a. Consider approving and authorizing the General Manager of the Water Resources Agency to execute a Master Memorandum of Understanding between the County of Monterey and the Monterey County Water Resources Agency regarding the provision of and compensation for services by and between the two public entities; and
b. Consider approving and authorizing the General Manager of the Monterey County Water Resources Agency to execute an Appendix A to the Master Memorandum of Understanding regarding the division of responsibility for certain land use related services between the County of Monterey and the Monterey County Water Resources Agency.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

a. Approve and authorize the General Manager of the Water Resources Agency to execute a Master Memorandum of Understanding between the County of Monterey and the Monterey County Water Resources Agency regarding the provision of and compensation for services by and between the two public entities; and
b. Approve and authorize the General Manager of the Monterey County Water Resources Agency to execute an Appendix A to the Master Memorandum of Understanding regarding the division of responsibility for certain land use related services between the County of Monterey and the Monterey County Water Resources Agency.

SUMMARY/DISCUSSION:

The County of Monterey ("County") and the Monterey County Water Resources Agency ("Agency") are separate public entities, each with their own duties and liabilities. The County and the Agency, however, have had for many years an informal arrangement whereby certain services were provided by each to the other, often without Board direction and without consideration of compensation for the rendering of services.

Staff proposes the approval of two items: 1) a Master Memorandum of Understanding ("Master MOU") whereby each entity acknowledges that each provides services to the other, and that such services will be provided on the terms and with the compensation set forth in appendices to be separately considered and approved by each; and 2) Appendix A to the Master MOU regarding the division of responsibility for certain land use related services between the Agency and the County, through the Resource Management Agency ("RMA").

The draft Master MOU (Attachment 1) is brief and is designed to be augmented by specifics set forth in approved appendices.

The purpose of Appendix A, (Attachment 2) is to clarify certain mutual services, primarily development review services, the Agency and RMA will undertake. Historically, these services have been undertaken without a formal written agreement regarding how and when the services would be provided, and without formally addressing the compensation for services. This has led to inefficient overlap of services between the two agencies, and in a few cases conflicting priorities. As such, consolidation of permit related stormwater and drainage management, as well as floodplain management services, within the RMA is expected to increase greater efficiency, meaning lower costs to permit applicants, decreased conflicts, and improved customer

service by providing a single point of information and services for the public and the consolidation of records in one place, the RMA.

Appendix A will transfer a series of water-related development review duties from the Agency to RMA, and are listed in detail in Exhibit 1 to the Appendix. The duties to be transferred include: Grading, Erosion Control, Stormwater Management/Drainage Control, the Floodplain Management/ National Floodplain Insurance Program Community Rating System, and the water allocation responsibility for the unincorporated portion of the Monterey Peninsula/Carmel Valley area. In addition, General Plan implementation responsibilities for preparation of a Drainage Design Manual, approving mitigation measures for new insurable buildings located in the floodplain, and, providing an analysis of Long Term Sustainable Water Supply (LTSWS) for discretionary projects would be transferred to the RMA. RMA currently has the capacity to undertake the additional duties without increasing staffing levels, as RMA includes staff that are licensed/certified in engineering, hydrology, plan review, and inspection (building, grading), as well as a team of development permit specialists serving the public counter. RMA staff currently undertakes many of these duties for the more urban portion of the County located within the National Pollution Discharge Elimination (NPDES) boundary. In addition, a couple of RMA staff transferred from the Agency where they provided these services. As needed, RMA staff will be trained to undertake the new responsibilities.

The Agency will retain the duties of providing technical assistance programs concerning erosion and sediment control, efficient water use, water conservation, and groundwater management. The Agency will remain the flood control authority for the County; however, RMA has taken on flood control projects at the mouth of Carmel Valley and Carmel Lagoon. The Agency will continue to participate in the development of the specific criteria for LTSWS (GP Policy PS-3.1., 3.2) once there is a defined project. The Agency will also continue to review and comment on water-related issues in Environmental Impact Reports (EIR) being processed by RMA. Rather than receiving a set fee for each permit or EIR, the Agency will develop an hourly rate for performing these tasks and bill applicants (similar to Fire Districts). In addition, the Agency will analyze the regional Reclamation Ditch system and develop impact fees based on a project's impact on the system. This impact fee would be collected as part of the development review.

Other appendices, for example in the area of human resources, maintenance of facilities, and other services, will be negotiated and considered by the Board separately.

OTHER AGENCY INVOLVEMENT:
The Master MOU and Appendix A have been negotiated by the Agency and County staff, including staff from the County Administrative Office, RMA, and County Counsel. County Counsel has reviewed the Master MOU and Appendix A as to form.

FINANCING:
The Agency receives an average of appropriately $350,000 annually in development permit fee revenue, and it will no longer receive this fee revenue because said services will now be performed by the RMA. However, historically this money was matched by the Agency to provide staff for the unfunded administration of the County's Floodplain Management/National Floodplain Insurance Program Community Rating System, which is not covered by development fees. The Agency will be losing $350,000 annually in permit fee revenue, but it will no longer have to consider funding the cost of the County's flood insurance program obligations.

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Approved by: _____
David E. Chardavoyne, General Manager, (831) 755-4860

Attachment:
1. Master Memorandum of Understanding
2. Appendix A