



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.