

Question:

What is the \$2M cost for FY 2022 Penstocks and Lateral Spot Coating project? Is this from stretching the project out over multiple years? *(Ann Finley, SRP MIC, KR Saline & Associates)*

Response:

Total project costs for the Penstocks and Lateral Spot Coating Project are \$16.85M with the work occurring between FY 2021 and FY 2028. Reclamation's intent with spreading these costs over 8 years is to lessen the impact to the base charge in any given year.

Question:

Will WAPA and Reclamation identify changes in revenues, costs and impacts to execution due to COVID for FY 2020 and FY 2021 and estimate any potential impacts in FY 2022? *(Ken Saline, KR Saline & Associates)*

Response:

The COVID related impacts to Reclamation are estimated to be:

- Revenue
 - FY 2020 – Loss of \$8.15M
 - FY 2021 – Estimated loss of \$8 to \$10.5M
- Impacts
 - Increased but acceptable risk to safety and reliability of plant and dam
 - Significant contributor to delay of Unit N1 back in service
 - Delayed other projects such as Cooling Water Pump installation
- Mitigations (FY 2020)
 - Delayed Power Plant Electrician Apprentice class until FY 2022
 - Delayed Power Plant Operator Apprentices until a future date
 - Delayed/rescheduled \$8.8M in projects to future years as necessary (see attached Replacements and Extraordinary Maintenance (RAX) budget/project impacts/mitigations)
- Mitigations (FY 2021)
 - General savings through labor and reduced contract services
 - Delayed/rescheduled \$5.7M in projects to future years as necessary (see attached RAX budget/project impacts/mitigations)
- No potential impacts budgeted in FY 2022

The COVID related impacts to WAPA are estimated to be \$50k. While there is no projected loss in revenues, there are costs for disinfection protocols and some project delays.

- Mitigations (FY 2020 and FY 2021)
 - General savings through labor, delayed training, and decreased travel
 - Delayed/rescheduled projects to future years (due to project delays)
- No potential impacts budgeted in FY 2022

Question:

Are there cost projections for the Hoover landfill in the FY 2022 base charge calculation?

Response:

There are no projected costs for the landfill included in the FY 2022 base charge calculation; however, due to timing some costs expected to be incurred in FY 2021 may occur in FY 2022. These costs will be funded by \$1M in unapplied revenues (carryover) from FY 2019 that was set-aside for landfill expenses after consultation with the Engineering and Operating Committee. In FY 2023, the remediation is scheduled to take place with a current estimate of \$5-6 million. The remediation estimate will be refined and discussed with contractors prior to inclusion in the base charge.

Question:

What are the cost impacts due to the drought for FY 2022 and FY 2023? *(Ken Saline, KR Saline & Associates)*

Response:

Reclamation and WAPA are developing an estimate of drought impacts for both Boulder Canyon Project and Parker-Davis Project. The estimate will be available in early July and will be refined with input from contractors/customers.

Reclamation and WAPA are committed to collaboratively working with contractors/customers to address impacts from the drought. An initial meeting for this initiative is scheduled for August 24, 2021. A webpage for the initiative has been established, which will also capture options, feedback, and possible drought mitigations,

https://www.wapa.gov/regions/DSW/Pages/drought_mitigation_options.aspx.

FY 2020 Mitigation Update

Type	Budget Item	FY 2020 Available	FY 2020 Spend or continue project into FY 2021	FY 2020 Coronavirus Offset	Notes
Other	General Savings			\$2,500,000	No risk. Labor lapse, supplies and other expected savings. Estimated \$1,500,000 in May.
Other	Quagga Mussel Management	1,070,038	946,189	123,849	No risk for remaining money used for offset
XM	Power Plant Piping Management Plan	1,289,769	1,289,769	0	No risk for remaining money used for offset. Estimated 100K for offset in May
RP	Segmented Girder Bridge Joint Replacement	350,000	300,000	50,000	No risk for remaining money used for offset Estimated \$100K for offset in May
RP	Flow Meter Replacement	749,922	684,922	65,000	No risk for remaining money used for offset. Estimated \$72,000 for offset in May
XM	Crane Inspection & Repair	874,677	574,677	300,000	Low risk. No expected remaining crane work
XM	Paradox Valve Repairs	925,909	5,909	920,000	Low risk. No spare upper penstock paradox valve but can pass water through other valves.
RP	UCM Life Cycle Replacement	30,000	0	30,000	Low risk, but will need to keep eye on End of Life Cycle

NOTE: Red Font is Change from May 2020 brief to E&OC.



FY 2020 Mitigation cont.

Type	Budget Item	FY 2020 Available	FY 2020 Spend or continue into FY 2021	FY 2020 Coronavirus Offset	Notes
RP	Public Safety Distributed Antenna (DAS)	574,130	374,130	200,000	Low risk – will be able to continue work with available budget.
RP	Hazardous Noise Abatement	164,000	64,000	100,000	Low risk related to hearing related injuries. Will continue some work.
Other	Landfill	1,000,000	700,000	300,000	Low risk. Believe we can work with Regulators on timing. Estimated \$500,000 in May 2020.
XM	Erosion Repair	1,080,000	230,000	850,000	Risk of losing AZ road due to land slide Estimated \$900,000 in May 2020.
XM	Tail Bay Stop Logs	358,369	258,369	100,000	Risk of continued deterioration of stop logs. Estimated \$214,000 in May 2020
XM	Fire Piping Plan	1,377,665	577,665	800,000	Increased risk of fire system outages/water damage. Expensive emergency repairs.
RP	480 Volt Switchgear	597,029	397,029	200,000	Risk is safety of employees (Arc Flash). Have mitigation measures in place.
XM	N3 Rotor Repair	6,250,000	5,250,000	1,000,000	Risk of N3 major failure and extended outage
RP	Cylinder Gate Stems	2,285,891	1,285,891	1,000,000	Risk is extended penstock outage (4 units)
	Total			8,538,849	



RAX Mitigations

Budget Item	FY 2021 Available	FY 2021 Spend or continue into FY 2022	RAX Mitigation	Notes
Fire Piping Plan	112,023	12,023	(100,000)	Increased risk of fire system outages/water damage. Expensive emergency repairs.
Crane Inspection & Repair	386,625	336,625	(50,000)	No risk for remaining \$\$ used for offset.
Tail Bay Stop Logs Coating	296,917	6,917	(290,000)	No risk delaying work. Will have to find \$\$ in future years.
Penstock Lateral Tunnels - Safety Doors Refurbishment	200,000	25,000	(175,000)	Increased risk of flooding plant from low probability penstock failure. Will have to find \$\$ in future years.
Erosion Repair	308,442	58,442	(250,000)	Low immediate risk but need to do work or we could lose AZ road due to land slide. Will need to find \$\$ in future years.
N3 Rotor Repair	6,055,870	5,198,870	(857,000)	Project is on track for next year. Had to add this to FY 2022 budget.
Cableway Cradle Pit Parking	100,095	15,095	(85,000)	Work complete. Remaining \$\$ for closeout.
Solid Waste Site Mitigation	1,000,000	700,000	(300,000)	Compliance risk. Will need to find \$\$ in future years.
Rebuild and Replace Generator Coolers	455,824	501,824	46,000	Had more cooler issues this outage season than anticipated.

RAX Mitigations continued

Budget Item	FY 2021 Available	FY 2021 Spend or continue into FY 2022	RAX Mitigation	Notes
480-Volt Switchgear Replacement	2,231,549	227,049	(2,004,500)	Risk is safety of employees (Arc Flash). Have mitigation measures in place. Will have to find \$\$ in future years.
Flow Meter Replacement	239,298	2,298	(237,000)	No risk. Believe there is enough \$\$ in the project in this year and future years to keep work on track.
UCM Life Cycle Replacement	60,000	30,000	(30,000)	Low risk but will have to find \$\$ in future years.
Water Plant and WW Plant Controls Replacement	170,000	-	(170,000)	Low risk of expensive emergency repairs. End of life and will need to budget in future years.
Hazardous Noise Abatement Plan	209,956	75,956	(134,000)	No risk. Have completed much of the planned program. May need future funding.
Central Section HVAC Replacement	80,000	-	(80,000)	Low Risk of Server room overheating and expensive emergency repairs. Will need to find \$\$ in future years.
Girder Bridge Joint Replacement	26,315	1,315	(25,000)	Work complete. Remaining \$\$ for closeout.
Public Safety Distributed Antenna	299,089	99,089	(200,000)	Work is ongoing and enough money in project to keep work going. May need additional \$\$ in future.
N1 Wicket Gates (Stainless Steel)	580,641	555,641	(25,000)	Work complete.
Fiber Optic Cable Paths	687,355	-	(687,355)	Project cancelled. Could not find economical route to get another cable path and additional redundancy.
Total			(5,653,855)	