



WATER RESOURCES AGENCY

MEMORANDUM

Monterey County

DATE: September 24, 2025

TO: Planning Committee

FROM: Ara Azhderian, General Manager

SUBJECT: Considerations for modernizing the Agency's BOD governance guidance:

The Agency's Bylaws are intended to help inform and guide the roles and responsibilities of the Board of Directors regarding governance of the Agency. The Directors roles and responsibilities are also defined by the Agency Act (§48 et seq.), adopted in 1991, and Ordinance 3559, also adopted in 1991. The Agency Act, absent amendment, is the foundational legal framework in which any other governance guidance must work within.

Summary of key provisions of the Agency Act relative to the Directors follows:

- Sec. 48. Board of Directors; appointment; number; qualifications. Establishes that the Agency "shall be governed by a [9 person] Board of Directors" whom "shall be residents of the County and shall have backgrounds and experience that indicate a high level of interest or expertise in areas relating to the Agency's work."
- Sec. 49. Manner of appointment; experience.
- Sec. 50. Terms; reappointment.
- Sec. 51. Vacancies; manner of filling; term.
- Sec. 52. Duty to advise Board of Supervisors; emergencies. Establishes the advisory role of the Directors to the Supervisors and sets, that "No action [excluding emergencies] shall be taken by the Board of Supervisors relating to the Agency without seeking or obtaining a recommendation from the Directors."
- Sec. 53. Policy objectives of Directors. Establishes the role of "establish[ing] long-term and short-term policy objectives for the Agency, subject to review by the Board of Supervisors". It conditions that such policies be, "...consistent with the Monterey County General Plan and its implementing ordinances." It also establishes the responsibility to "...oversee the work of the Agency to ensure that the objectives established are diligently pursued."
- Sec. 54. Duties of Directors. Establishes that the Directors shall, with the assistance of staff: (a) Prepare an annual budget for the Agency; (b) hold public hearings on the

proposed budget; and (c) after approval of the budget by the Directors, submit the budget to the Supervisors for its adoption.

- Sec. 55. Responsibility of Directors for initiating and developing proposals for Agency work. “The Directors shall have primary, but not exclusive, responsibility for initiating and developing all proposals affecting the work of the Agency.”
- Sec. 56. Approval and execution of contracts by Directors. Consistent with all applicable laws, “The Directors shall approve, and the chairperson of the Directors shall execute, all contracts of the Agency when authorized by this act or by the Board of Supervisors.”
- Sec. 57. Approval of contracts for which funds budgeted; form; fiscal provisions. Conditions Directors’ approval of contracts to additional approvals by County Counsel and the County Administrative Office.
- Sec. 58. Purchasing agent; contracts; submission to Directors. Establishes the County’s Purchasing Agent and the ex officio agent for the Agency and provides that the Directors’ may request a copy of any contract executed within the Purchasing Agent’s authority.
- Sec. 60. Contracts for which funds not budgeted; form; fiscal provisions. Reserves solely to the Supervisors the ability to approve unbudgeted contracts.
- Sec. 60.1. Contracts for lease of Agency land. Reserves to the Supervisors all discretion regarding the lease of Agency land for recreational purposes unless such authority is expressly delegated to the Directors by ordinance.
- Sec. 61. Recruitment and hiring of general manager; requirements; termination. Establishes the responsibility that the Directors, “...shall, in consultation with the County personnel Director, establish procedures for the recruitment and hiring of the general manager of the Agency, subject to approval by the Board of Supervisors.” It also sets forth specific procedures.
- Sec. 62. Annual performance evaluation of general manager; yearly objectives. Establishes that a) the Directors shall prepare an annual performance evaluation of the general manager in the context of Agency objectives established by the Directors and general manager; b) the County administrative office shall prepare a format for the evaluation; and that c) a copy of the evaluation shall be sent to the Supervisors.
- Sec. 63. Personnel duties of Directors: planning and budgeting matters. Establishes that, “The Board of Supervisors shall grant to the Directors the duties relating to personnel matters of the Agency, subject to memoranda of understanding entered into by employee organizations and the Board of Supervisors.” but reserves approval of “All planning and budgeting matters relating to Agency staffing requirements...” to the Supervisors.
- Sec. 64. Meeting of Directors; conduct. Establishes meeting frequency and directs Brown Act compliance. It also establishes Robert’s Rules of Order as the meeting procedure but allows for modification.
- Sec. 65. Public hearings by Directors; testimony of public.
- Sec. 66. By-laws; adoption by Directors; standing committees. Directs the adoption of bylaws to govern the Directors’ business and formation of standing committees comprised of Directors.

- Sec. 67. Advisory committees. Allows for the formation of advisory committees.
- Sec. 68. Advisory committees; sole authority to advise Board members.
- Sec. 69. Exercise by Directors of Agency powers not reserved to Supervisors. “The Directors shall exercise those Agency powers not reserved to the Supervisors.”
- Sec. 70. Additional powers of Board of Supervisors.
- Sec. 71. Duties of Supervisors concerning litigation.
- Sec. 73. Reports to Supervisors.
- Sec. 74. Reports to Board of Directors.
- Sec. 75. Semiannual meeting of Board of Supervisors and Directors.
- Sec. 76. Appeals by Agency to Directors. Delegates to the Directors the role of hearing appeals of Agency’s decisions and actions.
- Sec. 77. Adoption of rules relating to notice and hearing by Directors.
- Sec. 80. Decision of Directors final; no appeal to Supervisors. “The decision of the Directors on any appeal shall be final, and there shall be no appeal from the decision to the Supervisors.”
- Sec. 81. No appeal from decision of Directors to Board of Supervisors; exception.
- Sec. 82. Actions and decisions of Agency subject to judicial review.
- Sec. 83. Assistance of County staff to Directors; assistance of attorney representing County counsel. “The Directors may request, and shall receive, the assistance of County staff, as required, for the conduct of their business.”

A complete copy of the Agency Act can be found at:

<https://www.countyofmonterey.gov/home/showdocument?id=19488>

Summary of key provisions of Ordinance 3559, which largely echo the Agency Act, follows:

- Section 1. Authority.
- Section 2. Purpose. “The purpose of this ordinance is to establish a managing board of directors, subsidiary to and responsible to the Board of Supervisors of the Water Resources Agency, and to delegate to that board of directors authority to manage, supervise, direct, plan, and make policy for the Agency, to the maximum extent permitted by state law, in order to provide for the more efficient, effective, and responsive administration and governance of the agency.”
- Section 3. Definitions.
- Section 4. Creation of managing Board of Directors.
- Section 5. Term of office.
- Section 6. Vacancies. Affirms the Supervisors’ authority to declare a position vacant “... due to the incumbent director’s incapacity or failure to attend meetings.” and directs that the provision be implemented through the Agency’s Bylaws.
- Section 7. Duties of the Board of Directors. This includes: a) Advice to Supervisors on non-delegable duties; b) Policy-making; c) Budget; d) Initiating and developing proposals; e) Contracts; f) General Manager -- hiring and termination; g) General Manager --

performance evaluations; h) Personnel matters; i) Meetings; j) Public hearings; k) Bylaws and committees; and l) All other powers.

- Section 8. Non-delegable duties of the Board of Supervisors.
- Section 9. Communications between Directors and Supervisors. Establishes the general manager as the regular communication conduit between the Directors and Supervisors; calls for quarterly reports on Agency activities presented to the Supervisors by the Directors; and prohibits implementation of any decisions by the Directors, "... which may have a significant impact on Agency operations, policies and practices..." without approval by the Supervisors.
- Section 10. Appeals.
- Section 11. Appeals to Board of Supervisors.
- Section 12. Judicial review.
- Section 13. Assistance of County staff.
- Section 14. Severability.
- Section 15. Four-year review.

A complete copy of Ordinance 3559 is included with this packet.

Other information that could be considered as part of modernizing the Bylaws is developing a Board of Directors' governance guiding policies manual. Examples of its potential contents include:

- Board-Staff Interaction and/or Organizational Policies
- Communications Policy
- Directors' Training Policy
- Directors' Support, Compensation, and Expense Reimbursement Policy
- An Ethics Policy and/or Code of Conduct
- Rules for Proceedings of the Board of Directors

A few examples of these potential inclusions to guide the Agency's governance can be found at:

- [Board of Directors | Yuba Water Agency, CA](#)
- [Board of Directors | Alameda County Water District - Official Website](#)
- [Board of Directors | Santa Clarita Valley Water](#)

Modernization of the Agency's Bylaws can happen with or without development and adoption of governance guiding policies. Section 66 of the Agency Act mandates the Directors adopt bylaws for the conduct of their business. The format of the bylaws is not dictated and future bylaws could take the form of a governance guiding policies manual or the Agency could develop and adopt both traditional bylaws and supplemental policies.

An advantage of the former is it eases the understanding of the reader, be it a Director, staff, or citizen, of the universe of guidance that could affect governance by the Directors. A disadvantage is developing a comprehensive suite of governance guiding policies could take longer than bylaws alone, thereby delaying implementation of new guidance. Of course, a piece-meal approach could be employed.

Regardless of the approach selected, modification of the bylaws will require alignment with the Agency Act, may require amendment or replacement of Ordinance 3559, and should also include consideration of compliance with state and/or federal laws and regulations adopted subsequent to passage of the Agency Act and adoption of the Bylaws.

ORDINANCE NO. 3559

AN ORDINANCE OF THE MONTEREY COUNTY
WATER RESOURCES AGENCY
ESTABLISHING A MANAGING BOARD OF DIRECTORS FOR
THE GOVERNANCE OF THE WATER RESOURCES AGENCY

PASSED: AUGUST 27, 1991

Monterey County
Water Resources Agency

Ordinance No. 3559

AN ORDINANCE OF THE MONTEREY COUNTY
WATER RESOURCES AGENCY
ESTABLISHING A MANAGING BOARD OF DIRECTORS FOR
THE GOVERNANCE OF THE WATER RESOURCES AGENCY

The Board of Supervisors of the Monterey County Water Resources Agency ordains as follows:

Section 1. Authority.

Under the Monterey County Water Resources Agency Act (Stats. 1990, Chap. 1159, Sec. 15), the Board of Supervisors of the County of Monterey is ex officio the Board of Supervisors of the Monterey County Water Resources Agency. Under that Act, all legislative actions -- including all actions taken by ordinance, the adoption of a final budget for the Agency and certain actions taken by resolution -- as well as certain other actions, must be taken by the Board. Under Section 17 of the Act, however, the Board may delegate many of its duties to employees and other agents, in order to provide for the orderly administration and governance of the agency.

Section 2. Purpose.

The purpose of this ordinance is to establish a managing board of directors, subsidiary to and responsible to the Board of Supervisors of the Water Resources Agency, and to delegate to that board of directors authority to manage, supervise, direct, plan, and make policy for the Agency, to the maximum extent permitted by state law, in order to provide for the more efficient, effective, and responsive administration and governance of the agency.

Section 3. Definitions.

A. Agency.

"Agency" means the Monterey County Water Resources Agency.

B. County.

"County" means the County of Monterey.

C. Directors.

"Directors" means the managing Board of Directors established by this ordinance, unless the context implies a reference to the individual directors.

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D. Supervisors.

"Supervisors" means the Board of Supervisors of the Agency, unless the context implies a reference to the individual supervisors.

Section 4. Creation of managing Board of Directors.

A. There is hereby established a managing Board of Directors for the Agency. The Board of Directors shall consist of nine directors, who shall be residents of the County of Monterey, who shall have backgrounds and experience that indicate a high level of interest and/or expertise in areas pertinent to the Agency's activities, and who shall have a high degree of commitment to the success of the Agency. The Directors shall be appointed by the Supervisors as hereinafter set forth.

B. Five directors shall be appointed, one each by each member of the Board of Supervisors, from the county at large. The Supervisors should consider appointments of persons from diverse backgrounds, including, but not limited to the following: municipal or small water agencies not regulated by the Public Utilities Commission, resource conservation districts, environmental protection organizations, industry and building trades representatives, agricultural organizations, and the public at large.

C. Four directors shall be appointed by a majority vote of the Supervisors from nominees submitted by the following groups or organizations:

- i. One director from a list of two nominees provided by the Monterey County Farm Bureau, who has a background in agricultural production;
- ii. One director from a list of two nominees provided by the Grower-Shipper Vegetable Association of Central California, who has a background in agricultural production;
- iii. One director from a list of two nominees provided by the Mayor's Select Committee, who has a background in city government within the jurisdictional territory of the agency;
- iv. One director from a list of two nominees provided by the Monterey County Agricultural Advisory Committee; in making these nominations, the Agricultural Advisory Committee shall consider possible nominations from all areas of agriculture not represented by the organizations mentioned above, such as flower growers' associations, Cattlemen's

Association, wine grape growers' associations, independent growers, and the like.

D. No person shall be appointed as a director who, because of his or her employment or other financial interests, is likely to be disqualified from a substantial number of decisions of the Directors under conflict of interest requirements.

Section 5. Term of office.

A. The term of office for each director shall be four years, except as provided below for the initial directors. Directors shall serve until their successors are appointed and take office. Directors may be reappointed at the end of their term.

B. The terms of office shall be staggered. The directors appointed initially shall serve for the following initial terms: three shall have two-year terms, three shall have three-year terms, and three shall have four-year terms. Thereafter, all terms shall be four years each. The initial directors shall draw lots to determine the length of each director's initial term.

Section 6. Vacancies.

A. A vacancy occurs on the Board of Directors when a director resigns or dies or when the position is declared vacant by the Supervisors, on the recommendation of the Directors due to the incumbent director's incapacity or failure to attend meetings. The Directors shall implement this provision with specific provisions in the bylaws of the Board of Directors.

B. A vacancy shall be filled by appointment in the same manner as the appointment of the original holder of the office. The person so appointed shall serve for the remainder of the original term, and may thereafter be reappointed or not, as the appointing authority may decide.

Section 7. Duties of the Board of Directors.

The Board of Directors shall have the following duties:

A. Advice to Supervisors on non-delegable duties.

The Directors shall advise the Supervisors on all matters within the scope of the Supervisors' non-delegable duties. No action shall be taken by the Supervisors without first seeking or obtaining a recommendation from the Directors, except where there is an emergency declared by the Supervisors that requires immediate action by the Supervisors and there is insufficient time to obtain a recommendation from the Directors. The Supervisors shall give reasonable advance notice to the Directors of any meeting at which such an emergency declaration will be considered by the Supervisors.

B. Policy-making.

The Directors shall establish long-term and short-term policy goals for the Agency, and shall oversee the work of the Agency in order to insure that the goals so established are diligently pursued. The policies and goals shall comply with the adopted Monterey County General Plan and its implementing ordinances.

C. Budget.

The Directors shall, with the assistance of staff, prepare an annual budget for the Agency, shall hold public hearings on such budget, and following approval of the budget by the Directors, shall submit the budget to the Supervisors for its adoption.

D. Initiating and developing proposals.

The Directors shall have primary but not exclusive responsibility for initiating and developing all proposals affecting the work of the Agency.

E. Contracts.

(i) All procedures otherwise established by law in relation to Agency contracts, including but not limited to advertising, bidding, awarding, and managing contracts, shall be followed, except that the Directors will act in place of the Supervisors when authorized by this ordinance.

(ii) Except as otherwise provided below, the Directors may approve, and the Chair of the Board of Directors may sign on behalf of the Agency, all contracts for which funds have been budgeted by the Agency. All contracts approved by the Directors must first be approved as to form by County Counsel and as to fiscal provisions by the County Administrative Office.

(iii) Pursuant to the Agency Act, Section 16, the Purchasing Agent for the County of Monterey is ex officio the Purchasing Agent for the Agency. All ordinances of the County of Monterey delegating authority to the County Purchasing Agent to execute contracts on behalf of the County shall apply to the Water Resources Agency, and the County Purchasing Agent shall have the same authority with respect to Agency contracts. The General Manager may submit to the Directors for approval any contract within the Purchasing Agent's authority, in the General Manager's discretion, and shall submit any such contract to the Directors at the request of the Directors.

(iv) All contracts for any improvement or unit of work when the cost thereof according to the estimate of the engineer, will exceed five thousand dollars, shall be let by the Board of Supervisors to the lowest responsible bidder or bidders in the manner provided in the Public Contract Code Sec. 21121. If Public Contract Code Sec. 21121 is amended to allow delegation of such

contracting authority, then such authority shall be delegated to the Directors, to the maximum extent allowed by such amendment.

(v) All contracts for which funds have not previously been budgeted by the Agency shall be approved by the Supervisors and executed by the Chair of the Board of Supervisors, subject to approval as to form by County Counsel and as to fiscal provisions by the County Administrative Office.

F. General Manager -- hiring and termination.

(i) The Directors shall, in consultation with the County Personnel Director, establish procedures for the recruitment and hiring of the General Manager of the Agency. Such procedures shall be subject to approval by the Supervisors. Such procedures shall include at least the following:

(a) The County Personnel Department will review and screen all applications.

(b) The Directors will interview the candidates who pass the screening by the Personnel Department, and will recommend at least two candidates to the Supervisors.

(c) The Supervisors shall make the final selection. The Supervisors may select one of the candidates referred by the Directors or may reject all candidates and direct that the process be reinitiated.

(ii) The Supervisors retain the authority to terminate the General Manager. Before the Supervisors may terminate the General Manager, the Supervisors shall consider the recommendations of the Directors on the matter.

G. General Manager -- performance evaluations.

The Directors shall do an annual performance evaluation of the General Manager. A format for this evaluation that meets the needs of the Directors and the Supervisors will be developed by the County Administrative Office. At the start of each performance evaluation period, the Directors and the General Manager will develop a set of goals for the coming year, and the performance evaluation at the end of the year will assess the General Manager's performance in relation to those goals. The performance evaluation shall be transmitted to the Supervisors upon its completion.

H. Personnel matters.

All personnel matters shall be conducted in accord with existing policies and procedures, as now in effect or as later supplemented or amended by the Supervisors, except as otherwise provided herein or by subsequent ordinance of the Supervisors. When Agency employees may file appeals from disciplinary actions under the County Personnel Resolution, such appeals shall comply

with the Personnel Resolution, except that the appeal shall be filed with the General Manager of the Agency instead of the Clerk to the Board of Supervisors, and the Directors shall act in place of the Supervisors in referring the matter to a hearing officer, in reviewing the hearing officer's decision, and in making a final decision thereon. All issues raised in the context of planning or budgeting for the Agency relating to staffing patterns for the Agency shall be considered by the Directors before referral to the Supervisors.

I. Meetings.

The Directors shall meet on a regular basis, not less than once per month, at a regular meeting place to be determined by the Directors. All meetings shall comply with the Ralph M. Brown Act (Government Code Secs. 54950 et seq.) and shall follow Robert's Rules of Order. The procedures set forth in Robert's Rules of Order may be modified by resolution of the Directors or in the Bylaws adopted by the Directors.

J. Public hearings.

The Directors shall hold public hearings and consider testimony by members of the public on all matters concerning the Agency's activities for which public hearings are required by law, unless by law or contract the authority to hold the public hearing is restricted to the Supervisors.

K. Bylaws and committees.

i. The Directors shall adopt bylaws for the conduct of their business and shall establish standing committees of the Board of Directors, composed of members of the Board of Directors.

ii. The Directors may establish and appoint advisory committees to assist the Directors and the Agency in any aspect of their work, and may prescribe the qualifications for membership on such advisory committees. The members of such advisory committees need not be members of the Board of Directors.

iii. No authority beyond the authority to advise the Directors shall be delegated to any standing or advisory committee.

L. All other powers.

All other powers of the Agency not reserved to the Supervisors by law shall be exercised by the Board of Directors.

Section 8. Non-delegable duties of the Board of Supervisors.

A. Legislative power.

The Supervisors retain and may not delegate the legislative power of the agency. All ordinances of the agency must be adopted

by the Supervisors. Only the Supervisors may create zones, levy assessments or taxes, impose fees, charges or tolls, authorize bonds, borrow money, or authorize projects that involve the creation of zones or the institution of any of the foregoing financing measures. Only the Supervisors may adopt a final budget for the agency.

B. Public works contracts.

The award of public works contracts within the scope of Public Contract Code Sec. 21121 is not delegable by the Supervisors unless the legislature amends Sec. 21121 to permit such delegation.

C. Litigation.

The Supervisors shall be responsible for the initiation and conduct of any litigation by the Agency and for the settlement of any matter in litigation. All matters with respect to which litigation is likely or imminent shall be referred to the Supervisors by the Directors or by the General Manager as a matter of information or for such action as may be appropriate. When the Supervisors, in a closed session, consider matters pertaining to litigation affecting the Agency, the chair of the Board of Directors or his or her designee may be present.

D. Other matters.

The Supervisors shall be responsible for all other matters which by law may not be delegated.

Section 9. Communications between Directors and Supervisors.

A. The General Manager shall report to the Supervisors in a timely manner concerning all actions taken by the Directors, in order to insure open lines of communications. All agendas and minutes of meetings of the Directors shall be provided to the Supervisors in a timely manner. The Agency will prepare a quarterly report, which shall be approved by the Directors and transmitted to the Supervisors. The Directors shall make an oral presentation of their report to the Supervisors at a Supervisors' meeting. Any decisions by the Directors which may have a significant impact on Agency operations, policies and practices will be discussed with the Supervisors, prior to implementation. Major policy changes having community-wide impact will be communicated to the Supervisors for review and concurrence prior to implementation.

B. The General Manager shall report to the Directors in a timely manner concerning all actions taken by the Supervisors regarding the work of the Agency. The Clerk to the Board of Supervisors shall provide to the Directors in a timely manner copies of all agendas and minutes of the Supervisors and all ordinances and resolutions concerning the Agency's business adopted by the Supervisors. The Supervisors shall ensure that their

communications are made to the Directors in such a way as to support and enhance the Director's ability to provide governance for the Agency to the maximum extent possible under this ordinance.

C. The Supervisors and Directors shall hold a joint meeting semi-annually.

Section 10. Appeals.

A. If any ordinance, resolution, or regulation of the Agency provides for an appeal from any administrative or enforcement decision made by the Agency or its staff, such appeal shall be heard by the Directors as provided herein, unless a different procedure is established by law, ordinance, or contract.

B. The Directors shall establish rules and regulations for giving public notice of and for the conduct of its hearings on appeals.

C. An appeal under this or any other ordinance, unless otherwise specifically provided by another ordinance, shall be initiated by filing a written appeal with the Agency within ten days after the date of the action or decision from which the appeal is taken. A filing fee commensurate with the cost of processing the appeal shall be paid to the Agency at the time of filing any appeal. The Directors may by resolution set the amount of the fee, unless by law such action must be taken by the Supervisors.

D. In rendering its decision on any appeal, the Directors shall determine which party is the prevailing party. If the appellant is the prevailing party, then the filing fee paid by the appellant shall be refunded to the appellant.

E. The decision of the Directors on such appeals shall be final, and there shall be no appeal from such decision to the Supervisors.

Section 11. Appeals to Board of Supervisors.

There shall be no appeal to the Supervisors from any decision by the Directors on any matter, unless such appeal is expressly allowed by local ordinance or must be allowed by state law. The referral of any matter to the Supervisors by the Directors or the General Manager, on their own initiative or at the request of the Supervisors, where the Supervisors have final decision-making authority or the duty to advise or consent, shall not be deemed an appeal.

Section 12. Judicial review.

Actions and decisions of the Agency, whether by the Supervisors, Directors, or others acting on behalf of the Agency, shall be subject to judicial review as provided by state and federal law.

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Section 13. Assistance of County staff.

The Directors shall have the assistance of such County staff as may be needed for the conduct of their business. An attorney on the County Counsel's staff shall be present to advise the Directors at their regular and special meetings.

Section 14. Severability.

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any other part thereof be unconstitutional or invalid.

Section 15. Four-year review.

On or after January 1, 1995, the Supervisors and Directors shall hold one or more joint meetings in order to review the overall effectiveness of the procedures established by this ordinance.

Section 16. Effective date.

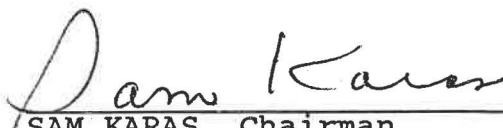
This ordinance shall take effect thirty days after its final adoption by the Board of Supervisors.

PASSED AND ADOPTED this 27th day of August, 1991, by the following vote:

AYES: Supervisors Del Piero, Shipnuck, Perkins, Karas, and Strasser Kauffman

NOES: None

ABSENT: None



SAM KARAS, Chairman
Board of Supervisors

ATTEST:

ERNEST K. MORISHITA
Clerk of the Board

By _____
Pamela Olivas, Deputy

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