



Topic: **Authority Board Agenda Item 2-3**

2020 April 22

Subject: **Plan and Schedule for Organizational Assessment Findings and Strategic Planning Preparations**

Requested Action:

Consider acceptance of the following actions by the Authority Board relative to the approved Organization Assessment (OA) Report as follows:

- a. Consider acceptance of the plan and schedule for addressing the report findings and recommendations. **(Attachment 2-3 A)**
- b. Consider concurrence with the scope, schedule and budget for strategic planning facilitation services. **(Attachment 2-3 B)**
- c. Consider approval to release a Request for Proposals for strategic planning facilitation services.

Detailed Description/Background:

The approved OA Report includes findings and recommendations aimed at improving the overall effectiveness of the organization. The Authority Board directed Staff to provide a plan and schedule for addressing the report findings. Staff recommends the plan and schedule shown in the attached matrix to address the findings of the OA Report. Along with making these initial determinations, staff is recommending quarterly progress updates to the Reservoir Committee (RC) and Authority Board (AB) until all items are sufficiently addressed.

The Board previously determined that several items in the OA required a facilitated strategic planning exercise involving the RC and AB members and staff. Staff is proposing a scope of work for this effort providing general direction to address issues of teamwork, trust and communication along with revisiting the organization's mission, values and goals. Staff is seeking input to ensure the members expectations for this effort are met. As part of the scope, the facilitator will work with members and staff in developing the final agenda for a strategic planning session expected to be conducted in June 2020. This session needs to be an in-person meeting, so timing is dependent on the shelter in place orders being lifted.

Procuring the services of the best qualified facilitations services provider needs to be initiated. Staff recommends issuing an RFP to a short list of consultants (see attached) known to meet minimum qualifications. Having a short list does not preclude other proposals, however any proposer would have to demonstrate minimum qualifications compliance. The RFP will be publicly advertised on the website. Alternatives to this recommendation include going through the entire RFQ/RFP process or contracting with an existing service provider for these additional services. Neither of these alternatives are as efficient, are equally

open and transparent, and would not deliver a better outcome for the project as compared to the proposed approach. The selection committee will consist of the Executive Director and the Chairs of the RC and AB and two Budget and Finance Workgroup members.

Prior Action:

December 20, 2019: Approved Darling H2O to expand the scope of work to support the recruitment of a facilitator for Strategic Planning.

November 21, 2019: Darling H2O Consulting, Inc. presented the draft Organizational Assessment.

August 26, 2019: Approved a budget reallocation for the organizational assessment and execution of a sole-source professional services agreement with Darling H2O to perform an organizational assessment.

July 22, 2019: Discussed working on an organizational assessment plan to evaluate the structure of the Sites Project's program management team, Reservoir Committee and the Authority.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Plan and Schedule for OA Findings Matrix

Attachment B: Summary of the Proposed Scope of Work for Strategic Planning Facilitation Services and Short List of Consultants

**Action Items and Schedule in Response to Organization Assessment
April 17, 2020**

Action #	Primary Service Area	Summary of Action	Activities Completed To Date	On-going and Suggested Future Activities and Deliverables	Priority (High, Medium, Low)	Target Board Item Date	Person Responsible	Status
1.1	F	Prepare an analysis of the major regulatory decisions being made regarding flow in the Sacramento River and Delta and determine flow-related permitting strategy with identification of risks.	Permitting strategy memo was prepared by ICF in May 2019 and updated through CDFW meetings in fall/winter 2019. A revised version that will include updates with recent relevant changes is in progress.	Staff will review prior related materials and prepare the analysis identified.	High	August 2020	Ali Forsythe	
1.2	E	Prepare an analysis of the major comments received on the draft EIR/S. Identify approach to addressing those comments and working with specific commenters.	<ul style="list-style-type: none"> March 29, 2019 – Jacobs provided a memo that included Draft EIR/EIS Comments Matrix, Master Response Topics, Key Comment Letter Summaries, and draft Initial Responses. April 12, 2019 – Strategy meetings were initiated with ICF, Reclamation and Authority to address overall approach as well as specific topics. Based on these strategy sessions, an outline for the Final EIR/EIS was prepared and an approach for responding to comments, including master responses to comments was identified and forwarded to both CEQA (Authority) and NEPA (Reclamation) legal counsel. June 5, 2019 – ICF provided master response annotated outlines and commenced preparing responses. In addition, the Authority EPP began meeting with key commenters, (e.g., CDFW, NRDC, Humboldt County, etc.) to clarify issues of concern. 	<ul style="list-style-type: none"> The work that has been completed to date in responding to comments will be utilized in either the completion of a Final EIR/EIS or in preparing a Recirculated Draft EIR/EIS. Assuming recirculation of the Draft EIR/EIS is the preferred approach for moving forward based on the status of the Value Planning effort, ICF is in the process of preparing a strategy/work plan to be completed in May 2020. The Authority EPP will also continue outreach to Draft EIR/EIS commenters and Agencies as efforts move forward. 	High	<ul style="list-style-type: none"> Analysis completed under original work plan and to be updated April 2020 with preparation of EIR/EIS Work Plan Meetings with specific commenters – ongoing throughout 2020 and 2021 	Ali Forsythe	
1.3	E	Identify legal requirements of the environmental laws that Sites will be required to comply with.	Preliminary list of permit requirements and other approvals were included in the Draft EIR/EIS released in August 2017.	The preliminary list will be updated in the development of the Revised Draft EIR/EIS.	Medium	Dec 2020	Ali Forsythe	

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1.4	F	Establish a permitting flow chart with realistic timelines.	In 2019, the Environmental Planning and Permitting team developed and maintained an MS Project schedule.	<ul style="list-style-type: none"> Environmental Planning and Permitting team along with the Operations and Engineering teams is currently developing a detailed project schedule focusing on activities thru the end of 2021. Develop planning / permitting flow chart and add in key dates from schedule effort. Present summary schedule and flow chart to Res Com and Board and then track progress monthly thereafter. 	High	<ul style="list-style-type: none"> April 2020 Res Com and Board meetings – Detailed and summary schedule completed along with flow chart On-going – Track and report on progress 	Ali Forsythe	
1.5	E/F	Prepare analysis of the draft EIR/S for use by all of the permitting agencies to issue permits upon the finalization of the EIR/S. Identify schedule for document completion.	A preliminary list of permit requirements and other approvals were included in the Draft EIR/EIS released in August 2017.	<ul style="list-style-type: none"> Analysis – As the team works to develop a revised project description and revise the Draft EIR/EIS, the permitting agency comments will be reviewed in response to Action 1.2 and a regulatory agency technical team will be formed in response to Action 2.4. These two efforts will collectively address the analysis request in this action. Schedule – See Action 1.4 for schedule development. 	Addressed thru other Action Items	--	--	--
1.6	Executive Director	Determine if Water Commission has authority to grant schedule relief. If yes, then formally request schedule relief. If no, then figure out a legislative fix and timing.	The relevant deadlines are specific in the voter approved bond language. The current COVID -19 situation presents an opportunity for possible adjustment.	Work with Legal Counsel, and Gov't Relations Team to review statute in detail and determine options. Action plan being developed.	High	May 2020	Jerry Brown	

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1.7	C	Prepare an analysis of the pros and cons along with a staff recommendation to present to the governance bodies on whether to spend additional time and money pursuing WIIN Act funding.	Extensive coordination with Reclamation has been conducted to date and Reclamation anticipates providing its final review process of their Feasibility Report in April. Staff has also developed a strategy on how to bring the Federal Feasibility Report in line with the Value Planning effort by next summer (2021).	Staff will prepare the analysis requested and elevate for decision-making to the Reservoir Committee and Board.	High	June 2020	Kevin Spesert	
1.8	--	Determine if there is a viable strategy to phasing, which could allow for additional project partners.	The Value Planning exercise has formulated potential projects around meeting the needs of current participants with the opportunity to expand in the future.	Reservoir Committee/Board will be selecting a preferred project in April. All alternatives have the ability to be phased should the Reservoir Committee/Board chose to do that.	No Action	--	--	--
2.1	F	Develop an interest, science based permitting strategy.	See item 1.1 above.		High	August 2020	Ali Forsythe	
2.2	F	Determine when appropriate for project staff and governance members to be involved in the permitting process and at what level.	--	This will be addressed in the strategic planning exercise.		June 2020	--	--
2.3	F	Determine if overall project provides a "net environmental benefit" beyond cold water pool in Shasta. If yes, then work to get agency and NGO buy in.	Outside of the Refuge water supply and Delta smelt benefits, net environmental benefits were identified in the WSIP application related to cold water pool management in Shasta. CDFW expressed concerns with using these net environmental benefits to offset impacts in their 2081 permit – requesting "assurances" that benefits would occur.	<ul style="list-style-type: none"> Revised net environmental benefits will be determined as part of the development of operational criteria. Agency and NGO discussions are planned to occur throughout 2020. 	High	December 2020	Ali Forsythe	

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2.4	F	Establish a regulatory agency technical advisory committee at the staff level that meets regularly.	A number of meetings were held with CDFW, USFWS, and NMFS in 2019, including the CDFW "60-day" process that included technical, management, and executive level meetings.	A regulatory agency technical team will be established in spring / early summer 2020 as environmental planning and permitting activities are restarted. In addition, the internal Sites team (EPP, Integration and ICF) hold regularly established coordination and work planning meetings.	High	June 2020	Ali Forsythe	
3.1	D	Quantify and get agreement from the state and feds as to what the benefits are to an integrated operation with the SWP and CVP.	Modeling of Sites Reservoir operations scenarios have assumed an integrated operation of the SWP and CVP. Numerous discussions have occurred with DWR and Reclamation on operations criteria and benefits.	<ul style="list-style-type: none"> • Development of a revised operational scenario is scheduled to be completed in June 2020. • Modeling and analysis to quantify benefits of the revised operational scenario is scheduled to be completed in December 2020. • Sites staff will be working with Reclamation and DWR throughout the development and analysis of the revised scenarios to both quantify and obtain agreement on criteria and resulting benefits of an integrated operation with the SWP and CVP. • Discussions with SWP and CVP should be memorialized in draft agreements and the Operations Plan, Version 1.0 in 2020. 	High	December 2020	Ali Forsythe	

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3.2	C	Establish a strategy to get state and federal agencies to be storage investors.	<ul style="list-style-type: none"> The State is committed to being an investor in the project through the WSIP program. Federal participation is addressed in Action Item #1.7. 	<ul style="list-style-type: none"> Build schedule to meet the current requirements of the CWC WSIP to maintain state current level of investment Continue to position with CWC to get additional funding through WSIP should funds come available. Working with government affairs work group to position for potential funds in a November state water bond. Address Federal participation through Action Item #1.7. 	High	July 2020	Kevin Spesert	
4.1	H	Review all facility planning previously completed by DWR to make certain that there are not missed opportunities to integrate new facilities with existing facilities.	The Value Planning effort has taken a close look at project facility needs and costs and has re-evaluate all of the previously identified facilities.	Complete the Value Planning Report and adopt a new Preferred Alternative.	High	April 2020	Lee Fredrickson	
5.1	B	Once a schedule is developed, then make certain to include all anticipated Board decisions that are critical path to project development.	The work plan through December 2021 includes a detailed schedule that is nearing complete and will serve as the basis for adding in key board decision dates.	A detailed project schedule that includes identification of critical path actions and focuses on activities thru the end of 2021 is under development.	High	August 2020	Jim Watson	
5.2	Board / Res Comm	Once a new schedule is agreed to, governance members need to dedicate enough time to keep up with the agreed upon pace of this project.		This will be addressed in the strategic planning exercise.				
5.3	Executive Director	Get materials to governance members at least a week in advance that clearly identifies decisions to be made, any analysis being made in support of the authority staff recommended decisions, and other options that were considered.	Staff have previously developed templates for Reservoir Committee and Authority Board materials.	<ul style="list-style-type: none"> Actions to implement a more inclusive and effective policy making process have been initiated. Progress to be evaluated as part of strategic planning exercise. 	High	April 2020 (with further adjustments thereafter)	Jerry Brown	
5.4	Board / Res Comm	As part of the new schedule, each governance member should identify which decisions warrant staff making a presentation to their individual agency to make certain that they are in concurrence with the direction the project tis moving.					Fritz Durst / Thad Bettner	

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5.5	--	Use joint Board workshops and individual agency meetings to walk thru assumptions and anticipated outcomes so that when a decision comes to governance members for approval, the information will not be new.	Staff has started to utilize joint Board / Reservoir Committee workshops in 2019.	<ul style="list-style-type: none"> Staff will continue to propose and utilize joint Board / Reservoir Committee workshops as appropriate for specific topics. Individual agency meetings may be initiated by staff or by an individual agency and tracked thru the process developed under Action Item #13 below. No additional specific action will be taken to address this Action Item. 	--	Ongoing	--	--
5.6	C	Review the costs and deliverables accrued to date and tie future cash calls to anticipated deliverables.	Staff worked to tie cash calls to deliverables in Amendment 1B efforts. However, some activities are more ongoing business that do not necessarily result in a deliverable. Draft Amendment 2 Workplan includes deliverables by service area and explains areas where there may not be a "deliverable".	<ul style="list-style-type: none"> Draft 2019 Annual Report prepared addressing items such as accomplishments and expenditures in 2019. Waiting review and comments from Authority and staff will finalize April 2020. Draft Amendment 2 will be finalized end of April 2020. 	High	April 2020	Joe Trapasso	
6.1	A	Determine process and schedule to deliver cost per acre-foot and long-term debt information to project investors.	Cost per acre-foot has historically been developed and shared with members. In late 2019, staff developed a "Cash Flow" tool to help show long-term debt information.	<ul style="list-style-type: none"> Continue to present cost per acre-foot when discussing affordability. Update Cash Flow tool periodically as assumptions change or become outdated. 	High	<ul style="list-style-type: none"> April 2020 – Updates as a result of Value Planning efforts Future – Periodic updates as changes occur 	Lee Fredrickson	

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7.1	--	Determine process and schedule to deliver how long-term costs of this project compare to other sources of water.	Information on costs of other sources of water is difficult to obtain. In addition the "value proposition" for each member agency will be different depending on a number of factors including ag, M&I uses, water located north or south of Delta, length of agreement, and risks.	As this is different for each member and information is difficult to obtain, no additional work is proposed.	Low	--	--	--
8.1	A	Prepare a financial plan that lays out the potential sources of funding including California IBank.	<ul style="list-style-type: none"> The scope and budget for the development of a financial plan was deferred by the Reservoir Committee / Board to a later date. Exploratory conversations with IBank date back to September 28, 2017. Changes to their program would be needed for members to use this source. 	<ul style="list-style-type: none"> Develop finance plan as part of Amendment 2. Continue to identify potential grant and other funding sources - at both the state and federal levels - that could reduce the project's finance costs. Continue to work with Water Commission on timing of additional Prop 1 funds becoming available, since the original funding amount was less than the amount they deemed Sites to be eligible to receive. 	Medium	July 2021	Jim Watson	
9.1	F	Prepare a Board briefing on the comparative costs of mitigation from comparable projects to help determine a level of reasonableness.	Mitigation cost technical memorandum was prepared by CH2M Hill in 2016. Additional mitigation cost reviews were prepared in October of 2019 and February 2020 for the Value Planning Process.	Mitigation planning and a class 4 cost estimate are scoped to occur in Amendment 2 (late 2020/early 2021).	High	Late 2020	Ali Forsythe	
10.1	Executive Director	Determine process and schedule to deliver information regarding the cost of storage versus the cost of yield in the context of developing a tiered pricing approach.	--	Moving from yield to storage has been suggested to be a topic of the strategic planning session. This topic will be addressed and a plan developed as part of that effort.	Medium	Nov 2020	Jerry Brown	

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11.1	B	Once the governance members agree on a project schedule then have staff only focus on scope thru permitting and come up with a budget.	Work Plans are developed by staff and approved by the Authority Board. These Work Plans identify specific tasks and priorities and Authority staff work to execute these plans as written.	Draft Amendment 2 work plan completed and will be reviewed and commented on by Authority in April 2020. Staff will make necessary changes and finalize. Focus activities thru December 2021 on those activities identified in the Amendment 2 Work Plan.	High	August 2020	Joe Trapasso	
12.1	Board / Res Comm	Hold team building sessions to better understand how governance members process information and make decisions with the anticipated outcome for governance members and Authority staff to agree upon their respected roles and responsibilities.					Fritz Durst / Thad Bettner	
12.2	Executive Director	Authority staff should work to make Board meetings more of a final sign off or endorsement of a policy decision or budget approval.	This action item is similar to Action Item #5.5.	See Action Item #5.5.	--	Ongoing	Jerry Brown	--
13 (13.1 to 13.5)	B	Staff will document and track all governance member questions and provide responses to the governance members.	--	Staff initiated work on a tracking tool to track member questions and information requests and update it on a regular basis.	High	August 2020	Joe Trapasso	
14.1	F	Concerns with the structure and information flow from the CDFW discussions.	--	<ul style="list-style-type: none"> Hold more frequent Environmental and Permitting Work Group meetings to provide updates on the CDFW efforts. Continue to provide updates at the Operations Work Group meetings on the CDFW efforts. 	High	Throughout 2020	Ali Forsythe	
15.1	Executive Director	Prepare a discussion paper on what lessons have been learned by other similar projects that can potentially be adopted for use by the Sites Project.	--	Staff continuously monitors other projects for lesson learned and applies them to this Project as appropriate.	Low	Ongoing, verbal	Jerry Brown	
15.2	Board / Res Comm	Create a joint strategic plan for the Reservoir Committee and Board.		This will be addressed as part of the strategic planning exercise.				
16.1	C	Create a strategy to get Reclamation to the table to describe what the local investment will do for their contracts.	See Action Item #1.7.	Such as strategy will be coordinated with Action Item #1.7.	High	June 2020	Kevin Spesert	

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16.2	B	Explore the concept of beneficiary pays to accurately account for the benefits received by each investor and consider a tiered pricing system.	The concept of beneficiary pays has been discussed a number of times. Once a Preferred Project has been selected and additional design / use / beneficiary information is better understood, the concept of beneficiary pays can be explored further. See Action 10.1.	<ul style="list-style-type: none"> Explore the concept of beneficiary pays as design and cost information progresses. Refine and have an agreed upon approach for Phase 3 (post 2021). Governance considerations including potential tiered pricing will be discussed in the strategic planning exercise. 	Medium	June 2021	Joe Trapasso	
16.3	Board / Res Comm	Formally request south of Delta investors to identify ways of keeping north of Delta ag in the project.		This will be discussed as part of the strategic planning exercise.				
17.1	B	Perform analysis to validate if increased partnerships would result in the project becoming more affordable.	--	Dependent on approval of upcoming funding request results.	Medium	August 2020	Joe Trapasso	
18.1	Board / Res Comm	Celebrate and memorialize the cooperative relationship between north of Delta and south of Delta participants on the Project.		This will be discussed as part of the strategic planning exercise.				
19.1	Board / Res Comm	Formalize the roles and responsibilities between the Res Comm and Board and look for ways to reduce duplication.		This will be discussed as part of the strategic planning exercise.				
20.1	Board / Res Comm	Complete analysis of the legal requirements for the Res Comm and Board governance. Consult with other Prop 1 recipients that have multiple partners to see how they are set up.		This will be discussed as part of the strategic planning exercise.				
20.2	Board / Res Comm	Depending on the results of Action Item #21.1, have a policy level discussion to decide if the Res Comm and Board make-up can be and should be changed.		This will be discussed as part of the strategic planning exercise.				
21.1	Board / Res Comm	Rules for membership on the Authority Board are not understood. Get a legal and policy review of the composition of the Board to inform a discussion and decision on Board composition.		This will be discussed as part of the strategic planning exercise.				
22.1	Executive Director	Prepare a legal analysis of what are appropriate materials to be covered in closed session.		The analysis will be prepared and presented to the Res Comm and Board.	High	August 2020	Scott Kuney	



Sites Reservoir Project

Strategic Planning Facilitation Services For the Sites Project Authority

Scope: To address findings in the 2019 Organizational Assessment involving teamwork, trust, communications and team morale. The Project would like for the facilitator to design a strategic planning program around the findings that the facilitator thinks are most important to the success to the Project and include, but not be limited to:

- Mission/Vision, Governance, Subcommittees, other
- Outside Relations
- Communications
- Trust
- Work Product
- Timing of Services
- Meeting Locations

Schedule:

Activity	Date (2020)
Release of RFP	April 23
Submission of written RFP questions	April 27 Noon
Response to written questions emailed to Respondents	April 29
Proposals due to Authority	May 8 Noon
Authority Review of Proposals/Firms Selected for Interview	May 11
Notification of Interviews, if appropriate	May 11
Telephone interviews, at Authority's discretion	May 15
Authority Board reviews and approves contract award	May 27
Execution of contract completed	June 1



Sites Reservoir Project

Budget: There is \$100,000 in the current budget. However, the initial effort will depend on proposals. Staff's goal is to keep the initial work through the planning session to no more than \$25,000 which leaves budget for potential follow-up items.

This will go to the Budget and Finance Committee on April 8th who will provide comment by April 13th.

The following list of consultants will be invited to propose for the strategic planning facilitation services:

1. **Ed Means**, Principal Consultant, Means Consulting LLC,
edmeans@roadrunner.com
2. **Ellen Cross**, Principal Consultant, Strategy Driver Inc.,
Crosse@strategydriver.com
3. **Charles Gardner**, Principal Consultant Catalyst Group,
Charles@CatalystGroupCA.com
4. **Larry Bienati**, Principal Consultant, Bienati Management Consultants,
larry@bienati.com
5. **Ane Deister**, Senior Consultant, Saxon-Hamilton, ane.deister@yahoo.com