

# Exhibit to Agenda Item #2

Board Policy Committee and Special SMUD Board of Directors Meeting  
Wednesday, June 20, 2018, scheduled to begin at 5:30 p.m.  
Customer Service Center, Rubicon Room

# South Fork Powerhouse Project

## Requested Action:

Authorize the Chief Executive Officer and General Manager, or his delegate, to execute Change Order No. 2 to Contract No. 4500097647 with McMillen LLC to extend the contract expiration date from December 31, 2018, to December 31, 2019, and to increase the contract amount from \$14,214,000 to \$16,176,375.

# South Fork Powerhouse Project Historical Timeline

- 2007 – UARP Relicensing Settlement Agreement required:
  - increase minimum flows at Slab Creek Dam beyond the capacity of existing dam outlet facilities
  - Implementation of whitewater boating releases for the first time
- 2009 – Project Kickoff for planning and construction of a new powerhouse and boating release facility
- 2012 – Department of Energy issues \$1.5M Grant for powerhouse
- 2014 – New UARP License issued with new flow requirements
- 2016 – Board approves \$14.2M Contract to McMillen LLC

# South Fork Powerhouse Project Photo of Construction in Progress



# South Fork Powerhouse Project

## Project Issues / Differing Site Conditions

- Preliminary geotechnical studies indicated shallow depth to bedrock at facility foundation
- Attempts to create a dry riverbank with “supersack” cofferdam were unsuccessful
- Air rotary drilling at facility foundation revealed a much deeper depth to bedrock
- Only suitable option involves excavation of facility foundation under a completely dewatered riverbed

# South Fork Powerhouse Project Financial Impact

- Original request from McMillan LLC was for ~\$6 Million
- A line by line review, a value engineering effort and significant negotiations reduced the change order to just under \$2 Million
  - \$1.3 Million for the South Fork Powerhouse
  - \$660K for the Boating Flow Release Facility
  - \$1,962,375 total project increase
- The Levelized Cost of Energy (LCOE) impact to the project from this change is \$0.006/KWh

# South Fork Powerhouse Project

## Recommended Solutions/Change in Scope

- Excavation of the riverbank under a completely dewatered condition
- Construction of deeper foundations for powerhouse and boating flow release facility
- Design and construction of a new riverbank wall between the powerhouse and boating flow release facility
- Modifications to permits issued by resource agencies

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