lump sum items
- Check quantities for missing items and duplicate items
- Non-contract costs are included in the estimate
- Environmental and cultural resource impacts, permitting and mitigation are included in costs and schedule

DEC Reviews are not a substitute for conducting technical or peer reviews.

