

Staff Report

TO: Board of Directors

FROM: Keane Sommers, P.E., Hydroelectric Director
Tina Konkle, Hydroelectric Compliance Analyst

DATE: January 25, 2023

SUBJECT: FERC Yuba-Bear Relicensing and Additional Information Request (AIR) - Sole Source (Consent)

HYDROELECTRIC

RECOMMENDATION:

Award a sole source agreement in the amount of \$96,300 and a contingency of \$10,000 to HDR Engineering, Inc. for consulting services related to the Federal Energy Regulatory Commission (FERC) Yuba-Bear Relicensing and Additional Information Request (AIR) and authorize the General Manager to execute the appropriate documents.

BACKGROUND:

Relicensing of the Yuba-Bear Hydroelectric Project began in 2008 to prepare for the expiration of the 50-year license in 2013. A Draft License Application was submitted in 2010, followed by a Final License Application in 2011, and an Amended License Application in 2012. Since expiration in 2013, NID has been operating under the 1963 original License conditions on annual continuation granted by FERC until a new license is issued. HDR Engineering, Inc. has assisted NID throughout the licensing process, negotiations, and continues to provide vital support with the AIR that FERC issued to NID on March 8, 2021.

FERC's AIR is comprised of four items in two categories, in summary:

Project Economics

- 1) Financial information to update FERC's economic analysis for the Yuba-Bear Project from 2014 to current (2021),
- 2) The effects of the State Water Board's final 401 Water Quality Certificate (WQC) on hydroelectric generation and water supply;

Aquatic Resources

- 3) Water model simulations under specific scenarios to evaluate water flow, temperature, and effects of Endangered Species Act (ESA) listed fishes and critical designated habitat, and
- 4) To consult with Pacific Gas & Electric Company (PG&E) and Yuba County Water Agency (YCWA) to develop an agreed upon analysis to maintain cooler water in the Yuba River from July through November, then conduct informal consultation with National Marine Fisheries Service (NMFS)

Since the AIR was issued, NID, with the assistance of HDR, has completed items 1 through 4 and is currently in process of responding to additional information filed by other parties for item 4.

Due to the proposed upcoming changes to the procurement policy, staff is recommending that the Board approve a 10% contract contingency amount at the same time as the award of the contract. This contingency is for possible unforeseen additional needs related to the relicensing and AIR.

Staff is recommending award of a sole source contract to HDR Engineering, which is a well-established consulting firm with specialized knowledge in FERC Relicensing and holds a long relationship and understanding of the Yuba-Bear Hydroelectric Project and the relicensing process that began in 2008. HDR Engineering, Inc. is currently under contract with the District for Yuba-Bear Project Relicensing. The subject contract is a continuation of the work already in progress. HDR Engineering's prior knowledge and expertise should result in a cost and time savings when compared to other potential consultants. HDR Engineering's proposal demonstrates a good project approach and the cost of services appears to be reasonable.

This sole source award complies with the following District Procurement Policy Section:

3080.3.J.2 In order to match other products in use on a particular public improvement completed or in the course of completion.

BUDGETARY IMPACT:

The 2023 Hydroelectric Department Budget includes \$150,000.00 for Hydro Relicensing. The contract amount of \$96,300 with the contingency of \$10,000 is within the budgeted amount.

Attachments: (1)

- HDR Proposal



January 11, 2023

Via Electronic Mail
sommers@nidwater.com

Keane Sommers
Hydroelectric Department Manager
Nevada Irrigation District
28311 Secret Town Road
Colfax, CA 95713

Subject: Proposal for Ongoing Regulatory Support related to FERC Relicensing

Dear Keane,

HDR submits this proposal to the Nevada Irrigation District (NID) to assist NID as requested in FERC regulatory matters related to the relicensing of NID's Yuba-Bear Hydroelectric Project, FERC Project No. 2266. HDR will bring its long working relationship with NID and its staff; and HDR's familiarity with the Yuba-Bear facilities, operations, relicensing documents, potentially affected resources and agencies, and potential license conditions to the project.

HDR proposes Chuck Vertucci as the Project Manager and Jim Lynch as the Senior FERC Advisor, both who have supported NID for many years. Other technical staff familiar with the project will be integrated as needed.

Proposed Scope of Services

HDR proposes to continue relicensing support activities in 2023 as described below.

General Management: HDR will provide general project management, including task coordination, monthly invoicing, and client communications. HDR will also maintain relicensing documents and references useful to the projects. This task will include participation in calls with NID as may be requested.

FERC's March 8 AIR: Since NID filed its latest AIR information on October 31, 2022, and based on additional information filed by other parties, it was decided at least one additional filing and further investigation would be completed by NID. After discussion with NID staff, HDR anticipates this will require making model runs, participating in weekly meetings with NID in January and February 2023, and preparing and filing with FERC a final report by March 1, 2023. HDR will develop the report once NID agrees to the outline and provide a draft report for NID's review on the project SharePoint site. HDR will address NID's consolidated comments and have up to two meetings to discuss comment resolution. Once NID approves the final, HDR will file the report with FERC, make the distribution, and create the hard copy mailings of modeling information. This will

also require check-in/strategy calls with NID staff, as needed based on new information from FERC or other interested parties. To the extent possible, HDR will seek cost share with PG&E on these activities with NID approval. HDR will maintain the mitigation measures in place for possible conflict of interest as previously discussed and documented with NID.

Additional Relicensing Related Activities: If necessary, HDR will provide technical information to support NID's ongoing legal and administrative proceedings related to the Yuba-Bear relicensing, including water quality certification and discussions with the State Water Board regarding voluntary agreements related to the Bay Delta. HDR assumes NID's legal will be the lead for these discussions and HDR's support will be technical based on the information developed during the FERC relicensing. HDR assumes CEQA, fieldwork, and new modeling and analysis will not be required. In addition, NMFS proposed to implement a pilot program for the introduction of spring-run Chinook salmon and steelhead into the Yuba River upstream of Englebright Dam and, CDFW, may hold plenary and technical workgroup meetings regarding introduction. Given the pilot program and future introduction of these species could have significant impacts on NID's interests in the Yuba and Bear River watersheds, if requested, HDR will provide technical assistance in support of these initiatives.

Deliverables

At the time of this proposal, HDR is assuming we will develop one deliverable: the AIR filing targeted to be filed with FERC by March 1, 2023. Support for other deliverables will be defined by HDR and NID as specific tasks are developed during the contract period.

Anticipated Schedule

The work will begin as soon as a contract is executed by both parties and end on December 31, 2023, unless it is extended in writing by HDR and NID. Specific task schedules will be developed by HDR and NID within this contract period.

Compensation

HDR proposes to perform this scope of work on a time-and-materials basis with a not-to-exceed value of \$96,300. HDR will obtain NID's prior approval should additional funding be needed. HDR's cost estimate is based on the 2023 rate table provided below.

2023 Rate Sheet

Title	Range
Management Consultant Sr.	\$258.00 - \$395.00
Project Manager	\$135.00 - \$306.00
Section Manager/Team Leader	\$184.00 - \$342.00
Project Controller/Accountant	\$123.00 - \$196.00
Exec Sec/Project Coordinator	\$99.00 - \$178.00
Environmental Scientist	\$99.00 - \$239.00
GIS Analyst	\$116.00 - \$208.00
Engineer	\$ 111.00 - \$269.00

HDR appreciates the opportunity to provide continued support to NID. If you have any questions regarding this submittal or require additional information, please do not hesitate to contact Charles Vertucci at 916-679-8768 or Charles.Vertucci@hdrinc.com.

Sincerely,
HDR Engineering, Inc.



Holly L.L. Kennedy, PE (CA)
Senior Vice President



Charles Vertucci
Project Manager

10335907/CV/cs