

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE**

COMMITTEE MEMBERS

Deidre Sullivan, Chair
Ken Ekelund

John Huerta

NOTICE OF SPECIAL MEETING

TIME: 10:00 a.m.
DATE: Thursday, January 14, 2016
PLACE: Monterey County Water Resources Agency
Board Room
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

PLEASE NOTE
DATE CHANGE



A G E N D A

- 1. Call to Order**
- 2. Public Comment**
(Limited to three (3) minutes per speaker on matters within the jurisdiction of the agency not listed on this agenda. the public will have the opportunity to ask questions and make statements on agenda items as the committee considers them.)
- 3. Approve the Minutes of the Planning Committee Meeting held on September 16, 2015.**
The committee will consider approval of the Minutes of the above-mentioned meeting.
- 4. Consider receiving an update regarding the proposed Proposition 1 funding distributions for the Greater Monterey County Integrated Regional Water Management Plan region; and, direct Staff to support the Greater Monterey County Regional Management Group's acceptance of a funding agreement.**
Elizabeth Krafft, Senior Hydrologist, will present this item to the Committee.
- 5. Consider receiving a receiving report on the Prop 1 Storm Water Grant Program; and, providing direction to Staff regarding the development of a planning grant application.**
Elizabeth Krafft, Senior Hydrologist, will present this item to the Committee.
- 6. Consider receiving a report on the Strategic Planning Session; and, providing direction to Staff.**
Robert Johnson, Deputy General Manager, will present this item to the Committee.
- 7. Set next meeting date and discuss future agenda items.**
The committee will discuss and determine details for its next meeting.
- 8. Adjournment**

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS
PLANNING COMMITTEE**

Deidre Sullivan, Chair
Ken Ekelund

John Huerta

TIME: 10:00 a.m.
DATE: Wednesday, September 16, 2015
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901
(831) 755-4860

MINUTES

1. Meeting Called to Order @ 10:10 by Committee Chair Sullivan.

Members present: Directors Sullivan and Ekelund
Director Huerta arrived at 10:20 a.m.
Members absent: None

A quorum was established.

2. Public Comment – None.
3. Approve the Minutes of the Planning Committee meeting held on August 19, 2015.

Committee Action: On motion and second of Directors Huerta and Sullivan respectively, approved the Minutes of the Planning Committee meeting held on August 19, 2015 noting that the meeting was called to order at 1:00 p.m. not 10:00 a.m. as stated in the Minutes. Director Ekelund abstained as he did not attend this meeting.

4. **Consider receiving the report and recommending that the Monterey County Water Resources Agency Board of Directors receives the *Preliminary Engineering Design Report for Control of Non-Winter Drainage at Carr Lake.***
German Criollo, Associates Water Resources Hydrologist presented this item to the Committee.

Public Comment: Rachel Saunders, Big Sur Land Trust

Committee Action: On motion and second of Directors Huerta and Sullivan respectively, received the report regarding the Monterey County Water Resources Agency Winter Storm Preparedness activities, and asked that Staff prepare a Letter

of Support for the Big Sur Land Trust to be reviewed, and possibly approved, at the next Board of Directors meeting.

5. **Consider receiving a report regarding the Monterey County Water Resources Agency Winter Storm Preparedness activities, and providing direction to Staff.**
Robert Johnson, Deputy General Manager, presented this item to the Committee.

Public Comment: Jeff Taylor

Committee Action: On motion and second of Directors Ekelund and Huerta respectively, received the report regarding the Monterey County Water Resources Agency Winter Storm Preparedness activities.

6. **Consider receiving a report regarding the Monterey County Water Resources Agency Strategic Planning Session, and providing direction to Staff.**
Robert Johnson, Deputy General Manager, presented this item to the Committee.

Committee Action: On motion and second of Directors Huerta and Ekelund respectively, received the report regarding the Monterey County Water Resources Agency Strategic Planning Session and requested that Staff move forward in acquiring the facilitator for the Session, acquiring the facility for the meeting and setting a date within the week of November 9th, 2015.

7. **Consider receiving a report regarding Greater Monterey County Integrated Regional Water Management Plan, proposed Prop 1 funding distributions and provide direction to Staff.**
Elizabeth Krafft, Senior Water Resources Hydrologist, presented this item to the Committee.

Committee Action: On motion and second of Directors Huerta and Ekelund respectively, received the report regarding Greater Monterey County Integrated Regional Water Management Plan, proposed Prop 1 funding distributions.

8. **Set next meeting date and discuss future agenda items.**
The next Planning Committee meeting will be on October 14, 2015 at 10:00 a.m. There will be further planning of the upcoming Strategic Planning Session.
9. **Adjournment @ 12.30 p.m.**

Submitted by Alice Henault

Approved on

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PLANNING COMMITTEE**

MEETING DATE:	January 13, 2016	AGENDA ITEM:	
AGENDA TITLE:	Consider receiving an update regarding the proposed Proposition 1 funding distributions for the Greater Monterey County Integrated Regional Water Management Plan region; and, directing Staff to support the Greater Monterey County Regional Management Group’s acceptance of a funding agreement.		
Consent ()		Action (X)	
Information ()			
SUBMITTED BY: PHONE:	Robert Johnson (831) 755-4860	PREPARED BY: PHONE:	Elizabeth Krafft (831) 755-4860
DEADLINE FOR BOARD ACTION:	January 25, 2016		

RECOMMENDED BOARD ACTION:

Receive an update regarding the proposed Proposition 1 funding distributions for the Greater Monterey County Integrated Regional Water Management Plan region; and, direct Staff to support the Greater Monterey County Regional Management Group’s acceptance of a funding agreement.

SUMMARY:

Proposition 1 includes \$510 million for Integrated Regional Water Management (IRWMP) with funds divided between 10 Funding Areas throughout the State utilizing a competitive process. Of this \$510 million, \$43 million will be allocated for projects in the Central Coast Funding Area (CCFA). As it now stands all six regions (Greater Monterey County, Monterey Peninsula, Pajaro Valley Watershed, Santa Barbara County, Santa Cruz County, San Luis Obispo County) within the CCFA will compete against each other for funding. Discussions are currently underway within the CCFA to devise an equitable method of distributing the \$43 million to the six regions and ensure that every region receives a portion of the \$43 million. The CCFA would like to have a decision made by mid-January on whether or not the regions can agree on a methodology for dividing the funds between the regions outside of the full complete process.

DISCUSSION:

Eight different methodologies have been developed for dividing up the \$43 million available for the CCFA. These include a straight six-way split, ensuring \$6,808,333.33 for each region; other methods include various scenarios that include population and acreage within a region. For the Greater Monterey County Region (our region), the option that provides the most funding (\$10,054,492.81) is the option that uses a population and acreage factor of .5, while the straight six-way split is the least funding.

The Regions have struggled to find one option that presented a fair and equitable solution that could be agreed upon. San Luis Obispo County staff took the eight methodologies and applied a ranked voting system where each region eliminates the least advantageous option (i.e., the lowest allocation amount) with the goal of generating a mutually agreeable outcome after several rounds

of voting. This led to Option #1 being the least eliminated option for all the regions and should be the most mutually agreed upon option between the six regions. Option #1 is neither the 1st or 2nd (top two) nor the 7th or 8th (bottom two) ranked options for any region, and is represented in the table below.

Allocation Method	Santa Cruz	Pajaro Valley	Greater Monterey	Monterey Peninsula	San Luis Obispo	Santa Barbara
#1	\$5,271,595	\$6,365,507	\$8,431,413	\$4,426,840	\$8,135,179	\$8,219,465

There have been discussions with CA Department of Water Resources (DWR) on how this division of funds would be implemented and while all of the details aren't clear, DWR generally supports the idea. Applications for the grant rounds would have to be submitted and evaluated to ensure that the proposed projects meet the standards of the IRMWP program and the grant solicitation. DWR has yet to determine how many rounds (1 or 2) will occur for the implementation funds and no determination has been made if all the allocation would be available in one round or the other.

The Regions have agreed to pursue a funding agreement with Allocation Method #1 as the amount each Region would receive.

OTHER AGENCY INVOLVEMENT:

County Counsel has been provided a draft of the agreement for review.

FINANCING:

There is no financial impact to the FY 2015-16 Adopted Budget for receiving this report.

FINANCIAL IMPACT:	YES () NO (X)
FUNDING SOURCE:	N/A
COMMITTEE REVIEW AND RECOMMENDATION:	Planning Committee September 16, 2015 requested more information re: content of agreement with DWR and how monies would roll out. BOD September 2015 asked for more information BOD Agreed with Allocation Method #1
ATTACHMENTS:	1. Draft Funding Agreement for Central Coast Funding Area
APPROVED:	<hr/> <div style="display: flex; justify-content: space-between;"> General Manager Date </div>

**MEMORANDUM OF AGREEMENT
FOR INTEGRATED REGIONAL WATER MANAGEMENT PLANNING AND FUNDING IN
THE CENTRAL COAST HYDROLOGIC REGION FUNDING AREA**

PARTIES:

This Memorandum of Agreement (MOA) is entered into this ____ day of ____ (Effective Date) among the Regional Water Management Groups listed below and referred to as “Parties” in this agreement:

1. Santa Cruz Integrated Regional Water Management, comprised of:

- Central Water District
- City of Santa Cruz
- City of Watsonville
- County of Santa Cruz
- Santa Cruz County Sanitation District
- Davenport County Sanitation District
- Resource Conservation District of Santa Cruz County
- Scotts Valley Water District
- Soquel Creek Water District

hereinafter the Santa Cruz Region.

2. Pajaro River Watershed Integrated Regional Water Management, comprised of

- Pajaro Valley Water Management Agency (PVWMA)
- San Benito County Water District (SBCWD)
- Santa Clara Valley Water District (SCVWD)

hereinafter the Pajaro Valley Region.

3. Greater Monterey County Integrated Regional Water Management, comprised of

- Big Sur Land Trust
- California State University Monterey Bay
- California Water Service Company
- Castroville Community Services District
- City of Salinas

- City of Soledad
- Elkhorn Slough National Estuarine Research Reserve
- Environmental Justice Coalition for Water
- Garrapata Creek Watershed Council
- Marina Coast Water District
- Monterey Bay National Marine Sanctuary
- Monterey County Agricultural Commissioner's Office
- Monterey County Water Resources Agency
- Monterey Regional Water Pollution Control Agency
- Moss Landing Marine Laboratories
- Resource Conservation District of Monterey County
- Rural Community Assistance Corporation
- San Jerardo Cooperative, Inc.

hereinafter the Greater Monterey County Region.

4. Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management, comprised of

- Big Sur Land Trust (BSLT)
- City of Monterey
- Monterey County Water Resources Agency (MCWRA)
- Monterey Regional Water Pollution Control Agency (MRWPCA)
- Monterey Peninsula Water Management District (MPWMD)
- Marina Coast Water District (MCWD)
- Resource Conservation District of Monterey County (RCDMC)

hereinafter the Monterey Peninsula Region¹.

5. San Luis Obispo County Integrated Regional Water Management

- Atascadero Mutual Water Company
- Cal Cities Water

¹ The City of Seaside is proposed to be added to the Monterey Peninsula RWMG.

- California Mens Colony
- Cambria CSD
- Camp San Luis Obispo
- City of Arroyo Grande
- City of Atascadero
- City of Grover Beach
- City of Morro Bay
- City of Paso Robles
- City of Pismo Beach
- City of San Luis Obispo
- County Farm Bureau
- Cuesta Community College
- County Board of Supervisors Districts 1 through 5
- Environmental at Large
- Heritage Ranch CSD
- Nacimiento Regional Water Management Advisory Committee
- Los Osos CSD
- Nipomo CSD
- Oceano CSD
- San Luis Coastal RCD
- San Luis Obispo County Flood Control and Water Conservation District
- Templeton CSD
- Upper Salinas RCD
- Agriculture at Large

hereinafter the San Luis Obispo County Region.

6. Santa Barbara County Integrated Regional Water Management, comprised of

- City of Buellton
- City of Carpinteria
- City of Guadalupe
- City of Goleta

- City of Lompoc
- City Santa Barbara
- City of Santa Maria
- City of Solvang
- County of Santa Barbara – Agricultural Commissioner’s Office
- County of Santa Barbara – Parks Department
- Cachuma Operation and Maintenance Board (COMB)
- Central Coast Water Authority (CCWA)
- Heal the Ocean Water quality
- Casmalia Community Services District (Cuyama CSD)
- Vandenberg Village Community Services District (VVCSD)
- Carpinteria Sanitary District (CSD)
- Goleta Sanitary District (GSD)
- Goleta West Sanitary District (GWSD)
- Cachuma Resource Conservation District (RCD) (Independent)
- Laguna County Sanitation District (Dependent)
- Santa Barbara County Water Agency (SBCWA) (Dependent)
- Santa Barbara County Flood Control District (SBCWA) (Dependent)
- Carpinteria Valley Water District (CVWD)
- Goleta Water District (GWD)
- Santa Maria Valley Water Conservation District (SMVWCD)
- Santa Ynez River Water Conservation District (SYRWCD)

hereinafter referred to as the Santa Barbara Region

RECITALS:

- A. Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act (Public Resources Code, sections 79700 - 79798), authorizes the Legislature to appropriate funding for competitive grants for Integrated Regional Water Management (IRWM) projects. Funding is administered by the Department of Water

Resources (DWR).

- B. The intent of the Act is to provide funds for projects that are included in and implemented in an adopted Integrated Regional Water Management (IRWM) Plan consistent with Part 2.2 (commencing with Section 10530) of Division 6 and respond to climate change and contribute to regional water security. In order to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change, projects funded under the Act are to:
- (a) Help water infrastructure systems adapt to climate change, including, but not limited to, sea level rise.
 - (b) Provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure.
 - (c) Improve regional water self-reliance.
- C. The Santa Cruz Region, the Pajaro Valley Region, the Greater Monterey County Region, the Monterey Peninsula Region, the San Luis Obispo County Region, and the Santa Barbara Region comprise the six Parties. The boundaries of the Parties are shown in **Attachment A**.
- D. The primary intent of the six Parties to this MOA is to allocate future Proposition 1 funding for the IRWM grant program among the six parties in a fair and equitable manner. Each Party will independently determine and prioritize projects to be funded within its Planning Region consistent with the legislative intent for a competitive grant program. This MOA is also intended to reduce the need for the Parties to compete against each other for grant funds, which creates unnecessary economic inefficiencies in implementing each Planning Region's IRWM Plan.
1. The Central Coast Funding Area (Funding Area) has been allocated **\$43 million** through Proposition 1 for the IRWM program administered by DWR. This allocation includes the following breakdown:

DWR Administration Fee - 7% CCFA Total	\$ 3,010,000
DAC Funding (20% of CCFA Total)	\$ 8,600,000
Implementation Grants	\$ 31,390,000

2. For the purposes of this agreement, the formula for allocating funds among the Parties will be based on the following: one-half (1/2) of funds are equally split among the Parties; one-quarter (1/4) of funds are split based on population percentage of each planning region based on 2009-2013 American Census Data; one-quarter of funds are split based on the percentage of area in square miles of each planning region. The division of funding shall be consistent with Attachment B.
- E. DWR may establish standards to guide the selection of IRWM projects within the funding areas identified in the measure and shall defer to approved local project selection, reviewing projects only to ensure they are consistent with Public Resources Code section 75028 (a).
 - F. Each Party has prepared an accepted IRWM plan and desires close coordination to enhance the quality of planning, identify opportunities for supporting common goals and projects, and improve the quality and reliability of water in the Funding Area. The Parties will coordinate and work together with their advisory groups to identify projects of value across planning regions, identify funding for highly ranked projects, and support implementation.
 - G. The Funding Area will balance the necessary autonomy of each planning region to plan for itself at the appropriate scale with the need to coordinate among themselves to improve inter-regional cooperation and efficiency. Since 2005, the Parties have worked to improve the IRWM planning process in the Funding Area to coordinate planning across planning region lines and facilitate the appropriation of funding for IRWM projects by DWR.
 - H. The Parties will coordinate on grant funding requests to ensure that the sum of the total grant requests does not exceed the amount identified for the funding region.

The RECITALS are incorporated herein and the PARTIES hereby mutually agree as follows:

1. Definitions

The following terms and abbreviations, unless otherwise expressly defined in their context, shall mean:

A. Funding Area – The 11 regions and sub-regions referenced in Public Resources Code section 79744 (a) and allocated a specific amount of funding to support IRWM activities. The Central Coast Funding Area incorporates lands in the Central Coast Regional Water Quality Control Board jurisdiction as of 2004, including portions of the counties of Santa Clara (south of Morgan Hill), San Mateo (southern portion), Santa Cruz, San Benito, Monterey, Kern (small portions), San Luis Obispo, Santa Barbara, Ventura (northern portion).

B. RWMG – A Regional Water Management Group is comprised of at least three agencies, two of which must have statutory authority over water management. An RWMG is the documented leader of IRWM planning and implementation efforts in a planning region.

C. Planning Region – Planning Regions integrate stakeholders, agencies and projects in their regions and coordinate with other Planning Regions and DWR. The boundaries of the six Planning Regions in the Central Coast Funding Area are shown in Attachment A.

E. Watershed Overlay Areas – Identified areas within a watershed that cross planning region boundaries. Watershed Overlay Areas should be subject to special coordination and collaboration between the appropriate planning regions to ensure maximum watershed benefits in the IRWM plans of the Funding Area. Watershed overlays exist in all six of the Central Coast planning regions.

G. Watershed Overlay Projects – Projects identified in a Watershed Overlay Area identified as valuable and benefiting from cross boundary coordination.

H. Common Programs – Programs eligible for IRWM funding that are identified by the Planning

Regions as benefiting multiple planning regions and have participation from at least two Planning Regions.

2. General Planning Cooperation

All planning regions will meet prior to providing feedback to DWR on Proposed Guidelines for the IRWM Program and before submitting applications for grant funding from DWR. The actual number of meetings will depend on the amount and intensity of planning and coordination efforts of the Planning Regions. The efforts of these meetings will be to enhance the quality of planning, identify opportunities for supporting common goals and projects, and to improve the quality and reliability of water in the Funding Area. The planning efforts will support the watershed-based approach through integration and coordination across planning regions in the watershed overlay areas.

3. Mutual Plan Reference and Consistency

Each plan prepared in the funding area will contain references to the entire Funding Area, to the coordination that is occurring among planning regions, and to this MOA. Each planning region will share its description of these matters with other planning regions to promote consistency with the goal of using common language as the IRWM plans are modified. The six RWMGs also will seek to place these common sections as an Appendix in their plans. Further consistency or cooperative efforts may be added with the agreement of the Parties.

4. Coordination of Submittals and Applications

To facilitate DWR's review process, all planning regions will coordinate their submittals for IRWM grant applications. The planning regions may develop common sections, tables and maps as appropriate for review. The planning regions will preface their submittals and applications with information noting the common material.

5. Watershed Overlay Areas

The Planning Regions will cooperate in identifying Overlay Projects that cross Planning Region boundaries. Overlay Projects that benefit multiple planning regions will be identified and may be jointly funded, administered, or implemented. A watershed overlay subcommittee in each of the

Planning Regions would be recommended for coordination and due consideration in those Planning Regions' project selection processes.

6. Common Programs

Common programs found to be of high value for all planning regions will be identified and recommended for high priority placement in the planning regions' ranking of projects for funding. These may include programs to address Disadvantaged Community issues, Watershed Overlay projects, and shared responsibilities for management of watersheds that cross Planning Region boundaries. While each Planning Region will select projects in accordance with its own process, the regions will cooperate on the implementation of common projects programs if these efforts are selected for funding.

7. Advisory Committee Cross Membership

Each Planning Region with Watershed Overlay Areas will invite representatives from the adjoining RWMGs to participate as a non-voting member in its committee to promote understanding, communication and coordination.

8. Scope of the Agreement

Nothing contained within this MOA binds the parties beyond the scope or term of this MOA unless specifically documented in subsequent agreements, amendments or contracts. Moreover, this MOA does not require any commitment of funding beyond that which is voluntarily committed by separate board actions, but recognizes in-kind contributions of RWMG agencies and stakeholders. Non-substantive or minor changes to this MOA that have the support of all RWMG agencies may be documented to become part of this MOA.

9. Term of Agreement

The term of this MOA is from its Effective Date shown above until all funds allocated to the Funding Area as shown in Attachment B have been awarded by DWR to the Funding Area, unless extended by mutual agreement of the Parties.

10. Modification or Termination

This MOA may be modified or terminated with the concurrence of the RWMG agencies and effective upon execution of the modification or termination by all the RWMG agencies.

11. Withdrawal

No PARTY may withdraw from the terms of this MOA unless such termination is agreed to by all of the RWMG agencies.

12. Notice

Any notices sent or required to be sent to any party shall be mailed to the following addresses:

The Santa Cruz Region

The Pajaro Valley Region

The Greater Monterey County Region

The Monterey Peninsula Region

Larry Hampson, District Engineer
Monterey Peninsula Water Management District
P.O. Box 85, Monterey CA 93942
larry@mpwmd.net

The San Luis Obispo County Region

The Santa Barbara Region

13. Funding Uncertainties

The RWMG agencies cannot be assured of the results of these coordination efforts and applications for funding. Nothing within this MOA should be construed as creating a promise or guarantee of future funding. No liability or obligation shall accrue to the Parties if DWR does not provide the funding. The Parties are committed to planning and coordinating notwithstanding IRWM funding. The form of such coordination may change based on the sources of funding.

14. Indemnification

To the fullest extent permitted by law, each Party shall defend, indemnify and hold harmless the other Parties, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses, and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with work performed pursuant to this MOA. Such obligation shall not apply to any loss, damage, or injury, as may be caused by the sole negligence or willful misconduct of a Party, its directors, officers, employees, agents, and consultants.

13. Other Provisions

The following provisions and terms shall apply to this agreement.

A. This MOA is to be construed in accordance with the laws of the State of California. Any action at law or in equity brought by any of the Parties shall be brought in a court of competent jurisdiction within the Party's County that files an action against another Party for a breach of this MOA, and the Parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.

B. If any provision of this MOA is held by a court to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.

C. This MOA is the result of negotiations between the Parties hereto and with the advice and assistance of their respective counsels. No provision contained herein shall be construed against any Party because of its participation in preparing this MOA

D. Any waiver by a Party of any breach by the other of any one or more of the terms of this MOA shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective Parties to require from the others exact, full and complete compliance with any terms of the MOA shall not be construed to change the terms hereof or to prohibit the Party from enforcement hereof.

E. This MOA may be executed and delivered in any number of counterparts or copies, hereinafter called "Counterpart", by the Parties hereto. When each Party has signed and delivered at least one Counterpart to the other parties hereto, each Counterpart shall be deemed an original and, taken together, shall constitute one and the same MOA, which shall be binding and effective as to the Parties hereto.

F. This MOA is intended by the Parties hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOA shall not be changed or modified except by the written consent of all Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown on the attached counterpart signature pages:

The Santa Cruz Region

The Pajaro Valley Region

The Greater Monterey County Region

The Monterey Peninsula Region

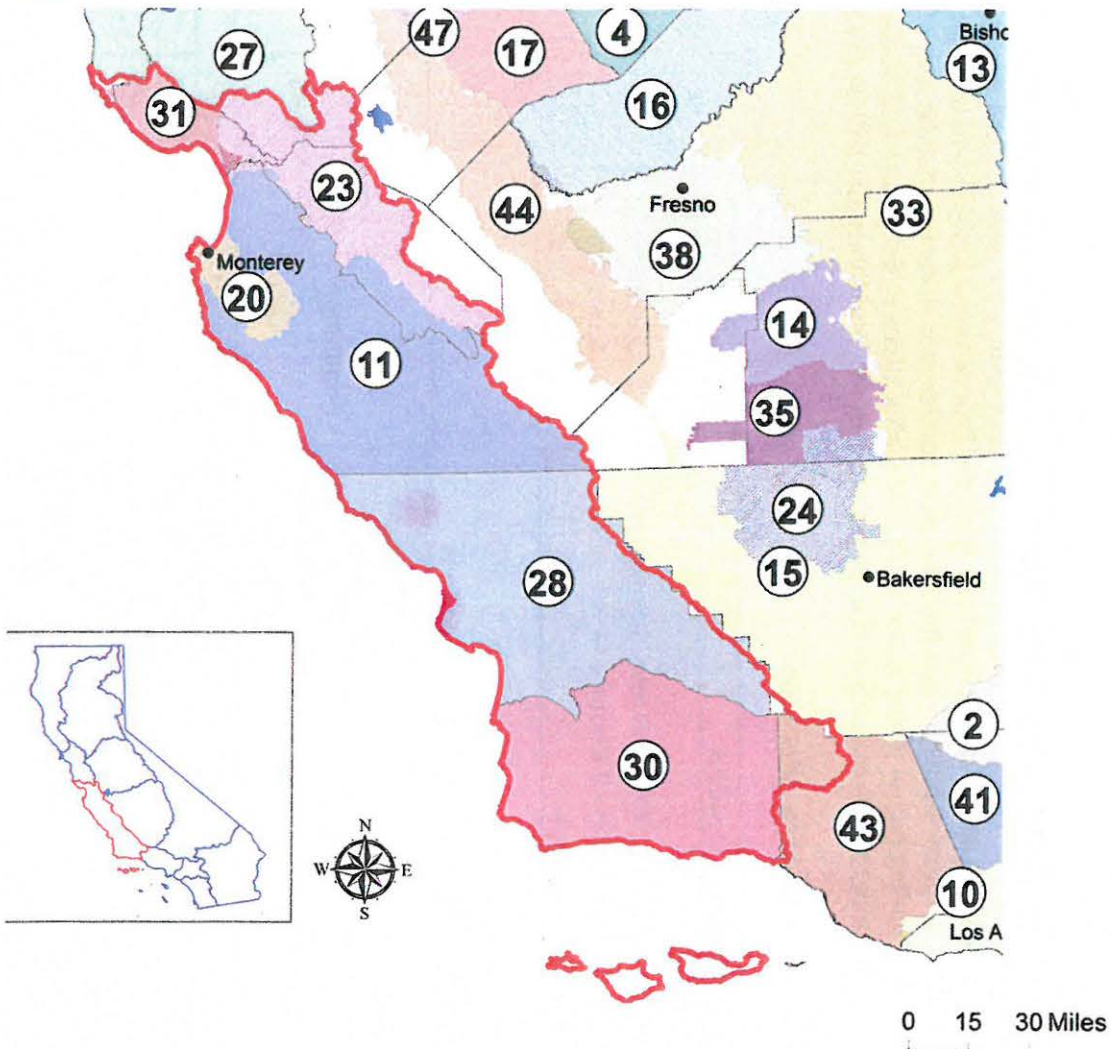
The San Luis Obispo County Region

The Santa Barbara Region

Attachment A – Central Coast Funding Area Map

Legend

- | | |
|--|---|
|  Central Coast Funding Area |  (23) Pajaro River Watershed |
|  County Boundaries |  (24) Poso Creek |
|  Select Water Bodies (including lakes > 10 sq. mi.) |  (27) San Francisco Bay Area |
|  (2) Antelope Valley |  (28) San Luis Obispo |
|  (4) Yosemite - Mariposa |  (30) Santa Barbara County |
|  (10) Greater Los Angeles County |  (31) Santa Cruz County |
|  (11) Greater Monterey County |  (33) Southern Sierra |
|  (13) Inyo-Mono |  (35) Tule |
|  (14) Kaweah River Basin |  (38) Upper Kings Basin Water Forum |
|  (15) Kern County |  (41) Upper Santa Clara River |
|  (16) Madera |  (43) Watersheds Coalition of Ventura County |
|  (17) Merced |  (44) Westside - San Joaquin |
|  (20) Monterey Peninsula-Carmel Bay-So Monterey Bay |  (47) East Stanislaus |



Attachment B
Allocation of Proposition 1 Funds

Each of the six planning regions has IRWM project and program needs that far exceed the funding allocated to the funding area. Significant local match funding for selected projects is available in each planning region. Funding for planning and timing of implementation may vary among the planning regions. Because of these factors and because not all of the Proposition 1 funding will be made available at the same time, the RWMG members will cooperate and coordinate on individual funding cycle applications to ensure that the sum of the total grant requests does not exceed the amount identified for the funding region in any given cycle. Total allocations to the parties will be divided according to the schedule below. The allocations to the six planning regions are indicated in percentages of the total funds that will be available over the life of the program.)

Table 1 – Central Coast Funding Area Allocation

Total Proposition 1 IRWM Funding to CCFA	\$ 43,000,000
Breakdown of Prop 1 to CCFA:	
DWR fees (5% program delivery, 2% bond administration)	\$ 3,010,000
DAC Funding (20% of CCFA Total) - 2 Rounds	\$ 8,600,000
Implementation Grants - 2 Rounds	\$ 31,390,000

Table 2 – Basis of Central Coast Funding Area Allocations

Central Coast Funding Area Regions Allocation Option #1 (1/2 Equal Split Among Regions) + (1/4 % by population) + (1/4 % by acreage)	Baseline Factor (1/6 based on 6 Regions in CCFA)	Population	Population Factor (% of CCFA Total)	Area (sq.miles)	Area Factor (% of CCFA Total)	Overall Factor (% of CCFA funds)
Santa Cruz	16.67%	281,401	14.89%	376	3.39%	12.90%
Pajaro River Watershed	16.67%	327,183	17.32%	1,295	11.68%	15.58%
Greater Monterey	16.67%	384,947	20.38%	3,199	28.85%	20.64%
Monterey Peninsula	16.67%	131,088	6.94%	341	3.08%	10.84%
San Luis Obispo	16.67%	309,187	16.37%	3,322	29.96%	19.91%
Santa Barbara	16.67%	455,468	24.11%	2,555	23.04%	20.12%
Totals	100.00%	1,889,274	100.00%	11,088	100.00%	100.00%

Table 3 – Summary of Funds Available to Each Planning Region (less DWR fees)

	Santa Cruz	Pajaro Valley Watershed	Greater Monterey	Monterey Peninsula	San Luis Obispo	Santa Barbara	Total CCFA
ALLOCATION OPTION # 1 (Bay Area)							
Allocation Option #1 - DAC Funds ((1/2 Equal Split Among Regions) + (1/4 %by population) + (1/4 % by acreage))	\$ 1,109,810	\$ 1,340,107	\$ 1,775,034	\$ 931,966	\$ 1,712,669	\$ 1,730,414	\$ 8,600,000.00
Allocation Option #1 - Impl'n Funds ((1/2 Equal Split Among Regions) + (1/4 %by population) + (1/4 % by acreage))	\$ 4,050,805	\$ 4,891,390	\$ 6,478,875	\$ 3,401,677	\$ 6,251,243	\$ 6,316,010	\$ 31,390,000.00
Total Allocation Option #1	\$ 5,160,615	\$ 6,231,497	\$ 8,253,910	\$ 4,333,643	\$ 7,963,912	\$ 8,046,424	

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS**

MEETING DATE:	January 13, 2016	AGENDA ITEM:	
AGENDA TITLE:	Consider receiving a report on the Proposition 1 Storm Water Grant Program; and, providing direction to Staff regarding the development of a planning grant application.		
Consent ()		Action (X)	
Information ()			
SUBMITTED BY:	Robert Johnson (831) 755-4860	PREPARED BY:	Elizabeth Krafft (831) 755-4860
PHONE:		PHONE:	
DEADLINE FOR BOARD ACTION:		January 25, 2016	

RECOMMENDED BOARD ACTION:

Receive a report on the Proposition 1 Storm Water Grant Program; and, provide direction to Staff regarding the development of a planning grant application.

SUMMARY:

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Prop 1) was approved by California voters in the general election on November 4, 2014. Among other funds, Prop 1 provided \$200 million for matching grants to public agencies, nonprofit organizations, public utilities, state and federally-recognized Indian tribes, and mutual water companies for multi-benefit storm water management projects (Water Code section 79747). After bond and program administration costs, approximately \$186 million will be available for projects.

Prior to the passage of Prop 1 in November 2014, the California Legislature adopted Senate Bill 985 entitled the Stormwater Resource Planning Act (SB 985). SB 985 amended Water Code sections 10561, 10562, 10563, 10573, and added sections 10561.5 and 10565 to require the development of a Storm Water Resource Plan to receive grants from a bond act approved after January 1, 2014 for storm water and dry weather runoff capture projects. The SB 985 requirement to prepare a Storm Water Resource Plan is directed to public agencies. A Storm Water Resource Plan must include a prioritized list of projects to address storm water and dry weather runoff capture on a watershed basis. Each developed Storm Water Resource Plan must be submitted to the appropriate integrated regional water management (IRWM) group for incorporation into their Integrated Regional Water Management Plans (IRWMPs). The Storm Water Resource Plan must address the requirements listed in the Water Code and be developed in accordance with the State Water Board’s Storm Water Resource Plan Guidelines.

DISCUSSION:

The Greater Monterey County Regional Water Management Group (RWMG) has determined that the best course of action is for the RWMG to apply for a storm water planning grant to provide funds to develop a storm water management plan to meet the requirements of Water Code section 10562 and related State Water Board Guidelines for the area included in the Greater Monterey County region. Planning grant applications are due March 4, 2016 and the

maximum grant award is \$500,000 with a 50% match required. The RWMG estimates that an application could be prepared using member staff support and approximately \$25,000 in cash for a consultant to assist in the process. The RWMG is looking for members to contribute both cash and staff time to the application effort.

OTHER AGENCY INVOLVEMENT:

Members of the Greater Monterey County Regional Water Management Group; Monterey County Resources Management Agency

FINANCING:

There is no financial impact to the FY 2015-16 Adopted Budget for receiving this report.

FINANCIAL IMPACT:	YES ()	NO (X)
FUNDING SOURCE:	N/A	
COMMITTEE REVIEW AND RECOMMENDATION:	None	
ATTACHMENTS:	None	
APPROVED:	<hr/> General Manager Date	

**MONTEREY COUNTY WATER RESOURCES AGENCY
BOARD OF DIRECTORS – PLANNING COMMITTEE**

MEETING DATE:	January 13, 2016	AGENDA ITEM:	
AGENDA TITLE:	Consider receiving a report on the Strategic Planning Session; and, providing direction to Staff.		
Consent ()		Action (X)	
Information ()			
SUBMITTED BY:	Robert Johnson	PREPARED BY:	Robert Johnson
PHONE:	(831) 755-4860	PHONE:	(831) 755-4860
DEADLINE FOR BOARD ACTION:		January 25, 2016	

RECOMMENDED BOARD ACTION:

Receive a report on the Strategic Planning Session, and provide direction to Staff.

SUMMARY:

The Monterey County Water Resources Agency Board of Supervisors and Board of Directors and met jointly in a Strategic Planning Session on December 10, 2015, facilitated by Jan Perkins of Management Partners. Attached is the Strategic Planning Report from the meeting.

DISCUSSION:

The Joint Strategic Planning Session was held at the Laguna Seca Trackview Pavilion. The session provided an opportunity for collaboration among the Agency’s Board of Supervisors, Board of Directors and senior management Staff on some important issues facing the Agency in the coming months and years.

The expected outcomes of the planning session included:

- 1) Gaining appreciation of the challenges and opportunities facing the Agency;
- 2) Refining the Agency’s mission, principles to guide decision making and broad goals; and,
- 3) Obtaining direction on priorities for the coming year.

In addition, the Directors provided guidance regarding projects without funding that should not move forward in the budget.

The attached report identifies some next steps upon which Staff will be working in the coming month. Those results will be submitted to this Committee first and subsequently to the full Board of Directors for approval.

OTHER AGENCY INVOLVEMENT:

Representatives from the County Administrative Office, as well as the Board of Supervisors attended the session.

FINANCING:

No special financing was required for the Strategic Planning Session.

FINANCIAL IMPACT:	YES () NO (X)
FUNDING SOURCE:	
COMMITTEE REVIEW AND RECOMMENDATION:	
ATTACHMENTS:	1. Report on December 10, 2015 Strategic Planning Session
APPROVED:	
	_____ General Manager Date



**Monterey County Water Resources Agency
Strategic Planning Workshop
Held December 10, 2015**

December 2015

**Management
Partners**



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Workshop Report

"Put First Things First."

Stephen Covey

Summary

The Monterey County Water Resources Agency held a strategic planning workshop on December 10, 2015 at the Laguna Seca Raceway. The workshop was an opportunity for the Board of Directors and senior management staff to discuss important Agency issues and begin to identify priority goals for the year.

Jan Perkins, Senior Partner with Management Partners facilitated the workshop. Several members of the public attended the workshop.

Workshop Outcomes

- Appreciation of the challenges and opportunities facing the agency.
- Refinement of the Agency's mission, principles to guide decision making, and broad goals.
- Obtain direction on priorities for the coming year.

Summary of Next Steps

- **Mission, Principles and Goals:** Management Partners will consolidate comments. WRA Staff will finalize and submit comments to the Board of Directors for approval.
- **Finances, Work Program and Challenges:** WRA will explore long term financial planning, to include:
 - Determine whether reserves are at correct level, and establish reserve goals for all funds;

- Identify facilities that do and do not have reserves and create a policy for funding reserves for existing facilities and new facilities;
- Explore a multi-year budget; and,
- Explore revenue generation ideas.
- **Priorities for 2016:** Directors provided guidance regarding projects without funding that should not move forward in the budget.
- **Other:** Staff will identify ways to reduce cycle time in processes to free up staff capacity.

Workshop Participants

Board of Supervisors:

- Simon Salinas, Chair
- Jane Parker, Vice Chair
- Fernando Armenta, Supervisor
- John M. Phillips, Supervisor
- Dave Potter, Supervisor

Board of Directors:

- Claude Hoover, Chair
- Mike Scattini, Vice Chair
- Ken Ekelund, Director
- Mark Gonzalez, Director (absent)
- David Hart, Director
- John Huerta, Director
- Richard Ortiz, Director
- Deidre Sullivan, Director
- Abby Taylor Silva, Director

MCWRA Staff:

- David Chardavoyne, General Manager
- Rob Johnson, Deputy General Manager
- Brent Buche, Deputy General Manager
- Winifred Chambliss, Clerk to the Board
- Cathy Paladini, Finance Manager II
- Howard Franklin, Senior Water Resources Hydrologist
- Elizabeth Kraft, Senior WR Hydrologist, Environmental Compliance
- German Criollo, Associate WR Hydrologist
- Chris Moss, Senior WR Engineer
- Shaunna Juarez, Associate WR Engineer
- Mark Foxworthy, Associate WR Engineer

- Bret Ogden, Assistant WR Engineer
- Fabricio Chomb, Accountant II
- Reico Cruz, Information Systems Manager
- Alice Henault, Senior Secretary

Monterey County Staff:

- Lew Bauman, County Administrative Officer
- Nick Chiulos, Assistant County Administrative Officer
- Charles McKee, County Counsel
- Les Girard, Chief Assistant County Counsel
- Jesse Avila, Deputy County Counsel

Workshop Agenda

- Welcome and Introductions
- Public Comments for Items Not on Agenda
- Review Mission, Guiding Principles, Broad Goals
- Discuss Agency Finances, Work Program and Challenges
- Discuss Agency Priorities for 2016
- Update on Groundwater Sustainability Agency Facilitated Process
- Wrap up

Workshop Ground Rules

At the start of the workshop, the facilitator suggested several ground rules to help the group have a successful workshop and achieve the results they intended to achieve through their time together.

- Stay focused on the desired outcomes of the day
- Listen carefully to each other
- Be open to new ideas
- Don't text or answer email – be present

Retreat Preparation

To prepare for the retreat, staff prepared financial information and a project list. Facilitator Jan Perkins also met the Board Chair, Planning Committee Chair, Supervisor Salinas, and executive staff.

General Manager's Comments

The General Manager offered his perspectives about the Agency and what he hoped would be accomplished during the day. A summary follows.

Recap of last year: The Agency projected a \$2.4 million decrease in fund balance for FY 2014-15 and ended with a \$2.0 million increase in fund balance due to salary savings from vacancies, stopping spending in April 2015 and some unexpected reimbursements (e.g., hydro repair reimbursement and CalAm settlement). The reimbursements are one-time revenue and not ongoing revenue. The bottom line is that the Agency's financial challenges and priorities remain the same for this year as last year.

Other challenges: We have been unable to prioritize what projects to work on and have insufficient funds for all of the projects on our list. New projects have been diverting resources from achieving last year's direction. Two other challenges facing the Agency are regulatory agencies mandating different requirements on the same projects and the cycle time it takes to things done, both of which reduce staff efficiency.

Objectives for today's meeting:

- More focused direction on what we do/don't do net year.
- Better alignment of BOS goals for Agency and BOD expectations.
- A commitment to find ways to reduce cycle time for routine transactions (increased efficiency to free up time for priorities).

Mission, Guiding Principles, Broad Goals

Participants reviewed the mission, guiding principles and broad goals discussed during the November 2014 strategic planning retreat.

Participants discussed whether the mission statement is still appropriate, and how well the agency is operationalizing the guiding principles and goals.

Mission

The discussion started with a review of the core purposes as authorized by Agency Act. A mission statement should clearly reflect the reason for the organization's existence. It does not speak to how the mission will be accomplished, as that is in the goals, principles and strategies.

The current mission statement is as follows:

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.

Two small groups were tasked with reviewing the mission statement. The groups noted that the mission refers to some things that are external to MCWRA, that there are not enough resources to do everything stated in the mission, and that new responsibilities have been added to the Agency's work plan that appear to be outside the mission. Other comments included:

- Remove "specified" from the statement;
- Incorporate the word "sustainability" in the statement along with "provide safe, clean water for a healthy life, environment and economy";
- Stakeholder participation is not referenced; and
- Reference maximizing the beneficial use of domestic, agricultural, and environmental water resources

Possible revision: Based on the input from the two small groups, the following revised mission statement is offered for Agency discussion. *Monterey County Water Resources Agency provides a sustainable level of safe, clean water for a healthy life, environment and economy, and provides flood control for present and future generations of Monterey County.*

Next Steps: The next steps in finalizing the mission is for staff to review and then take a revised mission statement to the Planning Committee and then Board of Directors for approval.

Guiding Principles

The guidelines were created in the Nov. 2014 strategic planning workshop but not formally adopted.

The current principles are as follows:

1. *Project or program is consistent with core mission.*
2. *Meets legal, contractual and mandated obligations.*
3. *Approved priorities will not be beyond financial capacity of Agency. Financial discipline will be exercised to ensure that funding is available to cover all expected expenditures.*
4. *Projects/programs will protect against loss of life/property.*
5. *Potential risks, costs, benefits and feasibility will be fully analyzed and discussed in a systematic way in advance of a decision to proceed. Effective communication and outreach will be done in advance of a decision.*

Three small groups were tasked with reviewing the guiding principles. They commented that the principles are generally followed, but the Agency is constrained by inadequate operational revenues for identified needs. The group specifically commented that financial guidelines are necessary for principle 3. Principle 5 is not followed consistently because there needs to be better communication prior to decisions.

The group identified impediments in following the principles but no changes were suggested to the principles. Impediments include:

- Proposition 218 limitations;
- Drought;
- Regulations;
- Litigation;
- Lack of budget and staffing;
- Untimely distribution of board packets;
- Conflicting priorities;
- Lack of discretionary funds;
- Budget not used as a plan;
- Projects not in budget;
- Outside influences;
- Agency committees and processes;
- Missing best available science; and,
- Need better recognition of the different roles of Board of Directors and Board of Supervisors.

Broad Goals

The work of the agency should fit within the four broad goals and contribute to moving WRA forward in accomplishing the goals. The broad goals are multi-year in nature. These are broad categories, under which specific operations, maintenance and projects would be authorized as the means to achieve these goals. Goals are not intended to be task-specific. The following four goals were created in the Nov. 2014 strategic planning workshop but not formally adopted.

The draft goals are as follows:

- 1. **Financial:** Manage the Agency responsibly with prudent financial practices so that the Agency is sustainable.*
- 2. **Organizational:** Develop and maintain a transparent Agency that has a high degree of public trust and involvement, and continually strengthen the organization's effectiveness.*
- 3. **Flood protection:** Provide flood protection through effective maintenance of Agency facilities and productive partnerships.*
- 4. **Water supply and quality:** Protect and augment water supply and quality, and bring groundwater basins into balance in Monterey County.*

Two small groups were asked to review the goals to offer their opinions on whether the goals, as stated, reflect what the Agency is to accomplish over a period of years. Comments offered were as follow:

- Add reference to regional options with Salina Valley cities
- Water supply and quality linked with flood control (e.g., capturing stormwater, reuse of treated water, and expanding water recycling in general)

Next steps: The next steps in finalizing the Agency's broad goals is for staff to review the comments noted above and discuss them with the Planning Committee and then take the goals to the Board of Directors for approval.

Overview of Agency Finances

The purpose of the discussion was to create a common understanding of the capacity and limitations of the agency's funding. Last year, there was a prioritization of projects, but most of the top priorities were unfunded items.

Cathy Paladini presented an overview of the Agency's financial position (Appendix A). It was apparent from her presentation that the Agency has inadequate resources with which to accomplish its stated priorities. She noted that the Agency continues to be structurally imbalanced due to costs associated with work on projects that have not been budgeted. The Agency's fund balance is expected to decrease by \$3.6 million in FY 2015-16. Comments from the participants included:

- Agency needs a long term perspective, with an ability to understand all aspects of operations and projects;
- Operations reserves should be separated from capital projects reserves;
- Reserves for capital replacement should be established;
- Operational funds should not be spent on new projects;
- The existing capital asset program should be funded;
- The structural imbalance should be addressed

The group brainstormed possible options for attaining new funding for the Agency, as follow:

- Grants (continue to seek);
- Countywide tax measure;
- Interested individuals and agencies;
- Proposition 218 vote – possibly more than one measure (e.g., operations, projects, Groundwater Sustainability Agency costs)
- Rates and fees;
- Sales tax;
- Pump tax;
- Sales of imported water and an associated tax;
- Legislative options (e.g., reduce matching requirements);
- Future water wholesale opportunities;
- Assessments (make sure new production is included);
- Sale or leasing of excess land; and
- Explore how other water agencies are funded to look for opportunities.

Next steps: The next steps are for staff to work with an outside consultant, [currently being recruited to review assessments and

benefits], to recommend a methodology for the Board of Directors to further explore long-term financial forecasting for the Agency, reserve needs and funding options.

Review of Agency Work Program

The General Manager and two Deputy General Managers gave a short update on each of the items shown in Attachment B. Workshop participants asked questions on a number of the items.

Board of Director Priorities

The Directors were each provided with 6 dots to place on items on the project list (Attachment B) that would be their preferences to put on pause given the lack of resources. Seven directors were present for the voting, and not all directors used all of their dots. The following projects received the most votes for items to not move forward:

- Permit 11043 (6 votes)
- Reclamation Ditch Improvement Advisory Committee (RDIPAC) Recommendations (5 votes)
- CSIP Expansion (4 votes)
- Groundwater Sustainability Agency Formation (4 votes)
- Zone 2B Well Destruction (4 votes)
- PLA Legal Costs Related to Interlake Tunnel (4 votes)

The number of dots placed on each project is shown in Appendix B (see red dots).

Wrap Up and Next Steps

At the end of the workshop each person was asked to state something that was valuable to him or her from the workshop. Many participants noted having the opportunity to interact with and hear from the Board of Supervisors, and to discuss the challenges facing the Agency.

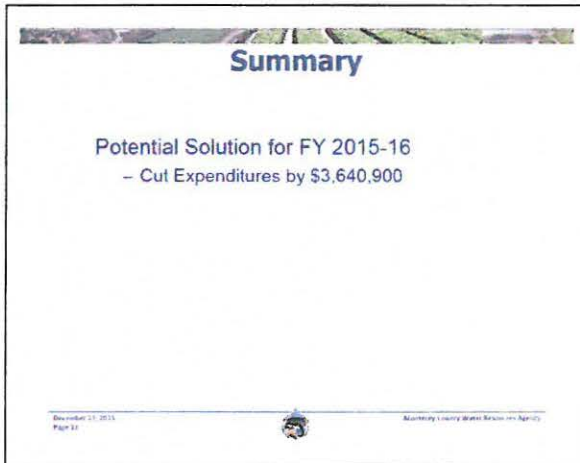
Next steps:

- Finalize mission, guiding principles and broad goals;
- Explore long range financial planning, reserve policies, facilities replacement needs, and new revenue options; and,
- Identify specific processes for reducing cycle time to free up staff capacity.

Appendix A – Financial Position of the Agency


<p style="text-align: center;">Monterey County Water Resources Agency</p> <p style="text-align: center;">Strategic Planning Session - 2016 Financial Overview</p> <p style="text-align: right; font-size: small;">December 17, 2015 Page 1</p>	<p style="text-align: center;">WRA FY 2015-16 Adopted Budget</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">FY 2015-16 Adopted Budget Beginning Fund Balance</td> <td style="text-align: right;">\$ 14,726,401</td> </tr> <tr> <td>FY 2015-16 Projected Revenues</td> <td style="text-align: right;">20,841,919</td> </tr> <tr> <td>Total Estimate FY 2015-16 Available funds</td> <td style="text-align: right;">\$ 35,568,320</td> </tr> <tr> <td>Less: 2015-16 Projected Expenditures</td> <td style="text-align: right;">(24,482,819)</td> </tr> <tr> <td>FY 2015-16 Projected Ending Fund Balance</td> <td style="text-align: right;">\$ 11,085,501</td> </tr> </table> <p style="text-align: center; font-size: small;">The Projected Revenue does not reflect the Cal-AM Reimbursement of \$644,290.</p> <p style="text-align: right; font-size: small;">December 17, 2015 Page 2</p>	FY 2015-16 Adopted Budget Beginning Fund Balance	\$ 14,726,401	FY 2015-16 Projected Revenues	20,841,919	Total Estimate FY 2015-16 Available funds	\$ 35,568,320	Less: 2015-16 Projected Expenditures	(24,482,819)	FY 2015-16 Projected Ending Fund Balance	\$ 11,085,501				
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FY 2015-16 Projected Ending Fund Balance	\$ 11,085,501														
<p style="text-align: center;">Discussion</p> <ul style="list-style-type: none"> ▪ The Agency continues to be Structurally imbalanced: <ul style="list-style-type: none"> – On-going Revenues remain at \$20,841,919 – On-going Expenditures are consistently creeping up to \$24 million – Since FY 2013-14 the Agency defers approximately \$2 million in expenditures to the following year – The Agency continues to use one-time revenues and Fund Balance to finance expenditures <p style="text-align: right; font-size: small;">December 17, 2015 Page 3</p>	<p style="text-align: center;">Drivers increasing Expenditures</p> <ul style="list-style-type: none"> ▪ Agency continues to work on un-budgeted projects: <ul style="list-style-type: none"> – Fish monitoring (SVWP) – Definitive Agreement for G.W.R – Interlake Tunnel Project – Financial Consultant for Assessments – GSA Formation ▪ Agency struggles to balance on-going program activities with new project opportunities <p style="text-align: right; font-size: small;">December 17, 2015 Page 4</p>														
<p style="text-align: center;">Drivers Burning Agency Fund Balance</p> <ul style="list-style-type: none"> ▪ Budget does not include Annexations ▪ Budget reflects reductions in the following: <ul style="list-style-type: none"> – Hydro-electric Revenue – Grant Revenue ▪ Budget reflects increase in G.L. and Legal costs ▪ Agency continues to work on un-budgeted projects which eats away Program budgets <p style="text-align: right; font-size: small;">December 17, 2015 Page 5</p>	<p style="text-align: center;">Discussion (cont.)</p> <p style="text-align: center; font-size: small;">Changes in Fund Balances (Excluding construction funds)</p> <table border="1" style="width: 100%; font-size: small;"> <thead> <tr> <th>Fiscal Year</th> <th>Change in Fund Balance</th> </tr> </thead> <tbody> <tr> <td>FY 12-13</td> <td>\$217,000</td> </tr> <tr> <td>FY 13-14</td> <td>\$1,027,000</td> </tr> <tr> <td>FY 14-15</td> <td>\$170,000</td> </tr> <tr> <td>FY 15-16</td> <td>\$2,372,000</td> </tr> <tr> <td>FY 16-17 Budget</td> <td>\$1,648,000</td> </tr> <tr> <td>FY 16-17 Expense</td> <td>\$1,841,000</td> </tr> </tbody> </table> <p style="text-align: right; font-size: small;">December 17, 2015 Page 6</p>	Fiscal Year	Change in Fund Balance	FY 12-13	\$217,000	FY 13-14	\$1,027,000	FY 14-15	\$170,000	FY 15-16	\$2,372,000	FY 16-17 Budget	\$1,648,000	FY 16-17 Expense	\$1,841,000
Fiscal Year	Change in Fund Balance														
FY 12-13	\$217,000														
FY 13-14	\$1,027,000														
FY 14-15	\$170,000														
FY 15-16	\$2,372,000														
FY 16-17 Budget	\$1,648,000														
FY 16-17 Expense	\$1,841,000														

<p style="text-align: center;">Last Discretionary Reserve Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 1997-98</p> <ul style="list-style-type: none"> ▪ Initial Rate Stabilization Set up FY 1997-98 ▪ \$ 3,500,000 06/30/98 <p style="font-size: small; text-align: center;">September 17, 2015 Page 7</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>	<p style="text-align: center;">Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 2011-12</p> <ul style="list-style-type: none"> ▪ Beginning Balance \$ 3,500,000 ▪ SRDF emergency repairs (\$ 1,500,000) ▪ Ending Balance \$ 2,000,000 <p style="font-size: small; text-align: center;">September 17, 2015 Page 8</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>
<p style="text-align: center;">Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 2012-13</p> <ul style="list-style-type: none"> ▪ Beginning Balance \$ 2,000,000 ▪ Hydro Emergency Repairs (\$ 1,300,000) ▪ Hydro Partial Payback \$ 264,116 ▪ Hydro Partial Payback \$ 2,729 ▪ Hydro Partial Payback <u>\$ 414,019</u> ▪ Ending Balance \$ 1,380,864 <p style="font-size: small; text-align: center;">September 17, 2015 Page 9</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>	<p style="text-align: center;">Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 2013-14</p> <ul style="list-style-type: none"> ▪ No Activity <p style="font-size: small; text-align: center;">September 17, 2015 Page 10</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>
<p style="text-align: center;">Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 2014-15</p> <ul style="list-style-type: none"> ▪ Beginning Balance \$ 1,380,864 ▪ Hydro Final Payback <u>\$ 619,436</u> ▪ Ending Balance \$ 2,000,000 <p style="font-size: small; text-align: center;">December 11, 2015 Page 11</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>	<p style="text-align: center;">Rate Stabilization Reserve (RSR) History</p> <p style="text-align: center;">FY 2015-16</p> <ul style="list-style-type: none"> • FY 15-16 Beg. Bal. \$ 2,000,000 • Pajaro River FRRP (\$ 500,000) • Bal. as of 11/30/15 \$ 1,500,000 <p style="font-size: small; text-align: center;">December 11, 2015 Page 12</p> <p style="font-size: x-small; text-align: center;">Monterey County Water Resources Agency</p>



Summary

Potential Solution for FY 2015-16
– Cut Expenditures by \$3,640,900

December 21, 2015
Page 11  Monterey County Water Services Agency

Appendix B - List of Agency Projects

Dot Voting Results*	Category/ Item	Funding Status**	Assigned By BOS or BOD	Status ***	Comments
Operations and Maintenance - Fund 116; FY 2015-16 Adopted Budget \$3.3 Million					
	Naci O&M Budget \$923,194	Under	BOD	1	Deferred Maintenance
	SA O&M Budget \$364,336	Under	BOD	1	Deferred Maintenance
	Salinas River \$248,809	Under	BOD	1	Effort has changed
	Salinas River Mouth (Lagoon) \$88,661	Under	BOD	2	Effort has changed
	Res Ops Hydrology & WQ \$1,308,356	Yes	BOD	1	
(1) •	ALERT Transfer Out \$226,895	Yes	BOD	2	
	GW Extraction/Data Collection \$106,501	Yes	BOD	1	
	Naci & SA Administration \$38,394	Yes	BOD	1	
Zone 2C Administration Fund 116; 2015-16 Adopted Budget \$346,207					
	Zone 2C Assessment Roll \$8,684	Under	BOD	1	Upgrade Database with maintenance
	Zone 2C Administration \$337,523	Yes	BOD	1	
Naci Non O&M - Fund 114; FY 2015-16 Adopted Budget \$ 547,531					
	Hydrology & WQ \$448,038	Yes	BOD	1	
(1) •	Urban Water Solutions \$32,724	Yes	BOD	2	
	Naci Taxes & Reimbursements \$54,193	Yes	BOD	1	
	Naci Dock Regs \$12,576	Under	BOD	3	Revamp Ordinance & Fees
SA Non O&M Fund 115; FY 2015-16 Adopted Budget \$649,157					
	Hydrology & WQ \$482,209	Yes	BOD	1	
	Well Permits/Well Logs \$32,300	Yes	BOD	1	
	Environmental Compliance \$29,440	Yes	BOD	1	
	SV WQ/Nitrate TAC \$71,154	Yes	BOD	2	
	Fish Monitoring Reduced Contract \$34,054	Under	BOD	2	S/B funded from Fund 116 SVWP \$375K
Countywide Fund 113; FY 2015-16 Adopted Budget \$841,823					

Dot Voting Results*	Category/ Item	Funding Status**	Assigned By BOS or BOD	Status ***	Comments
	FP Mgmt & Land Use Planning \$464,387	Yes	BOD	1	
	ALERT \$45,127	Yes	BOD	2	
	CW WR Review-Reimbursement \$332,309	Yes	BOD	1	
Pajaro Levee Fund 112; FY 2015-16 \$406,829					
(1) •	Pajaro River Levee \$406,829	Under	BOS/BOD	1	Agency borrowed \$250,000 from RSR
Reclamation Ditch Fund 122; FY 2015-16 Adopted Budget \$1,438,675					
	O&M \$1,295,891	Yes	BOD	2	
	Environmental Compliance \$142,784	Yes	BOD	3	
CSIP Operations Fund 131; FY 2015-16 Adopted Budget \$ 3,041,232					
	Consultants including MRWPCA \$2,053,367	Under	BOD	1	Fund Balance covers additional costs
	Labor and Service & Supply \$987,865	Yes	BOD	1	
SVRP Operations Fund 132; FY 2015-16 Adopted Budget \$4,285,263					
	Consultants including MRWPCA \$2,466,133	Under	BOD	1	Fund Balance covers additional costs
	Debt Service \$1,818,875	Yes	BOD	1	
	Service & Supply \$255	Yes	BOD	1	
Salinas River Diversion Facility Fund 134; FY 2015-16 Adopted Budget \$844,918					
	O&M \$465,611	Yes	BOD	1	
	Fish Monitoring/Flow/WQ \$363,536	No	BOD	2	\$ only represent 2 FTE's
	Environmental Compliance \$15,771	Yes	BOD	2	
Moro Cojo Slough Fund 127; FY 2015-16 Adopted Budget \$381,059					
	Labor \$378,059	Yes	BOD	2	
	Service & Supply \$3,005	Yes	BOD	1	
Nacimiento Hydroelectric Plant Fund 130; FY 2015-16 Adopted Budget \$420,262					
	Consultants \$154,919	Yes	BOD	1	
	Labor and Service & Supply \$265,343	Yes	BOD	1	
Projects (First Phase)					

Dot Voting Results*	Category/ Item	Funding Status**	Assigned By BOS or BOD	Status ***	Comments
(6) ●●●●●●	Permit 11043 \$2,000,000	No	BOD/BOS	2	Implementation needed by 2030
(4) ●●●●	CSIP Expansion \$150,000	No	BOD/BOS	3	Annual Cost increases >\$600K by 2018
(4) ●●●●	GSA Formation \$300,000	No	BOD/BOS	1	Annual Cost increases >\$2M by 2019
(1) ●	Long-term SRSMP \$50,000	No	BOD/BOS	2	This is an increase over existing budget
	Long-term SRMP/Lagoon \$150,000	No	BOD/BOS	2	Annual Cost increases >\$2M by 2019
(1) ●	InterLake Tunnel	No	BOS	2	\$3M and Agency Labor
Financial, Legal and Administrative					
(1) ●	Financial Consultant to review Assessments	No	BOS	1	Estimated between \$300 - \$600k
(1) ●	Coast Keeper Litigation	No	BOS	1	
(1) ●	Water Rights related to Interlake Tunnel	Yes	BOS	2	
(1) ●	Easement Litigation	No	BOS	2	
	Other Potential litigation	No	BOS	1	
(4) ●●●●	Zone 2B Well Destruction	No	BOD	3	
(1) ●	SRSMP Environmental Permitting	No	BOS	3	
	Blanco Drain/Reclamation Ditch	No	BOS	3	
(4) ●●●●	PLA Legal costs related to Interlake Tunnel	No	BOS	1	
(5) ●●●●●	RDIPAC Recommendations	No	BOS	3	

* Dot Voting: Directors placed dots by items that should be deferred due to lack of funding.

**Funding Column: "Yes" means it is funded, "Under" means it is underfunded, "No" means it is not funded.

***Status Column: 1=On schedule; 2=Started but behind schedule; 3=Not started

