



SITES RESERVOIR PROJECT ASSESSMENT OF DELEGATION OF AUTHORITY

November 2020



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Consulting Inc.

DELEGATION OF AUTHORITY REVIEWED DOCUMENTS

Governance and Other Documents Reviewed

Fourth Amended and Restated Joint Exercise of Powers Agreement

- 3-23-17 Approved

Reservoir Project Agreement

- 4-1-19 2019 Reservoir Project Agreement Approved
- 10-18-19 First Amendment Approved
- 4-22-20 Second Amendment Approved

Bylaws

- 11-21-16 Bylaws for Phase 1 Approved
- 9-17-18 Bylaws for Phase 2 Approved

2019 Organizational Assessment

7-22-20 Authority Board's Committees

7-22-20 Joint Budget and Finance Committee Chartering Document



FINDINGS

Finding 1

Revised Bylaws result in duplication and overlap between RC and AB

All RC decisions being brought to AB for approval

RC, AB, and staff delegation of authority not clearly defined

No clear definition of material and non material changes

Results in:

- Extra staff work and costs
- Extra work for AB to understand non-policy decisions such as technical, environmental, and financial findings



FINDINGS

Recommendation 1

Direct staff draft revised 2018 Bylaws - clearly define AB and RC roles and responsibilities and material and non material changes

RC direct technical, environmental and financial studies

AB kept informed to certify environmental documents, adopt mitigation plan and accept permit terms and conditions



FINDINGS

Finding 2

Role of the ED (and staff) identified in the 2018 Bylaws has evolved

Many administrative items are routinely brought to the Boards for approval

Bylaws do not define the delegation to the ED in many areas



FINDINGS

Recommendation 2

Direct staff to create detailed responsibility matrix that will be approved by both the RC and AB as well as future amendments

Attached is working draft delegation of authority matrix with areas of responsibilities for consideration and comment:

- Budget management
- Grant and Loan applications
- MOUs with agencies and utilities
- CEQA compliance
- Purchasing of materials and supplies
- Insurance claims
- Travel and Training
- Professional Service Contract administration
- Progress Payments
- Land acquisition and easements
- Managing staff
- Access



FINDINGS

Finding 3

Processing service payments established initial phase of Project
Today many more and complex payments to process
Very tight processing deadlines due to only monthly payments
Impacts timely service payments and rushed processing

Recommendation 3

Adopt a commonly used public agency invoicing process allowing continuous processing of invoices and securing RC approval by warrant register in arrears.



Nest Steps

November 2020

- Receive comments to working draft Delegation of Authority Matrix
- Receive comments to 3 recommendations to clarify delegated authority

December 2020

- Request approval of Delegation of Authority Matrix
- Request approval for staff to initiate work to incorporate the 3 recommendations to the Bylaws



QUESTIONS



Presentation Sections

Reviewed governance documents

Role of AB as defined in 2016 and 2018 Bylaws

Role of RC as defined in the 2019 Reservoir Project Agreement

Role of ED as defined in the 2018 Bylaws

Finding and Recommendation #1: *Modify Bylaws to better define roles for AB, RC and ED*

Finding and Recommendation #2: *Approve a detailed responsibility matrix to be incorporated in the modified Bylaws*

Finding and Recommendation #3: *Adopt a continuous invoice processing approach*

Next Steps



ROLE OF THE RESERVOIR COMMITTEE

Reservoir Committee

Section 3 of the 2019 Reservoir Project Agreement defines delegated authority to RC

- Setting policy for the RC
- Recommend actions for AB to take
- Determine payments (and timing) per participation percentages each fiscal year
- Authorize payments consistent with adopted work plan and budget
- Approve all other actions needed to carry out the project development
- Material actions require both the RC approval and AB approval



ROLE OF THE AUTHORITY BOARD

Authority Board

Section 4.1 of the 2016 Bylaws defines role of AB to include:

- Prop 1 grant compliance
- CEQA lead agency and work with USBR for NEPA lead
- Hold title to water rights
- Dam safety compliance
- Permit applicant
- Review decisions at the Project Agreement level to ensure they are in the best interest of the Sites Reservoir Project
- Acquire property and rights-of-way



ROLE OF THE AUTHORITY BOARD

Authority Board

Section 10 of the 2018 Bylaws modifies responsibilities for AB to include:

- All of the roles defined in Section 4; plus:
 - Negotiation and acceptance of permit conditions
- Commitment to mitigation
- Permit compliance
- Outreach with elected officials, general public, NGO's and tribes
- Determination of Material Changes that affect cost and water supply benefits
- Development of renewable power and pumped storage
- Oversight of employees and consultant contracts
- Establish decision making thresholds by specific topic areas to be addressed by the RC
- Approve the Reservoir Project Agreement and amendments
- Approve a financial plan



ROLE OF THE EXECUTIVE DIRECTOR

Executive Director

Section 11.2 of the 2018 Bylaws defines delegated authority to General Manager (now ED)

- Voice of the project on all activities related to advancing the project
- Represent the project as a leader in the state
- Maintain costs
- Seek additional funding partners
- Delegated spending authorities:
 - Approve Master Service Agreements (MSA) with terms but no scope or cost
 - Approve MSA Task orders within the budget up to \$500k
 - Execute other professional service agreements within budget and less than \$100k
 - Approve other expenditures not within budget up to \$5k with cost offset from other section(s) in budget
- Annual performance of key staff positions, consultant contracts and key personnel

