

June 25, 2024

Ara Azhderian
General Manager
Monterey County Water Resources Agency
Delivered electronically

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Dear Mr. Azhderian:

Thank you for the opportunity to submit this revised proposal to assist the Monterey County Water Resources Agency with strategic planning services. We have prepared a scope of work that reflects our understanding of the Agency's desire to create a final update to its 2020-2025 strategic plan and develop a new strategic plan to cover the years 2026-2031.

Proposed plan of work

Strategic planning is fundamental to successful work planning. It enables the goals of the organization to be aligned with the annual budget process and helps use resources intelligently. Periodic review and updating of a strategic plan ensure that current realities (internal and external) are taken into consideration and appropriately factored into the operations of the organization while developing a new strategic plan on a regular schedule ensures a fresh look at opportunities and challenges.

Based on our experience with strategic planning, our past work with the Agency and our understanding of its needs, we have prepared a plan of work to achieve the goal of an update to the 2020-2025 strategic plan and a new 2026-2031 strategic plan. As you know, our approach emphasizes engagement and partnership with Agency leaders, staff and the community, taking into account the distinctive circumstances of the organization and community. This approach will ensure that the meaningful vision, mission, values, goals, and strategic priorities are articulated to inform budget development as well as the use of resources in the coming years.

Activity 1 – Start project

Task 1.1. Kick off project. We will begin by meeting internally as a team and preparing a project plan based on discussions with the Agency. We will then meet with you, review the project plan and make changes based on your feedback. We will present the project plan to the Agency board committee and again update it with any requested changes. These initial planning meetings will afford us all the opportunity to share information and refine the schedule and approach, so it is comfortably integrated with staff's other work demands during the project.

Task 1.2. Request data. We will provide a document request prior to this meeting and will review the material collected by staff to identify any other data needs. It is likely to include:

- Significant Agency plans and reports
- Agencywide and department organization charts
- Agencywide FTE by department
- Current work plans, mission statements and performance measures from each department
- 25+ high-resolution photos (minimum 300+ dpi) that can be used in the strategic plan document
- Any other documents, data or information that would be helpful for the strategic planning process

Deliverables

- Final work plan, communication plan and schedule

Agency (stakeholder) involvement

- Kickoff meetings with Agency leaders

Baker Tilly communication

- Data request through email
- Emails, phone calls and videoconference calls to set up the kickoff meeting
- Kickoff meetings through videoconference call

Activity 2 – Gather and analyze information

During this activity, we will develop an engagement plan and gather information through questionnaires administered to staff and external stakeholders. Each is described below.

Task 2.1. Develop engagement plan. We will develop an engagement plan in consultation with staff and update it based on their input. We will work with you to determine the engagement activities to gather input from stakeholders in seven separate meetings. We will also work with you and your team to determine the attendee composition, the agenda, meeting tools, scheduling and related logistics. Community engagement meetings will include a combination of in-person and virtual engagement as noted below.

- Three in-person stakeholder input meetings
- Four virtual stakeholder input meetings

Similar to the interviews and questionnaires, we will invite attendees to provide their thoughts about the following:

- What are the strengths, weaknesses, opportunities and threats/challenges (SWOT/C) facing the Agency?
- How can the Agency best create an effective, considered, innovative, and fiscally sustainable strategic plan to achieve specific goals within a set period of time?
- What potential partnerships should be leveraged to efficiently and effectively advance the goals of the Plan?
- What key priorities should the Agency focus on during the next five years?

Task 2.2. Design and administer online staff survey. Agency employees will have important observations and suggestions that will be helpful in creating the strategic plan. Our team will design a confidential online survey to seek their input about vision, mission, values, goals and strategies.

- A member of the senior staff will send the link to all employees. It will be important to provide computer access (or hard-copy surveys) for any staff that do not normally have access, so they are encouraged to participate.
- Once the survey is closed, we will summarize the survey results.

Task 2.3. Design and administer online external stakeholder survey. External stakeholders will also have important observations and suggestions that will be helpful in creating the strategic plan. Our team will design a confidential online survey to seek their input about vision, mission, values, goals and strategies.

- A member of the senior staff will send the link to all emails the Agency has for external stakeholders and post the survey to the Agency's website and social media accounts.
- Once the survey is closed, we will summarize the survey results.

Task 2.4. Review relevant documents. We will review the Agency's budget, current goals and priorities and other plans. We will also review other background materials to understand existing priorities, and other planning initiatives underway that will be important factors and context for updating the current strategic plan and developing the new plan.

At the conclusion of this activity, we will analyze this information as it will provide important input for the strategic planning workshop (described below).

Deliverables

- Memorandum of results from survey responses

Agency (stakeholder) involvement

- Employee survey
- External stakeholder survey

Baker Tilly communication

- Email, phone calls and video to develop surveys
- Email to review and approve employee and community surveys
- Email that includes sample language to deploy the surveys

Activity 3 – Assist with environmental scan.

Task 3.1. Assist with environmental scan. We will meet with Agency staff to review key data points for inclusion in the environmental scan. An environmental scan will provide important information for discussions in the workshops later in the project. Types of information that could be gathered for the environmental scan include the following:

- Demographic trends and projections
- Budget information (revenue and expenditure trends over the past five years and any available financial forecasts)
- Existing services provided and how they have changed over the past several years
- Service demand drivers
- Infrastructure needs profile
- Regional and state mandates and issues of importance to the Agency

We will provide examples of environmental scans to staff.

Task 3.2. Prepare slide deck. After staff prepare the scan, we will prepare a slide deck based on the scan for use in the first workshop, review it with staff and update it based on feedback. We will also review and summarize water agency best practices.

Agency (stakeholder) involvement

- Development of the environmental scan with assistance from Baker Tilly

Baker Tilly communication

- Email, phone calls and videoconference calls to advise Agency staff in the preparation of the environmental scan

Activity 4 – Prepare for final 2020-2025 strategic plan update Board workshop

In preparation for the workshop to develop the final update to the Agency's 2020-2025 strategic plan, we will complete the following tasks:

Task 4.1. Conduct interviews. We will conduct individual interviews with each member of the Agency's Board of Directors and the Agency's leadership team. We anticipate approximately nine one-on-one interviews with the board members and executive staff members. The purpose of these interviews is to obtain input for the final update to the strategic plan and to prepare for development of the 2026-2031 strategic plan. Examples of likely interview questions are:

- What are the strengths, weaknesses, opportunities and threats/challenges (SWOT/C) facing the Agency?
- How should the Agency's vision be expressed?
- Is the current mission statement relevant or should it be changed?
- What core values should guide the Agency's Board and staff in their day-to-day activities?
- How can the Agency best create an effective, considered, innovative, and fiscally sustainable strategic plan to achieve specific goals within a set period of time?
- What potential partnerships should be leveraged to efficiently and effectively advance the goals of the plan?
- What key priorities should the Agency focus on during the next five years?

Task 4.2. Determine workshop participants and coordinate logistics. We will coordinate logistics of the workshops, including location, room setup and other aspects necessary to set the stage for productive sessions for all participants with staff.

Task 4.3. Prepare draft agenda and workshop materials. We will review interview themes and prepare a detailed agenda for the workshops, as well as a briefing book with workshop materials, presentation slide deck and list of deliverables. To ensure the time is used most productively, we are likely to ask participants to complete work in advance of the session. We will review the public agenda with the MCWA board committee for feedback.

Agency (stakeholder) involvement

Availability for interviews, review interview themes and workshop materials

Baker Tilly communication

Participation in interviews and remote meetings/emails to review workshop materials

Activity 5 – Prepare for and facilitate strategic planning workshops

Next, we will facilitate workshops with the Board of Directors, General Manager, senior staff and others, as desired, to review the information gathered in the previous activities and create consensus about the vision, mission, values, goals and strategies that will guide the Agency in the coming year and the five years after that.

Task 5.1. Prepare for and facilitate first workshop. The *first workshop* will focus on a *review of the 2020-2025 strategic plan* and developing an update to cover the final year of the plan. Following the update workshop, we will prepare a summary report, review it with staff, finalize it and present it to the planning committee.

Task 5.2. Prepare for and facilitate second workshop. The *second workshop* will kick off the *2026-2031 strategic plan* and cover the following components, subject to discussions with project leaders:

- Review and discuss the results of stakeholder input
- Review and discuss the environmental scan
- Review the current vision statement and mission statement, and core organizational values and decide whether they remain relevant or need revision

Task 5.3. Prepare for and facilitate third workshop. The *third workshop* will provide stakeholders an opportunity to fine-tune and affirm the *2026-2031 strategic plan* goals and strategies and likely include the following components:

- Finalize any revisions to the Agencywide vision statement and mission statement and core organizational values
- Identify key priorities, goals and objectives and/or initiatives that support the vision, mission, and values of the plan

- Discuss performance measures or key indicators and outcomes that will serve as the basis for measuring progress in plan implementation
- Identify ways to communicate the outcomes of the strategic planning process

Task 5.4. Prepare for and facilitate fourth workshop. The *fourth workshop* will focus on a *review and update to the 2026-2031 strategic plan* and cover successes, results and challenges following the first year of the plan. Like the first workshop, we will prepare a summary report, review it with staff, finalize it and present it to the planning committee.

Our strategic planning workshops are engaging and interactive and are designed to ensure full participation. We use a combination of facilitation techniques, including small and large group discussions. Because we are former local government practitioners, we are attuned to helping workshop participants clarify issues. We understand how to address sensitive issues in a neutral, non-confrontational manner to generate consensus among participants.

Deliverables

- Agendas, workshop briefing documents and materials

Agency (stakeholder) involvement

- Workshops with the Board of Directors and Agency leadership

Baker Tilly communication

- Emails, phone calls and videoconference calls to coordinate logistics
- Email and videoconference call to review the workshop agendas
- In-person facilitation of the strategic planning workshops

Activity 6 – Prepare strategic plan

Task 6.1. Prepare draft strategic plan. The draft strategic plan document will provide direction for allocating Agency efforts and resources. It will be visually pleasing, using photos supplied by the Agency to illustrate goals and highlight some of its assets. It is likely to contain the following components:

- Description of the process, including how data were gathered
- Vision, mission, values
- Priorities and multi-year goals
- Several strategies for each goal
- Performance measures for each priority
- Reporting and accountability mechanisms for the strategic plan

Task 6.2. Develop presentation. We will develop a PowerPoint presentation that will be used to present the draft strategic plan to the Board of Directors. Based on feedback from the Board members, we will make modifications to the draft plan. A final strategic plan document will then be prepared and presented to the Board.

Deliverables

- Draft strategic plan
- PowerPoint presentation of the draft strategic plan
- Final strategic plan
- PowerPoint presentation of the final strategic plan

Agency (stakeholder) involvement

- Presentations to the Board of Directors

Baker Tilly communication

- Email to review the draft strategic plan and PowerPoint presentation
- Videoconference presentation to the Board of Directors
- Email to review the final strategic plan and PowerPoint presentation
- Videoconference presentation to the Board of Directors

Activity 7 – Prepare for and conduct implementation workshop

Task 7.1. Prepare draft implementation plan template. Upon completion of the strategic plan document, we will prepare a draft implementation plan template and facilitate an implementation workshop. The implementation plan will serve as an executable roadmap that transforms conceptual goals into realistic, achievable targets.

For implementation to occur in an orderly and effective manner, we will help staff identify the following elements:

- Key tasks
- Timeline (start and completion dates)
- Resources needed and currently available
- Staff assigned (including a lead person)
- Milestones
- A process for periodic plan reviews, updates, and/or other plan maintenance

Task 7.2. Determine workshop participants and coordinate logistics. We will coordinate logistics of the workshops, including location, room setup and other aspects necessary to set the stage for productive sessions for all participants with staff.

Task 7.3. Prepare draft agenda and workshop materials. We will review interview themes and prepare a detailed agenda for the workshops, as well as a briefing book with workshop materials, presentation slide deck and list of deliverables. To ensure the time is used most productively, we are likely to ask participants to complete work in advance of the session.

Deliverables

- Implementation plan template

Agency (stakeholder) involvement

- Agency leaders will prepare the implementation plan with assistance from Baker Tilly

Baker Tilly communication

- Email, phone calls and videoconference calls to prepare and review the implementation plan

Activity 8 – Prepare for and conduct two Management Team workshops (late summer 2024 and 2025)

Task 8.1. Review progress. In this activity, we will review progress made with the strategic plans. After we meet with General Manager and Deputy General Manager to discuss workshop timeframe and details, we will conduct the following tasks:

Task 8.2. Determine workshop participants and coordinate logistics. We will coordinate logistics of the workshops, including location, room setup and other aspects necessary to set the stage for productive sessions for all participants with staff.

Task 8.3. Prepare draft agenda and workshop materials. Prepare a detailed agenda for the workshops, as well as workshop materials, presentation slide deck and list of deliverables. We will review the workshop tools with the General Manager and the Deputy General Manager.

Task 8.4. Facilitate progress workshop and report results. We will facilitate the Management Team workshop in a similar fashion to the earlier workshops. After the workshop, we will prepare a draft report of results, review them with the General Manager and Deputy General Manager, incorporate their feedback and finalize the report.

Agency (stakeholder) involvement

Availability for interviews, review interview themes and workshop materials

Baker Tilly communication

Participation in interviews and remote meetings/emails to review workshop materials, facilitation

About Baker Tilly

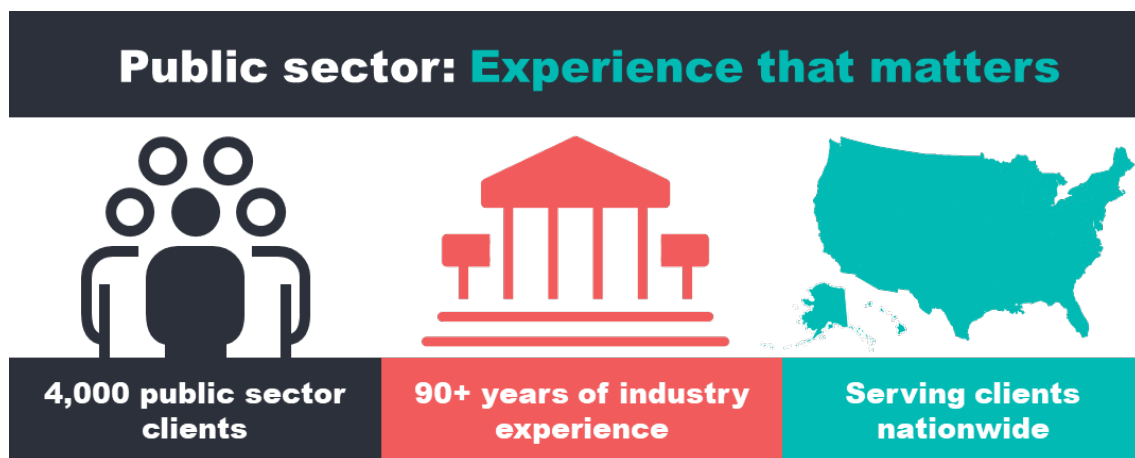
Celebrating more than 90 years serving our valued clients

As a future-looking firm, we celebrate more than 90 years in the marketplace by honoring our roots and continuing to shape our future. We embrace the fact that local governments can't stand still — and we won't stand still. As we help our clients identify new needs and opportunities, we innovate and change to work better.



Delivering specialized expertise to our public sector clients

State and local government is a complex, unique environment shaped by fiscal, regulatory and operational considerations not found in other industries. We recognize this complexity, and we are eager to serve as a truly valued advisor to the public sector. Nationwide, our state and local government practice has served nearly 4,000 state and local governmental entities, including municipalities, special districts, counties, public utilities, school districts and transit.



SUPPORTING STATE AND LOCAL GOVERNMENTS WITH SPECIALIZED EXPERTISE

The Monterey County Water Resources Agency will benefit from the insight Baker Tilly has gained from serving thousands of public sector clients across the United States.

Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm's national resources. We believe in strong personal relationships, and this means a personal interest in the Monterey County Water Resources Agency from some of our most experienced team members. Engagement team members are introduced below.

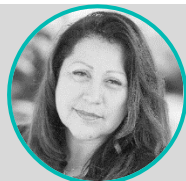
ENGAGEMENT TEAM FOR THE MONTEREY COUNTY WATER RESOURCES AGENCY



Christine Butterfield — Senior Manager

Project role: Project manager

Christine has worked in local government since 1993 in Illinois, California and Minnesota. Since joining Baker Tilly, Christine has provided assistance in organization reviews, process improvements, facilitation and strategic planning. She has considerable experience with process improvement and reengineering and has used the LEAN Six Sigma method to make improvements to land use/development entitlement functions. She has a proven ability to lead diverse teams, develop trust and build consensus in a collaborative way. She has held positions of responsibility in organizations with 1,500 employees and a budget of \$500 million (serving a population of 320,000) to communities with only 130 employees (serving fewer than 30,000 people). Christine has served as an assistant city manager and as community development director. The latter involved supervising code enforcement and economic development processes. In this capacity with the City of Cedar Rapids, Iowa, she headed the City's response to the 2008 flooding disaster, the worst disaster in the history of Iowa and one of the most expensive disasters in the history of the United States. Christine has experience managing all municipal operations as well as intergovernmental relations, strategic planning and labor negotiations.



Magda Gonzalez — Special Advisor

Project role: Co-facilitator

Magda is a local government manager who has assisted many California cities with priority setting, team building and strategic planning. She has more than two decades of experience and a passion for executive coaching, civic engagement, community building and leadership development. Magda served as city manager in the California cities of East Palo Alto and Half Moon Bay, with progressively responsible roles in Redwood City, San Bruno and Half Moon Bay, including several leadership positions in human resources and community services. Her expertise includes executive coaching, public speaking in English and Spanish, mediation and facilitation, and organizational leadership. Magda's experience in civic engagement includes developing citizens academies in Spanish and English and facilitating community priority-setting workshops.



Michelle New — Manager

Project role: Co-facilitator and data analyst

Michelle assists public sector clients with strategic plans, city council workshops, organization assessments and comparison analysis studies. She spent 15 years with the City of Santa Maria, where she worked first as a management analyst in the City Manager's Office and then as the human resources manager, responsible for oversight of all aspects of the human resources function. During her tenure, Michelle developed an award-winning succession planning program, overhauled multiple paper processes, actively participated in employee negotiations, coordinated the city's performance, disciplinary and investigative issues and was involved in the citywide budget. She also participated in the coordination of the city's COVID-19 response as one of two contact tracers. Michelle served as a Central Coast regional co-chair

ENGAGEMENT TEAM FOR THE MONTEREY COUNTY WATER RESOURCES AGENCY	
	of the Municipal Management Association of Southern California (MMASC) and is the founding member of the region's annual Women in Leadership event.
	Suzanne Martin – Senior Consultant
	<i>Project role Data analysis and logistics</i>
	Suzanne performs benchmarking analyses, organizational assessments and analytical research for a wide variety of projects, including operations reviews, user fee assessments, service consolidation studies, and budget stabilization projects. She has worked on several projects listed in the References section of this proposal. Suzanne brings expertise in conducting qualitative and quantitative research. She spent two years as a graduate student intern at the California Public Utilities Commission, where she conducted business services-related program evaluation and policy analysis.

Schedule

The chart below represents our customized approach to deliver strategic planning services to the Monterey County Water Resources Agency on time. We'll collaborate closely with you to finalize a client service plan that meets all your needs — especially your timing.

ACTIVITY	Sep-Nov 2024	Dec-Feb 2025	Mar-May 2025	Jun-Aug 2025	Sep-Nov 2025	Dec-Feb 2026	Mar-May 2026	Jun-Aug 2026	Sep-Nov 2026	Dec-Feb 2027
Activity 1 – Start project										
Activity 2 – Gather information										
Activity 3 – Conduct analysis										
Activity 4 – Prepare for final 2020-2025 strategic plan update Board workshop										
Activity 5 – Prepare for and facilitate strategic planning workshops										
Activity 6 – Prepare strategic plan										
Activity 7 – Prepare for and conduct implementation workshop										
Activity 8 – Prepare for and conduct two Management Team workshops										

OUR COMMITMENT TO MONTEREY COUNTY WATER RESOURCES AGENCY

Working closely with you and your team, we will co-develop a timeline to deliver on time or ahead of schedule.

Professional fee

The total cost of this three-year engagement is \$212,300, which includes all fees and expenses. We have discounted our average hourly rate to \$250 across our team for this engagement. The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal.

SERVICES	FEES
Activity 1 – Start project	\$8,500
Activity 2 – Gather and analyze information and conduct focus group/community meetings	\$29,600
Activity 3 – Conduct analysis	\$16,000
Activity 4 – Prepare for final 2020-2025 strategic plan update Board workshop	\$17,000
Activity 5 – Prepare for and facilitate strategic planning workshops	\$87,200
Activity 6 – Prepare strategic plan	\$11,000
Activity 7 – Prepare for and conduct implementation workshop	\$20,600
Activity 8 – Prepare for and conduct two Management Team workshops	\$22,400
TOTAL FOR ALL SERVICES	\$212,300

OUR TRANSPARENT, FAIR FEE ESTIMATE

MCWRA can expect a competitive fee arrangement and continuous value.

Conclusion

The Monterey County Water Resources Agency will continue to be a valued client of Baker Tilly, and I will be personally involved in all aspects of our relationship, from planning through completion. Thank you for the opportunity to make tangible contributions to your success. Our team is excited to maintain your trust, and we look forward to discussing your questions and feedback.

Sincerely,



Carol Jacobs, Managing Director
Baker Tilly Advisory Group, LP
+1 (949) 809 5588 | carol.jacobs@bakertilly.com

Monterey County Water Resources Agency
June 25, 2024

Accepted for the Monterey County Water Resources Agency by:

Name: _____

Title: _____

Date: _____

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