

# ***San Geronio Pass Water Agency***

**DATE:** November 16, 2020

**TO:** Board of Directors

**FROM:** Lance Eckhart, General Manager

**BY:** Lance Eckhart, General Manager

**SUBJECT: SUPPORT BY FORMER GENERAL MANAGER JEFF DAVIS AS RETIRED ANNUITANT JANUARY 1, 2021 THROUGH DECEMBER 31, 2021**

## **RECOMMENDATION**

Staff recommends the Board authorize an agreement with former General Manager Jeff Davis, under terms approved by the General Counsel, for consulting services from January 1, 2021 through December 31, 2021 in a not to exceed amount of \$50,000.

## **PREVIOUS CONSIDERATION**

- April 20, 2020: The Board of Directors approved an Interim General Manager Agreement with former General Manager Jeff Davis.
- July 20, 2020: The Board of Directors approved a First Amendment to the Interim General Manager Agreement and approved a CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement.

## **BACKGROUND**

Jeff Davis served as General Manager of the Agency for 15 years prior to retiring in June, and consequently has specialized knowledge and skills that are still important to the current and future functioning of the Agency. These specialized knowledge and skills relate specifically to the following: 1) Strategic management, governance and influence pertaining to the \$3 billion Sites Reservoir project; 2) archival and preservation of the Agency's institutional knowledge of historical documents in a modern format; 3) grant requirement support for the Agency's current \$2M Proposition 1 grants through the Department of Water Resources (DWR).

## **ANALYSIS**

### ***Sites Reservoir***

The Sites Reservoir, along with full participation of the Delta Conveyance Project (DCP), are critical in addressing the documented long-term supply shortages of the region. Former General Manager Davis has spent much of his time under an existing Limited-Term Appointment Letter Agreement with the Agency working on numerous Sites Reservoir issues in 2020. Mr. Davis currently serves as Vice Chair of the Sites Reservoir Committee and is potentially slated to become Chair for 2021. Mr. Davis is in

a position to attain a critical role in the Sites program and influence the direction of the program at a pressing juncture for the Agency. The Agency has the means to invest in vitally important projects like the DCP and Sites if Agency's Debt Service fund (ad valorem taxes) can be utilized while the Agency develops forward projecting financial tools/strategies in 2021. Presently, the Sites project may not be able to be paid for with the Agency's Debt Service fund and General Fund taxes are inadequate to pay for participation in Sites. Various financial strategies for the Agency are being discussed but may not be in-place in a time-frame that is congruent with important Sites participation/commitment decisions. The Agency, and other East Branch State Water Contractors, investing in Sites are contending with this issue which will likely need to be addressed in 2021. Funding requests for the next Sites planning cycle is expected in late 2021. There is a real potential that if Contractors cannot pay for the Sites project with their respective Debt Service funds, investing parties may have to opt out of the program altogether. Mr. Davis is leading efforts with the 10 sites investors, various interested Contractors, DWR leadership and other parties to address the Debt Service issue before the next planning cycle. If Mr. Davis were not able to participate in a leadership position of the Sites project, another individual who has not been involved in Sites leadership would have to assume this role (it must be by a Southern California representative), and continuity of leadership for the entire project could be disrupted, impacting all Sites investors. Specifically, for 2021, participation in Sites with the potential of utilizing a Contractor's Debt Service fund is critically important and any change in Sites leadership puts this Agency priority item at risk over the next few months. To date the Agency has invested \$2.36M in Sites and this represents a sunk cost to the region if financial participation in the project cannot be resolved.

### ***Preservation of Institutional Knowledge***

Staff has requested that Mr. Davis head up an effort to digitize and archive a host of historical reports, files, agreements, maps, engineering drawings and other documents that staff feels are critical to maintaining institutional knowledge as leadership passes to the new General Manager. Mr. Davis's familiarity with these documents makes him the ideal, and in fact the only choice, for this work that preserves the body of knowledge of the Agency and protects significant previous technical investments.

### ***Grant Support***

Mr. Davis also manages the Agency's two (2) \$1-million DWR Proposition 1 Sustainable Groundwater Management Act grants. In this capacity, he is responsible for submitting quarterly progress reports and invoices that enables the Agency to receive the grant funds. Administrative management of DWR grants tend to be very nuanced and time consuming. Staff has asked him to continue in this role, as it frees up other staff to perform more necessary high-level daily tasks.

### **FISCAL IMPACT**

The proposed agreement will enable Mr. Davis to work as a retired annuitant on the above tasks at the direction of staff from January 1, 2021 through December 2021 at a cost not to exceed \$50,000 for the year.

Staff anticipates that the work identified above will be fully or substantially completed by December 2021, and does not anticipate support by Mr. Davis beyond 2021.

The current fiscal year budget includes \$50,000 for the work being performed by Mr. Davis under the current Letter Agreement. Additional work requested in this proposed action is not included in this year's budget. It is anticipated that, of the additional \$50,000 requested, approximately \$25,000 will be expended in this fiscal year and \$25,000 in next fiscal year.

### **ACTION**

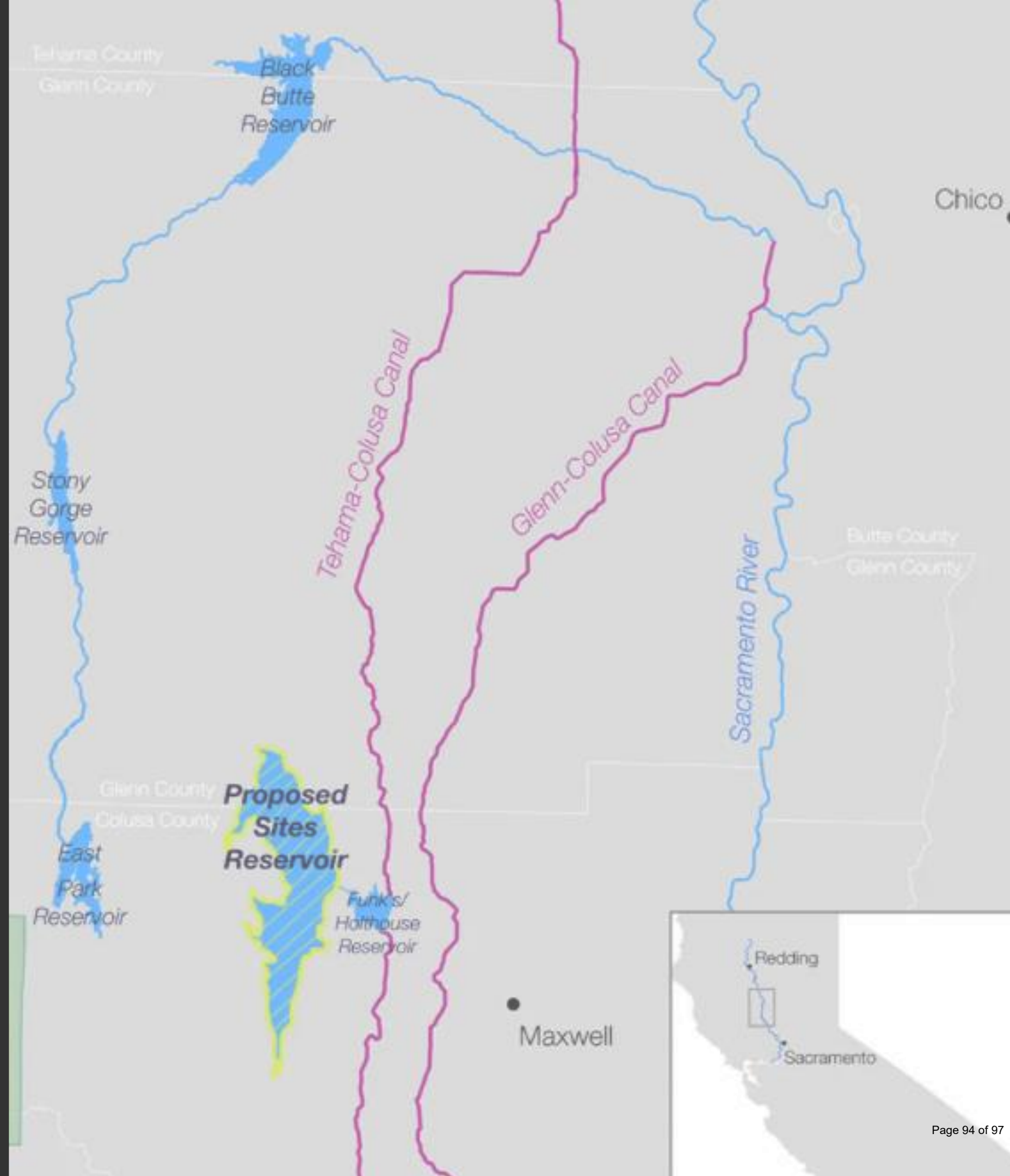
Subject to approval by legal counsel, motion to authorize staff to prepare and execute an agreement for consulting services for Jeff Davis from January 1, 2021 through December 31, 2021 not to exceed \$50,000.



# Additional Support for 2021

Board of Directors – November 16, 2021

01



# Sites Reservoir

*Leadership & political positioning*

*Financing and open question*

*Critical for long-term supply*

*Timing*

*Sunk costs*

02



# Preserve Knowledge

Preserve body of knowledge & investments

Digitize & properly archive

Make the data accessible (internal & external)

Timing & personnel are important



# Grant Support

2 million in DWR Prop. 1 Grants

Majority of reporting in 2021

Time-consuming

Grant support often outsourced

04

05

# Additional support through 2021 for time-critical items

