

Requested Action:

Review and comment on the proposed 2020 Delegation of Authority Matrix.

Detailed Description/Background:

The Organizational Assessment identified the need for strategic planning and the Authority Board (AB) and Reservoir Committee (RC) completed a Strategic Planning Session in August 2020. The Initial Draft Strategic Plan provided at the September 2020 meetings includes four goals. Goal 4 – Strengthen the Organization as Owner of a \$3.5 Billion Project, in the Initial Draft Strategic Plan (The Catalyst Group, September 2020) included Objective A. Delegation decision responsibilities and clarify working relationships to secure project approvals and agreements. This objective identified that further clarifications were needed to delegation of decisions to improve efficiencies.

Darling H2O was tasked to review board to staff delegation of authority starting with an audit of the Project's existing processes and leading to possible considerations of incorporating best practices and industry standards. Darling H2O completed the audit by reviewing project governance documents; the 2019 Organizational Assessment, Authority Board Committees and Joint Budget and Finance Committee Chartering Document.

The attached proposed 2020 Delegation of Authority Matrix addresses the following needs:

- For the most part, the proposed matrix incorporates the current delegations afforded through governance documents, except where dollar thresholds have been updated for inflation and best practice. Generally, consolidating the authorities in a single document is good practice and eliminates possible confusion which can lead to compliance issues.
- Several “new” areas of delegated authority are proposed to reduce administrative burden where doing so would not put the AB or RC at greater financial, regulatory, or legal risk and
- Adjusting the invoice approval and payment process is proposed to trim time between invoice and payment of claims.

Implementation in several cases would require development of policies and procedures (as noted in the matrix). Having Board approved delegations will help to define priorities for procedure development going forward.

The proposed matrix is being presented to get reactions and feedback from the RC and AB which will be considered before bringing the final matrix for approval next month.

This matrix does not complete all work under Goal 4, Objective A. The Financing Plan Action Plan included scope to evaluate delegation of authority from the AB to the RC which is scheduled to be undertaken in Spring 2021. Within the Darling H2O findings there are observations related to delegations from AB to the RC that are best addressed as part of this work.

Prior Action:

None.

Fiscal Impact/Funding Source:

The review conducted by Darling H2O is being completed under the budgeted amounts. Remaining funds at completion are estimated to be ~\$8,000. The contract term will be extended from December 2020 to June 2021 to make the consultant available if needed during the planned Finance action plan review delegations from the AB to the RC.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A: Working Draft Sites Project Delegated Authority Levels Matrix

Sites Project Delegated Authority Levels (Working Draft for Discussion Purposes)

R = Recommended By A = Approval I = Information Only

November 23, 2020, Authority Board
Agenda Item 4.2A

CATEGORY / DOCUMENT		Needs a Policy and Procedure	Legal	Designated Staff	Project Agents	Executive Director	Budget and Finance Committee	Reservoir Committee	Authority Board	Notes				
A. JEPA Agreement, Reservoir Project Agreements, Bylaws														
1	Fourth Amended and Restated Joint Exercise of Powers Agreement			R					A	Effective March 23, 2017 (Version 4).				
2	JEPA Amendments			R					R	A	AB approves with 75% or greater, each AB member signs.			
3	JEPA Admission of a new member								R	R	A	AB approves with 75% or greater, each AB member signs.		
4	Calendaring for Board Agenda								A			New. ED sets the calendar with input from Chairs of RC and AB. Board members have opportunity at each board meeting to bring up items for future agendas.		
B. Work Plans, Budget, Grants, Loans and MOUs														
1	Work Plan								R	R	A	A	Most recent Amendment 2 approved August 26 2020.	
2	Work Plan Budget								R	R	A	A	Most recent Amendment 2 approved August 26 2020.	
3	Budget Transfers													
	a.	Transfers up to \$100,000 between line items and no increase in approved budget	Yes						R	A	I		Consistent with 9/17/18 Bylaws Section 12.3.2 but modified from \$50,000 to \$100,000.	
	b.	Transfers over \$100,000							R	R	R	A	I	Consistent with 9/17/18 Bylaws Section 12.3.2 but modified from \$50,000 to \$100,000.
	c.	Use of Contingency	Yes						R	A	I	I	I	New. Need to establish contingency in the budget that the ED has flexibility to use under certain conditions.
4	Grants													
	a.	Application							R	R	R	A	A	Consistent with 9/17/18 Bylaws Section 4.1.
	b.	Execution and submittal of grant application							R	A	I			New. If agreement is different from application then have to go back to RC and AB.
	c.	Execution and management of grant agreements		R					R	A	I	I	I	New, assumes no material change in key terms of agreement when approved for application.
5	Loans													
	a.	Application							R	R	R	A	A	Consistent with 9/17/18 Bylaws Section 4.1.
	b.	Execution and submittal of loan application							R	A	I			New
	c.	Execution of loan agreements		R					R	R	A	A		New
	d.	Acceptance and management of loan funds							R	A	I	I	I	New
6	MOUs with Federal, State, Local Govts, Native American, Utilities													
	a.	MOU/Agreement Execution		R					R	R		A	A	New
	b.	MOU/Agreement Management and reporting							R	A		I	I	New

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C. Environmental Review and Permitting										
1	CA Environmental Quality Act (CEQA) Authority								A	Sites AB adopted Section 15022(d) State CEQA Guidelines March 25, 2019.
	a. Staff determines if a proposed action requires CEQA compliance document.									
	i. If no then prepare Exemption(s) if needed and CEQA Determination		R	R	R	R		R	A	Consistent with 9/17/18 Bylaws Section 4.1. Can be approved by consent if no controversy.
	ii. If yes and not covered by existing CEQA document, prepare an Initial Study and appropriate CEQA compliance documentation		R	R	R	R		R	A	Consistent with 9/17/18 Bylaws Section 4.1.
	b. Board takes lead CEQA agency role				R	R		R	A	
	i. Makes and Adopts Findings and Determinations		R		R	R		R	A	Consistent with 9/17/18 Bylaws Section 4.1.
	ii. Adopts project and mitigation measures		R		R	R		R	A	Consistent with 9/17/18 Bylaws Section 4.1.
2	Permit Applications (water rights, 404, 401, Biological Assessments, etc.) that commit the project to financial or legal/regulatory risk.		R		R	R		R	A	Board authorizes ED to sign and submit. Consistent with 9/17/18 Bylaws Section 4.1.
3	Permit Applications that do not commit the project to financial or legal/regulatory risk.		R		R	A		I	I	New
4	Local Agency permits, land division & GP Amendments that include financial or legal/regulatory risk.		R		R	R		R	A	Board approves, ED signs and administers. Consistent with 9/17/18 Bylaws Section 4.1.
5	Local Agency permits, land division & GP Amendments that do not include financial or legal/regulatory risk.		R		R	A		I	I	New
D. Administrative										
1	Purchases (supplies, materials & equipment)	Yes								
	a. Up to \$100,000				R	A	I	I	I	New
	b. Greater than \$100,000					R	R	A	A	New
2	Administrative Procedures that include financial commitments or legal/regulatory risk.		R		R	R	R	A	A	New
3	Administrative Procedures that do not include financial commitments or legal/regulatory risk.		R		R	A				New
4	Agenda Item Submittal									

CATEGORY / DOCUMENT		Needs a Policy and Procedure	Legal	Designated Staff	Project Agents	Executive Director	Budget and Finance Committee	Reservoir Committee	Authority Board	Notes
a.	Recommendation to BOD - Action/Info. & Discuss		R		R	R	R	A	A	Current Practice
b.	Recommendation to BOD - Consent		R		R	R	R	A	A	Current Practice
5	Response to Public Records Request	Yes	R		R	A		I	I	New
6	Travel Authorization Out of State					R		A	A	
7	Travel Authorization Within State				A	I				
E. Professional Service Contracts										
1	Decision to use outside consultants	Yes			R	A	I	I	I	New
2	Request for Qualifications	Yes			R	A	I	I	I	New
3	Request for Proposals	Yes			R	A	I	I	I	New, Selection panel to involve AB and RC members for contract/task orders above \$500,000 or critical service provider.
4	Sole Source Professional Services up to \$500,000	Yes	R		R	A	I	I	I	New
5	Sole Source Professional Services above \$500,000	Yes	R		R	R	R	A	A	
6	Authority to Negotiate Professional Service Contracts									
a.	Approve Master Service Agreements with terms but no scope or cost		R		R	A	I	I	I	Consistent with 9/17/18 Bylaws Section 11.2.
7	Professional Services Agreement									
a.	Up to \$500,000 within the Approved Budget		R	R	R	A	I	I	I	Consistent with 9/17/18 Bylaws Section 11.2. Modified to increase from \$100,000 for non MSA's to \$500,000.
b.	Greater than \$500,000		R		R	R	R	A	A	Consistent with 9/17/18 Bylaws Section 11.2. Modified to increase from \$100,000 to \$500,000.
8	Professional Services Amendment including Legal Services	Yes								
a.	Within Contract/Task Order approved amount				R	A	I			New
b.	Reallocation of Task Budget Within Contract/Task Order				R	A	I			New
c.	Exceeds Remaining Contract/Task Order Amount				R	R	R	A	I	New
9	Notice to Proceed									
a.	Professional Services				A	I				Current Practice

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10	Progress Payments	Yes								This is the routine process. Advance Checks may be made per the approved policy.
	a. Invoice approval				A					Current Practice
	b. Preparation of Payment of Claims				A	I	I			New
	c. Check Issuance Authorization				R	R	R	A	A	
	e. Electronic Signatures and Release of Checks				A					New - Need to explore electronic signatures and ACH payments, no printed signatures on live checks.
11	Service Completion and progress reports				A	I				New
12	Significant Schedule Changes				R	R	R	A	A	Significant as defined in Section 12. Material Change of 2018 Bylaws.
F. Construction Contracts (to be established as project nears construction)										
G. Land Easements and Leases										
1	Temporary Right of Entry (TROE)/Land Access Agreements									
	a. TROE/Land Access Agreement with Landowner		R		R	A		I	I	Information to the Authority Ad Hoc Land Management Committee.
	b. Check Request for TROE/Land Access Compensation				R	R	A	A	A	As outlined in the TROE Compensation Protocol. Payment as outlined in the Advance Check Policy.
H. Personnel Issues TBD if Sites has employees										
I. Access to Sites Project Facilities										
1	Electronic Access Cards	Yes								
	a. Initial Request for Card and Site Access				A					New
	b. Replacement of Lost Card				A					New
2	Mechanical Keys	Yes								
	a. Initial Request for Key(s)				A					New
	b. Replacement of Lost Key(s)				A					New