



Meeting: **Joint Reservoir Committee & Authority Board June 17, 2022**
Agenda Item 3.2

Subject: **Review Strategic Plan and Renew Governance Discussion**

Requested Action:

Review and comment on the approach and timing for developing updated board level decision-making criteria to be considered for implementation through future project phases.

Detailed Description/Background:

In preparing this item, staff reviewed the December 2020 Strategic Plan (2020 Plan) goals, and objectives and evaluated the progress and continued relevance of the priorities previously identified (see Attachment A). Based on this comparison, staff feels the 2020 Plan continues to serve as a useful and relevant guide to the implementation of the project. The next strategic planning update is planned to occur closer to the start of Phase 3, currently scheduled for mid-2024.

The 2020 Plan identified consideration of governance and decision-making changes as a priority item. Progress was made on this topic in 2021 discussions leading up to the "endorsed" Guiding Principles and Preliminary Terms (GPPT). The following section was included in the GPPTs and represents the current status:

1.3 Future Changes to Roles and Responsibilities. The parties acknowledge that future changes in the roles and responsibilities (governance and decision making) between the JPA and Participants will need to be considered as the Project progresses. Such changes will be considered prior to initiation of each subsequent Project phase 3, 4, and 5. The parties acknowledge that Sacramento Valley leadership and Project participants from outside of the Sacramento Valley are both equally essential for Project success and have governance needs that must be met. The parties have agreed that the attached diagram (see page 11) represents an accurate representation of these interests. Any changes to the existing governance and decision-making would require approval of the JPA via a change to the JPA governing documents and bylaws. Loan agreements and borrowing agreements executed by the JPA may also limit the type of governance changes that may be made.

There is a workshop planned for next month where the feedback from the Participant review of the GPPT with their home agency will be considered. As part of this workshop, Staff recommends a kick-off of the discussion on

governance (Section 1.3) which would lead to a separate parallel track involving a newly formed ad hoc workgroup. Staff plans to bring a draft workgroup charter and suggestions for membership for consideration as part of the workshop. Ad-hoc workgroup meetings would get started in August and continue with periodic check-ins being brought to the future RC/AB joint meetings.

Prior Action:

September 2020: Accepted the updated vision, mission and values reflected in the Interim Strategic Plan which is the product of the August 13, 2020 Strategic Planning Session and authorize revision of Section 2 of the November 2016 JPA Bylaws to incorporate the updated vision, mission and value.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jerry Brown

Attachments:

Attachment A
Evaluation of Progress Made in Priority Areas since adoption of
2020 Sites Project Authority Strategic Plan
June 2022

Activity	Progress Made since adoption of 2020 Strategic Plan
Priority 1 – Immediate Need for Further Discussion and Agreement on Approach, Roles, and Timing. The Authority Board and Reservoir Committee developed specific action plans for these high-priority objectives.	
1A. Agree on water storage and supply services contracts with local agency participants and secure project financing.	In progress, guiding principles and preliminary terms endorsed in 2021, migrating to executed benefits and obligations contracts by Spring 2024.
2B. Complete environmental review and secure permits for construction and operation.	In progress, RDEIR/SDEIS released for public review Nov 2021, Construction ITP authorized for application, Biological Opinions and Operation ITP to be submitted summer 2022.
4A. Delegate decision responsibilities and clarify working relationships needed to secure project approvals and agreements.	Complete, delegation of authority matrix completed in 2021, various board policy documents adopted and implemented.
Priority 2 – Necessary Activities to Advance the Project. These objectives will continue with Board and Reservoir Committee oversight.	
1B. Secure a final funding agreement with the California Water Commission for the remainder of the \$775 million conditionally approved for the project in July 2018	In Progress, CWC approval of feasibility complete Dec 2021, pursuing final award in Spring 2024.
2A. Negotiate final operations agreements with federal, state, and local partners.	In Progress, ongoing technical discussions are underway.
2C. Complete Tribal, landowner, and local agency agreements.	In progress, efforts in these areas to be increased in the coming months
3A. Complete feasibility level design and provide construction and operations costs certainty.	In Progress, 10% design completed with feasibility cost estimate in Sept 2021, 30% design and Level 3 cost estimate planned at completion of Amendment 3 work plan.
Priority 3 – Important Activities to Advance the Project and Prepare for Future Phases. These objectives are important to continue developing and will be incorporated into action plans as necessary.	
1C. Secure federal funding from the WIIN Act and other sources.	In Progress, ~\$104M secured from WIIN, Reclamation’s final participation under discussion.
4B. Develop and define the organizational culture, values, and management approaches.	In Progress, 2020 Strategic Plan mission, values, goals guide all activities of Staff.
4C. Develop governance structures and staffing plans for future phases.	In Progress, guiding principles and preliminary terms establish conceptual timing and approach for governance changes, Amendment 3 work plan includes staffing plan through start of Phase 3.
Priority 4 – Future Work These objectives will be implemented in future phases.	
3B. Complete appropriate level of design for project delivery method, conduct value engineering, and put construction risk control measures in place for construction.	In Progress, contracting procurement strategy under development which will be followed by overall Project Schedule development.
3C. Complete construction and operational commissioning.	Future, to be initiated at Phase 3 and 4 start.