

**Requested Action:**

Receive report on strategic planning progress and reporting and provide input on the proposed work plan objectives for the next work period.

**Detailed Description/Background:**

The Final 2020 Strategic Plan was approved at the December 2020 meetings and guides all work activities of the Project for the next 3-5 years. Progress being made on key deliverables of the current work plan are reported to the Reservoir Committee (RC) and Authority Board (AB) in the monthly status report. Also, the Project team references back to the Strategic Plan goal areas regularly to ensure there is tie-in between work activities and the goals the RC and AB have set in the Strategic Plan. The progress being made on the two specific work plans covered in the 2020 Strategic Plan (Environmental Planning and Permitting and Plan of Finance) is being made in accordance with the overall schedule and updates are provided regularly to the oversight workgroups/committees. The other near-term priority involves review of authority delegation (AB/RC to staff, and between the AB and RC). These tasks are on track and developing at a pace that supports an effective organization. The previous work of the 2019 Organizational Assessment has been substantially completed and reporting on these activities have been closed out.

Looking ahead, efforts are underway to prepare the next work plan for the upcoming work period starting January 2022 and ending with receiving the water right and key environmental and regulatory permits and approvals needed to construct and operate the Project which is currently planned to occur July 2023 (18 months). The final work plan will be part of the Successor Agreement which will be brought to the RC and AB for approval in September 2021.

Two checkpoints for input from the RC and AB are as follows and will help to inform the work plan development and make sure what is brought to the RC and AB for approval in September is on track:

- Checkpoint #1 (this meeting) – Provide input on the objectives which describe the outcomes and results that must be achieved to fulfill the next segment of the Project supporting the overall mission.

- Checkpoint #2 (April 2021) – Provide input on the proposed organization chart and resource needs to accomplish the objectives.

The attachment includes the proposed objectives for the next work period. In preparing these proposed objectives, the Project team has taken into consideration the preliminary goals, objectives, and priorities outlined in the Strategic Plan. The proposed objectives reflect a review conducted from a high level with these three major deliverables driving the majority of the work:

1. Final Award of the WSIP funding which requires final permits and approvals including the Incidental Take Permit from CDFW, the Biological Opinions from USFWS and NMFS, and a Permit to Construct the Dams from DSOD.
2. Acquiring the final water right permit from the SWRCB.
3. Multiple areas of progress to ensure the work momentum is maintained and readiness to proceed on the 2030 schedule upon completing final WSIP award and final water right permit.

**Prior Action:**

October 16, 2020: Received a final status update on Organizational Assessment Progress and comment on the proposed consolidation of future reporting with strategic planning monitoring and reporting.

**Fiscal Impact/Funding Source:**

An early identified cash call amount of \$350/af was put forward for planning purposes associated with accomplishing the proposed objectives. This is the “working” upper bound until further information justifies a change. An 18-month timeline was reflected for the next work period in the 2030 schedule reviewed with the RC and AB in November 2020, but this duration can be extended depending on the timing of revenue to support the work plan. A longer work period schedule potentially carries construction cost inflation and additional interest on borrowed funds because it could extend the overall time for completion. However, a decision on duration of the work plan can be considered at a later time.

**Staff Contact:**

Jerry Brown

**Attachments:**

Attachment A: Table Showing Objectives in Each Strategic Plan Goal Area for Next Work Period

## Proposed Next Work Period Goals and Objectives

<i>Strategic Plan Goal Area</i>	<i>Work Period Objective</i>
<b>1. Affordability</b>	a. Secure a final funding agreement with California Water Commission for the remainder of the MCED.
	b. Execute final operations and benefits agreements with federal and state agencies.
	c. Secure federal funding from the WIIN Act and other sources. Receive final federal commitments for project construction and execute Water Storage and Supply Services Contract with Reclamation.
	d. Complete loan applications and related activities to immediately initiate bank financing at the start of the next phase.
	e. Complete and execute Water Supply and Storage Services Contracts with each Local Agency participating in the Project.
	f. Continue to refine affordability analysis based on updated capital and operating cost estimate, cost of capital, cost allocation and benefits analysis.
<b>2. Permittability</b>	a. Complete Final EIR/EIS, Authority approves Project, certifies the Final EIR, adopts the MMRP, and issues a Notice of Determination; Reclamation executes the Record of Decision.
	b. Complete and obtain all necessary environmental permits and approvals for construction and operations (such as, Biological Opinions, Section 106 Programmatic Agreement, State incidental take permits, Clean Water Act Section 404 and 401 permits).
	c. Receive water right Order and Permit from the SWRCB.
	d. Develop draft and/or final all plans, as appropriate, identified in the EIR/EIS (such as the recreation management plan, traffic management plan, land management plan, operations plan, etc).
	e. Complete and obtain local agency agreements and permits along with any required city or county actions necessary to support the next phase of the Project.
	f. Complete and execute benefit contracts with DWR (flood control and recreation benefits) and CDFW (environmental benefits) for public benefits.
	g. Develop a mitigation acquisition master plan and approach for mitigating the Project effects. Begin biological and cultural resources surveys to refine impacts and mitigation obligations on properties where willing land access can be obtained.
	h. Receive permit to construct from DSOD all jurisdictional dams within the Project.

## Proposed Next Work Period Goals and Objectives

<b>3. Buildability</b>	a. Complete engineering design to 30% level and provide updated construction and operations cost estimates. Complete further facility designs as needed to get permits and approvals required for WSIP funding.
	b. Evaluate alternative project delivery methods, determine risks for project variances and recommended risk management strategies, finalize construction bid packages, and determine overall Project schedule.
	c. Develop land acquisition master plan, conduct land negotiations and execute land acquisitions with “willing sellers”.
	d. Perform geotechnical evaluations of all “willing seller” properties related to long-lead Project facilities.
	e. Continue coordination with local community organizations and agencies to address Project effects during construction and operations.
<b>4. Effectiveness</b>	a. Develop and define the organizational culture, values and management approaches.
	b. Prepare Project controls and processes to ensure continued transparency and efficient operations through detailed design and construction.
	c. Determine the organization structure for the remainder of the Project and create the basic infrastructure to effectuate it at the start of the next work period.