

Staff Report

for the Administrative Practices Committee Meeting of November 6, 2019

TO: Administrative Practices Committee
FROM: Doug Roderick, PE, Senior Engineer
DATE: October 30, 2019
SUBJECT: Centennial Water Supply Project (FATR# 7013)

ENGINEERING

RECOMMENDATION:

Discuss implementing a spending cap on the Centennial Water Supply Project (CWSP), and advance a recommendation to the Board of Directors as appropriate.

BACKGROUND:

The Board of Directors approved Resolution 2018-26 on October 9, 2018, which limited the annual expenditure on all CWSP activities to no more than \$2,000,000 in aggregate. The Board then rescinded that resolution after coming out of closed session at the November 14, 2018 Board meeting.

The District is required to maintain a minimum level of due diligence in order to keep Application 5634X01, filed with the State Water Resources Control Board, active. Ongoing work includes draft environmental impact report (DEIR), alternatives analysis and AB52 consultation with the three tribes that have requested consultation. Anticipated costs for the 2020 budget year is the following:

District Staff	\$30,000
Consulting work for DEIR	\$170,000
AB52 Consultation	\$300,000
Total	\$500,000*

*Staff costs are not included in budgeted amount as those costs are budgeted elsewhere.

Staff continues to spend limited time submitting reports to the state, working with tribal groups, and managing the ongoing CEQA work. The \$30,000 is a reduced average cost based on previous spending on this project. For 2019, the anticipated staff costs are less than \$30,000, but due to potential staff efforts with the AB52 process in 2020, it is prudent to leave this amount in the budget.

The CEQA/NEPA work continues but at a slower pace, given the priority of the project. The current direction is to focus on the alternatives section and continue to ensure the continuity of the environmental field studies.

NID is actively engaged with local tribal groups in the AB52 process. This process has a number of unknowns regarding the needs of the groups and the necessary studies to meet those needs. At this time it is considered prudent to leave a moderate amount of funding in the project to be able to address tribal requests as we move through the process.

The 2020 budget, approved at the October 23, 2019 Board meeting, for the CWSP is \$500,000.

The District has temporarily suspended all property acquisitions, in large part due to the PG&E bankruptcy. The bankruptcy is anticipated to be completed in June 2020, and at that time the acquisition suspension could be removed. When this temporary suspension was placed into effect, there were 7 parcels under consideration for acquisition. The values of these properties are currently unknown but must be addressed when considering a project spending cap. To support those property owners, the Board has acquired properties as a willing seller/willing buyer transaction.

When discussing a spending cap, the committee, and ultimately the Board, need to consider several items. These include costs associated with the development of the EIR and EIS, geotechnical investigations, AB52 consultations, and property acquisitions. As an example, at the current budgeted amount, there would be no funds available to perform additional geotechnical investigations or to acquire additional property should the board decide to continue property acquisition in the future.

BUDGETARY IMPACT:

No budgetary impact. The 2020 budget for this project is \$500,000, after adoption of the 2020 budget by the Board of Directors on October 23, 2019.

DR

Attachment:

- Resolution No. 2018-26 - Reprioritization of the Centennial Water Supply Project



RESOLUTION No. 2018-26

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

REPRIORITIZATION OF THE CENTENNIAL WATER SUPPLY PROJECT

WHEREAS, the Nevada Irrigation District ("District") is updating its Raw Water Master Plan (RWMP); and

WHEREAS, prior to committing to update the RWMP, the District adopted Resolution 2014-43 directing staff to apply for the necessary water rights and to begin the necessary studies for the proposed Centennial Water Supply Project (CWSP); and

WHEREAS, in order to maintain the proposed CWSP's status as a project under analysis, the District is required to maintain a minimum level of due diligence, and

WHEREAS, the District is actively engaged in many water supply and demand actions including; surface and groundwater management, meadow restoration, watershed protection and enhanced, water use efficiency and conservation, canal lining and sediment management, and

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors limits the annual expenditure on all proposed Centennial Water Supply Project activities to no more than two million dollars (\$2,000,000) in aggregate;

BE IT FURTHER RESOLVED, the Board of Directors of the Nevada Irrigation District hereby modifies its prior directive to staff as set forth in Resolution 2014-43 to be consistent with the new direction set forth in this Resolution, including:

- I. The RWMP update is the highest priority of the District;
- II. No one project, approach, or solution should at this early stage be preferred or precluded from consideration in the process to update the RWMP;

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a special meeting held on the 9th day of October 2018, by the following vote:

AYES:	Directors: Weber, Miller, Wilcox
NOES:	Directors: Drew, Morebeck
ABSENT:	Directors: None
ABSTAINS:	Directors: None



President of the Board of Directors

Attest:



Secretary to the Board of Directors