



**Monterey County Water Resources Agency
Strategic Planning Workshop
November 13, 2014**

Arrive for networking and refreshments 8:30 a.m.

Workshop 9 a.m. – 4 p.m.

Trackview Pavilion @Laguna Seca Raceway

Desired Workshop Outcomes

- Understanding of the challenges and opportunities facing the Agency.
- Agreement on several multi-year goals.
- Agreement on principles to guide decision making.
- Agreement on priorities for the coming year.

AGENDA

Times shown are approximate.

1. Welcome and introductions (5 minutes)

- a. Call to order
- b. Roll call
- c. Pledge of Allegiance
- d. Opening comments by General Manager

2. Public Comments (10 minutes)

Public Comments are limited to matters not listed on the Agenda within Monterey County Water Resources Agency jurisdiction in the time allotted.

3. Review plans for the day (5 minutes)

Purpose: Review the agenda and establish ground rules for the workshop.

4. Understanding the Financial Context (20 minutes)

Purpose: Provide a summary of the Agency's financial position, including multi-year forecast.)

5. SWOT Exercise (30 minutes)

Purpose: Engage all participants in an interactive exercise of identifying strengths, weaknesses, opportunities and threats facing the Agency.

6. Review Core Purposes as Authorized by Agency Act (20 minutes)

Purpose: Review the fundamental purposes of the Agency as stated in the Monterey County Water Resources Agency Act, and note whether the current mission statement matches the Agency Act.

7. Determine multi-year goals (45 minutes)

Purpose: Reach agreement on several large, multi-year goals, intended to state what the Agency seeks to accomplish through its projects and programs.

8. Determine principles to guide decision making (30 minutes)

Purpose: Establish principles that will be used by staff and the Board of Directors in determining priorities and making resource decisions.

Break for on-site lunch (30 minutes)

9. Determine priorities (2.5 hours)

Purpose: Set specific priorities for the year that can realistically be accomplished with the funding and staffing available.

10. Discuss accountability for implementation (30 minutes)

Purpose: Receive Directors' input on frequency and type of reporting on implementation that would be of value to the Board.

11. Wrap up and evaluation (15 minutes)

Purpose: Review next steps and conduct short evaluation of the day.

Attachments:

Financials PowerPoint Presentation

Essential Agency Projects List w/Funds

Essential Agency Projects List w/o Funds

Expenditure Report by Fund

Monterey County Water Resources Agency Act – Objects & Purposes of Act

Consolidated Pre-Work by Board of Directors

Consolidated Pre-Work by EMT

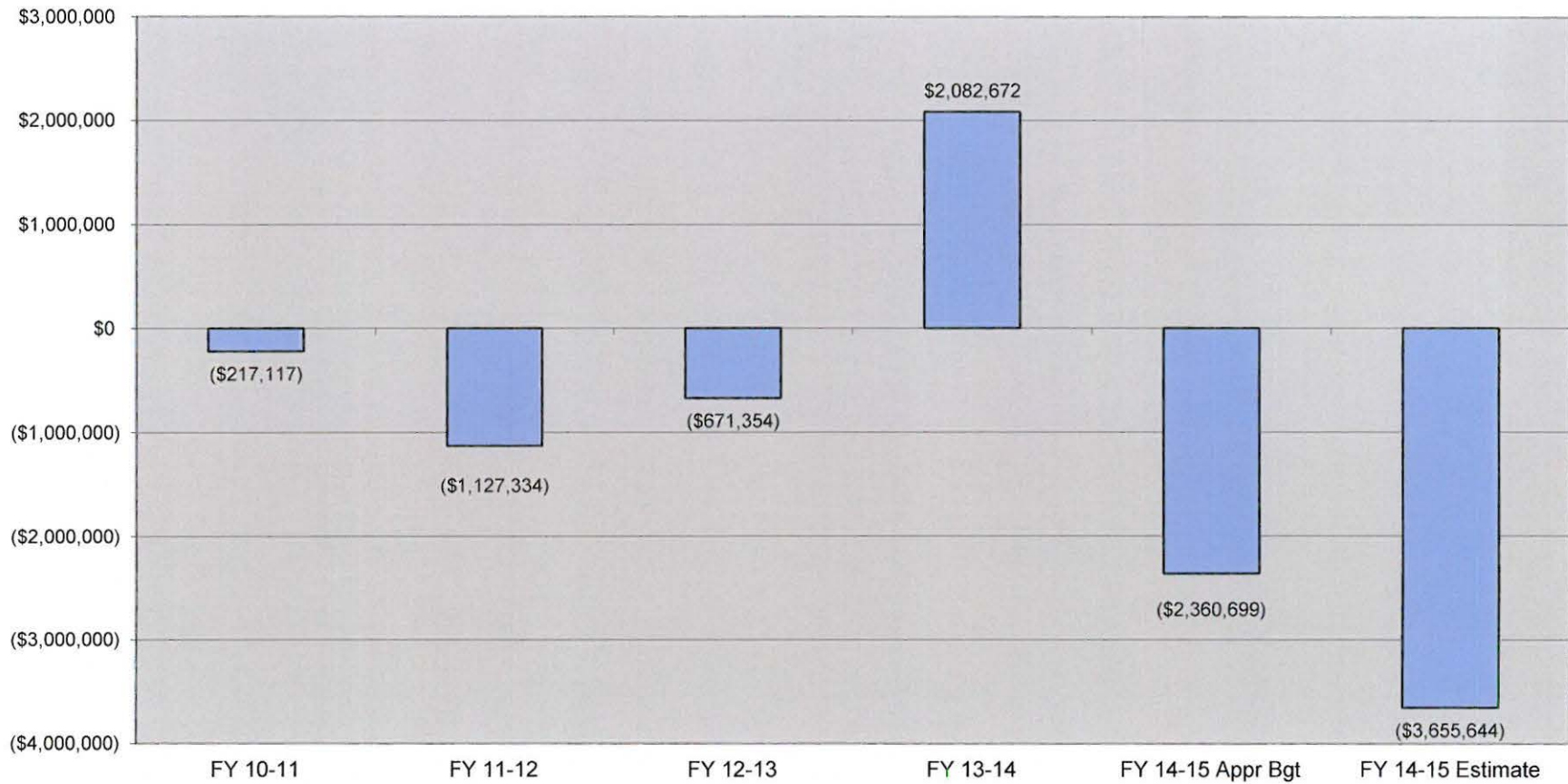


Fund Balance - 3 Year Forecast

	<u>13-14 Actuals</u>	<u>14-15 Approved</u>	<u>14-15 Est</u>	<u>15-16 Est</u>	<u>16-17 Est</u>
Beginning Fund Balance	\$ 14,246,181.00	\$ 13,108,778.00	\$ 16,328,853.00	\$ 12,652,238.00	\$ 12,108,238.00
Expenditures	\$ 18,836,473.00	\$ 22,970,688.00	\$ 24,396,224.00	\$ 21,571,487.00	\$ 21,742,184.00
Revenue	\$ 20,919,145.00	\$ 20,609,989.00	\$ 20,740,580.00	\$ 21,027,487.00	\$ 21,317,995.00
Ending Fund Balance	<u>\$ 16,328,853.00</u>	<u>\$ 10,748,079.00</u>	<u>\$ 12,673,209.00</u>	<u>\$ 12,108,238.00</u>	<u>\$ 11,684,049.00</u>
	2,082,672	(2,360,699)	(3,655,644)	(544,000)	(424,189)



Changes in Agency Fund Balances





Drivers Burning Agency Fund Balance

- Budget does not include settlement money
- Budget does not include Annexations
- Budget reflects reductions in the following:
 - Hydro-electric Revenue
 - Grant Revenue
 - Reduced rate for water delivery/service charges

- Budget reflects increase in G.L. and Legal costs



Drivers increasing Expenditures

- Agency continues to work on un-budgeted projects:
 - 11043
 - Fish monitoring
 - Definitive Agreement for G.W.R
 - Interlake Tunnel Project

- Agency struggles to balance on-going program activities with new project opportunities



Potential Solution for FY 2014-15

- Cut Expenditures by \$3,655,644

FUNDAMENTAL PURPOSES

of the
MONTEREY COUNTY WATER RESOURCES AGENCY
as stated in the
MONTEREY COUNTY WATER RESOURCES AGENCY ACT²

Policy and mission oriented purposes—

- **Flood Control and conservation district**

§ 52-5 Duties of Monterey Flood Control and Water Conservation District, except as Act provides (i.e., County-wide (e.g., Carmel River and Big Sur River)) (BoS and BoD)

§ 52-8 The objects and purposes of this act are to

- **Conservation of flood and storm waters**

Provide for control of flood and storm waters of the Agency and of sources outside the Agency, but which flow into the Agency ["Those Waters"],

Conserve those waters for beneficial and useful purposes by spreading, storing, retaining, and causing those waters to percolate into the soil within the Agency,

- **Flood and storm water protection**

Save and conserve in any manner all or any of those waters and to protect from those flood or storm waters the public highways, life, and property in the Agency, and the watercourses and watersheds of streams flowing into the Agency,

- **Water supply: increase, prevent waste or diminution, deter salt water intrusion**

Increase, and prevent the waste or diminution of the water supply in the Agency, including the control of groundwater extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and the replacement of groundwater so controlled through the development and distribution of a substitute surface supply

¹ This is a "working" summary for discussion purposes of this Strategic Planning Workshop only.

² Monterey County Water Resources Agency Act (Water Code Appendix, Chapter 52 (as last amended 1994 Stats. 803).

- **Prohibit groundwater exportation**

Prohibit groundwater exportation from the Salinas River Groundwater Basin

- **Beneficial use of all waters; reclamation**

Obtain, retain, and reclaim drainage, storm, flood, and other waters for beneficial use within the Agency;

- **Incidental recreational uses**

Provide, in Agency’s discretion, in connection with and as an **incident to any works, dam, or reservoir, for** the construction, maintenance, and operation of **a minimum or permanent pool and facilities for swimming, boating, fishing, and recreation** in or upon waters stored in any stream, reservoir, or minimum or permanent pool

Acquisition for the use by the Agency, in addition or adjacent to lands that may be used or acquired for flood control or water conservation purposes or that may be acquired for the maintenance or protection of any such works, dam, or reservoir or watersheds adjacent thereto, of **lands** deemed by the Agency Supervisors necessary or convenient **for** the installation, construction, use, and maintenance of **recreational areas or facilities**, including picnic grounds, playgrounds, campgrounds, home sites, boats and fishing, bathing, or other facilities for use by the public (BoS and BoD)

- **Governance of the Agency**

§ 52-48 **Govern the Agency** (BoD)

Sec.	Purposes	BoS	BoD
<i>Policy and mission oriented purposes—³</i>			
5	Duties of Monterey Flood Control and Water Conservation District, except as Act provides (i.e., County-wide (e.g., Carmel River and Big Sur River))	x	x
8	The objects and purposes of this act are to Provide for the control of the flood and storm waters of the Agency and the flood and storm waters of streams that have their sources outside the Agency, but which flow into the Agency, Conserve those waters for beneficial and useful purposes by spreading, storing, retaining, and causing those waters to percolate into the soil within the Agency, Save and conserve in any manner all or any of those waters and to protect	x	x

³ These classifications are not in the Agency Act. They are used here merely to group similar purposes together.

Sec.	Purposes	BoS	BoD
	<p>from those flood or storm waters the public highways, life, and property in the Agency, and the watercourses and watersheds of streams flowing into the Agency,</p> <p>Increase, and prevent the waste or diminution of the water supply in the Agency, including the control of groundwater extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and the replacement of groundwater so controlled through the development and distribution of a substitute surface supply</p> <p>Prohibit groundwater exportation from the Salinas River Groundwater Basin</p> <p>Obtain, retain, and reclaim drainage, storm, flood, and other waters for beneficial use within the Agency;</p> <p>Provide, Agency's discretion, in connection with and as an incident to any works, dam, or reservoir, for the construction, maintenance, and operation of a minimum or permanent pool and facilities for swimming, boating, fishing, and recreation in or upon waters stored in any stream, reservoir, or minimum or permanent pool</p> <p>Acquisition for the use by the Agency, in addition or adjacent to lands that may be used or acquired for flood control or water conservation purposes or that may be acquired for the maintenance or protection of any such works, dam, or reservoir or watersheds adjacent thereto, of lands deemed by the Agency Supervisors necessary or convenient for the installation, construction, use, and maintenance of recreational areas or facilities, including picnic grounds, playgrounds, campgrounds, home sites, boats and fishing, bathing, or other facilities for use by the public</p>		
48	Govern the Agency		x
<i>Governance and primary administrative purposes—</i>			
48	Govern the Agency		x
52(a)	<p>Advise the Supervisors on all matters relating to the Agency within the scope of the Supervisors' duties</p> <p>(Note: No action shall be taken by the Board of Supervisors relating to the Agency without seeking or obtaining a recommendation from the Directors [except relating to emergencies])</p>	x	
53	<p>Establish long-term and short-term policy objectives for the Agency, subject to review by the Board of Supervisors: oversee the work of the Agency to ensure that the objectives established are diligently pursued</p> <p>(Note: The policy objectives shall be consistent with the Monterey County General Plan and its implementing ordinances.)</p>	x	x
54	<p>(a) Prepare an annual budget for the Agency</p> <p>(b) Hold public hearings on proposed budget</p> <p>(c) Approve budget</p> <p>(d) Submit budget to Supervisors for adoption</p>		x

Sec.	Purposes	BoS	BoD
55	Have primary, but not exclusive, responsibility for initiating and developing all proposals affecting the work of the Agency		x
63(b)	Consider all planning and budgeting matters relating to Agency staffing requirements before referral to Supervisors		x
64(a)	Meet regularly, not less than monthly (according to Brown Act)		x
65	Hold public hearings and consider public testimony on all matters concerning Agency activities when hearings are required by law		x
71(b)	Directors or G.M. shall refer all matters with respect to which litigation is likely to the Board of Supervisors		x
73(a)	GM shall make timely reports to the Board of Supervisors concerning all actions by Board members. Timely provide Board of Supervisors Directors with all agendas and meeting minutes, to ensure timely communications between Board of Supervisors and Directors.		x
73(b)	Prepare, approve and orally present quarterly report to the Board of Supervisors at Supervisor's meeting.		
73(c)	Discuss with the Supervisors any Directors' decisions which may have a significant impact on Agency operations, policies, and practices, prior to implementation,		x
74	GM shall timely report to Directors concerning all actions by the Board of Supervisors regarding work of the Agency Clerk of the Board of Supervisors shall timely provide to the Directors all agendas, minutes, ordinances, and resolutions of Supervisors relating to the Agency.	---	---
75	Board of Supervisors and Directors shall jointly meet semiannually	x	x
85(a)	Pajaro Valley Water Management Agency and Monterey Peninsula Water Management District shall work with the Agency and use their best efforts to cooperate with each other; MOU re Agency's exercise of overlapping jurisdiction	x	x
<i>Other administrative and procedural purposes—</i>			
56	Approve, and Directors' chairperson shall execute, all Agency contracts when authorized by the act or by the Board of Supervisors. (Note: All existing provisions of law relating to Agency contracts, including, but not limited to, advertising, bidding, awarding, and managing contracts, govern Directors' actions.)		x
60	Approve contracts for which funds have not previously been budgeted by Agency	x	

Sec.	Purposes	BoS	BoD
62	Prepare an annual performance evaluation of the G.M. with evaluation format by County administrative office. (Note: With G.M., develop a set of Agency objectives for upcoming year. Assess GM performance in relation to these objectives as part of evaluation. Send evaluation to Supervisors.)	x	
63(a)	Grant to Directors Agency personnel matter duties, subject to employee MOUs	x	
76	Hear appeals of administrative or enforcement decision made by Agency or staff, when provided by ordinance, resolution or regulation.		x
77	Adopt rules, regulations regarding public notice requirements for and conduct of appeal hearings.		

JJA/jja: WRA Srat Plng pur matrix 111214

**Water Resources Agency
ESSENTIAL AGENCY PROJECTS
SHOWING AVAILABILITY OF FUNDING AND STAFF**

Fund	Fund Description	Approved Budget				Project	Funds Available	Staff Assigned	Legal Requirements
		Budgeted 7/1/2014 Fund Balance	Expenditures	Revenue	Budgeted 6/30/2015 Fund Balance				
111	Administration	\$243,255	\$243,255	\$0	\$0	1 Supervision of County Basin Study	Yes*	Yes	Yes
						2 Implementation of Independent Accountant's Report Findings	Yes	Yes	No
						3 Investigation of Office Location Options	Yes	Yes	No
						4 Negotiation of Definitive Agreement for Recycled Water and GWR Project	Yes	Yes	Yes
						5 Negotiation of Lease with Parks Department	Yes	No	Yes
						6 Establishment of Personnel Evaluation Program	Yes	Yes	No
						7 Agency Water Rights Permit 11043	No	Yes	Yes
						8 Salinas River Management Program (long-term)	No	Yes	Yes
						9 Drought Contingency Plan	No	No	No
						10 Basin Sustainability Study	No	No	Yes
						11 Records Retention Policy	No	No	Yes
112	Zone 1 - Pajaro River Levee	\$278,310	\$544,748	\$404,274	\$137,836	12 Pajaro River Flood Damage Reduction Project	Yes**	Yes	No
113	Countywide	\$4,821	\$757,936	\$767,356	\$14,241	13 Floodplain Management Plant	Yes**	Yes	Yes
						14 Development of Well Monitoring Plan for Proposed Cal-Am Wells	Yes	Yes	Yes
						15 CASGEM Well Construction	No	No	Yes
114	Zone 2 - Nacimiento Dam Non-O&M	\$1,594	\$650,089	\$664,376	\$15,881	16 CASGEM Well Construction	No	No	Yes
115	Zone 2A - San Antonio Dam Non-O&M	\$5,632	\$665,859	\$674,716	\$14,489	17 Expansion of Groundwater Extraction Management System (GEMS) Program	No	No	Yes
						18 Enhancement of Quagga Mussel Control Program	No	Yes	No
						19 CASGEM Well Construction	No	No	Yes
116	Zone 2C - Dam Operations	\$265,327	\$3,099,101	\$2,878,498	\$44,724	20 Improvement of Dam Safety Program	Yes	Yes	No
						21 Replace Reservoir Outlet Valves	Yes	Yes	No
						22 Reservoir Operation Manuals	Yes	Yes	No
						23 Reservoir Operation Plan	Partial	Yes	No
						24 Salinas River Stream Maintenance Program (short-term)	Partial	Yes	Yes
						25 Design and Construction of Interlake Tunnel	Partial*	Yes	Yes
						26 Cloud Seeding	Partial	No	No
						27 Filing of Salinas River Lagoon Management Permit	No	Yes	Yes
						28 Expansion of Groundwater Extraction Management System (GEMS) Program	No	No	Yes
						29 Enhancement of Quagga Mussel Control Program	No	Yes	No
30 Drought Contingency Plan	No	No	Yes						
116	Zone 2C - Administration	\$ 366,917	\$ 341,291	\$ 338,780	\$ 364,406	31 Resolution of Outstanding Assessments	Yes	Yes	Yes
						32 Implement Court Order re: Deitel	Yes	Yes	Yes
						33 Realignment of Grazing Leases	Yes	Yes	Yes

Water Resources Agency
ESSENTIAL AGENCY PROJECTS
SHOWING AVAILABILITY OF FUNDING AND STAFF

Fund	Fund Description	Approved Budget				Project	Funds Available	Staff Assigned	Legal Requirements
		Budgeted 7/1/2014 Fund Balance	Expenditures	Revenue	Budgeted 6/30/2015 Fund Balance				
121	Zone 8 - Soledad Storm Drain	\$138,052	\$203,750	\$68,678	\$2,980	34 Bryant Canyon Flood Control Project	Partial	Yes	No
122	Zone 9 - Reclamation Ditch	\$1,168,925	\$1,750,205	\$1,329,706	\$748,426	35 Performance of Carr Lake Study 36 Participation in Coast Keeper Litigation 37 Negotiation of Definitive Agreement for Recycled Water and GWR Project 38 Resolution of Reclamation Ditch and Blanco Drain Issues	Yes Yes Yes Partial	Yes Yes Yes Yes	No Yes Yes Yes
130	Zone HY - Nacimiento Hydroelectric Plant	\$24,922	\$443,353	\$664,258	\$245,827	39 Interconnection Study 40 Replacement of Generator No. 2	Yes No	Yes Yes	No No
119-134	Zone 2B, 2Y, 2Z - CSIP/SVRP/SRDF	\$1,350,402	\$2,379,760	\$2,033,819	\$1,004,461	41 Implementation of Independent Accountant's Report Findings 42 Resolution of Amendment No. 3 Issues with MRWPCA 43 Negotiation of Definitive Agreement for Recycled Water and GWR Project 44 Utilization of Winter Recycled Water 45 Design and Construction of Espinosa Booster Station Improvements 46 CSIP Service Area Water Supply Expansion 47 Expansion of CSIP 48 Plugging of Abandoned Wells	Yes Yes Yes Yes Partial No No No	Yes Yes Yes Yes Yes Yes Yes No	No Yes Yes No No Yes Yes No

* Reimbursed by County

** Grant

Water Resources Agency
ESSENTIAL AGENCY PROJECTS
SHOWING AVAILABILITY OF FUNDING AND STAFF

Fund	Fund Description	Project	Funds Available	Staff Assigned	Legal Requirements
111	Administration	1 Supervision of County Basin Study	Yes*	Yes	Yes
		2 Implementation of Independent Accountant's Report Findings	Yes	Yes	No
		3 Investigation of Office Location Options	Yes	Yes	No
		4 Negotiation of Definitive Agreement for Recycled Water and GWR Project	Yes	Yes	Yes
		5 Negotiation of Lease with Parks Department	Yes	No	Yes
		6 Establishment of Personnel Evaluation Program	Yes	Yes	No
		7 Agency Water Rights Permit 11043	No	Yes	Yes
		8 Salinas River Management Program (long-term)	No	Yes	Yes
		9 Drought Contingency Plan	No	No	No
		10 Basin Sustainability Study	No	No	Yes
		11 Records Retention Policy	No	No	Yes
112	Zone 1 - Pajaro River Levee	12 Pajaro River Flood Damage Reduction Project	Yes**	Yes	No
113	Countywide	13 Floodplain Management Plant	Yes**	Yes	Yes
		14 Development of Well Monitoring Plan for Proposed Cal-Am Wells	Yes	Yes	Yes
		15 CASGEM Well Construction	No	No	Yes
114	Zone 2 - Nacimiento Dam Non-O&M	16 CASGEM Well Construction	No	No	Yes
115	Zone 2A - San Antonio Dam Non-O&M	17 Expansion of Groundwater Extraction Management System (GEMS) Program	No	No	Yes
		18 Enhancement of Quagga Mussel Control Program	No	Yes	No
		19 CASGEM Well Construction	No	No	Yes
116	Zone 2C - Dam Operations	20 Improvement of Dam Safety Program	Yes	Yes	No
		21 Replace Reservoir Outlet Valves	Yes	Yes	No
		22 Reservoir Operation Manuals	Yes	Yes	No
		23 Reservoir Operation Plan	Partial	Yes	No
		24 Salinas River Stream Maintenance Program (short-term)	Partial	Yes	Yes
		25 Design and Construction of Interlake Tunnel	Partial*	Yes	Yes
		26 Cloud Seeding	Partial	No	No
		27 Filing of Salinas River Lagoon Management Permit	No	Yes	Yes
		28 Expansion of Groundwater Extraction Management System (GEMS) Program	No	No	Yes
		29 Enhancement of Quagga Mussel Control Program	No	Yes	No
30 Drought Contingency Plan	No	No	Yes		
116	Zone 2C - Administration	31 Resolution of Outstanding Assessments	Yes	Yes	Yes
		32 Implement Court Order re: Deitel	Yes	Yes	Yes
		33 Realignment of Grazing Leases	Yes	Yes	Yes

**Water Resources Agency
ESSENTIAL AGENCY PROJECTS
SHOWING AVAILABILITY OF FUNDING AND STAFF**

Fund	Fund Description	Project	Funds Available	Staff Assigned	Legal Requirements
121	Zone 8 - Soledad Storm Drain	34 Bryant Canyon Flood Control Project	Partial	Yes	No
122	Zone 9 - Reclamation Ditch	35 Performance of Carr Lake Study	Yes	Yes	No
		36 Participation in Coast Keeper Litigation	Yes	Yes	Yes
		37 Negotiation of Definitive Agreement for Recycled Water and GWR Project	Yes	Yes	Yes
		38 Resolution of Reclamation Ditch and Blanco Drain Issues	Partial	Yes	Yes
130	Zone HY - Nacimiento Hydroelectric Plant	39 Interconnection Study	Yes	Yes	No
		40 Replacement of Generator No. 2	No	Yes	No
119-134	Zone 2B, 2Y, 2Z - CSIP/SVRP/SRDF	41 Implementation of Independent Accountant's Report Findings	Yes	Yes	No
		42 Resolution of Amendment No. 3 Issues with MRWPCA	Yes	Yes	Yes
		43 Negotiation of Definitive Agreement for Recycled Water and GWR Project	Yes	Yes	Yes
		44 Utilization of Winter Recycled Water	Yes	Yes	No
		45 Design and Construction of Espinosa Booster Station Improvements	Partial	Yes	No
		46 CSIP Service Area Water Supply Expansion	No	Yes	Yes
		47 Expansion of CSIP	No	Yes	Yes
		48 Plugging of Abandoned Wells	No	No	No

* Reimbursed by County

** Grant

MONTEREY COUNTY WATER RESOURCES AGENCY
FY 2014-2015 Budget
Expenditure Report by Fund
Programs

Fund Number	Program Name	Zone	Fund	Prog	Approved Budget	Current Year Estimate	
	Countywide						
113	County Wide Hydrology & Water Quality Program	CW	113	9010	109,708	109,708	
	Flood Plain Management & Land Use Planning	CW	113	9030	195,740	195,740	
	ALERT Syst Operation & Maint/Flood Monitoring	CW	113	9035	37,437	37,437	
	County Wide Water Resources Review-Reimbursed	CW	113	9041	415,051	415,051	
	Special Projects	CW	113	9050	0	0	
	Special Projects - County General Plan	CW	113	9051	0	0	
	Water Rights	CW	113	9053	0	0	
	Total				757,936	757,936	
	Zone 2 Nacimiento Non - O&M						
114	Nacimiento Taxes & Reimbursement	2	114	9211	53,130	53,130	
	Hydrology & Water Quality Program	2	114	9245	423,428	423,428	
	Lake Nacimiento Dock Registration	2	114	9260	21,491	21,491	
	Transfer to to other funds	2	114	9265	0	0	
	Special Projects	2	114	9270	0	0	
	Special Projects - Urban Water Solutions	2	114	9271	152,040	152,040	
	Environmental Compliance	2	114	9272	0	0	
	Total				650,089	650,089	
	Zone 2A San Antonio Non - O &M						
115	Hydrology & Water Quality Program	2A	115	9530	168,343	168,343	
	Well Permits/Well Logs	2A	115	9540	204,099	204,099	
	Salinas Valley Water Quality/Nitrate TAC	2A	115	9559	56,163	56,163	
	Environmental Compliance	2A	115	9561	6,291	6,291	
	Transfer to to other funds	2A	115	9596	0	0	
	Special Projects - Fish Monitoring consultant	2A	115	9597	230,963	230,963	
	Special Projects	2A	115	9597	0	0	
	Special Projects	2A	115	9599	0	0	
	Total				665,859	665,859	
	Zone 2C Operations						
116	Nacimiento Dam Operation & Maintenance	2C	116	9910	963,644	963,644	
	Nacimiento Administration	2C	116	9915	51,091	51,091	
	San Antonio Dam Operation & Maintenance	2C	116	9920	488,096	488,096	
	San Antonio Administration	2C	116	9925	46,099	46,099	
	Salinas River Channel	2C	116	9935	200,105	200,105	
	Salinas River Mouth	2C	116	9940	148,413	148,413	
	Reservoir Oper Hydrology & Water Quality Prog.	2C	116	9945	874,109	874,109	
	ALERT Transfer Out	2C	116	9950	213,100	213,100	
	Transfer to to other funds	2C	116		0	0	
	Ground Water Extraction/Data Collection	2C	116	9955	114,444	114,444	
		Total				3,099,101	3,099,101
		Zone 2C Administration					
		Zone 2C Administration Assessment Roll	2C	116	9970	119,670	119,670
		Zone 2C Administration Other	2C	116	9975	221,621	221,621
	Total				341,291	341,291	

MONTEREY COUNTY WATER RESOURCES AGENCY
FY 2014-2015 Budget
Expenditure Report by Fund
Programs

Fund Number	Program Name	Zone	Fund	Prog	Approved Budget	Current Year Estimate
	Zone 9 Reclamation Ditch					
122	Reclamation Ditch Operation & Maintenance	9	122	9720	1,655,162	1,655,162
	Environmental Compliance / EIR	9	122	9723	95,043	95,043
	Prop 218	9	122	9724	0	0
	Easements/Acquisition	9	122	9725	0	0
	Total				1,750,205	1,750,205
	Zone 2B CSIP Operation & Maintenance					
131	CSIP Operation & Maintenance	2Y	131	9643	2,379,760	2,379,760
	Zone 2B SVRP Operation & Maintenance					
132	SVRP Operation & Maintenance	2Z	132	9644	4,009,900	4,009,900
	Salinas River Diversion Facility O&M					
134	Salinas River Diversion Facility O&M	3	134	9988	529,797	529,797
	Fish Monitoring	3	134	9989	176,603	176,603
	Flow Monitoring	3	134	9990	0	0
	Water Quality Monitoring	3	134	9991	0	0
	Invasive Species	3	134	9992	0	0
	Environmental Compliance	3	134	9993	23,797	23,797
	Total				730,197	730,197

MONTEREY COUNTY WATER RESOURCES AGENCY ACT

Sec. 8. **Objects and purposes of act.** The objects and purposes of this act are to provide for the control of the flood and storm waters of the Agency and the flood and storm waters of streams that have their sources outside the Agency, but which streams and flood waters flow into the Agency, and to conserve those waters for beneficial and useful purposes by spreading, storing, retaining, and causing those waters to percolate into the soil within the Agency, or to save and conserve in any manner all or any of those waters and to protect from those flood or storm waters the public highways, life, and property in the Agency, and the watercourses and watersheds of streams flowing into the Agency, and to increase, and prevent the waste or diminution of the water supply in the Agency, including the control of groundwater extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and the replacement of groundwater so controlled through the development and distribution of a substitute surface supply and to prohibit groundwater exportation from the Salinas River Groundwater Basin, and to obtain, retain, and reclaim drainage, storm, flood, and other waters for beneficial use within the Agency; and to provide, in the discretion of the Agency in connection with and as an incident to any works, dam, or reservoir heretofore or hereafter constructed either within or without the Agency, for the construction, maintenance, and operation of a minimum or permanent pool and facilities for swimming, boating, fishing, and recreation in or upon waters stored in any stream, reservoir, or minimum or permanent pool, and for the acquisition in any manner provided in this act and for the use by the Agency, in addition or adjacent to lands that may be used or acquired for flood control or water conservation purposes or that may be acquired for the maintenance or protection of any such works, dam, or reservoir or watersheds adjacent thereto, of lands deemed by the Supervisors of the Agency to be necessary or convenient for the installation, construction, use, and maintenance of recreational areas or facilities, including picnic grounds, playgrounds, campgrounds, home sites, boats and fishing, bathing, or other facilities for use by the public, subject to such rules and regulations and reasonable charges as may be prescribed by the Board of Supervisors of the Agency. However, no property situated in another county, shall be condemned by the Agency for recreational areas or facilities unless the Board of Supervisors of the County in which the property is situated agrees to the condemnation thereof.



**Monterey County Water Resources Agency
Strategic Planning Workshop
Results of Pre-Work by Board of Directors
Guiding Principles**

During interviews conducted to help prepare for the Strategic Planning Workshop to be held November 13, 2014, an interest in establishing guiding principles for making decisions about priorities was expressed. Possible principles listed below were mentioned during interviews. The table below contains the feedback Management Partners received from five Directors regarding each of the eight suggested principles.

Respondents indicated that all of the suggested principles are appropriate. The ranking by individual Directors is shown, as well as an average ranking for the five who responded. *Note: Two Directors did not rank all of the principles one through eight; rather, one Director gave principles a 1, 2 or 3, and another Director indicated multiple principles as a 1 ranking.*

Suggested Principle	Rankings	Overall Ranking	Comments
1. Project or program is consistent with the core mission of the agency.	1 ¹ 1 2 3 6	2	<ul style="list-style-type: none"> • Fundamental screening process. • I think if we make sure this box is checked on all our work then we can stay in line with what we are to be doing. I think this is the key driver in item #2. • However, the core mission might need to be modified based on current work and agency direction. • Agency Core Mission is controlling storm and flood water and to conserve those waters for beneficial use. Halting sea water intrusion is also a Core Mission

Suggested Principle	Rankings	Overall Ranking	Comments
2. Project or program helps the agency make progress in meeting one or more of its goals.	1 ¹ 2 2 4 5	3	<ul style="list-style-type: none"> • Fundamental. We need to require written evidence of precisely how the prospective action ties into stated goals and where it fits in Performance Plans. If we don't have the human or financial capacity at current levels, will we seek additional resources or take something else off the plate? • We need to review our long term plan and see if we are meeting any of our short term goals that will get us to our long term goals. • Staff time and funding has to balance out
3. Meets legal, contractual and mandated obligations.	1 1 1 5 6	3	<ul style="list-style-type: none"> • Absolute or relative? I assume this refers to non-discretionary items or actions. It would be good to have a better understanding of what falls into this category of spending on a calendar basis. Is it 50%, 80% or 90%+? That tells us what is discretionary within our ability to prioritize. • Counsel currently reviews, but in the time I have been involved we have learned where contracts can be reworded to strengthen the position of the agency. Therefore minimizing future legal costs. • Although all activities the Agency endeavors should be "legal," activity such as Breaching the Salinas River Lagoon is impossible to stay "legal" with all of the regulatory agencies. There is a wide range of "proper" handling of the breaching process. Mandated obligations without funding mechanisms are difficult decisions for the Agency and the BOD.
4. Funding is currently available or new source is committed.	2 2 3 3 7	5	<ul style="list-style-type: none"> • This should be a fundamental goal, but with realistic expectations. Should we spend \$50K upfront on a \$20M potential project to do enough high level analysis to consider whether to invest more? Emergencies can fall outside of this, but we should have plans for how we will handle emergencies as well. Where do we fit legal costs in the category of priorities? Too often we get involved with an expectation of timing and costs only to get mired into expensive actions. How do we fund preliminary project analysis (pre-construction) when we don't have enough detail to reasonably project scope and costs and can't ask intended beneficiaries to self-assess? • Combine with #7 • Yes, we need to do the best we can here. • Necessary Fund Balance for a program of project is must



Suggested Principle	Rankings	Overall Ranking	Comments
5. Project or program will help the agency avoid future costs.	1 3 5 7 8	6	<ul style="list-style-type: none"> Definitely a consideration. Cost avoidance is part of any financial analysis for a project or program. Like any other capital investment or spending decision, there is a projected payback or benefit ratio. We should have some guidelines for what makes sense. Clearly, we wouldn't spend \$1 today for a \$1 savings in the future, nor would we likely spend \$1 today for a \$3 projected benefit 20 years in the future. I think on this one we can do our best, but when we encounter mandated work we lose control and of controlling future costs. The Agency does need firm guidelines for R&M and Target Date and Cost estimates for infrastructure replacement
6. Project or program will protect against loss of life.	1 ² 1 1 1 4	1	<ul style="list-style-type: none"> Clearly, but how connected? Flood protection can have a relationship to human safety as well as economic benefit. How do we prioritize among many similar benefits? Safety comes first, but must demonstrate the connection. This should be a standard in any work the agency conducts. Safety is the highest priority for the public and agency staff. Having adequate funds to maintain and enhance Alert Gauges is a must
7. Approved priorities will not be beyond the financial capacity of agency. Priorities will allow the agency to match revenues and expenditures, maintain fund balances and operate with prudent financial practices.	2 2 3 3 6	4	<ul style="list-style-type: none"> Seems like this is an expansion of item #4. Perhaps combine them in a policy statement that provides clear direction. We are doing this now, however there seems to be a lot of unexpected projects that require large sums of financial capacity. This is somewhat similar to your #4, can they be combined? I believe this is a current guideline per the Agency Act



Suggested Principle	Rankings	Overall Ranking	Comments
8. Potential risks and costs, as well as benefits, will be fully discussed in advance of a decision to proceed.	1 ³ 1 2 4 6	3	<ul style="list-style-type: none"> • We should have a deliberative process that includes ample public input for projects or other key decisions. Depending on the nature and scope, it could come under an ongoing Advisory Committee or an Ad Hoc Committee. Is there a place for structured review of projects after a period of time, where we examine actual costs and benefits versus projected, learned lessons, etc.? • To the most extent as possible. • Transparency must be always used (given past history of agency) • We really need guidance on a standard process for addressing this in a systematic way, I'm hoping the SWOT analysis and guiding principles may help but further professional guidance will probably be necessary. • I believe this is a must. The Public/Stakeholders must have the opportunity for input on decision making as well as Directors through the Committee review/recommendation process for the full BOD

¹ Interpreted as a number 1 ranking; comment for this ranking was 'threshold'

² Interpreted as a number 1 ranking; comment for this ranking was 'Safety comes first, but must demonstrate the connection'

³ Interpreted as a number 1 ranking; comment for this ranking was 'threshold process commitment'

Additional suggested principles:

- Project or program will reduce loss of property.
- Project or program will enhance water supply.
- Project or program will generate revenue.
- Project or program will reduce chance of litigation.
- Project or program will facilitate the collection of critical data for decision making.
- Project or program will maintain good will and fulfill obligations to stakeholders.

Additional comments from Directors:

- We need to start with everyone having a clear understanding of the Agency Act authorizing our Agency. From that, we need to identify the overarching goals and expectations of the Agency. They will fall into categories, such as flood protection and basin management. Our strategic initiatives to accomplish the goals within these categories will be relatively long term in some kind of Strategic > Tactical > Operational hierarchy of process.
- Many of these get hard to compare and rate. We might rate the top 4 and then assign equal values to the rest?





**Monterey County Water Resources Agency
Strategic Planning Workshop
Results of Pre-Work by Executive Management Team**

A. MISSION

The table below summarizes the feedback received from the EMT regarding the agency’s mission.

Current Mission Statement:

“Monterey County Water Resources Agency manages, protects and enhances the quantity and quality of water and provides specified flood control services for present and future generations of Monterey County.”

Suggested Modifications to Be More Specific To Agency Core Purposes	
1.	None
2.	None
3.	<i>Monterey County Water Resources Agency manages, protects and enhances the quantity and quality of water sustainability of groundwater supplies in the Salinas River Valley and provides specified flood control services for present and future generations of Monterey County.</i>
4.	The Monterey County Water Resources Agency is responsible for managing, protecting, conserving and enhancing the Monterey County water supply for beneficial and useful purposes while preventing the waste or diminution of said water supply due to groundwater extractions, seawater intrusion and/or exportation of groundwater from the Salinas River Groundwater Basin.
5.	<i>Monterey County Water Resources Agency manages, protects and enhances the quantity and quality of water <u>resources in Monterey County</u> and provides specified flood control services for present and future generations of Monterey County.</i>

B. GOALS

The table below contains the feedback received from the EMT regarding the agency's goals.

Possible Goal Category	Should this be a goal?		What outcome(s) should the agency strive for over the next 5 – 10 years for each goal category?
	Yes	No	
1. Protect the water supply	XXXX	X	<ul style="list-style-type: none"> • Sustainability, recycling GW/ponds/TP • Identify projects and day to day activities (i.e., GWA) that accomplish goal • Increase water supply • Protect, maintain and enhance MC water resources
2. Assist with flood protection	XXXX	X	<ul style="list-style-type: none"> • Ongoing program activities • Identify activities Agency perform on annual basis • Maintain flood control facilities
3. Prudent financial management	XXXXX		<ul style="list-style-type: none"> • Revenues = expenditures • Get more money to do priority projects • Written agreement with PCA on accounting protocols and practices • Determine how to increase revenues • Reduce litigation and associated costs • Necessary programs covered financially
4. Strengthen the organization's effectiveness	XXXXX		<ul style="list-style-type: none"> • Fiscal responsibility as driver • Monitor achievements on quantity basis (by projects and day to day activities) • Jumping from one project to the next; no time for effective work • Work with County staff to reduce delays, time spent, etc. in routine HR, accounting, approval actions • Develop a Master Plan and prioritize projects based thereupon • Hire/Retain High Performing Staff; Re-train Staff where necessary • Continue to work towards improving effectiveness of the processes the Agency controls
5. Assist in protecting environmental and public health	XX	XXX	<ul style="list-style-type: none"> • Through existing program SVWP – FM • Monitor and report to Board on activities the Agency does to support this goal quarterly • Need more funding, only can cover the minimum • Work more closely with Monterey County department assigned to perform this task • The Agency can help with determining and implementing public health solutions, though it is not our charge...
6. Strengthen relationships with stakeholders and public	XXXXX		<ul style="list-style-type: none"> • Every project (major) should have an outreach program – utilize web to inform stakeholders • Rebuild trust • Engage early to prevent accusations and litigation



			<ul style="list-style-type: none"> • Reduction in outstanding lawsuits • Secure buy-in from stakeholders/public before undertaking major projects • Continue to engage stakeholder groups as to what the Agency is responsible for and can provide, versus public opinion of “perceived” responsibilities
7. Provide flood control	X		<ul style="list-style-type: none"> • Implement Interlake Tunnel Project
8. Halt sea water intrusion	X		<ul style="list-style-type: none"> • Develop and implementable Groundwater Sustainability Plan • Ensure availability of sufficient amounts of water for the future
9. Protect groundwater supply availability	X		<ul style="list-style-type: none"> • Develop and implementable Groundwater Sustainability Plan
10. Protect ground water supplies	X		<ul style="list-style-type: none"> • Become GSA and develop GSPlan (will result in halting of seawater intrusion)
11. Provide flood control	X		<ul style="list-style-type: none"> • Identify projects that will enhance flood control efforts
12. Implement a GSP (Program)	X		<ul style="list-style-type: none"> • Identify projects that will enhance groundwater sustainability



C. GUIDING PRINCIPLES: The following principles were all determined by the EMT as ones that should guide decision making.

Suggested Principle	Ranking	Overall Ranking	Comments or suggested changes to the principle
1. Project or program is consistent with the core mission of the agency.	1 1 1 7	1	<ul style="list-style-type: none"> Agency should incorporate goal achievements when reporting to Board – answer “How” We continue to do the same work we have done for decades; we need to reevaluate if we are doing the right things So long as it is funded in existing budget or revenue found before implementing Once mission is clarified, everything we do should be aligned with it Identify work that needs to be done to support core mission
2. Project or program helps the agency make progress in meeting one or more of its goals.	2 2 6	3	<ul style="list-style-type: none"> Same as above So long as funded See above
3. Meets legal, contractual and mandated obligations.	5 5 5 5	5	<ul style="list-style-type: none"> No exceptions. Board reports need to show how this will be accomplished and if it can't what are the “risks” We need to push the limits with regulatory agencies; unfunded mandates cannot continue Including funding Need to better inform the BOD/BOS regarding risks of “not doing” work that is part of core mission, before adding additional tasks to work load
4. Funding is currently available or new source is committed.	1 3 3 4	2	<ul style="list-style-type: none"> “Priority Principle” Bingo! Change current funding model Revamp priorities based on funds available
5. Project or program will help the agency avoid future costs.	6 6 7 8	7	<ul style="list-style-type: none"> This relates to effectiveness of Agency must be illustrated Not necessarily due to aging infrastructure Speaks to goal/desire to increase Agency effectiveness
6. Project or program will protect against loss of life.	4 6 7 7	6	<ul style="list-style-type: none"> The level of protection identified as well as magnitude of Risk if not To the extent that risk of loss of life exists as part of project Safety is always of utmost importance as a guiding principle when considering projects. Need to determine level of protection versus level of resource commitment
7. Approved priorities will not be	2	4	<ul style="list-style-type: none"> Same as 4, 7, 8. Combine them into one principle



<p>beyond the financial capacity of agency. Priorities will allow the agency to match revenues and expenditures, maintain fund balances and operate with prudent financial practices.</p>	<p>3 4 4</p>		<ul style="list-style-type: none"> • Please! • Yes! • This principle is practicable when a Master Plan is in place (i.e., scheduled maintenance) • This seems to be a restatement of a few of the guiding principles mentioned above. • Prioritization needs to occur, and bought into by BOD/BOS and staff – so we can all work together from the same expectations.
<p>8. Potential risks and costs, as well as benefits, will be fully discussed in advance of a decision to proceed.</p>	<p>3 8 8 8</p>	<p>8</p>	<ul style="list-style-type: none"> • Same as 4, 7, 8 • Desirable but often risks, costs and benefits cannot be fully known before a decision needs to be made • Yes! • To the extent resources and risks can be evaluated – time always seems to be the resource sacrificed when moving forward...

