

**NORTH BAY WATER REUSE AUTHORITY
TECHNICAL ADVISORY COMMITTEE**

Monday, July 18, 2016

Agenda

Web Conference Meeting

Phone +1 (888) 227-0011 Access code: 1980#;

<https://conferencing.brwncald.com/conference/1980>

1:00 p.m.

	1.		Call to Order and Self Introductions
Page 1	2.	Action	Approval of Agenda
	3.		Public Comments
Pages 2 - 9	4.	Discussion	Phase 2 Retrospective, Revisions to Project List, Impacts on Program, and Phase 2 Cost Sharing Options
	5.	Information	Items from Committee, Agency Staff, or Consultants
	6.	Information	Items for Next Agenda (July 25, 2016 at Novato City Hall Council Chambers)

The North Bay Water Reuse Authority complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Please contact **Chuck Weir at 510-410-5923** with any questions. .

ITEM NO. 4 PHASE 2 RETROSPECTIVE, REVISIONS TO PROJECT LIST, IMPACTS ON PROGRAM, AND PHASE 2 COST SHARING OPTIONS

Action Requested: The TAC should review the information provided herein and begin to develop recommendations for the future of the program as well as cost sharing options for Phase 2. No specific recommendation is offered at this time.

The Program Manager thanks Mike Savage and Ginger Bryant for their contributions to this report.

NBWRP RETROSPECTIVE: CONTEXT FOR DECISIONS BEFORE YOU

What is the Program doing? What are Member Agencies paying for?

Cost Centers:

Some activities split between Phase 1, Joint Use & Phase 2

- **Program Development**
 - Strategy (60% Phase 2, 40% Phase 1)
 - Federal Advocacy (70% Phase 2, 30% Phase 1)
 - State Advocacy (Joint Use)
- **Program Manager** (Joint Use)
 - Meeting Management
 - Financial Management
 - Project Support and Review
 - Program Planning
 - Governance Issues
- **Administrator & Fiscal Agent** (Joint Use & Phase 2)
 - Phase 1 & 2 Federal Grants Administration
 - Member Agency Agreement Management
 - Consultant Agreements Management
 - Program Financial Management
 - CEQA/NEPA Lead Agency
- **Engineering** (~93% Phase 2, ~7% Phase 1)
 - Meetings/Decisions Processes
 - Feasibility Study
 - Financial Capability
 - Environmental Documentation
 - Public Outreach
 - Phase 2 Grant Administration
 - Phase 1 Grant Administration

Table 1. Original 3-Year Budget (Approved each FY by Board, 5/19/14, 4/27/15, and 4/25/16)

Item	Cost
Program Development	570,600
Federal Advocacy	288,000
State Advocacy	108,000
Program Manager	221,500
Administrator & Fiscal Agent	805,000
Engineering & Outreach	2,992,380
Total	4,985,479

Notes: 1. \$24,000 transferred from Engineering & Outreach to Federal Advocacy.
 2. FY2016/17 included an increase for Federal Advocacy and State Advocacy.
 3. SCWA has invoiced for 50% of costs for FY16/17. The intent was to bring back a 4-year budget through FY17/18 in October once the Phase 2 Project list is finalized.

Program Changes

- Add a 4th year (FY17/18)
- Rate increases for Federal & State Advocacy
- Potential expansion of EIR/EIS projects
- Full EIR/EIS (Not supplemental document)
-

Table 2. 4-Year Budget Increase (Scenario 2 – assumes no Programmatic Analysis)

Total Consultant Increase for FY16/17 & 17/18	
Item	Additional Costs with EIR/EIS Scenario 2 and Advocacy Increase
Program Development	190,200
Federal Advocacy (Increase in Rate + Add'l Year)	154,000
State Advocacy (Increase in Rate + Add'l Year)	54,000
Program Manager	0
Engineering Subtotal	483,284
Add'l FY16/17 mtgs & Re-Act Website	51,872
Additional FY17/18 year Mtgs, PI & Admin	217,670
Expanded EIR/EIS	199,019
Phase 2 I grant Application	14,723
Administrator & Fiscal Agent	260,000
Total	1,141,284

Table 3. Part of Cost Increase Due to Addition of Fourth Year

Component of Increase due to adding an Additional Year (FY17/18)	
Item	FY 17/18
Program Development	190,000
Federal Advocacy	112,000
State Advocacy	45,000
Program Manager	0
Engineering Total	217,670
Administrator & Fiscal Agent	260,000
Total	824,670

WHAT'S HAPPENED DUE TO PROJECT LIST CHANGES?

- Reduced number of projects by Napa SD
- Reduced number of projects for Programmatic Analysis
- Potential significant shift in cost burden to other agencies

Please refer to Table 4, below.

Table 4: Projects by Agency

NBWRP Phase 2: Agency Percentage of the Title XVI Projects Based on Project Costs													
Agency	Project Type	Project Title	Total Project Capital Costs (\$ mil)	Title XM Projects January 2016		Title XM Projects June 2016							
Novato SD	Treatment	Novato SDWRP Capacity - 1 st Expansion (+0.85 MGD)	\$4.80	\$4.80	\$6.30	7.6%	\$4.80	\$6.30	11.4%				
		Novato SDWRP Capacity - 2 nd Expansion (+0.85 MGD)	\$4.80										
	Seasonal Storage	Option 1: Site Near Highway 37 (Tertiary) 150 AF	\$5.60										
		Option 2: Site Near Highway 37 (Secondary) 150 AF	\$8.00										
		Option 3: Hamilton Site (Secondary) 150 AF	\$14.20										
	Environmental Enhancement	Marin County Lower Novato Creek Project – Distribution	\$0.90	\$0.90							\$0.90		
		Marin County Lower Novato Creek Project – Restoration	\$21.50										
Turnout to Transitional Wetlands		\$0.60	\$0.60			\$0.60							
SVCSD	Seasonal Storage	Option 1: Mulas Site (Tertiary) 49 AF	\$2.40		\$6.20	7.4%		\$6.20	11.2%				
		Option 2: Robledo Site (Tertiary) 49 AF	\$2.60	\$2.60			\$2.60						
	Distribution	Napa Road Pipeline	\$3.60	\$3.60						\$3.60			
SOVA	Seasonal Storage	Valley of the Moon ASR	\$3.40	\$3.40	\$7.00	8.4%	\$3.40	\$7.00	12.7%				
		Sonoma ASR	\$3.60	\$3.60			\$3.60						
	Groundwater Management	Sonoma Valley Groundwater Management and Recharge Study	TBD										
Petaluma	Treatment	Increase ECWRF Capacity	\$9.00	\$9.00	\$30.60	36.7%	\$9.00	\$30.60	55.4%				
	Seasonal Storage	Option 1a: Site Southeast of ECWRF (Secondary) 300 AF	\$14.30										
		Option 1b: Site Southeast of ECWRF (Secondary) 150 AF	\$7.30										
	Distribution	Urban Recycled Water Expansion	\$11.40	\$11.40						\$11.40			
		Agricultural Recycled Water Expansion Phase 1	\$4.20	\$4.20						\$4.20			
		Agricultural Recycled Water Expansion Phase 2	\$6.00	\$6.00						\$6.00			
		Agricultural Recycled Water Expansion Phase 3	\$6.50										
Napa SD	Treatment	Soscol WRF Increased Filter Capacity	\$2.20	\$2.20	\$33.20	39.9%	\$2.20	\$5.10	9.2%				
	Operational Storage	Additional Soscol WRF Covered Storage	\$2.90	\$2.90						\$2.90			
		Napa State Hospital Storage Tank	\$7.40										
	Seasonal Storage	Option 1a: Raise Existing Pond Levees (Secondary) 300 AF	\$9.90										
		Option 1b: Raise Existing Pond Levees (Secondary) 1,100 AF	\$30.20										
		Option 2: Somky Ranch Site (Secondary) 300 AF	\$15.30										
		Option 3a: Jameson Ranch Site (Tertiary) 600 AF (Phase 1)	\$17.30	\$17.30									
		Option 3b: Jameson Ranch Site (Tertiary) 300 AF	\$11.80										
	Distribution	MST Northern Loop	\$6.90	\$6.90									
		MST Eastern Extension	\$3.90	\$3.90									
Total			\$242.00	\$83.30	\$83.30	100.0%	\$55.20	\$55.20	100.0%				

COST ALLOCATION IMPACTS

Table 5. Original 3-Year Budget Perspective

Scenario	Petaluma	Novato	SCWA	SVCSD	Napa
Original Estimate based on Scoping Study Percents	965,861	1,134,778	517,627	377,085	1,571,001
January Projects	1,417,865	418,609	424,634	559,374	1,745,870
June Projects	2,168,365	562,827	584,877	651,304	598,989

Table 6. 4-Year Budget Perspective

Scenario	Petaluma	Novato	SCWA	SVCSD	Napa
Original Estimate Based on Scoping Study Percents	1,253,591	1,471,861	669,885	482,974	2,035,356
January Projects	1,906,637	540,839	548,912	655,0677	2,262,839
June Projects	2,817,888	727,824	757,368	839,699	770,888

Note: The above options are largely based on the current cost sharing methods described in the JPA.

Fixed NBWRA costs include Phase 1 and Joint Use costs. The estimated four year cost for those items is approximately:

Table 7. 4-Year Phase 1 and Joint Use Costs

Scenario	Petaluma	Novato	SCWA	SVCSD	Napa
Phase 1 & Joint Use	116,563	171,668	139,417	292,372	320,607

Note: there are no Phase 1 costs for Petaluma.

COST SHARING OPTIONS

Options for revising cost sharing include several that have been reviewed and largely rejected. These include the option of using the existing percentages similar to what is shown in the first item in Table 6, the average of the original and January 2016 percentages, and equal shares for all Phase 2 administrative costs. These were reviewed in March and again in June.

With the reduction in project value there is some question as to the viability of the overall project. Will it score well against competitors that have substantial environmental projects? Will USBR continue to favor NBWRA in its evaluations? Recall that there was discussion in recent months in Washington D.C. that NBWRA would have \$250,000,000 in projects. The Board will need to consider these issues at the July 25, 2016 meeting and beyond.

One cost sharing option that seems to spread the costs reasonably fairly would be to base all Phase 2 costs through the completion of the Feasibility Study on the January 2016 Project Costs, and the remaining costs through the EIR/EIS and Record of Decision on the June 2016 Project Costs.

It is estimated that the total cost of all Phase 2 activities for the four year period is approximately \$4,800,000. Assuming that the Feasibility Study is completed in September 2016, it is estimated that the Phase 2 costs through that date would be \$2,050,000, leaving \$2,750,000 through the EIR/EIS and Record of Decision. It should also be noted that the \$4,800,000 estimate is subject to change. If Phase 2 costs were shared as described above, the result would be as follows:

Table 8. 4-Year Cost Sharing Based in January Costs through Sept. 2016 and June Costs through the EIR/EIS

Scenario	Petaluma 36.7%/55.4%	Novato 7.6%/11.4%	SCWA 8.4%/12.7%	SVCS D 7.4%/11.2%	Napa 39.9%/9.2%
Phase 2 Through September 2016	753,061	155,042	172,269	152,581	817,047
Phase 2 October 2016 – June 2018	1,524,456	313,858	348,732	308,877	254,076
Phase 1 and Joint Use	116,563	171,668	139,417	292,372	320,667
Total	2,394,081	640,569	660,418	753,830	1,391,790
Difference from Table 6	(423,807)	(87,255)	(96,950)	(85,869)	620,902

The TAC should discuss the information presented above and begin to develop consensus as to their recommendations on cost sharing options.

Presented below, courtesy of Mike Savage, is a summary of key events since December 2015.

NBWRA MEETING OVERVIEW

12/16 15 Board Meeting

- Project List for discussion

1/25/16 Board Meeting

- Selected list of projects Title XVI \$83 M
- 18 project for Project Level EIR/EIS
- 9 projects for Programmatic EIR/EIS

1/25/16 TAC Meeting

- Discussed evolution of project list from Scoping Study (used for scope of work) versus approved list of projects
- Reason for consultant amendments:
 - Additional FY16/17 activity due to additional meetings & Re-Act Webpage
 - Additional effort for expanded list of projects for EIR/EIS
 - Additional activity due to extending into a 4th year (FY17/18) requested by NBWRA
- Direction from TAC to provide budget

2/18/16 TAC Meeting (Special additional Webmeeting)

- Engineering/Environmental changes & amendment budget
- Program Development changes & amendment budget
- Program management changes
- SCWA Administration changes and additional budget

3/28/16 Board Meeting

- Report status
- Schedule challenges
- Approved project list showing some potential changes by TAC – not discussed or confirmed by agencies

3/28/16 TAC Meeting

- Engineering/Environmental revised estimates of budget:
- 3 Scenarios of projects included.
 - Project-Level and Program Level. Includes all projects identified
 - Project-Level Projects Only. Drop the programmatic-level elements, which are primarily storage.
 - Project-Level Projects plus Lower Novato Creek at programmatic level.
- Cost difference from lowest to highest up to \$102,000
- Follow-up PowerPoint on alternative costs allocation

4/25/16 Board Meeting

- Feasibility Study Report schedule
- Indicated EIR/EIS delayed until amendment is approved in October 2016

- Approved project list showing some potential changes by TAC – not discussed or confirmed by agencies

6/27/16 TAC Meeting

- Report status
- Request TAC to provide project selection officially through their Board representative in July
- New discussion of only the EIR/EIS costs in proposed amendment

After 6/27/16 TAC Meeting

- Email from Napa SD withdrawing Title XVI and Programmatic projects
- Email from Novato SD withdrawing Programmatic projects