

MIKE SANDEFUR PERSONAL RESPONSE TO SUNSET STAFF REPORT

May 11, 2016

The Honorable Larry Gonzales, Chair
Sunset Advisory Commission
Robert E Johnson Building, 6th Floor
1501 North Congress Ave.
Austin, Texas 78701

Dear Chairman Gonzales:

I am one of 3 recently appointed Sulphur River Basin Authority (“SRBA”) board members, and attended my first meeting April 19, 2016. The transmittal letter dated April 29 that accompanied the Sunset Advisory Commission Staff Report requests the SRBA’s board formal response on the issues presented in the staff report by Friday, May 13. It also welcomes an individual response from SRBA board members.

The specified May 13 deadline for the SRBA board’s formal response falls before the next regular SRBA board meeting scheduled for May 17. As a special board meeting was not called, a formal SRBA board response does not look possible until after May 17.

I have carefully reviewed the Sunset Staff report, and do not take issue with the directives and recommendations in the report. Change is needed! As an individual board member, I have developed a draft interim reorganization plan in an attempt to comprehensively address the issues and concerns detailed in the report.

This interim plan is my personal response as a member of the board, and in no way attempts to be an official response by the Sulphur River Basin Authority, the SRBA board in whole or in part, or to otherwise represent the view of any other board member. I do intend to have the SRBA administrator distribute copies of this response to the other board members in advance of our board meeting May 17th so that it can be discussed at the meeting if desired.

DRAFT PROPOSAL OF INTERIM REORGANIZATION PLAN

Developed May 1, 2016

Revised May 10, 2016

To help develop a proposed course of action, it was helpful (and painful) to review certain excerpted observations from the official Sunset Staff report, including the following:

- Organizationally immature (page 3)
- Hit the reset button (3)
- Stark assessment of the SRBA Board failing (3)
- Warrant an overhaul of SRBA operations (3)
- Actions of SRBA Board aggravate the atmosphere of distrust (5)

SRBA needs comprehensive change (5, 12)
Demands that SRBA increase its maturity and sophistication (12)
SRBA Board has failed to take needed steps (12)
SRBA needs sweeping changes (12)
Distrust casts doubt on virtually every decision the SRBA Board makes (13)
Restoring public trust in SRBA is essential (13)
Raising concerns among stakeholders about SRBA independence and allegiance (13)
Failed to effectively structure and manage the organization (13)
To question SRBA competence and capacity to manage (13/14)
One that is woefully underperformed (15)
The SRBA does not embrace the full spirit of openness (16)
No strategic planning (17)

It appears that drastic, immediate changes are called for. I would propose that the Sulphur River Basin Authority Board consider the following draft framework as a starting place for an interim reorganization and action plan to address the Sunset concerns. Obviously, getting input, incorporating better ideas, eliminating bad ideas, and getting buy-in from the entire board would be necessary to set the stage for a successful reorganization. It is important for the board to act together as a whole (page 5); a split board would clearly be best to avoid.

Following for discussion purposes is a specific proposal for an **Interim Reorganization** and reform of SRBA operations, in light of the above Sunset staff observations and their implied requirement for immediate implementation of significant reforms listed in the Sunset Report.

A. Change of Board Leadership (preliminary to Recommendation (“R”)#1.1)

Elect transitional new President of the Board

Establish multiple vice presidents (per bylaw 6.01) and clarify their roles

Possible nominations:

Wally Kraft (incumbent) – vice-president of sedimentation

Katie Stedman (new) – vice-president of good governance and transparency

Bret McCoy (new) – vice president/liaison with water planning groups

Vacant for now (*) – vice-president of reservoirs

Dissolve all standing committees (bylaw 5.01)

Delay/defer as appropriate upcoming important board decisions pending implementation of an interim reorganization, completion of board training, and development of a strategic plan (which will help to ensure that each board “member has an adequate understanding of the authority’s governing laws, operations, and budget before making decisions regarding matters of public interest”) (page 43).

() As reservoir issues appear to account for much of the SRBA's perceived problems and controversies, my recommendation is to establish this office to reflect its obvious importance, but to temporarily delay filling it until such time as the SRBA has adopted an interim reorganization, completed the Sunset Review process, and implemented the management directives and good governance reforms suggested by the Sunset review process.*

B. Budget

Responsibility: Mike Sandefur and Mike Russell

Timetable: 60 days

Determine funding partner response to Sunset Staff report and proposed interim reorganization steps, and ascertain impact, if any, on funding.
Develop backup plan in case stable funding is reduced or discontinued (page 3)
Review current year budget and actual results, and investigate variances
Review unallocated fund balance, net of contractual liabilities
Develop next year's proposed budget for review and approval

C. Education plan for new board members (including 2 new members to be appointed 2/2017 and 2 new members to be appointed 9/2017) (Page 43 and R 5.2d)

Responsibility: Mike Sandefur, Bret McCoy, Katie Stedman

Timetable: educate and bring the three new members somewhat up to speed over a 4-6 month period, mostly in public meetings and through public workshops.

Goal 1: Design an education plan to not only orient and inform the newest board members, but to also refresh older board members while educating the community, other stakeholders, and the media as well.

Goal 2: Make future board meetings substantially more informative than historically has been done by facilitating preparedness, appropriately summarizing information, having visual aids and resources on hand, accepting stakeholder input, and promoting substantive discussion. (pages 15 and 42, R 1.5)

Goal 3: Capture selected training and presentations on video and handouts to accelerate the orientation process that will soon be needed for the upcoming 4 new board members who will presumably be appointed in 2017.

Schedule orientation and public presentations by stakeholders (page 15)
(JCPD, Region D, Region C, Ward Timber, City of Texarkana, Riverbend, Northeast Texas Water Coalition, International Paper, et al.)

Schedule orientation and public presentations by Agencies and consultants (page 15)

(USACE, TCEQ, TWDB, Sulphur Basin Group, Freese and Nichols, MTG, Jon-Lark, Kingwood Forestry, Texarkana College Clean Rivers, et al.)
Schedule orientation and public presentations by similar organizations (page 15)
(functioning river authorities, NETMWD, Red River Commission, et al)
Ensure visual resources (maps/charts) are available at every meeting
Provide appropriate handouts at every meeting (page 17)
Develop and retain written monthly reports (page 42 and R 5.1e)
Develop handbook and reference manuals
Enable access to all resources on an organized SRBA website (page 15)
Develop comprehensive calendar documenting past and future SRBA events

D. Good Governance and Transparency

Responsibility: Katie Stedman

Timetable: now and forevermore

Coordinate Sunset Review Process (now through Legislative Action Phase)
Adopt and enforce best practices for board meetings
Coordinate directed Open Meetings workshop with Attorney General staff (R 1.5)
Maintain Conflict of Interest policy and document conflicts
Maintain website (R 1.5)
Manage and document Public Information Act requests (page 42, R 5.1d)
Evaluate Audit and engagement of CPA firm for future audits
Evaluate application for Texas Comptroller **Transparency Stars** program
Evaluate compliance with retention policy (page 41, R5.1c)
Maintain audio and video logs of meeting recordings (page 17)
Maintain system for acting on and documenting complaints (page 44, R5.2f)

E. Sedimentation (page 17)

Responsibility: Wally Kraft, with Brad Drake, Mike Russell, Pat Wommack

Timetable: 12 months

While there are many controversies and differences of opinions regarding development of new long-term water resources, I believe there is a general consensus that identifying and addressing sedimentation issues in the near term would be advantageous to everybody. Thus, a new initiative of the SRBA would be to explore how best to proceed on other watershed issues such as sedimentation.

Evaluate Sedimentation education, programs, and best practices (page 17)

Evaluate effectiveness and expansion possibilities of Clean Rivers Program
Evaluate what other districts are doing and adopt appropriate practices
Evaluate funding opportunities (R 1.3)
Evaluate, provide oversight to, and obtain accountability from Consultant (page 14)

F. Liaison with Water Planning Organizations

Responsibility: Bret McCoy (with Pat Wommack, Mike Russell, Brad Drake, et al)

Timetable: 12 months and then ongoing

Act as Board Liaison with some/all of following planning groups and governmental stakeholders

Region D Water Planning Group
JCPD
Riverbend Water Resources District
City of Texarkana
Red River Valley Association/Red River Compact Commission
US Army Corp of Engineers
NETMWD
and others as appropriate

Evaluate, provide oversight to, and obtain accountability from Consultant (page 14)

G. Begin Interim Strategic Planning sessions (2 year process) (page 17)

Responsibility: Mike Sandefur, with Mike Russell, Brad Drake and others

Precondition: New board members and public have 4-6 months of education

Timetable:

Estimated start: Fall, 2016

Estimated end: Spring, 2018 (after education of newest board members)

The intent is to develop and approve a written strategic plan with measureable goals subject to ongoing review and updates.

H. Engage Executive Director (preliminary steps for R #1.2)

- Responsibility: Entire board

- Precondition: New board members and public have 4-6 months of education
- Precondition: Strategic planning process has been initiated
- Precondition: Job Description/qualities needed for strategic goals developed
- Precondition: Funding is available

- Timetable: To be determined based on preconditions

I. Reservoir and Contracts

- Responsibility: President?, pending selection of VP-Reservoirs

Caveat: Not yet familiar enough to discuss this complex issue intelligently.
Fortunately, there appears to be the possibility of diminished urgency in the short term due to the following:

- SRBA board must focus on Sunset Review process
- Implementation of Board Interim Reorganization plan
- New drought of record will require new round of studies
- Coordination of Texarkana-area entities has improved communication

- Evaluate options to obtain local funding (R 1.3)
- Evaluate, provide oversight to, and obtain accountability from Consultant (page 14)
- Obtain input from stakeholders (R #1.5)
- Establish structure to obtain, discuss, and evaluate “Doubts” and opposing viewpoints on Consulting Studies and Board actions. (page 13)
- Obtain qualifications/bids for other consultants and engineers (R #1.4)

J. Applicable Laws

- Responsibility: Mike Sandefur, Katie Stedman and Mike Russell

- Work with attorney regarding:
- Review PIA process and retention policy (if needed) (page 42)
 - Evaluate presiding officer designation alternatives (page 43, R5.2b)
 - Review policy-making and staff functions (if needed) (page 44, R5.2e)
 - Review outdated governing laws (page 42, R5.1f)
 - Review and incorporate alternate dispute resolution (page 44, R5.2g)
 - Adoption of TCEQ administrative policies (pages 44,45, R 5.3)

Thank you for your consideration of these comments and Draft Proposal of Interim Reorganization Plan for inclusion in the Sunset Review process.

Sincerely,

Michael Sandefur

Michael Sandefur, SRBA Board Member