

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date **Held Until**

Agenda Item No: **Agenda Item No:**

Department:
 Sonoma County Water Agency

() 4/5 Vote Required

Contact: Michael Thompson **Phone:** (707) 521-1863 **Board Date:** 08-11-09

Deadline for Board Action:

AGENDA SHORT TITLE:
 Initiation of Reorganization Activities

REQUESTED BOARD ACTION(S):
 Direct Agency's General Manager/Chief Engineer to:

1. Survey elected officials in Mendocino, Sonoma and Marin counties to identify opportunities for increasing efficiency and coordination of management of water and natural resources, both in the region and at the Agency;
2. Initiate development of a business operations plan to restructure the Agency to respond to shrinking funding and changes in services;
3. Initiate actions to separate General Manager/Chief Engineer position into separate General Manager and Chief Engineer positions and return to the Board for necessary approvals by November 3, 2009;
4. Initiate actions to develop a new cost accounting system;
5. Report to the Board regarding survey results and steps needed to complete business operations plan and approve contract for a new cost accounting system by November 3, 2009.

CURRENT FISCAL YEAR FINANCIAL IMPACT

| <u>EXPENDITURES</u> | | <u>ADD'L FUNDS REQUIRING BOARD APPROVAL</u> | |
|---------------------------------------|----------|---|--------|
| Estimated Cost | \$ -0- | Contingencies | \$ |
| | | (Fund Name:) | |
| Amount Budgeted | \$ -0- | Unanticipated Revenue | \$ |
| | | (Source:) | |
| Other Avail Approp (Explain below) | \$ _____ | Other Transfer(s) | \$ |
| | | (Source:) | |
| Additional Requested: | \$ -0- | Add'l Funds Requested: | \$ -0- |

Explanation (if required):

Prior Board Action(s):

Alternatives - Results of Non-Approval:

Background:

The region faces challenges that overlap the boundaries of existing public agencies. Reducing greenhouse gas emissions, protecting water and fishery resources while providing sufficient water supply, preserving and expanding parks and open space areas, and achieving renewable energy self-sufficiency are critical issues. Many agencies share responsibility for parts of these issues, each acting within the limits of its authority. But these issues are somewhat regional in nature, and may be better coordinated and efficiently managed on a regional basis. The economic vitality of the region could also benefit from coordinated resource management, particularly as local government responds to the state and national fiscal crisis. Although some coordination of local climate change activities occurs through the Regional Climate Protection Coordination Plan (RCPCP), additional opportunities may exist, and state and federal funding for local projects could be enhanced through cooperation. However, regional cooperation and coordination will not occur unless there is a political consensus that such cooperation and coordination is desirable.

A survey of elected officials in Sonoma, Marin and Mendocino counties may provide helpful information about regional opportunities for more collaborative and efficient natural resource management and also provide guidance for steps the Sonoma County Water Agency (Agency) could take to improve its own operational efficiencies as it develops a new business operations plan. Agency staff therefore recommends that the Agency conduct a survey of elected officials in Mendocino, Sonoma and Marin counties on these subjects. Agency staff will work with the Chair and Vice-Chair of the Water Advisory Committee, the Board of Directors' liaison members and stakeholders to develop the survey.

Whether or not a more regional approach is possible, the Agency must assess its own organizational structure and develop a plan to meet the changing needs in its service area and possible reductions in future funding. While the survey noted above may provide insight in how to accomplish this, Agency staff have identified that over the next five to ten years, the Agency will face: (1) a continuing need to effectively provide core water supply, flood control, and sanitation services; (2) a limited need for expanded infrastructure to provide these services; and (3) an increased need to understand how various water resource components interact. Additionally, the Agency also needs to implement the Biological Opinion (BO), secure federal funding for the U.S. Corps of Engineers to meet its BO obligations, and develop alternative energy sources.

These activities may require different staffing and a different organizational structure than now exists. The Agency should evaluate its internal structure and current staff makeup so that it can identify opportunities to better deliver needed services. Development of a business operations plan should include consideration of the services the Agency will be providing and the staff and funding needed to provide these services.

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Attachments:

On File With Clerk:

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

Background (continued):

One component of this restructuring the Agency has already identified as a needed step is to divide the Agency's General Manager/Chief Engineer (GM/CE) position into separate positions. Prior to 1995, the Agency did have separate GM/CE positions. When the Agency became responsible for managing the sanitation facilities previously managed by the County, the positions were combined as part of the then-necessary reorganization. Since that time, the role of the Agency's GM/CE has evolved from one which emphasizes daily operations to more of an advocacy and leadership role. To support the changes that have occurred in the Agency's activities, the position of Water Agency Assistant General Manager (Assistant GM) was added in 2007 with the responsibility for oversight of the day-to-day operations of the Agency.

The Agency must, by law, have a Chief Engineer. While the Assistant GM position can direct much of the day-to-day management of the organization, the Assistant GM position has not relieved the GM/CE of the Chief Engineer duties. With the increased complexity of technical issues facing the Agency, staff recommends that the positions again be separated, creating a Water Agency Chief Engineer (Chief Engineer) position. Such a change of job classification would allow the General Manager to focus on operations and long-range planning to ensure that the Agency's vision, mission, initiatives and goals continue to be aligned with the Agency's strategic plan, while the Assistant General Manager will continue to have responsibility for day-to-day Agency management. A Chief Engineer would provide additional technical oversight of the engineering design and planning activities at the Agency. Incorporation of a Chief Engineer position into the Agency would be included in the development of the business operations plan described above.

Finally, the Agency currently operates a legacy cost accounting system which interfaces with the County's cost accounting system; this system requires several Agency employees to operate and maintain. Significant efficiencies can likely be achieved through use of a commercially available cost accounting software system. Staff recommends, therefore, that the Agency initiate actions to develop an updated cost accounting system, identify a preferred system, and negotiate a contract for Board consideration to implement the preferred system. Because the County's Auditor Controller/Treasurer Tax Collector (ACTTC) currently provides auditing services to the Agency, and is also planning a county-wide enhancement to the existing cost accounting systems, the Agency will consult with the ACTTC on this effort to ensure any future systems will continue to be compatible.

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