



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 3.2

September 20, 2024

Subject: **Strategic Plan Update Purpose, Timing and Other Considerations**

Requested Action:

Review and comment on the progress report for approach and timing for updating the Strategic Plan for the next project phases.

Detailed Description/Background:

The Board's adopted December 2020 Strategic Plan established the organization's vision, mission, and values. In addition and specific to the Phase 2 work, goals and objectives were identified to guide staff work. In June 2022, the progress and continued relevance of the priorities were reviewed. Attachment A provides an update of these same areas to progress as of September 2024.

Staff's overall assessment is that the 2020 Plan has served as a useful and relevant guide to the implementation of Phase 2 of the project. While it is not expected that the vision, mission and values of the organization need to change, the goals and objectives for Phase 3 and 4 will need to be modified. The transition from Planning (Phase 2) to Project delivery (Phase 3 Final Design, Phase 4 Construction) necessitates revised goals and objectives. Staff has prepared the attached diagram representing early thinking around considerations in this regard and an illustration of the differing needs.

Staff is seeking Board members' reactions/observations on i) the usefulness and applicability of vision, mission and values reflected in the 2020 Plan for the next phases of the Project and ii) any specific concerns or issues that should be considered to be addressed in the next update of the Strategic Plan.

This strategic plan update is not planned to occur until mid 2025 and the board's input into the process will occur similar to the 2020 plan preparations. However this early check-in is meant to identify any significant considerations that may take more time or involve a deeper board discussion in preparation for the planning session itself.

Prior Action:

June 2022 –_Reviewed the approach and timing for developing updated board level decision-making criteria to be considered for implementation through future project phases.

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. The Amendment 3 work plan includes sufficient funds to conduct strategic planning workshops to update the strategic plan.

Staff Contact:

Jerry Brown

Attachments:

Attachment A – Progress Update on Priority Areas

Attachment B – Wagon Wheel showing transition from planning to delivery

Attachment A
 Evaluation of Progress Made in Priority Areas since adoption of
 2020 Sites Project Authority Strategic Plan
 September 2024

| Activity | Progress Made since adoption of 2020 Strategic Plan |
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| 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, the second draft of the benefits and obligations contract (~60% complete) was issued to participants in August 2024. Project financing with EPA for a WIFIA loan agreement is under discussion with EPA and is on track for completion to support project financing needs. |
| 2B. Complete environmental review and secure permits for construction and operation. | Partially Complete, Final EIR/EIS was certified in November 2023, litigation of the Final EIR is in appeal, Construction and Operations ITP applications are in review and final permits are expected in October 2024, Step One Biological Opinions are expected by end of 2024 and Step Two Biological Opinions are expected in mid 2025. |
| 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 \$875 million conditionally approved for the project | In Progress, Sites is developing Public Benefit Agreements which will precede, along with other agreements and permits, the final funding award which has been scheduled to occur in early 2026. |
| 2A. Negotiate final operations agreements with federal, state, and local partners. | In Progress, an operations agreement is being discussed with DWR and Reclamation. Facility Use Agreements are being developed with local partners. |
| 2C. Complete Tribal, landowner, and local agency agreements. | Partially Complete, agreements reached with local agencies in regard to the water rights process. In Progress, negotiations with early acquisition landowners. Tribes and Staff continues to have open line of communications. Staff intends to initiate the Tribal Working Group as a forum for addressing issues with possible agreements to follow. County developer agreements are being prepared. |
| 3A. Complete feasibility level design and provide construction and operations costs certainty. | Partially complete, 30% design has been provided to the Authority, Level 3 cost estimate including construction and operation cost analysis is being prepared. |
| 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, ~\$514M secured from WIIN, Reclamation’s final participation under discussion. |
| 4B. Develop and define the organizational culture, values, and management approaches. | In Progress, Board review of organization fundamental objectives and core competencies occurred in Oct 2023. |

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| | This information is guiding staff decisions regarding resource needs and capacity. |
| 4C. Develop governance structures and staffing plans for future phases. | In Progress, governance structure is incorporated in the B&O contract development, preliminary org charts for construction and operations have been drafted and shared with the Board. |
| 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 Strategy adopted July 2022. CMAR procurement preparation is underway and an RFQ for Package #1 – Reservoir and roads to be issued by end of 2024. Overall project schedule adopted October 2023. |
| 3C. Complete construction and operational commissioning. | Future, to be initiated at Phase 3 and 4 start. |

