



**NORTH MARIN
WATER DISTRICT**

North Marin County Water District 2018 Strategic Plan

NMWD Job No. 1.4069.00

Prepared by: Rauch Communication Consultants, Inc.



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Robert Clark, Operations / Maintenance

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1. INTRODUCTION: Purpose of the Plan

Planning is strategic when it helps move an organization forward from its current situation to its desired future.

This Strategic Plan is the District's highest-level planning document. It represents the Board's direction for the future and the staff's work plan for implementing it.

It was developed through a step-by-step process that included recognizing the District's operating environment, the strengths and weaknesses of the organization, and anticipated opportunities and challenges.

It identifies the agency's mission, vision, and values, while providing a set of goals and objectives that becomes a framework for all decision-making.

The Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives, and includes a work plan developed by the staff to meet those goals and objectives. As such, it is referred to regularly as a guide to District actions during the period covered.

To keep it fresh, it should be updated every five years and rolled forward so that there is always a five-year guide to the future.

1. INTRODUCTION: Strategic Planning Process

The strategic planning process was carried out in the series of steps outlined below.

Background Research. The consultant began by holding discussions with the General Manager.

Confidential Interviews. Next, the consultant carried out a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities.

The interviewees included the Board of Directors as well as the senior management team, consisting of the General Manager, Auditor-Controller, Chief Engineer, Construction/Maintenance Superintendent, and Operations/Maintenance Superintendent.

Two Board Planning Workshops. The Board of Directors and senior management staff participated in two strategic planning workshops (February 13th and 27th). At these workshops, the group reviewed the results of the interviews, undertook a number of exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. Ultimately a plan was developed from this work that included an updated mission statement, vision, values, and strategic goals and objectives.

Staff Implementation Plan. Once the policy level portions of the plan were completed in the Board workshops, the management team worked with the consultant to develop a staff implementation plan designed to meet the mission of the District and strategic goals and objectives.

1. INTRODUCTION: Strategic Framework

The Strategic Plan is built from a series of logical components, described below and shown in the graphic.

Mission. The mission statement explains why the organization exists. It articulates the organization's essential work in a brief sentence or two.

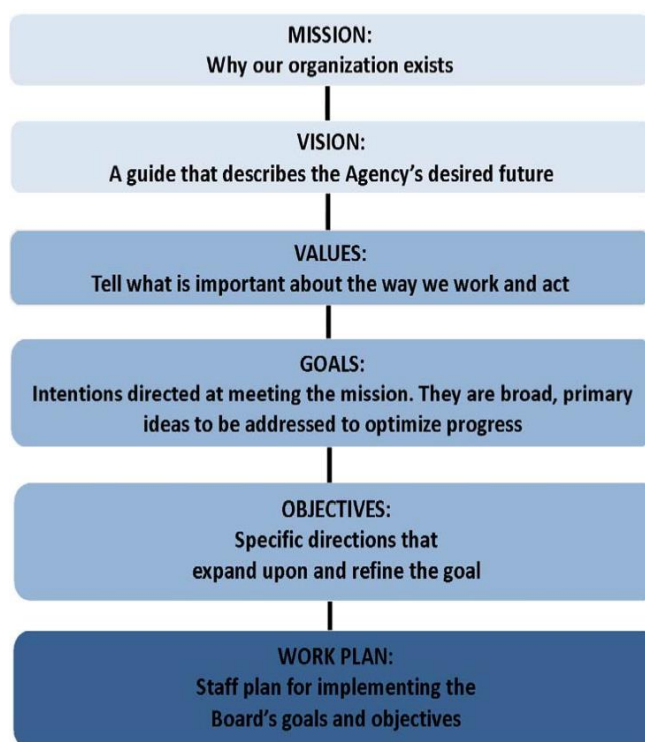
Vision. The vision articulates what the agency will become at a given time in the future. It is the strategic target which, when achieved, is the fulfillment of the agency's mission. As such, it is at the heart of the strategic planning process.

Values provide guidance when an agency is faced with challenging decisions that require tradeoffs, options, and alternatives. Values are set by the Board, govern attitudes and behaviors, and generally remain constant over time.

Goals describe broad, primary areas of management, operations, and planning that need to be addressed in accomplishing the mission. Goals are not connected to timelines.

Objectives are more specific directions that expand upon the goals. They are set by the Board. There may be multiple objectives for each goal. Objectives are SMART: Specific, Measurable, Attainable, Related to Goals, Time Certain.

Strategic Work Plan contains measurable, precise timetables and actions to accomplish the mission, goals, and objectives. They are assigned to individuals or departments. There may be multiple tasks for each objective that can be crossed off as finished.



2: PLAN DEVELOPMENT: Rating the District Today

Before considering where the District wants to go in the future, it is important to understand where it is today. Each participant selected aspects of the District to rate, graded them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The results were averaged and summarized.

BELOW ARE SUMMARIES OF THE CATEGORIES AND RATINGS FROM THE PARTICIPANTS

Avg. 9 9	Water Quality is excellent and is well supported by the District lab.
Avg. 8 7, 9	Customer Service and Satisfaction. The district has a dedicated Board and Staff who are responsive to customers. While service is limited to the district side of the meter, the District does assist in identifying problems on the customer side of the meter.
Avg. 7.5 5, 7, 8, 10	Finance. The district has excellent financial reporting and planning procedures. The rates – near the median – are reasonable, which may be a proxy for overall efficiency. Future financial sustainability with respect to employee pensions and retirement is an ongoing concern.
Avg. 6 6	Improve Staff Benefits and Conditions. The district has excellent staff, but has limited time to address the ever-increasing number of responsibilities. The district needs to focus more on succession for an aging workforce and employee retention. Getting feedback from staff, such as from exit interviews, could provide insight into how to maintain employee satisfaction. Worker safety must remain a priority.
Avg. 5 5	Water Supply Resiliency. Long-term resiliency is potentially an existential threat to the District's core mission. Cutbacks in availability of adequate water could come about due to climate change, extreme drought, dependence on SCWA, a large earthquake, etc. The question is: how can the District increase long-term supply and reliability?
Avg. 4.8 3, 4, 5, 5, 6, 6	Asset Management: Infrastructure, Operations and Technology. Staff needs better technological tools to increase productivity and to cost-effectively respond to challenges of an aging system, limited staff, increased regulations, etc. It can also help reduce travel time and help retain institutional knowledge. Advance Metering Infrastructure (AMI) is a good example of needed technology. The District will require a more robust advanced asset management system to cost effectively assess and determine what infrastructure to repair, replace, upgrade and when.
Avg. 4 3, 3, 6	Stakeholder Understanding & Customer Outreach. There is a need to increase the frequency of communication with customers and the channels (e.g. social media) used to share our positive story and obtain greater input from customers. AMI is an opportunity for outreach. Some people may only see our bills – how do they look? Clear answers from the lab help customer service.
Avg. None	Emergency Response. Does the District have adequate plans in place to deal with high potential for fire, earthquakes, and other emergencies?
Avg. None	Focus on Core Skills. Do we need to be in sewer business? Should a sanitary district take over sanitary services to free NMWD staff to focus on our core water supply skills?

2.2 PLAN DEVELOPMENT: Challenges & Opportunities Facing the District

Below is a list of key issues and challenges identified in the process which the District is expected to face. Each participant was asked to predict what challenges and opportunities the District would confront in the future. That list follows:

WATER SUPPLY RESILIENCE

Opportunities

- Evaluate all supplies, potable reuse, interconnections with MMWD (Soulajule)
- Recycled water is drought proof and expanding to car washes. Equals 20% of peak demand.

Challenges

- Need more redundancy of supply – 80% dependent on SCWA.
- Climate change effects on supply and infrastructure stability.
- Drought impacts – need to continue to expand water supply resiliency. We are at the end of the SCWA aqueduct pipeline and could be restricted during a critical shortage.

EMERGENCY RESILIENCE

Challenges

- Prepare for aging district, changing politics, seismic and drought impacts, and competition for limited water

CUSTOMER SERVICE

Opportunities

- AMI can help customers.
- Full service to tap? (this has liabilities)
- Some customers concerned about AMI meter radio radiation – allow opt-outs and install when a new customer moves in.

ASSET MANAGEMENT – TECHNOLOGY

Opportunities

- Look into Staff productivity tools (e.g. AMI).
- Make real time information available in the field (forms, mapping).

Challenges

- Need innovative technology to improve efficiency.
- Need up-to-date technology to support mission.

ASSET MANAGEMENT – INFRASTRUCTURE

Challenges

- Create asset management plan, identify priorities, cost-effectively replace aging infrastructure.

- Repair and replacement costs are becoming more significant.

Opportunities

- Continue to implement on-call contractor program to support staff.

WATER RATES AND CHARGES

Opportunities

- Compare district rates with peer agencies.
- Study rates and charges; they are proxy for the effectiveness & efficiency in fulfilling our mission.

STAFF

Opportunities

- Better analyze exit interviews to understand staff and improve environment to retain employees.

Challenges

- Need to recruit and retain to address aging workforce.
- Compare compensations/benefits. May need to increase salary for those job classifications that are below comparable agencies.
- Ensure funding for retirement; funding of post-employment benefits.

FINANCE

Opportunities

- Can we derive revenue for meeting fire department requirements?
- Interest rates may rise, consider borrowing now.
- Consider having a financial plan beyond 5-years
- Find new revenue sources: fees for service, transfer fire services for cost savings.
- Seek more grant funding opportunities, develop joint projects with others to spread funding.

Challenges

- How to fund future CIP projects identified in the Master Plan update.
- Need clear understanding of needs and 5-year plan: capital expenditures, old pipes, regulatory
- Prepare public for future rate increases – build trust. Identify how much revenue goes to the

community. Consider disparity in economic class and affordability to raise rates.

- May need more money and more people in the future to update infrastructure.
- Continued concern regarding cost of recycled water.

REGULATORY

Challenges

- Regulations and fees keep increasing at the State and Federal level putting increased strain on District staffing and finances. May be forced to eliminate chlorine gas at a significant capital cost.
- Continued pressure to limit accessory dwelling unit connection fees.
- Potential for a statewide water tax.
- State mandate increase housing density and associated impacts to water supply.

2. PLAN DEVELOPMENT: Priority Issues

The group was asked to identify the most important issues that NMWD must resolve in the coming years. The participants then voted on them, as shown in the results below. Priorities are important since it is not possible to accomplish everything at once due to constraints on time, money and personnel. As a result, while all issues contained in the Goals and Objectives are important, a few are identified as being especially important and will take precedence.

8 high votes 1, 1, 2, 2, 2, 2, 2, 2	New Technology for Cost Efficiency and Staff Productivity (1, 1, 2, 2). <i>Ensure all assets are managed proactively and cost effectively. (2, 2, 2, 2). These are from Goal 4.</i>
6 high votes 1, 2, 2, 2, 2, 2	Water supply, quality and reliability. <i>Planning for long-term water supplies. Investigate opportunities with MMWD to better utilize excess water storage in Soulajule reservoir. Work cooperatively with Potter Valley Project stakeholders to promote sustainability This is from Goal 1. It was noted that while water supply and quality are the District's highest overall priorities, it recently completed major recycled water projects and has adequate supplies for the foreseeable future, so it is not the highest priority in the near term.</i>
3 high votes 1, 1, 2	Stakeholder Outreach. <i>Engagement, Satisfaction of customers, staff and vendors 1, 2. Public understanding and support of District policies 1</i>
2 high votes 2, 2	Financial Security. <i>This is from Goal 5.</i>
1 high vote 1	Plan for Climate Change.

3. STRATEGIC PLAN: Mission

A good mission statement should accurately explain why your organization exists and what it hopes to achieve in the future. It articulates the organization's essential work. The Board drafted and approved the following mission statement. Below is the District's mission statement as updated during the Strategic Planning process:

Our mission is to meet the expectations of our customers in providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

3. STRATEGIC PLAN: Vision for the Future

A critical responsibility of the Board of Directors is to identify a vision for the District's future and then set goals and objectives to achieve it. This is the heart of the governance role, and starts with creation of a vision statement. Below is the District's vision statement as updated during the Strategic Planning process:

We strive to optimize the value of services we provide to our customers and continually seek new ways to enhance efficiency and promote worker and customer engagement and satisfaction

3. STRATEGIC PLAN: Values

VALUES are what the District considers important—what we believe is right and wrong. The Board is responsible for identifying values and being the guardian of values. Effective organizations identify and develop a clear, concise and shared meaning of values/beliefs, priorities, and direction so that every employee understands and can contribute in the right way. If well-defined, disseminated, and followed, values will impact every aspect of the organization.

The following values emerged from the workshop discussion.

The values can be written as simple statements or posed as questions to help make difficult decisions.

Accountability. *We work transparently and in full view of customers and take responsibility for our work.*

Integrity. *Customers can count on quality and fair service from our staff and the District.*

Teamwork. *We work cooperatively to accomplish our goals.*

Honesty. *We always seek the truth in what we do.*

Respect. *We value our customers and co-workers.*

3. STRATEGIC PLAN: Strategic Goals and Objectives and Implementation Plan

The goals and objectives are presented on the following pages. They, along with the mission, vision and values, represent the core strategic direction provided in this plan.

In addition, implementation actions are incorporated along with the objectives. These are a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors. The work plan is organized in a table format with the following features:

Note on Timing. Goals and objectives marked ‘annually’ or ‘ongoing’ will be reported on at least once each year when the General Manager will provide a report on progress of the Strategic Plan.

GOAL 1. Water Supply, Quality, and Reliability. Increase local control and the long-term reliability of the water supply.

Strategic Challenge Facing the District. Water supply reliability and quality are vulnerable to climate change impacts such as variable water supplies caused by cycles of drought and flood, and warmer temperatures. Additionally, a growing economy and environmental enhancement increases competition for already limited water supplies. Another issue impacting supply is the relicensing of PGE's Potter Valley Hydroelectric Project (PVP).

The objectives below must be consistently carried out into the future to achieve the goal above.

1.1.0	Extend water supply planning and preparation to ensure reliability over the long-term. Take into account climate change, and other factors. (Timing: 2022)
1.1.1	Continue involvement with SCWA's and PG&E's Potter Valley Project Relicensing process. Existing PG&E PVP license expires in 2022. (Timing: 2022)
1.1.2	Participate in SCWA's Regional Water Supply Resiliency Project to make the region more resilient to future water shortages. (Timing: 2019)
1.1.3	Consider participation in a North Bay Drought Contingency Plan (Marin/Sonoma/Napa). (Timing: 2020)
1.1.4	Update the Urban Water Management Plan. (Timing: 2020)
1.1.5	Keep the Water Conservation Program (including incentives/rebates) current with market and plumbing code trends. (Timing: ongoing)
1.2.0	Maximize local control and redundancy of the water supply to ensure reliability over the long-term. (Timing: ongoing)
1.2.1	Conduct a Local Water Supply Enhancement Study to identify new sources of local water supply. The timing of this Study is impacted by initial work on the SCWA Regional Water Supply Resiliency Project. (Timing: 2019)
1.2.2	Continue to work with Novato Sanitary and Las Gallinas Valley Sanitary Districts to explore additional recycled water opportunities. (Timing: ongoing)
1.3.0	Maintain and seek to increase reductions in water demand (conservation). (Timing: ongoing)
1.3.1	Complete the District's Advanced Meter Infrastructure (AMI) project. (Timing: 2018)
1.3.3	Update the District's Water Conservation Plan. (Timing: 2020)
1.4.0	Ensure the maintenance of high-quality water. Account for both customer priorities and legal requirements. (Timing: ongoing)
1.4.1	Meet or exceed all regulatory standards. (Timing: ongoing)
1.4.2	Work to control undesirable taste and odors. (Timing: ongoing)
1.4.3	Conduct all required water quality monitoring. (Timing: ongoing)
1.4.4	Monitor proposed new water quality regulations and plan in advance for necessary changes to District procedures. (Timing: ongoing)

Goal 2. Customer Engagement and Service. Increase communication with customers and ensure quality service.

Strategic Challenge. Providing reliable and high-quality water will be more challenging and cost more over time. The public deserves an opportunity to understand the issues and provide input on water policies. Consequently, the District needs to be more effective at educating and engaging its customers.

The objectives below must be consistently carried out into the future to achieve the goal above.

2.1.0	Conduct outreach to increase public understanding and support for District policies and to facilitate customer input and engagement. Note there is a desire to communicate positive news through multiple forms of outreach, including more extensive use of social media. Consider using social media formats such as Flash Vote or NextDoor for improved engagement. (Timing: 2019)
2.1.1	Develop an annual public outreach plan and program, including a strategy for more effective social media outreach and information about how District spending supports the local community. (Timing: 2018 and beyond)
2.1.2	Continue to use third-party support for preparing public outreach materials as required. (Timing: 2018)
2.2.0	Increase the staff's and the Board's understanding of customer needs and preferences. (Timing: ongoing)
2.2.1	(Also see 2.1.1) update the outreach plan and program to provide information to the Board and staff summarizing customer needs and preferences. (Timing: April 2019 and beyond)
2.3.0	Continue to provide outstanding service that meets customer needs and preferences. (Timing: ongoing)
2.3.1	Support customers on the new website portal for tracking water use when using AMI meters (Timing: 2018)
2.3.2	Continue to monitor and track customer feedback through ongoing survey questionnaires. (Timing: ongoing)

Goal 3. Operations, Asset Management, and Infrastructure. Provide proactive and cost-efficient asset management and operations.

Strategic Challenge. Over the years, the number of customers has increased along with regulatory and other challenges of providing District services to customers. At the same time, District infrastructure is aging, thereby increasing maintenance, upgrade, and replacement costs. Yet the staff has been kept purposely lean. Continued progress must be made to meet the growing challenges of an aging system by increasing use of technology to leverage the capabilities of the limited staff to more proactively target maintenance, upgrade, and replacement for the lowest long-term cost and reliability.

The objectives below must be consistently carried out into the future to achieve the goal above.

3.1.0	Evaluate, plan, fund, and implement infrastructure repair, upgrade, and replacement using an extended planning horizon. (Timing: every 5 or 10 years depending on service area)
3.1.1	Consider using an extended CIP planning horizon beyond 5 years after completion of the Novato Water Master Plan. Maintain cost control, avoid rate shocks, solve problems before they occur, and ensure long-term reliability and stability of service. (Timing: 2019)
3.1.2	Update West Marin Master Plan every 10 years. (Timing: 2024)
3.1.3	Update the Oceana Marin Master Plan every 10 years. (Timing: 2025)
3.2.0	Ensure all assets are managed proactively and cost effectively. (Timing: ongoing)
3.2.1	Develop and implement a comprehensive Novato Asset Management Plan. (Timing: 2019)
3.3.0	Consider all practical and cost-effective options to providing high quality and customer-focused operations, asset management, and infrastructure updates. For example, this could include focusing more on core skills, or providing a more cost-effective balance of staff work and contractor support in the maintenance, upgrade, and replacement of infrastructure. (Timing: ongoing)
3.3.1	Continue to utilize On-Call Services contracts for select local contractors to improve District's ability to respond to emergencies and improve small contract efficiency. (Timing ongoing)
3.3.2	Evaluate the feasibility of implementing a Sewer Lateral Replacement program for Oceana Marin. (Timing: 2020)

Goal 4. People, Technology and Equipment. Retain a high quality, motivated, and efficient workforce with excellent workforce programs and investments in equipment, technology and training.

Strategic staffing challenges facing the District. It has become increasingly difficult to hire and retain workers. This is partly due to the high cost of living, a shortage of certified operators, and competition in general for qualified staff.

Strategic Technology and Company Cultural Challenges Face the District. Seek to increase use of technology to improve productivity and lower long-term costs, and retain a lean staff to minimize staffing and pension costs.

The objectives below must be consistently carried out into the future to achieve the goal above.

4.1.0	Seek to utilize new technologies and organization wherever they can improve cost efficiency and allow the District's lean workforce to be more effective. (Timing: ongoing)
4.1.1	Continue to support staff's involvement in local, regional, and national water industry organizations including payment of subscription dues and attendance at conferences. (Timing: ongoing)
4.1.2	Evaluate if staff is structured correctly for future challenges, for example in technology, asset management, and emergency management. (Timing: 2020)
4.1.3	Evaluate and implement replacement of proprietary software systems. (Timing: 2019)
4.2.0	Ensure that working conditions – including the office building, tools and technology – are up to date and promote efficiency and retention of employees. (Timing: ongoing)
4.2.1	Move forward with the design phase of the Office Remodel Project. (Timing: 2019)
4.2.2	Expand participation in supervisor training classes offered by Sonoma County. (Timing: 2018)
4.2.3	Conduct an Employee Engagement Survey and implement recommendations as appropriate to improve employee satisfaction. (Timing: 2019)
4.2.4	Update the District's Employee Safety Manual. (Timing: 2019)
4.3.0	Ensure pay and benefits are competitive and support the hiring and retention of a highly qualified workforce. (Timing: ongoing)
4.3.1	Conduct a Compensation Survey in advance of negotiation of a new MOU with the Employees Association. (Timing: 2018)

Goal 5. Rates and Finance. Extend the budgeting and financial planning horizon to ensure long-term stability, financial security and ratepayer value.

Strategic Challenges. Infrastructure maintenance, upgrade, and replacement costs are expected to rise over time as the system ages. Increasing regulations, costs of technology, and other factors, such as pension and health insurance, also are pushing up costs. The District will be challenged to fund quality service over time while maintaining affordability and value to customers.

The objectives below must be consistently carried out into the future to achieve the goal above.

5.1.0	Maintain a multi-year budget and long-range financial plans to make it easier to provide long-term financial stability. (Timing: ongoing)
5.1.1	Prepare a Cost of Service Study with peer review. (Timing: 2018)
5.2.0	Seek ways to lower costs without compromising quality and reliability. (Timing: ongoing)
5.2.1	Evaluate benefits of transferring District-owned fire services to commercial customers. (Timing: 2019)
5.3.0	Seek new sources of revenue beyond rates and/or methods for decreasing liabilities. (Timing: ongoing)
5.3.1	Increase income from lease fees. (e.g., grazing, cellular towers). (Timing: ongoing)
5.3.2	Consider fee-for-service options, such as identifying and fixing leaks, promoting a third-party insurance program for water lines, and transferring commercial fire service and backflow testing to customers, etc. (Timing: 2019)
5.3.3	Consider cooperative agreements for additional solar projects on District-owned land. (Timing: 2019)
5.3.4	Sell District surplus property that no longer serves District needs. (Timing: 2020)
5.4.0	Ensure that pay/go, financing, reserves, and other key financial plans and policies are reviewed at least annually. (Timing: ongoing)
5.4.1	Continue to hire an outside auditor for preparing annual Comprehensive Financial Reports. (Timing: ongoing)
5.4.2	Continue to apply for the Certificate of Achievement for Excellence in Reporting Award. (Timing: ongoing)
5.5.0	Maintain appropriate levels of reserves and establish rates and budgets to maintain reserves. (Timing: ongoing)
5.5.1	Re-evaluate, report on, and update as appropriate reserve goals for Novato, West Marin, and Oceana Marin. (Timing: yearly)

Goal 6. EMERGENCY PLANNING AND RESILIENCE. Increase preparedness for emergencies as well as long-term challenges such as drought and climate change.

Strategic Challenges Facing the District. Fire, drought, flood, earthquake, climate change, increased regulations, statewide growth, a variety of other potential natural and man-made disasters and long-term challenges, emergencies, and crises potentially affect all California water providers, including North Marin Water District.

The objectives below must be consistently carried out into the future to achieve the goal above.

6.1.0	The District will periodically review and update emergency and risk management plans to ensure continuity of quality service and minimize disruption and costs following unexpected emergencies. (Timing: ongoing)
6.1.1	Participate in Marin County Multi-Jurisdictional Local Hazard Mitigation Plan. (Timing: 2018-19)
6.1.2	Hire third-party consultant(s) experienced in developing and implementing Tabletop emergency training exercises. (Timing: 2019)
6.1.3	Update the District's Emergency Operations Plan. (Timing 2020)
6.2.0	The District will undertake resiliency planning and prepare for longer-term challenges such as climate change, increased regulations, etc. to ensure continuity of quality service and minimize disruption and costs. (Timing: 2019)
6.2.1	This goal is fulfilled by initiatives 1.1.2 (Participate in SCWA's Regional Water Supply Resiliency Project) and 1.1.3 (Consider participation in a North Bay Drought Contingency Plan).

5. PLAN OVERSIGHT: Monitoring and Implementation

In order to ensure that the plan is implemented, and results are achieved, the District plans to take the following steps:

- Publish the Mission, Vision, Values Goals and Objectives on posters and handouts, and display them around the District.
- Incorporate the Mission, Vision, Values, Goals and Objectives into the employee handbook, as well as orientation and training materials for new employees.
- Present the Strategic Plan to the entire staff so they are familiar with it and can better undertake their individual roles in fulfilling it.
- Post the Strategic Plan on the website and include a brief summary that is visible without download.
- Actively implement the Work Plan by the management team.
- Evaluate the General Manager and Management Team performance in part based on their implementation of the Strategic Plan Goals and Objectives.
- Staff will provide an annual report to the entire Board on progress in implementing the Strategic Plan.
- The Board, with staff support, will review and update the Strategic Plan every five years.

Appendix

APPENDIX 1: Achieving Expectations

At the beginning of the first workshop, participants were each asked to share their expectations for the process—the expectations of individual participants are listed below. One goal of this process was to meet these expectations and we believe that we did.

- Clarity.
- We have a debt policy. There is a limit. Need to plan how to operate within the policy. Concerted retirement and pension issues.
- Cost for second units – affordable housing.
- Update on goals and objectives as the District matures in age and is essentially done growing due to limited growth of the community, and transitions in to more of a maintenance phase.
- Facilitate board’s understanding of key issues and support for solutions. Learn more about how the District operates.
- Explore new ideas for water – understand future needs for water.
- Understand how we compare in compensation with other similar agencies.
- Capital Replacement Plan, timing and costs.
- Limited on staffing flexibility; emergencies limit planned execution. Impacts liability.
- How to maintain excellent customer service.
- How to get ahead of issues before an issue.
- Strong Public Presence (communication).
- Like to see how 2016 Plan is implemented.
- Clear delineation of Board Issues and feedback from staff.
- How to understand regionalization.
- Understand environmental and financial risk liabilities – fish, water, water, waste – people are sensitive, could take legal action; pension liability, “regulatory = 2x.

APPENDIX 2: Original Priority Issues

Below are the initial priority issues for the coming years, identified during the first workshop of the strategic planning process. Priorities were reviewed at the second workshop and those priorities are presented above.

INITIAL PASS AT IDENTIFYING HIGHEST PRIORITY ISSUES	
10 votes	Secure Water Supply Reliability. Ensure the District has needed supplies, maximum local control (e.g. recycled), redundancy and secure water rights.
10 votes	Competent Staff. Ensure there is adequate recruitment and retention of excellent employees. Ensure they are highly trained. Adapt to changing needs and motivations of newer generations of employees. The District should have a process in place to identify when staff are not satisfied and to learn why so we can adjust.
8 votes	Satisfied and Engaged Customers. The District needs to work actively to educate and engage its customers, so they understand and can support the District, and so that the District understands their preferences and needs and can serve them well. This will be increasingly important during future long-term droughts and with pressure on rising costs.
6 votes	Detailed 20-year CIP. Improve asset management and overall infrastructure maintenance, upgrade, and replacement with a much longer and proactive view.
3 votes	Excellent Water Quality. The District has great water quality and must maintain it over time, along with customer perception of quality. If the public doesn't trust the District's water, they won't trust the District or want its product and services.
3 votes	Reasonable Rates. There are pressures pushing up costs and rates over time: increasing regulations, an aging infrastructure, competition for qualified workers, and more. The District needs to control costs as much as possible, but always provide quality service.
3 votes	Finance-Alternative Strategies. The District needs to seek ways of minimizing rates through smart revenue and financing strategies. It should look at the best balance of pay-go versus financing, develop alternative revenue streams, ensure long-range planning gives time to manage costs, etc.
2 votes	Implement Appropriate Technology. The District needs to leverage technology to maximize productivity and its ability to plan proactively.
2 votes	Appropriate Risk Management. The District needs to continue to identify and plan to mitigate risk from potential earthquakes, drought, climate change, and other factors such as chlorine gas releases at the Stafford Treatment Plant.

APPENDIX 3: Summary of the Vision Statements

Below is a summary of all the vision statements made during workshop

1 INCREASE LOCAL CONTROL, REDUNDANCY, AND RELIABILITY OF THE WATER SUPPLY.

- 100% control of water supply. 100% control of local supply. Additional reuse. Has a reliable water supply (increase RW, increase Stafford, Lack Storage Cap.).
- Prepared for more long-term droughts. Permanent drought controls: prohibit swimming pools and mandated allocations.
- Provide top quality water. Eliminate taste and odor issues. High quality and safe.
- Reliable supply with no outages. Redundant supplies.

INCREASE ENGAGEMENT WITH OUR CUSTOMERS AND MAINTAIN HIGH SERVICE LEVELS WITH THE GOAL OF INCREASING PUBLIC UNDERSTANDING AND SUPPORT.

- Community engagement, full communication with users. Redundant communication with users
- Public fully understands our long-term plan and programs. Community is fully vested in the District. Engaged and satisfied stakeholders – customers, staff, and contractors. Customers understand costs and are willing to pay what is needed. Customers share vision of district priorities. Stakeholder confidence.
- Good service. Great customer service

TECHNOLOGY

- Advanced technology.

A HIGHLY SKILLED, AND STABLE WORKFORCE IS CRITICAL TO OUR LONG-TERM SUCCESS.

- Partnership culture with staff.
- Staff has pride and respect for the organization.
- Small staff of highly compensated employees overseeing private

contractors providing quality/reliable reasonably priced water. Competitive salary and benefits.

- Local staffing.
- Good working environment (new building). Good working environment.
- Low turnover, the place to work. Stable staffing.
- District remains independent.
- Employee sense of security and value.

EXPLICITLY BALANCE COSTS, BENEFITS, AND RISKS FOR MAXIMUM CUSTOMER VALUE.

- Stable rates and adequate reserves. Stable financial position. Affordable price
- Profitable and financially sustainable business model.
- Good value.
- Balance risk versus cost well. Solid understanding of risk of failure vs. cost of failure as related to infrastructure. Cost effective service (good balance between rate increase and infrastructure repairs/replacements).

INFRASTRUCTURE: LONG-TERM PLANNING AND PROACTIVE ASSET MANAGEMENT.

- Planned and consistent asset replacement program.
- Automated treatment plant operating 24/7/365. Automated.

CONSIDER INCREASED FOCUS ON CORE COMPETENCIES.

- Small staff of highly compensated (skilled and efficient) employees overseeing private contractors providing quality/reliable reasonably priced water. Competent. Well trained.
- Compensated fairly. Appreciated. Motivated.
- Recurring service managed by contractor. Focus more on core. More use of

contractors.

- Proactive

VISION ACHIEVED BY

- Stable financial position
- Community supported

BENEFITS EXPERIENCED

- Employee sense of security and value.
- Customers shared vision of district priorities.
- Stakeholder confidence.



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