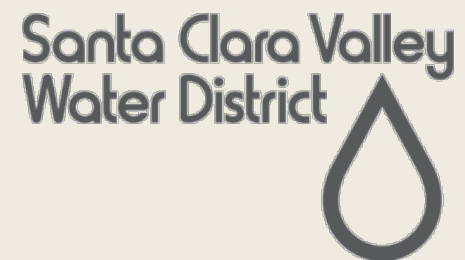


Pacheco Reservoir Expansion, Single Source Consultant Agreement

February 28, 2017



Recommendation

- ❖ Discuss February 23, 2017 meeting of the Pacheco Reservoir Exploratory Ad Hoc Committee
- ❖ Authorize the Interim CEO to execute a single source consultant agreement with Stantec to prepare a Prop 1 funding application for Pacheco Reservoir expansion.
- ❖ Approve a budget adjustment of \$1 million from the General Fund Reserve to support consultant services and staff hours.

- ❖ Pacheco Ad Hoc Committee met with directors from Pacheco Pass Water District and San Benito County Water District
- ❖ Topics of discussion:
 - ❖ Potential enlargement of Pacheco Reservoir and possible pursuit of Proposition 1 funding.
 - ❖ Partnership among PPWD, SBCWD, SCVWD
 - ❖ Draft principles of agreement

- ❖ Contract divided into two phases.
- ❖ Phase 1: Go/No go assessment
- ❖ Phase 2: If go, develop application documents.
- ❖ Contract may be terminated at any time.
- ❖ Total estimated cost – up to \$900,000
 - Phase 1 – approx. \$200,000
 - Phase 2 – approx. \$550,000
 - Post application follow-up – approx. \$150,000

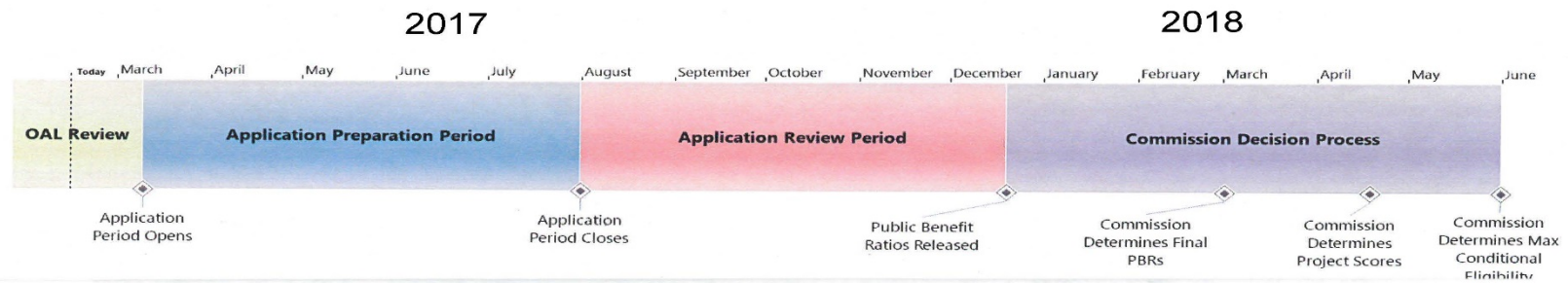
Scope of Work

- ❖ Task 1 - Project Management and External Agency Support
- ❖ Task 2 – Develop Preliminary Feasible Alternatives (for Go/No-go decision)
- ❖ Task 3 – Prepare Application for WSIP (Technical Studies, Preliminary Operations Plan and Project Schedule)
- ❖ Task 4 – Supplemental Services (Respond to change in Regulations or Post Application Support)

Proposition 1 application timeline

WSIP Implementation Timeframe

California Water Commission
February 15, 2017



Potential Benefits of Pacheco Reservoir Expansion

- ❖ Drought year and emergency supply
- ❖ Increased operational flexibility = improved water supply reliability and quality
- ❖ Improved resiliency to climate change
- ❖ Delta ecosystem enhancement
- ❖ Improved steelhead run on Pacheco Creek

- ❖ **High capital cost:** 130 TAF Pacheco Reservoir at roughly \$800 million
- ❖ **Proposition 1 funding criteria:** Expected benefits must exceed expected costs; ecosystem improvements must provide for at least half of funding.
- ❖ **Partners:** Pacheco Pass Water District (owns Pacheco Reservoir); San Benito County Water District (potential partner); possibly others.
- ❖ **Water Master Plan update:** Staff is still analyzing a range of projects in the 2017 Water Supply Master Plan update.
- ❖ **Limited time:** Prop 1 applications due late July/early August 2017.

Prop 1 funding – key requirements

- ❖ Balance of water supply and ecosystem benefits driven by Prop 1 funding.
- ❖ District must enter into a contract with each appropriate State agency to administer public benefits of the project that includes:
 - ❖ Adaptive management plan required with trigger levels that initiate adaptive management actions
 - ❖ State agency decision making process
 - ❖ Funding sources and financial commitments for adaptive management
 - ❖ Reporting requirements
 - ❖ Assurances to be determined by State agency and District regarding operations and maintenance.

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- ❖ Approve a budget adjustment of \$1 million from the General Fund Reserve to support consultant services and staff hours.