



NOTICE OF ADMINISTRATION COMMITTEE MEETING

Covering Policy, Administration and Community
Relations/Communications

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the Administration Committee to be held Wednesday, October 2, 2019 at 9:15 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, CA.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.
3. Old Business: None
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. BOARD POLICY MANUAL - REVIEW
Discussion and possible action by the Committee regarding the review and possible updates to the Board Policy Manual.
 - B. STRATEGIC PLAN - REVIEW
Discussion and possible action by the Committee regarding the review and possible updates to the Strategic Plan.
5. Informational Material: None.
6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on September 27, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the Special meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on September 27, 2019.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District

SAN LORENZO VALLEY WATER DISTRICT



BOARD OF DIRECTORS POLICY MANUAL 2019

ADOPTED

January 17, 2019

RESOLUTION NO. 26 (18-19)

i

MODIFICATIONS TO POLICY MANUAL SINCE LAST FULL BOARD APPROVAL

TABLE OF CONTENTS

	<u>Page</u>
1. Mission Statement.....	1
2. Authority of Board.....	1
3. Code of Ethics and Conduct.....	2
4. Ethics Training.....	4
5. Governing Laws.....	4
6. Elections of Officers.....	4
7. Role of Board Members (Powers, Purposes, Duties & Functions).....	4
8. Role of Individual Directors.....	6
9. Board of Directors Meetings.....	7
10. Technological Conferencing.....	11
11. President.....	12
12. Vice-President.....	13
13. Minutes.....	13

14.	Committees	13
15.	Meeting Stipends	16
16.	Training, Education Programs, Conferences and Meetings.....	16
17.	Expenditure Reimbursements	18
18.	Personnel Policies	19
19.	Conflict of Interest Code.....	21
20.	Resignations.....	21
21.	Vacancies	21
22.	Inconsistent, Incompatible and Conflicting Employment or Activities.....	22
23.	Directors' Legal Liabilities.....	22
24.	Investment Policy	22
25.	Annual Disclosure of Reimbursement.....	23
26.	General Provisions.....	23
27.	Annual Review	23

1. MISSION STATEMENT

“Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District”.

Adopted by the Board of Directors of the San Lorenzo Valley Water District on June 2, 2000.

The mission of the San Lorenzo Valley Water District will be accomplished through the implementation of the following objectives:

OBJECTIVE I; STAFFING

Provide an efficient and adequate staff of employees and consultants, dedicated to the District mission and responsive to the Board. Provide staff and consultants with proper resources.

OBJECTIVE II; COMMUNICATIONS

Establish and maintain an environment that encourages the open exchange of ideas and information between Board members, staff and the public that is positive, honest, concise, understandable, responsive and cost-efficient.

OBJECTIVE III; EDUCATION

Develop and maintain comprehension and competence regarding issues that come before the Board of Directors and Staff. Ensure the District's customers are informed regarding the benefits of safe operations, proper claims procedures, District operations and conservation.

2. AUTHORITY OF BOARD

- A) The Board of Directors shall act only at regular, regularly adjourned, or special meetings, as provided by State Law.

- B) Individual Directors shall have no power to act for the San Lorenzo Valley Water District, or the Board of Directors, or to direct District staff, except as authorized by the Board of Directors.
- C) Until a quorum is present there can be no meeting of the Board of Directors. The presence of a minimum of 3 Board members is required to constitute a quorum of the Board of Directors.

3. CODE OF ETHICS AND CONDUCT

The Board of Directors of the San Lorenzo Valley Water District is committed to providing excellence in legislative leadership that results in providing the highest quality services to its constituents. The Board of Directors is expected to maintain the highest ethical standards, to follow District policies and regulation, and to abide by all applicable local, state and federal laws. Board of Directors conduct should enhance the integrity and goals of the District. In order to assist in the governing of behavior between and among members of the Board of Directors, the following rules shall be observed:

- A) The dignity, style, values and opinions of each Director shall be respected.
- B) Responsiveness and attentive listening in communications is encouraged.
- C) The needs of the District's constituents shall be the priority of the Board of Directors.
- D) The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to staff members of the District.
- E) Directors should commit themselves to emphasizing the positive.
- F) Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
- G) Differing viewpoints are healthy in the decision-making process. Individual Directors have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
- H) Directors should practice the following procedures:
 - 1. In seeking clarification on informational items, Directors may directly approach the District Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

2. In handling complaints or inquiries from residents and property owners of the District, said complaints should be referred to the District Manager and may be followed up by the Board of Directors.
 3. In handling items related to safety concerns, hazards should be reported to the District Manager. Emergency situations should be dealt with immediately by seeking appropriate assistance.
 4. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition, sale or development, finance, and programming, said concerns should be referred directly to the District Manager.
- I) When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Manager.
 - J) The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.
 - K) When responding to constituent requests and concerns at board meetings, the Board President's discretion determines the amount of time for comments. Specific questions or concerns will be directed to the District Manager for future action by the Board or staff. Directors should be courteous, responding to individuals in a positive manner and routing their questions through appropriate channels and to responsible management personnel.
 - L) Directors should develop a working relationship with the District Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.
 - M) Directors should function as a part of the whole. Issues should be brought to the attention of the Board of Directors as a whole, rather than to individual members selectively.
 - (N) Members' interaction with public, press or other entities must recognize the limitation of any Board member to speak for the Board except to repeat explicitly stated Board decisions, while respecting the right of Board members to express individual opinions.
 - O) Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
 - P) The Board will further inform itself, individually and collectively, through ongoing outreach to determine community wishes and through continuing education on issues relevant to the District.
 - Q) Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

4. ETHICS TRAINING

Pursuant to California Government Code section 53234 et seq. or as amended, all Directors shall receive two (2) hours of training in general ethics principles and ethics laws relevant to public service within one (1) year of election or appointment to the Board of Directors, and at least once every two (2) years thereafter. All ethics training shall be provided by entities whose curriculum has been approved by the California Attorney General and the Fair Political Practices Commission. The District Manager and any other employee(s) of the District designated by the Board of Directors shall also receive the ethics training specified herein. The District shall maintain records indicating the name of the entity that provided the training and the dates ethics training was completed. Records shall be maintained for a period of at least five (5) years after the date on which the training was received. These records are public records subject to disclosure under the California Public Records Act.

5. GOVERNING LAWS

The Board of Directors shall comply with and shall be guided by applicable provisions of Federal laws; State laws, including the Water Code, Government Code, Section 1090 of the Government Code, Elections Code and Public Resources Code; this Policy Manual, and the rules and regulations of the District as established by the motions, resolutions and ordinances enacted by the Board of Directors. Motions, resolutions and ordinances may be enacted by the Board in accordance with Water Code section 30523 or as amended.

6. ELECTION OF OFFICERS

There shall be two (2) officers: a president and a vice president, who shall be members of the District Board of Directors. Election of officers shall be held at a Board of Directors meeting in December of each calendar year. Officers will serve for a one (1) year term. Elections will conform to the applicable provisions of this Policy Manual.

7. ROLE OF THE BOARD POWERS, DUTIES AND FUNCTIONS

A) POWERS

The Board of Directors is responsible for the establishment of policy and general control of the District. This broad authority shall be exercised in accordance with all applicable federal, state and local laws and regulations. The Board of Directors may execute any powers delegated by law to the District, and shall discharge any duty imposed by law upon the District.

The enabling codes established by the California State Legislature empowers the Board of Directors to have broad authority and flexibility in carrying out financial programs and activities which meet its individual needs, provided these programs or activities are not in conflict with, inconsistent with, or preempted by law.

B) DUTIES

The primary duties of the Board of Directors are as follows:

1. Take action at legal meetings.
2. Establish and periodically review written policies for District operation and administration.
3. Be responsible for all District finances.
 - a. Approve fiscal budget.
 - b. Monitor the budget spending.
4. Set rates, fees and charges for District services.
5. Personnel
 - a. Hire and discharge General Manager and Legal Counsel.
 - b. Annually evaluate the General Manager and Legal Counsel.
6. Establish written policy on how Board of Director's Meetings are conducted.
7. Review and revise the Master Plan for the District.
8. Ratify committee appointments made by the President.
9. Establish Director compensation limits.

C) FUNCTIONS

The powers and duties of the Board of Directors include governance, executive and quasi-judicial functions. These relate to the Board's own operations as a governing body and to all functions of the District.

1. GOVERNANCE FUNCTIONS

To fulfill its responsibility, the Board is committed to establishing policies to govern District activities. The Board of Directors shall consider and approve or disapprove matters submitted to it by a Director, Staff or the public. The Board of Directors shall prescribe rules for its own governance which are consistent with its "enabling code" or by Federal or State Laws and regulations.

2. EXECUTIVE FUNCTIONS

The Board of Directors is authorized to delegate any of its powers and duties to an officer or employee of the District. The Board of Directors; however, retains ultimate responsibility over the performance of those powers or duties so delegated.

3. QUASI-JUDICIAL FUNCTIONS

The Board of Directors desires that public complaints be resolved at the lowest possible administrative level. The method of resolving public complaints shall be as follows:

- a. The individual with a complaint shall first discuss the matter with the District Manager. If this individual registering the complaint is not satisfied with the disposition of the complaint by the District Manager, said complaint may be filed with the Board of Directors.
- b. The Board of Directors may consider the matter at a subsequent regular meeting or call a special meeting. The Board of Directors will expeditiously resolve the matter.
- c. This policy in no way prohibits or intends to deter a member of the public from appearing before the Board of Directors to present a verbal complaint or statement in regards to actions of the Board of Directors, District programs or services, or impending considerations of the Board of Directors.

8. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for the District. Apart from their normal function as a part of this unit, individual Directors may not commit the District to any policy, act or expenditure unless duly authorized by the Board of Directors. Nor may an individual Director direct staff to perform specific duties unless duly authorized by the Board of Directors. Directors do not represent any factional segment of the constituency, but are, rather, a part of the body which represents and acts for the constituency as a whole.

- A) Each Director has the right to place items on a subsequent Board of Directors Meeting, subject to scheduling by the Board president. The deadline for submittal of an agenda item by a Director shall be the preceding Wednesday at 5:00 p.m. before the scheduled Board of Directors meeting date at the office of the District Secretary. Agenda item requests received after the submittal deadline for a specific agenda will be added to the next following regularly scheduled agenda, subject to scheduling by the Board president.

- B) Directors will make every effort to attend assigned Board of Directors and Committee meetings:
 - 1. To prepare adequately for each such meeting;
 - 2. To observe the rules of decorum as set forth herein; and
 - 3. Whenever any individual Directors will be absent or late for a Board of Directors or Committee meeting said Director shall notify the District Secretary or Board President at the earliest opportunity.
- C) When requesting information from staff, Directors shall contact the District Manager. When responding to constituent requests and concerns, Directors should reroute such inquiries to the District Manager.
- D) Each Director shall decide individually on what contact information will be released by District staff to the general public. In order to accomplish this in an orderly and consistent manner, each Director shall provide the District Secretary with a completed and signed Director Contact Authorization Form. Directors shall be responsible for any and all updates and amendments to said Director Contact Authorization Form.

9. BOARD OF DIRECTORS MEETINGS

A) REGULAR TIME AND PLACE OF MEETINGS

Regularly scheduled meetings of the Board of Directors shall be held, on the first (1st) and third (3rd) Thursday of each month, unless otherwise modified by the Board of Directors when setting the Board meeting calendar, at 5:30 pm for Closed Session and 6:30 pm time certain for Open Session; at the District Operations Building, 13057 Highway 9, Boulder Creek, CA, unless otherwise specified by action of the Board of Directors. Special meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act (California Government Code section 54950 et seq.), may be duly authorized and held as deemed necessary by the President or a majority of the Board of Directors. Notice and location of special meetings shall be as prescribed by law. Emergency meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act, may be duly authorized and held as deemed necessary only by a majority of the Board of Directors. Notice and location of emergency meetings shall be as prescribed by law.

B) PUBLIC NATURE OF MEETINGS

All meetings of the Board of Directors shall be open to the public, except when the Board is convened in Closed Session as authorized under provisions of the Ralph M. Brown Act (California Government Code section 54950 et seq.).

C) QUORUM AND VOTING REQUIREMENTS

The presence of three (3) or more Directors shall constitute a quorum for the transaction of District business. No ordinance, resolution or motion shall be passed by the Board of Directors without a majority vote of the Board, unless otherwise required or prescribed by State law. (See for example, Government Code section 54954.2, Board Policy Manual subparagraph K, below.)

D) BOARD ACTION

The Board of Directors shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and voting, the ayes and noes shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings unless otherwise prescribed by law. Unless otherwise provided by its own terms, all ordinances, resolutions and motions shall become effective upon adoption. Any member of the Board of Directors, including the President, can make a motion. Motions require seconds. The President may vote on all motions unless disqualified or abstaining. The President shall not call for a vote on any motion until sufficient time has been allowed to permit any and all members of the Board of Directors to speak. Complex motions should generally be prepared in writing and read aloud to the members of the Board of Directors at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board of Directors, the President shall restate the question prior to the vote. Common motions may be stated in abbreviated form, and will be put into complete form in the minutes. Until the President states the question, the maker may modify their motion or withdraw it completely. However, after the President has stated the question, the motion may be changed only by a motion to amend which is passed by a majority vote of the Board of Directors.

The President of the Board may at any time, during debate or otherwise, declare a recess. Declaration of a recess shall not be subject to any motions.

E) PARLIAMENTARY PROCEDURES

Unless otherwise inconsistent with any provision stated herein, Parliamentary Procedure for Board of Directors meetings shall be based upon the current edition of Robert's Rules of Order Newly Revised. No action of the Board of Directors shall be deemed invalid for the reason that said action was not in conformance with Robert's Rules of Order Newly Revised.

F) ROUTINE BUSINESS

Matters of routine business such as approval of the minutes and approval of minor matters may be expedited by assuming unanimous consent of the members of the Board of Directors and having the President state that without objection the matter will stand approved. Should any Director object to such unanimous consent, the President shall then call for a vote.

G) ORDERLY DISCUSSION

In order to promote discussion of the issues before the Board of Directors, each Director shall be recognized by the chair before speaking. Notwithstanding any provision of this Policy, however, each Director shall have a right to be heard within reason on any issue before the Board of Directors. Each Director may seek information or comment by the staff on any question.

H) CLOSED SESSION

Except as provided by law, all proceedings in Closed Sessions shall remain confidential.

I) MEETING AGENDAS

The District Manager, in consultation with the Board President, shall be responsible for the preparation of a written agenda for each regular meeting and/or special meeting of the Board of Directors as those terms or its successor terms are defined by the Ralph M. Brown Act (California Government Code section 54950 et seq.). The District Manager and the Board President shall meet, annually, in January of each calendar year to identify recurring items of business which should be placed on written agendas at appropriate times during the coming year. The District Manager, in consultation with the President, shall be responsible for the preparation of a written agenda for each regular meeting and/or special meeting of "other legislative bodies," of the San Lorenzo Valley Water District, as those terms or its successor terms are defined by the Ralph M. Brown Act. Any Director may request that an item be placed on the agenda for a regular meeting of the Board of Directors. The District Secretary shall be responsible for the posting of the appropriate notice and agenda for all meetings of the Board of Directors and/or "other legislative bodies."

A copy of the agenda for each regular meeting of the Board of Directors shall be forwarded to each Board member, at least three (3) days in advance of each regular meeting, together with copies of all applicable supporting documentation; minutes to be approved; staff report; and other available documents pertinent to the meeting. Directors shall review agenda materials before each meeting. Individual directors may confer directly with the District Manager to request additional information on the agenda items.

J) ORDER OF BUSINESS

As a practice for normal business. The Board President may rearrange this order at any time. Introductory language for each agenda section may be modified by action of the Board of Directors from time to time. Changes to the introductory language for each agenda section shall take effect at the next Board of Directors meeting.

1. Convene Meeting, Roll Call.
2. Additions and Deletions to Closed Session Agenda.

3. Public Comment Related to items on the Closed Session Agenda
4. Adjournment to Closed Session.
5. Reconvene to Open Session at 6:30 PM (time-certain).
6. Closed Session report.
7. Additions and Deletions to Open Session Agenda.
8. Public Comment on any topic within the jurisdiction of the District and which is not on the Open Session Agenda.
9. Unfinished Business.
10. New Business.
11. Consent Agenda
12. District Reports
 - a. District Manager Report
 - b. Department Status Reports
 - c. Committee Reports
 - d. Director Reports
13. Written Communications
14. Informational Material.
15. (If applicable) Adjournment to Closed Session.
16. (If applicable) Reconvene to Open Session to Report Actions Taken in Closed Session.
17. Adjournment

K) ADDITIONS AND DELETIONS TO AGENDA

Additions to the Agenda, if any, shall be made in accordance with California Government Code Section 54954.2 or as amended (Ralph M. Brown Act), which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors. If less than two-thirds of the members are present a unanimous vote of those members present is required.

L) PUBLIC COMMENT

The Board of Directors encourages public participation in the governance of the District through public comment periods. In order to present, members of the public must first be recognized by the president.

1. If the Board meeting has a Closed Session agenda, members of the public may comment on or ask questions about the items which are on the Closed Session portion of each agenda. Comments or questions may be submitted in writing or orally. If in writing, the entire written communications will be placed in the minutes. If orally, members of the public may have to up to five (5) minutes (unless time is shortened by the President due to circumstances—e.g., in the event of a large number of people wishing to comment orally) to present to the Board of Directors. The President may extend this time at his or her discretion—e.g., in order to allow for a wrap up of the presentation. Oral comments will be summarized and included in the minutes if the member of the public provides his or her name at the beginning of their comment time.
2. Prior to the start of the Open Session agenda, members of the public may comment on or ask questions about topics which are within the jurisdiction of the District and which are not on the Open Session portion of the agenda. It is the objective of the Board to have as close to a normal conversation with members of the public as possible while still conforming to the requirements of the Brown Act. This means that the Board cannot take action or discuss a topic or question in depth during this meeting (Ralph M. Brown Act Section 54954.3 or as amended). However, the Board can ask clarifying questions in order to make sure that it understands questions or comments. The Board can discuss how to best handle questions or comments. All questions will be answered either in real-time (by the Board or Staff) or at a later time, unless the questions relate to confidential topics. If a question is answered in real-time, the Board President will ask if the question was answered and, if not, allow a short follow-up request for clarification. If a question cannot be answered in real-time, it will be answered and included in the minutes for that meeting which will be published at a later time. In addition, the Board may agendaize a public comment item for a future Board meeting if that seems appropriate or the Board may send the item to committee for follow-up and possible action. Comments and/or questions may be submitted in writing or orally. If in writing, the entire written communications will be placed in the minutes. If orally, members of the public may have to up to five (5) minutes (unless time is shortened by the President at his or her discretion due to circumstances—e.g., in the event of a large number of people wishing to comment orally) to present to the Board of Directors. The President may extend this time at his or her discretion—e.g., in order to allow for a wrap up of the presentation. Oral comments will be summarized and included in the minutes if the member of the public provides his or her name at the beginning of their comment time. In the interests of respecting everyone's time, members of the public are encouraged to (i) avoid repeating

someone else's point—just indicate agreement—and add new content and (ii) to avoid repetition during their comments.

In addition, members of the public may address each agenda item prior to Board disposition of that item, including items on the Consent Agenda. After presentation of the agenda item, the order of discussion will be: Board comment, public comment and then back to the Board for further deliberations. The Board President may establish a time limit for public comment on an agenda item and may also allow a second round of public comment at his or her discretion. In order to present, members of the public must first be recognized by the President.

No member of the public shall approach the Board of Directors table while the Board is in session unless granted permission by the President or presiding officer. Proper decorum must be observed by Directors, staff, speakers and the audience at all times. The President or presiding officer shall preserve order and decorum, discourage personal attacks, and confine debate to the question under discussion. The President shall rule out of order any irrelevant, repetitive or disruptive comments. Please mute or turn off your electronic devices while the Board is in session.

It is the policy of the Board of Directors to invite all members of the public to participate in the governance of the District and to provide wide latitude for the free expression of all points of view. However, the President, or a majority of the board, may eject from a meeting any person who becomes disorderly, abusive, or disruptive, or who fails or refuses to obey a ruling of the president regarding a matter of order or procedure. In addition, as a last resort, per California Government code 54957.9: *In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Representatives of the press or other new media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.*

Changes to this section shall take effect at the next Board of Directors meeting.

M) CONSENT AGENDA

The purpose of a consent agenda is to minimize the time required for the handling of any non-controversial matters. Consent agenda items are considered to be routine and non-controversial, with documentation provided to the Board of Directors that is adequate and sufficient for approval without inquiry or discussion. Any item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public. Unless moved to the regular agenda, the consent agenda shall be voted upon as one single item without discussion or debate.

N) STUDY SESSIONS

Study sessions or workshop meetings are for the purpose of discussing an item(s) that may come before the Board at a later time for official action, to facilitate

planning, or discussion of special topics of interest. Study sessions provide a more informal forum for the Board of Directors, staff and the public to engage in open-ended discussion and share information on a particular subject(s). No formal action(s) can be taken at a study session; direction can be given to staff regarding preparation of an agenda item for discussion and possible action at a subsequent meeting. From time to time, study sessions may be duly authorized as deemed necessary by the President or a majority of the Board.

O) WRITTEN COMMUNICATIONS

The Written Correspondence portion of the agenda is established to act as a report of written materials received by the Board as a whole, but may also include items requested for inclusion by individual Directors or members of the public. Written

Communications will always be presented in its entirety. Written Correspondence not presented in its entirety will be maintained by the District Secretary for a period of two (2) years.

10. TECHNOLOGICAL CONFERENCING

Teleconferencing may be used for all purposes in connection with any meeting within the subject matter jurisdiction of any legislative body of the District. Teleconferencing is defined as a meeting of a legislative body of the District, the members of which are in different locations, connected by electronic means, through either audio or video, or both. If a legislative body of the District elects to use teleconferencing, it shall comply with all applicable requirements of the Ralph M. Brown Act (Section 54953, or as amended.)

11. PRESIDENT

A) DUTIES

The President shall sit as presiding officer and conduct all meetings of the Board of Directors, shall carry out the resolution and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe; including the following:

1. Call the meeting to order at the appointed time.
2. Announce the business to come before the Board of Directors in its proper order.
3. Enforce the Board of Directors policies and rules with respect to the order of business and the conduct of meetings.
4. Recognize persons who desire to speak, and protect the speaker who has the floor from disturbance or interference.
5. Explain what the effect of a motion would be if it is not clear to every member of the Board of Directors.
6. Restrict discussion to the question when a motion is before the Board of Directors.
7. Rule on parliamentary procedure.
8. Put motions to a vote, and state clearly the results of the vote.

B) RESPONSIBILITIES

The President shall have all the rights to discuss and vote on any issues before the Board of Directors. The President shall have the following responsibilities:

1. Sign all instruments, acts, and carry out stated requirements and the will of the Board of Directors.
2. Consult with the District Manager on the preparation of the Board of Directors agendas. In addition, any Director shall have the right to place any matter on the agenda for any meeting in accordance with the provisions of this policy.
3. Appoint and disband all committees, subject to Board of Directors approval.
4. Call such meetings of the Board of Directors as they may deem necessary, giving notice as prescribed by law.
5. Confer with the District Manager and/or District Counsel on matters which may occur between Board of Directors meetings.

6. Be responsible for the orderly conduct of all Board of Directors meetings.
7. Act as spokesperson for the Board of Directors.
8. Coordinate and prepare the Board of Directors annual evaluation of the General Manager and Legal Counsel.
9. Other duties as authorized by the Board of Directors.

12. VICE-PRESIDENT

When the President resigns or is absent or disabled, the Vice President shall perform the President's duties. When the President disqualifies himself/herself from participating in an agenda item, the Vice-President shall perform the duties of the presiding officer.

13. MINUTES

All Board of Directors meetings and committee meetings will be audio recorded and made available through the District's website. Said audio record shall be subject to inspection in accordance with State Laws, including the California Public Records Act.

In addition, the District Secretary shall record the minutes for Board of Directors meetings and committee meetings which shall also be posted on the District's website.

The minutes shall be of the form of summary minutes and will include the following information: the time the meeting was called to order, the names of the Directors (or, as appropriate, the committee members) attending the meeting, the vote (roll call or voice) on each matter considered at the meeting, the time the Board of Directors began and ended any closed session, the names of the Directors and the names, and titles where applicable, of any other persons attending any closed session, a list of those members of the public who spoke on each matter if the speakers identified themselves, whether such speakers supported or opposed the matter, a brief summary of each Board member's and public members statement during the public comment period for each agenda item (if they identified themselves), and the time the meeting was adjourned. Any person speaking during a public comment period may supply written comments which shall be included in the minutes.

The draft minutes of each meeting shall be available for inspection and copying upon request no later than ten working days after the meeting, unless circumstances prevent meeting that goal in which case the minutes shall be available as soon as possible. The officially adopted minutes shall be available for inspection and copying upon request no later than ten working days after the meeting at which the minutes are adopted, unless circumstances prevent meeting that goal in which case the minutes shall be available as soon as possible.

Changes to this section shall take effect at the next Board of Directors meeting.

14. COMMITTEES

The Board shall organize committees that are advisory to the Board with regard to matters within their respective areas of responsibility.

The five District standing committees are as follows: Administrative, Budget & Finance, Engineering, Environmental and Lompico Oversight. Each standing committee shall have no power or authority to commit the District or to take any action on behalf of the Board of Directors. Standing Committees shall hold meetings at such times, frequency and locations as deemed necessary by consensus of the committee members. Committees are encouraged to meet at least monthly.

Committee meetings shall be held in accordance with the provisions of the Ralph M. Brown Act. In order to promote attendance by Directors at Committee meetings without inadvertently creating a violation of the Ralph M. Brown Act, Directors that are not members of a committee are discouraged from attending but may attend as observers, and, if attending, shall not participate at the Committee's meeting.

Committee appointments will be reviewed by the full Board at a Board of Director's meeting in December of each Calendar Year, or as soon thereafter as practical. Applications to serve as a Public Member will be available at the District's Office or on-line at the District's

website (www.slvwd.com). Public Member Applications will be reviewed by the full Board. Each committee member shall be appointed by a simple majority vote of the Board.

Regardless of the start date, the terms of public member(s) of the Administrative, Budget & Finance, Engineering and Environmental Committees shall end on December 31st of each year.

Members of the public shall serve on no more than one standing committee at a time.

Administrative, Budget & Finance, Engineering, Environmental Committees may have no more than two Board Members and at least one Public Member. If more than one public member applies to serve on an individual committee, the full Board shall vote to determine which public member shall be seated on that committee for the year or may choose to appoint more than one public member to a committee by adjusting the size of the committee appropriately. At any time, the Board may also choose to appoint additional public members to any standing committee.

The Lompico Oversight Committee may have no more than five Public Members. Public members serving on the Lompico Oversight Committee shall have a residential mailing address within Assessment District 2016-1.

Members of the committees serve at the pleasure of the Board. Each committee shall designate their own chairperson. For the Administrative, Budget & Finance, Engineering and Environmental Committees the chairperson shall be a member of the Board. Each committee may elect a vice-chairperson. Members of committees, including the chairperson and vice-chairperson shall serve until their successors are appointed. The chairperson of a committee is its presiding officer and shall be responsible for communicating the recommendation of the committee to the Board. In the absence of the chairperson, the vice-chairperson shall perform the duties of the chairperson. The chairperson and vice-chairperson are not deprived of any of the rights and privileges of a committee member by reason of being the presiding officer.

A majority of the members of each committee shall constitute a quorum for the transaction of business. Only members of the committee are entitled to make, second or vote on any motion or other action of the committee. Each committee member shall be entitled to one vote on all matters considered by the committee. A simple majority vote of the members of the Committee shall designate approval of a motion.

During the first regular meeting after January 1st of each year, each Committee shall review the District's current Strategic Plan and identify Strategic Plan Elements pertaining to said Committee. The Committee's findings regarding such Strategic Plan review shall be reported back to the Board at the next available regular Board Meeting for discussion and to allow the Board to provide direction back to the committees regarding completion of identified Strategic Plan Elements.

During the first regular meeting after January 1st of each year, each Committee shall prepare a multi-month forward looking calendar of items to be discussed by said Committee. Said calendar shall be no less than a three month look-ahead. Each Committee chairperson shall maintain said look-ahead calendar and submit same to the Board on a monthly basis.

The committee Chairperson shall record summary minutes of each committee meeting. The

minutes of each committee meeting and any recommendation of a committee shall include a summary of the information presented.

All committee member absences will be considered by the majority of the committee members to determine whether or not the absence is without cause. Sickness, jury duty, vacation and/or bereavement will be considered excused absences. When three meetings in a row or a total of six meetings in one calendar year are missed the remaining committee members will consider

removal of the individual from the committee. The removal must be voted upon and approved by the majority of the committee members with the exception of the committee member in question.

Vacancies shall be reported to the full Board as soon as practically possible. Vacancies shall be filled by simple majority vote of the Board.

Committee Members shall comply with the obligations and responsibilities of office including the obligation to comply with the disclosure requirements of the Political Reform Act (Form 700). The reporting categories made applicable to the Directors by San Lorenzo Valley Water District's local conflict of code shall apply to the members of the committeemembers.

All committee communications must go through the designated committee chairperson.

A committee has jurisdiction to consider and make a recommendation to staff, other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board.

The Board may refer a recommendation back to any committee for reevaluation whenever the Board deems additional evaluation is required.

Each Standing Committee shall, as a minimum, be responsible for the following:

Administrative Committee

The Committee shall be responsible for matters of internal and external administrative matters including: communications, staffing and staff support; District's data gap grant programs; interagency relations; codes and policies, pending State and Federal legislation; and other administrative programs.

Budget and Finance Committee

The Committee shall be responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

Engineering Committee

The Committee shall be responsible for the review matters of design, construction, replace and repair of the District facilities and property including: The Capital Improvement Program; Master Plans and other engineering, operational and planning related matters.

Environmental Committee

The Committee shall be responsible for matters of stewardship of the District's property including: Urban Water Management Plans; Water Conservation Programs; Classis Watershed Education Grants; Watershed Management; Resource Management and other environmental related matter.

Lompico Assessment District Oversight Committee

The Committee shall be responsible to fulfill their charter as it relates to Assessment District 2016-1 projects.

Changes to this Section 14 shall take effect immediately.

15. MEETING STIPENDS

Each Director may receive compensation as established by resolution of the Board of Directors. Pursuant to California Water Code section 30507, each Director may receive compensation in an amount not to exceed one hundred dollars (\$100.00) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a Director by request or approval of the Board, not to exceed six hundred dollars (\$600.00) in any calendar month.

Consistent with California Water Code section 30507, by resolution of the Board of Directors, the District has established the following per day (daily meeting stipend) for each day's attendance at meetings, as defined herein. Such compensation is in addition to any approved reimbursement for meals, lodging, travel and other expenses consistent with the policies stated herein.

a) To be entitled to a daily meeting stipend of one hundred dollars (\$100.00), the event in question must constitute one of the following:

1. A regular meeting of the San Lorenzo Valley Water District Board of Directors within the meaning of California Government Code sections 54952.2(a) and 54954(a) as established by the Board in Section 9A herein; or

2. Any meeting attended or service provided on a given day at the formal request or approval of the District Board of Directors, and for which the Board at a public meeting has approved payment of a daily meeting stipend. b) To be entitled to a daily meeting stipend of twenty five dollars (\$25.00), the event in question must constitute one of the following:

1. A meeting, within meaning of California Government Code section 54952.2(a), of a District standing committee within the meaning of Government Code section 54952(b) and established herein. Only Directors appointed to the District standing committees shall be entitled to said daily meeting stipend.

2. A special or emergency meeting of the San Lorenzo Valley Water District Board of Directors within the meaning of California Government Code sections 54956 (special meeting) or 54956.5 (emergency meeting) that is not a regular meeting as defined in Section 15.a.1 above.

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16. TRAINING, EDUCATIONAL PROGRAMS, CONFERENCE AND MEETINGS

The Board of Directors has determined that the following provisions shall be applicable to Director training, educational programs, conferences and meetings:

- A) Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Directors may attend, on behalf of the District, such training, educational programs, conferences and meetings as have been approved by the Board of Directors.

- B) It is the policy of the District to encourage Board development and excellence of performance by reimbursing necessary and reasonable expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District. Cash advances or use of District credit cards for these purposes is not permitted. All reimbursement of actual and necessary expenses shall be pursuant to District policy on expenditure reimbursement as stated herein.
- C) Attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences etc. shall be approved by the Board of Directors at a public meeting prior to incurring any authorized reimbursable costs.
- D) The District Manager or designee is responsible for making arrangements for Directors for conference and registration expenses, and for per diem. Per Diem, when appropriate, shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the District by Directors, shall be submitted to the District Manager, together with validated receipts.
- E) To conserve District resources and keep Directors' reimbursement expenses for training, educational programs, conferences and meetings within community standards for public officials, reimbursement expenditures should adhere to the following guidelines. Expenses to the District for Board of Directors' training, education programs, conferences and meetings should be kept to a minimum by:
 1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.
 2. Traveling together whenever feasible and economically beneficial.
 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.
- F) A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after the Director has announced a pending resignation, or if it occurs after an election in which it has been determined that a Director will not retain a seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.
- G) Whenever a Director who has not previously attended a particular conference or educational program is available to attend same, that Director shall have preference for attendance over a Director who has previously attended the same program.
- H) Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors will either prepare a written report for

distribution to the Board, or make a verbal report during the next regular meeting of the Board. The report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

- l) Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act when more than three (3) Directors attend the same event.

17. EXPENDITURE REIMBURSEMENT

The purpose of this policy is to prescribe the manner in which members of the San Lorenzo Valley Water District Board of Directors may be reimbursed for expenditures related to approved District business. The District shall adhere to California Government Code sections 53232 through 53232.4 or as amended when dealing with issues of expenditure reimbursements for Directors. This policy shall apply to all members of the Board of Directors, and is intended to result in no personal gain or loss to a Director.

Directors may be reimbursed for out-of-pocket expenditure(s) relative to reasonable and necessary costs associated with appropriate District business. The Board of Directors must provide approval for said District business at a public meeting prior to incurring any authorized reimbursement costs.

Directors are eligible to receive reimbursements for travel, meals, lodging, and other reasonable and necessary expenses associated with approved District business. Reimbursement rates shall coincide with guidelines established herein, or rates set by Internal Revenue Service Publication 1542 or its successor publication(s), whichever are greater.

If lodging is in connection with a prior approved event, such lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor. If the published group rate is unavailable, Directors shall be reimbursed for comparable lodging at government or IRS rates.

If travel is in connection with a prior approved event, the most economical mode and class of transportation reasonably consistent with scheduling needs must be used, using the most direct and time-efficient route. Directors shall use government or group rates offered by the event provider of transportation when available. If the group rate is unavailable, Directors shall be reimbursed for comparable travel at government or IRS rates.

Directors shall submit their requests for reimbursement on a form approved by the District Manager. The reimbursement form shall include an explanation of the District-related purpose for the expenditure(s). Receipts documenting all expenditure are required to be submitted in conjunction with the expense report form. Failure to submit necessary receipts will result in denial of the reimbursement claim. Expense reports shall be submitted within a

reasonable time, and at no time more than fourteen (14) calendar days after incurring the expense. The District Manager will review and approve reimbursement requests.

Any and all expenses that do not fall within the adopted travel reimbursement policy or the IRS reimbursable rates are required to be approved by the Board of Directors in a public meeting prior to the expense(s) being incurred. Expenses that do not adhere to the adopted travel reimbursement policy or the IRS reimbursable rates, and that do not receive prior approval from the Board of Directors in a public meeting prior to the expense being incurred, shall not be eligible for reimbursement.

State law provides criminal penalties for misuse of public resources, which includes falsification of expense reports. Penalties include fines, imprisonment, and restitution.

18. PERSONNEL POLICIES

A) PERSONNEL SYSTEM RULES AND REGULATIONS

San Lorenzo Valley Water District is committed to the provision of an orderly, equitable and uniform personnel system. The Board of Directors by resolution shall establish written rules and regulations for the administration of the personnel system. Personnel system rules and regulations shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

B) SEXUAL HARASSMENT

The San Lorenzo Valley Water District is committed to creating and maintaining a work environment free of objectionable and disrespectful conduct and/or communication of a sexual nature and prohibits sexual harassment by all employees and the Board of Directors. The Board of Directors by resolution shall establish a written policy and procedure manual relative to sexual harassment. The District's sexual harassment policy shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

Conduct which creates an intimidating, hostile or offensive work environment will not be tolerated. Verbal behavior, physical behavior, gestures and other non-verbal behavior which create said environment will not be tolerated. Any employee or member of the public who feel that they have been or are being harassed by a Director is strongly encouraged to immediately report such incident to the District Manager without fear of reprisal regardless of the outcome of the complaint. The District Manager shall assign the investigation of the alleged misconduct to an outside party such as an attorney or law firm experienced in such matters. The District Manager shall notify the President of the Board of Directors of said alleged misconduct. Thereafter, the President, at the next meeting of the Board of Directors, shall report the facts and nature of the allegations to the entire Board of Directors.

If the Director charged with sexual harassment is the President of the Board of Directors, the District Manager shall report the fact and nature of the allegation(s) to the entire Board of Directors at its next meeting.

If an allegation of sexual harassment against a Director is investigated and found to be supported, the Board of Directors reserves the right to take such remedial action as is appropriate under all of the circumstances, including, if warranted, initiating an action for recall of such Director. The Directors agree that an accusation of sexual harassment against any one of them must be investigated. It is further agreed that such an investigation is not an invasion of their right of privacy.

C) NONDISCRIMINATION

The District shall not unlawfully discriminate against qualified employees or job applicants on the basis of age, sex, race, color, creed, religion, national origin, ancestry, marital status, sexual orientation, physical or mental disability, veteran status, or status with regard to public assistance. Equal opportunity shall be provided to all qualified employees and applicants in every aspect of personnel policy and practice.

All employees are expected to carry out the responsibilities in a manner that is free from discriminatory statements or conduct.

D) REASONABLE ACCOMMODATION-AMERICANS WITH DISABILITIES ACT

Pursuant to the Americans with Disabilities Act, employers have a duty to reasonably accommodate employees and job applicants with known disabilities. This accommodation is not required for individuals who are not otherwise qualified for the job nor is accommodation generally required until the person with the disability requests it. The following optional regulation includes procedures recommended by the Equal Employment Opportunity Commission for use when determining what accommodation to make.

Requests for reasonable accommodation may first be considered informally by the site administrator. If an accommodation cannot be made at the site because it would impose undue hardship or because of a lack of funds, the site administrator shall ask that the request be submitted in writing to the General Manager. The site administrator shall provide the employee or applicant with any assistance he/she may need in order to submit this request.

The duty to reasonably accommodate an individual with a disability is limited to those accommodations which do not impose an undue hardship upon the district.

Undue hardship is determined on a case-by case basis and includes any action that is unduly costly, extensive, substantial, disruptive, or that fundamentally alters the nature or operation of the agency. The burden of proving undue hardship rests with the agency, and what may be an undue hardship for one agency may not be

an undue hardship for another, depending on factors such as cost and agency size. Even if cost does pose an undue hardship, the disabled person should have the opportunity to pay for the portion of the cost that constitutes an undue hardship, or to personally provide the accommodation.

19. CONFLICT OF INTEREST CODE

Pursuant to provision of California Government Code section 81,000 et seq., commonly known as the Political Reform Act, the District shall adopt and maintain a Conflict of Interest Code. The Conflict of Interest Code and, any amendments thereto shall be adopted by resolution of the Board of Directors. The Board of Directors shall review the adopted Conflict of Interest Code on a bi-annual basis. At a regularly scheduled Board of Directors meeting in September of each even-numbered year, the Board of Directors shall review its Conflict of Interest Code and, if amendments are needed, shall submit said amendments to the Santa Cruz County Board of Supervisors in accordance with applicable deadlines. If no amendments are needed, the Board of Directors shall submit a written statement saying that its Conflict of Interest Code is still accurate.

20. RESIGNATIONS

Resignations by Directors shall be in writing, state the effective date and be submitted to the President of the Board of Directors and District Secretary. In the event the President of the Board of Directors resigns, the resignation shall be submitted to the Vice-President of the Board of Directors and the District Secretary.

21. VACANCIES

Directors are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, Directors should be present for scheduled meeting or events whenever possible. In accordance with California Government Code section 1770 a Director position vacancy will occur whenever "he or she ceases to discharge the duties of his or her office for the period of three consecutive months, except when prevented by sickness", or when absent from the Board of Directors without the permission of the majority of the Board of Directors.

If such vacancy occurs, the Board of Directors will take action in accordance with California Government Code section 1770.

In order to accomplish this in an orderly and consistent manner, when a vacancy of an elected Director occurs, the District Board of Directors, after discussion and consideration, shall when deemed appropriate, instruct staff to:

- A) Place a public notice advising that a vacancy has occurred in accordance with applicable provisions of law; and
- B) Said notice shall advise prospective candidates of the steps to take to apply for appointment; and
- C) The District's Board of Directors shall establish the closing date for the receipt of applications; and
- D) Applicants shall submit the following, by the date specified in the notice:
 - a) a letter of interest, and
 - b) a resume, with particular emphasis on the applicant's knowledge of special districts, and
- E) Applicant(s) shall be interviewed at the next regularly scheduled meeting of the District's Board of Directors following the date of closure for applications; and
- F) The District's Board of Directors shall make the appointment without undue delay, but need not act at the same meeting.

22. INCONSISTENT, INCOMPATIBLE AND CONFLICTING EMPLOYMENT OR ACTIVITIES

Pursuant to the provision of the California Government Code section 1126, the Board of Directors of the San Lorenzo Valley Water District has determined that it would be inconsistent and incompatible for a Board member to be a paid employee of the District. Therefore, based on this decision, a member of the Board of Directors shall not be a paid District employee.

23. DIRECTORS' LEGAL LIABILITIES

The District shall defend and indemnify Directors from any claim, liability or demand that arises out of a Director's performance of his or her duties or responsibilities as a Director or Officer of the District, as provided by California Government Codes 825 and 995.

However, in the event that such claim, liability or demand involves an alleged Conflict Of Interest (COI) on the part of the Director seeking defense or indemnification, and to fully and transparently support the intent of the SLVWD's Conflict of Interest Code, prior to approving or granting any such request the District shall do all of the following:

- A) Forward the Director's written request to the District's risk management entity or insurer for a coverage determination;

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- B) The Board shall consider and make the following findings by motion or resolution in open session:
- a. based on information currently known to the District, the District is unable to determine that the act or omission giving rise to the alleged COI was outside the scope of the Director's employment;
 - b. there is no evidence currently known to the District that the Director acted or failed to act because of actual fraud, corruption, or actual malice;
 - c. based on information currently known to the District, the defense of the action or proceeding by the District would not create a "specific conflict of interest" (as defined in Gov. Code § 995.2(a)(3)) between the District and the Director.

C) To the maximum extent permitted by law, any decision to approve or grant such a request shall be made subject to a reservation of rights on the part of the District.

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24. INVESTMENT POLICY

San Lorenzo Valley Water District is committed to the establishment of formal policies relative to the prudent investment of the District's unexpended cash. The Board of Directors by resolution shall establish written guidelines for the investment of all San Lorenzo Valley Water District funds or funds in the custody of the District, in a manner which conforms to all

state and local statutes governing the investment of public funds. Said guidelines shall provide for an optimal combination of safety, liquidity and yield. The District's Investment Policy and, any amendments thereto, shall be adopted by resolution of the Board of Directors. The Investment Policy shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

25. ANNUAL DISCLOSURE OF REIMBURSEMENTS

The District shall annually disclose any reimbursements paid by the San Lorenzo Valley Water District of at least one hundred dollars (\$100.00) for each individual charge for services or products received. The Board of Directors shall review said reimbursement information for the preceding fiscal year (July 1 - June 30) at a regularly scheduled Board of Directors meeting in September of each calendar year.

26. GENERAL PROVISIONS

Any of the within policies not required by law may be altered, amended, or repealed by a majority of the Board at a duly authorized meeting.

27. ANNUAL REVIEW

This Board of Directors Policy Manual shall be reviewed at least annually and ratified by Resolution of the Board of Directors at a Board of Directors meeting, at least in December of each calendar year or as soon thereafter as reasonable.

*** END ***

MEMO

TO: Administration Committee
From: District Manager
Subject: Strategic Plan
Date: September 24, 2019

Recommendation:

It is recommended that the Administration Committee review this memo and give direction regarding the process of updating the Districts Strategic Plan.

Background:

Strategic plan serves as a framework and basis for decision making and detailed planning over an extended period of time. As a top level planning document, a strategic plan confirms the overall mission for an organization, affirms the vision by looking out into the future, assesses core values as how an organization will do business, and creates a roadmap of actions and activities to best position for continued mission success.

The Districts current 2016 strategic plan was approved December 2016. On February 21, 2019 the Board discussed updating the current plan and decided to move forward with updating the plan.

On September 05, 2019 Director Fultz submitted a draft Strategic Plan for consideration. The attached plan is intended to provide a draft, and only a draft, for Board discussion and consideration. The Board reviewed the attached draft strategic plan and directed the plan be sent to the Administrative Committee for a recommendation for a process outline for review.

Proposed Process

- Steering Committee - Appointed by the Board of Directors, possible public members from each committee, recommended four (4) meetings
- Use the attached draft as a starting point for review and comment.
- Timeline - acceptable timeline for completion 3 months with public outreach?
- Schedule - Public workshops, Recommended two (2) workshops
- Facilitator - neutral facilitator to ensure meetings flow smoothly, everyone participates and difficult decisions are made. Facilitator to be at all meetings and workshops.

In addition, Director Henry has requested information be provided to the committee for discussion as follows;

Palmdale Water District's Strategic Plan

https://www.palmdalewater.org/wpcontent/uploads/2018/03/2018_Strategic_Plan_web.pdf

Office of New York State Comptroller, Division of Local Government and School Accountability, Local Government Manage Plan Strategic Planning, Pages 1 - 39

https://www.osc.state.ny.us/localgov/pubs/lgmg/strategic_planning.pdf

Attachments:

Draft Strategic Plan, September 05, 2019

SLV Water Strategic Plan 2016 Approved 12/01/2016

Office of New York State Comptroller, Local Government Manage Plan Strategic Planning, Pages 1 - 39

San Lorenzo Valley Water District

2019 – 202x Strategic Plan

Approved xx/xx/2019

Mission Statement

The primary mission of the San Lorenzo Valley Water District is to provide our customers with reliable, safe, high quality water at the lowest possible sustainable price.

To support this primary mission, the District must:

- improve the District's fiscal vitality and infrastructure integrity, for current and future generations;
- maintain a robust water supply to meet current customer and future demographic demands, in addition to adequate flows to support fire suppression;
- provide outstanding service and community relations; and
- protect the environmental health of the land and aquifer upon which the District's water sources depend and facilities reside.

1.0 Introduction

What is a Strategic Plan?

A Strategic Plan is a broad-vision, top-level policy document for the District to set clear direction for all aspects of its mission. It serves as a framework under which tactical and operational decisions are made by District staff and approved by the Board over a multi-year period. It is a concise and disciplined effort to articulate the Board’s vision for the District.

Each year the Board of Directors will review the Strategic Plan. Concurrently, the Board will review the District’s staff tactical and operational plans every quarter.

The District is committed to prioritizing, planning and implementing Strategic Plan projects in an inclusive and transparent manner. We welcome and encourage input from the entire San Lorenzo Valley Water District community.

Assessment of SLVWD’s Strengths, Weakness, Opportunities and Threats (SWOT)

The table below provides a summary of our District assessment.

Strengths <ul style="list-style-type: none">• Community• Staff• Water Sources Diversity• Water Practices and Conservation• History	Weaknesses <ul style="list-style-type: none">• Money• Customer Density (relative to other Districts)• Historical lack of investment in infrastructure• District Size (# customers relative to other Districts)• Geography• Reserves
Opportunities <ul style="list-style-type: none">• Water Sources• Water Distribution• Technology• Leveraging Assets• Operational Efficiencies• Growth (selected)• Bulk/wholesale water sales	Threats <ul style="list-style-type: none">• Natural and human-caused disasters• Regional Water Planning• Felton Permit Overdraft• Increased Regulation (relative to value of regulation)• State drive to consolidate districts

A strategic plan is also intended to help leverage our strengths, find creative ways to minimize the impact of our weaknesses, pursue opportunities and either avoid or prepare for threats.

1.0 Introduction

Strategic Plan Theme: Focus

The District assessment shows a full range of important topics for the SLVWD to address over the next five years, and beyond. The Board believes a district strategic plan must have one overarching theme: **Focus**. Without it, the District could stray from our primary mission.

To the SLVWD Board, management and staff, **Focus** provides a set of guidelines to use when making decisions about how to:

- spend money—and save money
- decide which tasks merit investment of staff and Board time
- allocate resources to implement day-to-day tasks
- measure the effectiveness of the resources allocated in a clear and transparent fashion (operational metrics)
- recalibrate as needed based on outcomes and variances from desired results
- determine the scope of activities and other pursuits for District involvement

San Lorenzo Valley Water district is a small district, with approximately 8,000 customers spread out over about 60 square miles and served by close to 170 miles of pipeline and 38 storage tanks. To be successful, our District must **Focus** on the activities necessary to deliver on its core mission—ensuring that water is there when we open the tap in our homes, today and for decades to come. To overcome our small size, low-density and limited resources, our District must be “ruthlessly efficient”, working as hard as possible to bend our operating cost curve downwards to ensure as much of our ratepayers’ money as possible can go towards urgently needed infrastructure improvements.

There are several key areas the District must address to support our **Focus**, as outlined in this Strategic Plan.

- Finances
- Infrastructure, including fire suppression resources
- Operations
- Water Stewardship
- Civic Engagement
- Organization and Staffing

With one additional special topic: Bear Creek Estates Wastewater.

1.0 Introduction

Long Term Vision

The San Lorenzo Valley Water District is now in its eighth decade of service to our local community, which stretches from almost Highway 17 in Scotts Valley through Zayante, Lompico, Felton, Ben Lomond, Brookdale, Boulder Creek and all the way to north of Boulder Creek. While the District's service area boundaries have expanded over the years, its founding principles have not changed. The SLVWD represents the essence of local government: an agency that is governed by its local community through its locally elected Board of Directors. The District reaffirms its commitment to maintaining this local focus and control for generations to come.

While this document focuses on the next five years, the vision guiding our plans must stretch out towards a more distant horizon, one that encompasses the timeline for future generations.

There are four long-term trends that may affect the District during the next two decades:

1. **Growth.** The SLVWD community is a no-growth area with limited opportunities for additional housing. However, portions of our District in Scotts Valley could see significant growth, based on that city's current pro-growth cycle. New septic technologies may enable limited in-fill growth in select areas of the SLVWD community. Finally, while the number of dwelling units in the SLVWD may not grow substantially, the number of people per dwelling unit may possibly grow, resulting in an overall population increase as more young families move to our community to take advantage of our unique way of life (which is only 35 miles from the center of the most dynamic economic engine the world has ever seen—Silicon Valley). Historically, the SLVWD population was about 30% higher just two decades ago when we had more and younger families. More people per housing unit means more water required to serve that population.
2. **Drought.** While drought—even severe drought—has come and gone throughout the decades, climate forecasts now predict droughts may be longer and more severe. Those same forecasts predict that we will receive the same average rainfall, but it may also be in shorter, more intense events. We recently experienced the worst drought our area has seen in the past three decades. During this drought, and combined with the increase in water rates, the SLVWD residential customers substantially reduced indoor and outdoor water use, more than 30% overall, down to an average of under 60 gallons per day from July 2016 to June 2017 (assuming an average of about 2.6 residents per SLVWD residential customer). While indoor and outdoor usage has crept up a little since then, to an average of just over 60 gallons per day, it will be a major challenge for most District customers to reduce another 30% to 42 gallons per day, during the next drought. While our customers have shown that they are prepared to conserve as much as possible when needed, a prudent and rational plan must also include expanding our water supply sources and, if feasible, storage, to provide more of a buffer against the droughts that will come our way. It's also important to note that the average rainfall over the last 39 years, as measured by the District, is the same as the average rainfall measured by the District for the last 10 years—49.16 inches.

1.0 Introduction

3. **Natural disasters.** Earthquakes, severe and concentrated rainfall, mudslides, and wildfire are a constant threat to our community. Over the past several decades, we have been hit with disasters, including recent disasters—severe concentrated rainfall (2017) which led to substantial damage to District facilities and wildfire (2017 and 2018), which were quickly suppressed. We hope for a calm future but we must plan for the worst. When disaster strikes the District and the community must be prepared to work together to do whatever is necessary to keep the water flowing.
4. **Infrastructure and deferred maintenance.** Many elements of our water system are well beyond their design lives. Replacing old and failing infrastructure has not been a funding priority for the District in the past. We have a responsibility to modernize our system so that when we pass it on, the next generation doesn't have to pay more than its fair share.

The Board's strategic goals

The current board has committed to **bending the operating cost curve down** while fundamentally **changing our District's spending patterns** so that every dollar that isn't essential and necessary to deliver water or needed to meet regulatory requirements will be **channeled into infrastructure**. To provide our community with a clear picture of the state of our infrastructure, our top priority is the completion of a **Water Master Plan**, a comprehensive inventory of our system, including design life and how much of that design life is left as well as the cost to modernize our infrastructure for future generations.

Modernizing our infrastructure will cost money. The District is behind schedule in that effort and so to bring the infrastructure up to date we are committed to **operating efficiently** (through use of technology) and being as cost-effective as possible through **operational measurements** which will be made available to our community. To that goal we intend to be completely and **maximally transparent** about operating costs, liabilities (funded and unfunded), and the state of our infrastructure and the costs associated with modernizing. We intend to **look for every creative financing source** and improvement method possible in order to keep the direct costs to our local community as low as possible. We are **committed to supporting staff** in finding ways to **bring construction and operating costs down**, working cooperatively with neighboring water districts to **enter into win-win arrangements** and by working with our state and federal legislators for **regulatory relief** to small districts like ours without compromising the quality of the water delivered to our taps.

This is a living strategic plan, and we welcome and encourage the participation of our staff and the public in finding creative ways to meet District objectives and **sustainability**.

2.0 Finances

Overview

Fiscal oversight is the Board's #1 job. Spending money wisely is the District's #1 job.

Goals

To that end, the Board establishes seven financial strategic goals:

1. Reduce the growth rate of operating expenses. Our District must look for ways to bend the operating expense curve downwards through strategic focus, more efficient operations and tight cost control, including leveraging technology for operations and customer service (e.g., customer and field service software integrated with the District's communications systems) that shows a positive Return on Investment (ROI) and provides the District with more visibility into how to improve operational efficiencies. To support this goal, financial and operating costs (metrics) will be established to show our customers that money is being spent well and wisely.
2. Over a period of 5–7 years, fund the District's operational and infrastructure reserve funds to sustainable levels as set forth in the District's reserve policy and, once there, maintain those levels. The District will also establish reserve goals for other unfunded liabilities including, but not limited to, unfunded pensions (about \$3.7 million), post-retirement benefits (about \$1.0 million), accrued employee vacation pay (currently over \$500,000), deferred maintenance (currently being calculated) and deferred meter replacement (currently being calculated) as soon as those costs are known.
3. Direct all funds not otherwise needed for reserve funds and operating expenses towards regular, recurring, methodical and incremental infrastructure improvements with a goal of spending between 2% - 2.5% of the replacement cost of our system, once calculated, every year (adjusted for inflation). An example of this approach is a seasonal "pipe crew" to replace leaky pipes; the number of leaks in our aging system drive up our District's operational costs and diverts our field operations staff from other needed activities.
4. Use the District's website to post easy to understand reports and graphics for key performance metrics (e.g., "Top 10"), updated periodically to reflect changes and progress.
5. Achieve and sustain financial reporting awards from independent organizations, which this Board views as a floor, not a ceiling, for the level of financial transparency needed by this District. The District will examine and update its financial reporting schedule and information provided to the Board and public to reflect the key performance metrics.
6. The District will ask for support from the community to change bill payment methods to move away from expensive options like credit cards, to efficient methods like direct pay.
7. Move to multi-year budgets as soon as possible, i.e.: three years detail; 5 years total, and accelerating completion of the fiscal year-end annual report, to improve timeliness and a better ability to monitor results and change course if necessary.

Supplemental Financing

In addition to searching for new revenue sources, District staff will also investigate grants and state funds (e.g., Prop 1). Supplemental resources leverage District resources, and thus protects the District from even greater rate increases. The District will determine proper funding and assistance necessary to support an organized effort to seek out and secure these funds.

3.0 Infrastructure

Overview

This section focuses on new and replacement infrastructure; not maintaining the infrastructure the District already has in place. That will be covered in the next section (Operations).

Historically, infrastructure replacement has been given a lower funding priority. In addition, this Board finds that the SLVWD community has not had sufficient information regarding the state of the District's infrastructure and, more importantly, the cost of replacing that infrastructure over time. This Board will ensure that information is available.

Goals

To that end, the Board establishes nine Infrastructure strategic goals:

1. As rapidly as possible, develop a comprehensive inventory of the District's infrastructure populated with information as determined by the engineering staff and engineering committee (the metadata), with a particular emphasis on fire suppression facilities. This information will vary by infrastructure type (e.g., tanks, pipe, pumps, treatment plant, etc.). However, at a minimum, the inventory will identify the specific inventory item, its age, its design life, its estimated replacement cost in current dollars, its general condition (from the Field Operations staff), customers served, above/below ground, etc.
2. Invest at least 2% - 2.5% per year in infrastructure replacement based on the inventory and to do the engineering work necessary to prepare the projects for construction¹.
3. Working with the Field Operations team, geocode all field activities and repairs, and include other metadata that could be useful for infrastructure improvement decisions (e.g., size of leak, customers served, etc.)
4. Staff the engineering team so as to be able to perform a substantial portion of work in-house, using consultants for only specialized tasks and functions.
5. To support the Board's policy of directing as much of our resources as possible to infrastructure replacement, engineering department tasks which would otherwise drain engineering resources must be minimized or otherwise funded to be self-supporting.
6. All new projects will be assessed for improvements to fire suppression capabilities. For example, to improve fire suppression in residential neighborhoods, the District needs to upgrade its 2-, 3- and 4- inch pipe (about 50% of our installed base of pipe and a majority of our residential service lines) to a minimum of 6 inches, or as determined by design.
7. To support a "catch-up" program to counteract decades of infrastructure neglect, the District will increase its debt while ensuring a conservative debt coverage ratio as determined by District revenues.
8. Review the District's current storage tank and pressure zone design guidelines.
9. Complete the Lompico projects (identified in the merger agreement) as soon as possible.

¹ To keep up with replacement requirements, if we assume a current replacement cost of the District's infrastructure at \$150 million with an average design life of 50 years, this means that the District must spend \$3 million a year on replacing water infrastructure. This does not include "catch-up" funding needed due to deferred improvements.

4.0 Operations

Overview

The focus for this section is on maintaining the infrastructure the District already has in place.

Historically, infrastructure maintenance has had a lower priority. In fact, the 2016 Staffing Study stated:

"16. The District is currently not able to maintain an active preventative or predictive maintenance program for most aspects of its physical infrastructure. Based on interviews with operations and maintenance staff, the majority of all work is reactionary. This practice is not sustainable and may ultimately lead to larger catastrophic failure of critical systems impacting public health and safety."

This was a major reason for employee additions made in 2016 and 2017 in the Operations department.

Goals

To that end, the Board establishes five Operations strategic goals:

1. Sustain the ongoing effort to shift the emphasis of the Field Operations team to a proactive focus. To that end, establish and publish, as soon as possible, an ongoing maintenance program and schedule, including items for which maintenance has been deferred. The scope of the initial publication should be at least 15 years into the future with an ultimate goal of through the end of each asset's design life. Once established, execute that maintenance program.
2. Establish an ongoing meter replacement program, based on the meter's design life, along with an examination of the best way to implement that program given the impact of operational costs where most meters are read automatically. A key input into this program is an assessment of using meters past their design life.
3. Establish performance metrics for the Operations department that will augment and/or replace the current metrics in the Operations department monthly reports.
4. Execute a leak detection program at least every 3 years and more often if leak reports (meaning water produced minus water sold minus other internal uses) indicate a need to do so. For example, this will be the subject of one of the performance metric reports. Fixing leaks is important because it's one of the best tools, under District control, to conserve water and augment support for the re-introduction of coho and steelhead into the San Lorenzo river watershed.
5. Continue to monitor, and update as necessary, the laboratory and equipment requirements for water testing as mandated by other governmental agencies and continue the assessment about which tests should be done using SLVWD resources and which tests should be done by external companies, maximizing cost savings.

5.0 Water Stewardship

Background and Current State Policy

In order to ensure an abundance of water for future generations, particularly in light of California's periodic droughts, and given the technology available at that time, our ancestors built storage infrastructure like dams and reservoirs around the state. In Santa Cruz County, the Newell Creek Dam/Loch Lomond Reservoir (owned by the City of Santa Cruz), is the only example of this approach. Due to environmental and regulatory requirements, that approach is no longer possible. Instead, California's current approach appears to be:

1. With a "one size fits all" approach that doesn't take into account regional geography, water sources or climate conditions, requires persons living in California to use no more than 55 gallons of water per day (indoor use) declining to 50 gallons per day by 2030. By contrast, estimates from various groups indicate national average indoor water use per day of 60 – 80 gallons. (The District is in compliance with this requirement.)
2. Focus on replenishing groundwater resources so groundwater reservoirs can act as a substitute for above-ground reservoirs to help during drought years. One possible approach under consideration is to do this via "injection" wells where treated water generated during wet periods is forced, under pressure, back into the underground aquifers. Over time this builds up the groundwater reserves, which can be used during drought years. Treated water injected into the aquifer and later extracted must be treated again. (The District has not yet taken a position on this approach.)

Overview

The SLVWD is unique in two ways among Santa Cruz County water districts:

1. Our District generates about 50% of its water from surface sources and 50% from groundwater sources. Other districts are either all or mostly surface or ground—but not both.
2. About 50% of the water the District produces (and which customers use) already goes back into the aquifer via septic and leach fields.

In addition, the District recently concluded a multi-year, \$800,000+ watershed study which clearly demonstrated that the SLVWD's use of water does not have a measureable environmental impact on either water flow or temperature required for fish—meaning that our District is sustainably supporting the re-introduction of coho and steelhead into our watershed.

Finally, the SLVWD's sale of water is down 20% from 10 years ago (30% from five years ago), and the number of dwelling units inside the District's boundaries has only minimally increased in the last 10 years.

Therefore, these facts, combined with the fact that the District is already at or near the California water usage goals, means that the SLVWD is already supporting sustainability.

5.0 Water Stewardship

Goals

To that end, the Board establishes twelve water stewardship strategic goals:

1. As rapidly as possible, move to managing water resources in the SLVWD as a unified whole rather than as a collection of independent and separately managed resources.
2. Re-establish the use of Loch Lomond water, suspended in the late 1970s, to deliver about 14% of the District's current water consumption, either by treating raw water or purchasing treated water.
3. Resolve the status of the District's Fall Creek permit² as quickly as possible.
4. As available, acquire property, assets or infrastructure with water source potential and/or develop already owned—but unused—water sources.
5. Dispose of surplus and non-strategic property not directly involved in water generation or hosting water generation sources, storage, transport or offsets, and that have no potential to do so—with a goal of transferring selected properties to other entities whose primary focus (and funding) is environmental and habitat remediation and preservation.
6. In light of our District's demographic realities and historically good environmental stewardship, work with federal and state agencies to minimize and reduce the regulatory costs imposed on the District in order to direct as much money as possible to desperately needed infrastructure improvements.
7. Continue to cooperate with federal, state and local agencies and groups to find new ways to continue the current fish monitoring study, recognizing that a significant and fast way to increase water flow for fish is to replace aging and leaky infrastructure.
8. Upgrade and modernize the following reports as quickly as possible: Watershed Management Plan, Urban Water Management Plan, Integrated Pest Management Plan and complete the Blue Ribbon Commission report on broom control options compatible with existing District policy banning glyphosate.
9. Drive the District's participation in the Santa Margarita Groundwater Agency to a conclusion that represents the best interests of the District and its customers.
10. Maintain the District's current operational practices to minimize its output of greenhouse gases in an economically viable and responsible fashion, including energy efficiency, fuel efficiency, use of renewable energy generation (solar) and carbon sequestration made possible through the District's ownership of, or involvement with, resource lands.
11. Maintain water conservation awareness and education through information on the District's new website and ramp up activities as needed during drought years.
12. Update District policies to state that, going forward, the District will not accept ownership of, or responsibility for, any third-party project that has unfunded maintenance requirements, unless those maintenance requirements are either minimal or funded, and unless appropriate indemnification is in place.

² For a variable number of days each year (e.g., in CY2018, 57 days), depending on rainfall, the District, like all water entities before it, operates its Felton system in violation of a state permit. The District must do this to keep Felton residents supplied with water since other state regulatory requirements currently prohibit the importation of water into Felton from other parts of the District. With the City of Santa Cruz perfecting its water rights to the San Lorenzo River, this appears to be a great opportunity to address this issue since those two permits are related.

6.0 Civic Engagement

Overview

The Board believes that good civic engagement is the result of maximum transparency, which the Board defines as going well beyond the bare minimum requirements mandated by California law (i.e., Brown Act) or recommended by other groups like the Special District Leadership Foundation (SDLF) or the Government Finance Officers Association (GFOA).

Goals

To that end, the Board establishes seven Civic Engagement strategic goals:

1. Implement a new website, compliant with new California state regulations for public agencies, as soon as possible. The new website must retain the richness of documentation currently provided to the public while having a more modern and easier to navigate look-and-feel. It must also create new areas for each SLVWD department or initiative (e.g., (i) infrastructure construction and (ii) key financial information, with an emphasis on graphics). The website must also have a place for a District video library, which will include not only Board meeting videos but also videos showing District operations and people as well as selected and curated information from third-parties. And finally, the website must support the District's intention to aggressively migrate to lower-cost means of invoicing, receiving invoices and payment.
2. Emphasize electronic communication and engagement. Social media, especially when combined with more outreach to neighborhood groups, is lower cost and has greater reach than printed brochures, separate mailers and most other hardcopy information. Electronic outreach must provide opportunities for all SLVWD departments. Printed material may be used in conjunction with paper bills (e.g., a 6 month newsletter regarding District activities) and should be designed to reinforce overall District messaging.
3. Assign Board members to work with civic organizations and maintain community interaction via tabling, community chats, participation in community events (e.g., Felton Farmer's Market), outreach to civic groups and other agencies in our community and other meetings designed to promote visibility within the community.
4. Conduct periodic customer surveys about selected topics using web-based applications or cloud subscription (SaaS) services.
5. Implement the 2018 Grand Jury recommendations for outreach and training.
6. Using community resources and the Administration committee, develop a Communications Plan to implement these goals.
7. Introduce the use of new technologies (e.g., conference calling, live-streaming, etc.) to committees and Board meetings as soon as possible.

In addition, the District will continue its efforts to collect e-mail addresses to facilitate swift and low-cost communication with customers. In order to ramp up its efforts in social media and the new website, the Board may acquire professional assistance in this area.

7.0 Organization and Staffing

Overview

As identified in the District assessment (page 2), our District staff is one of our key strengths, and the District could not exist without its dedicated staff. Each water district in the state has its own unique challenges—but we believe that the SLVWD is unique in so many areas—and it is a testament to our staff’s dedication that water flows to our taps every day even with those challenges.

Goals

To that end, the Board establishes six Organization and Staffing strategic goals:

1. Continue to offer District staff a competitive compensation package commensurate with District size and community resources, recognizing that the SLVWD cannot compete with the far larger and wealthier cities “over the hill”, while simultaneously offering a unique work environment and quality of life not available in suburban environments elsewhere. The District will monitor compensation levels through publicly available resources (e.g., Transparent California)—and will maintain current information on them.
2. Resolve the issue of facilities in a manner that leverages existing assets, emerging technologies and workforce flexibility dynamics, while recognizing asset location vulnerability during disasters, in a fiscally responsible fashion. The Board reaffirms its opposition to the “campus project” (2014) and the more recent facilities plan (2017).
3. The Board recognizes that the field operations and administrative staff are the people that know best what is needed to do their jobs. The Board is committed to providing the training, tools and technology the District staff needs to do their jobs better, faster and with greater quality—demonstrating acceptable Return on Investment (ROI)—which is needed to fulfill the District’s mission.
4. The Board commits the District to leverage “cloud” applications, to the greatest extent possible, and to minimize its paper-based footprint as much as possible while providing more and better tools to the District staff. This includes mandating electronic generation at the point of document creation while retaining searchability. The District also commits to incorporating geographical-based information (GIS) technology in all of its activities to ensure quantitative decision-making in the future.
5. Recognizing that consultants and other temporary assistance plays a vital role in augmenting staff, particularly at a small district like SLVWD, the District will establish policies that balance speed, workload, skills, cost and transparency in the acquisition process.
6. Starting in FY2019-2020, conduct a staffing review every other year to ensure that staffing levels are optimized for District needs, priorities, funding and community resources, especially as more infrastructure projects get underway.

8.0 Bear Creek Estates Wastewater Facilities

Objective

The District will manage the Bear Creek Estates wastewater operation until a successful transition to a more appropriate solution is found and implemented, at which time the SLVWD will exit this line of business. The Bear Creek Estates residents have been more than patient. With the current system at the end of (if not beyond) its design life, it is imperative that the existing system be replaced as soon as possible with a more modern system. Specifically, this means first doing an assessment of possible solutions—which are well-known—including feasibility of each solution for the specific Bear Creek Estates location as well as generating cost estimates. We will then work with our Bear Creek Estates wastewater customers to find an appropriate means of financing the project.

The Board affirms its commitment to getting the feasibility study done as soon as possible, regardless of budget year considerations.

The District has been attempting to find another agency to take over the operation of this facility for years. In light of the lack of interest on the part of Santa Cruz County, or any other agency, it is imperative that the District and the Bear Creek Estates residents face the reality that a takeover by another agency is not likely to happen and to prepare for a different future.

The Board directs District staff to work on financing options and models concurrent with the engineering study. The goal is that when the final numbers come back for each feasible option, those numbers can be plugged into an already built model showing the Bear Creek Estates residents the future cost for a system replacement. Time is of the essence—parallel work is required.

In addition, the Board asks District staff to vigorously seek and identify possible sources of grant or other funding which will reduce the impact to the residents for the replacement of the system. The Board asks District staff to reach out to other wastewater agencies and any other resources to see if they can assist in this effort.

San Lorenzo Valley
Water District

2016 Strategic Plan
Approved 12/01/2016

Mission Statement

Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watershed; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Introduction

Acknowledgements

This Strategic Plan is a collaborative effort involving many individuals; Directors, public, staff and consultants. A most prominent "Thank You" goes out from the District to Mr. Brent Ives, BHI Consulting. Mr. Ives provided key guidance during the creation of the 2015 Strategic Plan, the strong foundation of our District's future efforts.

What is a Strategic Plan?

A Strategic Plan is the top level-planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a rolling five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District intends to accomplish by selecting a rational and balanced course of action. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern all aimed toward forecasting an optimized future condition. A large part of its intended use is to clarify the future for the Board, Staff, and the public.

The District has made a conscientious decision to actively review and adjust its Strategic Plan on a yearly basis. Each year the Board of Directors will review and update the Strategic Plan, where new items may be added and prioritized, and completed work will be acknowledged and archived, and items may be removed or re-prioritized. The District recognizes that there are many plans and projects that will require more than five years to accomplish.

The District is committed to conducting the work of prioritizing, planning and implementing Strategic Plan projects in an inclusive and transparent manner. We welcome and encourage input from the entire San Lorenzo Valley Water District community.

This document will introduce each important strategic goal, actions and initiatives in each of the strategic elements.

Introduction

Strategic Elements

Strategic Elements represent the vital areas of the District's operation and management. Thorough analysis of each area assures that implementation fully supports the Mission and Vision in a comprehensive way, properly covering the District in all areas. As such, Strategic Elements are supportive of the foundational Mission and Vision statements of the District.

The Strategic Elements are as follows:

1. Water Management
2. Watershed Stewardship
3. Capital Facilities
4. Wastewater Management
5. Fiscal Planning
6. Public Affairs
7. Strategic Partners
8. Organizational Health/Personnel
9. Administrative Management

Introduction

Board Vision Statement

The San Lorenzo Valley Water District has committed to the following courses of action:

Every December 31 we will have:

- Completed a review of our 5-year Capital Improvement Program.
- Successfully connected with our communities.
- Cooperated with other agencies.
- Remained successful in watershed stewardship.

By December 31, 2016, we will have:

- Achieved water conservation levels such that we are in the top 10% of California Water Districts for conservation as a percentage of 2013 consumption levels,
- A Staffing Plan that will achieve appropriate service and maintenance levels by 2020.
- A Capital Improvement Program that is flexible and achievable, detailing projects and milestones.
- Successfully implemented a Water Audit and Loss Control Program reducing water loss through leakage

By December 31, 2017, we will have:

- A balanced budget that reflects Mission needs,
- A rate study of our wastewater system and a plan to fully fund required operations and maintenance. or we have transferred our wastewater responsibilities to another agency or JPA.

By December 31, 2018, we will have:

- We have completed the Probation Tank Replacement Project,

By December 31, 2019, we will have:

- Reduced our carbon footprint as well as maintained our commitment to compliance with AB-32.

By December 31, 2020, we will have:

- Completing environmental review, design, finance planning and construction-ready plans for utilizing Loch Lomond water.
- Adequate staffing at all levels as defined by the 2016 Staffing Plan.
- A redundant Quail Hollow Well Project. Accomplishments

In 2015 we:

- Achieved a yearly 24.9% reduction in water consumption compared to 2013 levels, placing SLVWD above the 90th percentile for state water district's conservation efforts in 2015.
- Reviewed our Capital Improvement Program, establishing prioritization of planned projects
- Reviewed and Re-Codified Ordinance 8 into four documents:

Introduction

- Rules and Regulations
- Policies and Procedures
- Schedule of Rates and Charges
- Definitions
- Successfully connected with our communities through public budget meetings, CIP public meetings, workshops and symposiums, Facebook and Newsletter postings, and a variety of published opinion pieces and guest articles in local papers.
- Cooperated with other agencies through joint meetings with Scotts Valley Water District, collaborative efforts with the Fall Watershed Symposium, among others.
- Successfully implemented a water audit and loss control program, reducing our water loss through leakage by 60,000 gallons

In 2016 we:

- Completed the North-South Intertie Project.

1.0 Water Supply Management

Objective

To ensure water supplies of high quality and quantities are available for existing and future customers. We will do this by responsibly managing all water and watershed resources under the District's control, developing a diversified water supply, and by collaborating with and/or influencing agencies that have an impact on the quantity and quality of current and supplemental water supplies available to the District.

5-Year Strategic Goals:

- 1.1 North - South Intertie
- 1.2 Redundant Quail Hollow Well
- 1.3 Loch Lomond Water
- 1.4 Water Audit and Loss Control Program
- 1.5 Felton Infrastructure and Source Water

1.0 Water Supply Management

1.1 North/South Intertie

Currently, the District is comprised of three totally independent water systems: the Northern Distribution System located in the San Lorenzo Valley (Boulder Creek, Brookdale, Ben Lomond, Lompico and Zayante), the Southern Distribution System located in the Scotts Valley area, and the Felton System located in Felton. These three independent water supply and distribution systems are interconnected through intertie pump stations. Currently, the pump stations are available for emergencies only. Free interconnection of the systems would allow for increased reliability and allow the South Distribution System to utilize surplus surface water from the Northern Distribution System during the winter months of normal rainfall years, managing the District's groundwater aquifers through conjunctive-use

Within five years, the District will undertake a CEQA review to utilize the North/South Intertie for enhanced water resource management activities such as the utilization of surface water as a water supply source in the Southern Distribution System for in-lieu groundwater aquifer recharge.

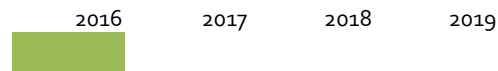
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2018

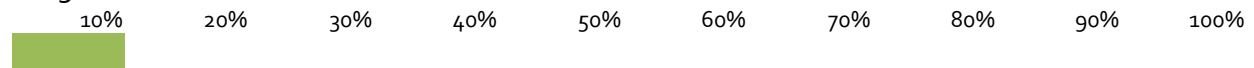
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/07/2016 – District staff is preparing budget costs for inclusion in the 16/17 budget year. District staff is analyzing water budgets for each of the three water systems to develop conceptual conjunctive use water transfer quantities.

Summer 2016 – District staff submitted a grant application, in conjunction with the County of Santa Cruz, to conduct appropriate CEQA Study required to lift 'emergency' restriction from intertie use.

1.2 Redundant Quail Hollow Well

The District always strives to properly manage the groundwater aquifers from which it draws. The District operates and maintains two (2) groundwater wells in the Quail Hollow area (Quail Hollow Well No. 4A and Quail Hollow Well No. 5A) of the District's Northern Distribution System. It is assumed that all work activities associated with the Quail Hollow Redundant Well

1.0 Water Supply Management

Project would be funded as a budgeted capital outlay project in a future District Annual Budget. At this time, this project is assumed to be a "pay-as-you go" project funded by ongoing revenues received from District water sales and other fees and charges. It is estimated that it would take approximately 36 months to complete the proposed Quail Well Project (Design, CEQA, Permitting, and Construction).

SCHEDULED START YEAR: 2017

EST. COMPLETION YEAR: 2020

START DATE:

COMPLETION DATE:

Schedule:

2017 2018 2019 2020

Progress:

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

STATUS:

Not Started

1.0 Water Supply Management

1.3 Loch Lomond Water

The District has an historical contractual allocation to purchase up to 313 acre-feet per year of raw water from Loch Lomond Reservoir, which is owned and operated by the City of Santa Cruz. The District has not utilized Loch Lomond as a source of supply since the late 1970's. A number of project alternatives and accompanying steps exist to revitalize this source of water supply.

Within the scope of this five-year plan, the District anticipates starting the project with steps such as environmental review, design, finance planning and completion of construction ready plans.

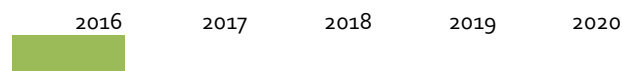
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

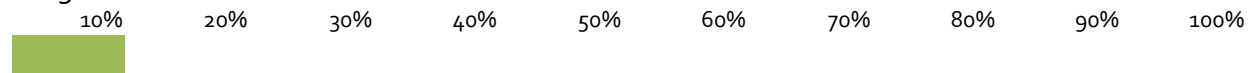
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/09/2016 - District staff is preparing budget costs for inclusion in the 16/17 budget year. District staff is analyzing water budgets for each of the three water systems to develop conceptual conjunctive use water transfer quantities.

Fall 2016 – District staff is engaged in discussions with the City of Santa Cruz, Scotts Valley Water District and Soquel Creek Water District to discuss local projects viewed through a regional lens. District's use of Loch Lomond water is a part of the discussions.

1.0 Water Supply Management

1.4 Water Audit and Loss Control Program

To provide water service to customers the District conveys water through approximately 150 miles of various sizes and ages of water mains. Water loss through mainline leakage can be as high as 20 percent of total water production in an older distribution system such as the District's. To ensure that the District is using its water supplies efficiently, the District will implement a Water Audit and Loss Control program over the next five years that will, conduct a water audit to assess the efficiency of the water distribution system, perform leak detection, identify leaks throughout the distribution system and facilitate repairs, control apparent losses in metering and billing to recover missed revenues and develop approaches for short-term and long-term goal setting for the loss control program.

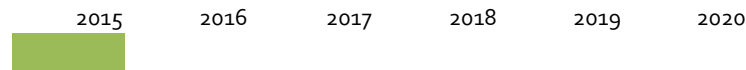
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

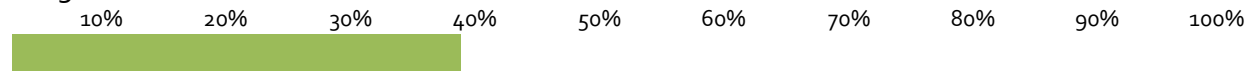
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/09/2016 – District conducted first round of leak detection in 2015. District inspected 150 miles of pipeline and repaired 59 previously unknown leaks totaling an estimated 111 gpm (58 MGY). Staff is anticipating a second round of leak detection in the 2017-18 budget year.

1.0 Water Supply Management

1.5 Felton Infrastructure and Source Water

For customers within the Felton Service Area the District conveys water through approximately 24 miles of various sizes and ages of water pipe and appurtenant facilities, including three stream/spring diversions and one potable water treatment plan.

The infrastructure and three water sources for the Felton Service area are constrained and restricted due to age and deferred maintenance.

Within the next five years, the District would like to develop an Infrastructure Master Plan for the Felton Service Area that addresses replacement of infrastructure that has reached the end of its useful life.

Within the next five years, the District would like to develop a Source Water Master Plan that provides clear goals and objectives to ensure safe and reliable sources of water for the Felton Service Area.

SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

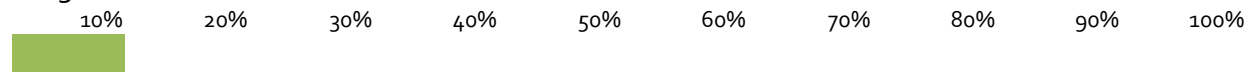
START DATE: 2016

COMPLETION DATE:

Schedule:

2016 2017 2018 2019 2020

Progress:



STATUS:

03/09/2016 – District staff is preparing budget costs for inclusion in the 16/17 budget year.

2.0 Watershed Stewardship

Objective:

To manage and protect the environmental health of the local aquifers and watersheds.

Summary of 5-year strategic goals:

- 2.1 Watershed Management Plan
- 2.2 Environmental Review of Impacts to San Lorenzo River Watershed
- 2.3 Climate Action Plan
- 2.4 Education Program

2.0 Watershed Stewardship

2.1 Watershed Management Plan

In 2006, the District began to prepare an update to the existing Watershed Management Plan from 1985 including changes in the districts land ownership and service area, changes in watershed conditions, advances in watershed science, and changes in regulatory requirements. Over the next five years, staff will evaluate and identify data gaps and complete the districts Watershed Management Plan.

SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

START DATE: 2016

COMPLETION DATE:

Schedule:

2016 2017 2018 2019 2020

Progress:

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

STATUS: Not yet started

2.0 Watershed Stewardship

2.2 Environmental Review of Potential Impacts to the San Lorenzo River Watershed

Human-induced disturbances in the San Lorenzo River Watershed have altered hydrologic processes by increasing the magnitude and frequency of peak discharges and reducing summer base flows. Urban and rural development is a major source of erosion and sedimentation. Many current and historic human-induced impacts in the San Lorenzo River watershed cause or exacerbate erosion and sedimentation. These impacts to the San Lorenzo River watershed directly impact the San Lorenzo Valley Water District and its community. The District has a long history of watershed stewardship, providing environmental review and comments to proposed projects and plans, which impact the watershed. In the next five years, the District will continue to conduct environmental review on timber harvest, and development projects that impact the District's water sources and the San Lorenzo River Watershed.

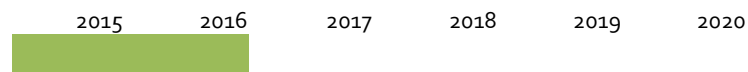
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

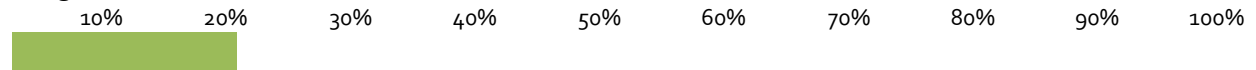
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District has actively engaged in public discussions regarding the Mount Herman Activity Park and the County Cannabis Cultivation Ordinance creation.

2.0 Watershed Stewardship

2.3 Climate Action Plan

In 2008, the District Board approved a climate change resolution committing itself to meeting greenhouse gas emissions to AB32 standards. In addition, the resolution committed the District to addressing potential impacts of climate change in all of its planning documents.

In addition to maintaining the District's participation in the Climate Action Registry through regular emissions inventory reporting, the District will include consideration of additional climate change mitigation and adaptation measures in its ongoing operations, including such actions as: energy efficiency, fuel efficiency, encouraging water conservation, use or purchase of renewable energy generation, carbon sequestration, ongoing watershed stewardship and improved water supply resiliency.

Within five years, the District will have: evaluated the potential for and economic viability of additional renewable energy generation on District property, evaluated the potential costs and benefits of becoming 'carbon neutral' or 'carbon free' and if feasible, bringing forward a proposal to reach that goal. Within five years, the District will have consulted with local and state experts on climate change impacts and will have incorporated appropriate adaptation considerations into our Watershed Management Plans.

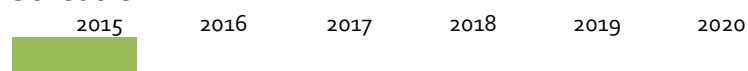
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

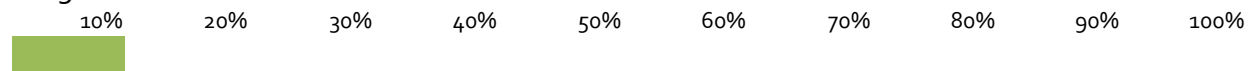
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District has begun reviewing alternative energy for the Bull/Bennett Pipeline.

2.4 Education Program

To protect the District's water resources over the long term, it is important to raise awareness of water conservation, and watershed protection and stewardship among residents of and visitors to the San Lorenzo Valley River watershed. The mission of the District's Education Program is to provide funding for educational and other projects that enhance the understanding of the San Lorenzo River watershed or improve the watershed's environmental

2.0 Watershed Stewardship

health. Over the next five years, the District will continue to implement both of the education grant programs: the “classic” program and the “data gaps” program, refining them as necessary. Additionally, the District and its Mission has a fascinating history, one that is relevant to today and the future. As such, it is important to share that story.

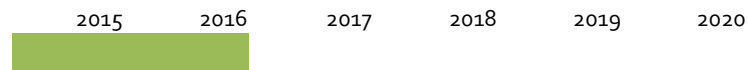
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

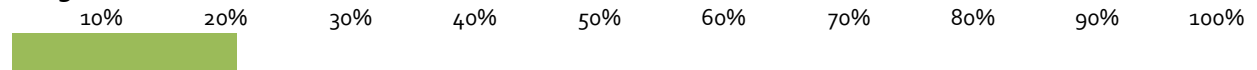
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

3.0 Capital Facilities

Objective:

Properly managing our infrastructure through appropriate maintenance, yearly system condition review and assessment and timely replacement of facilities that have reached or exceeded the end of their service life.

Summary of 5-Year Strategic Goals:

3.1 Capital Improvement Program

3.0 Capital Facilities

3.1 Capital Improvement Program

The District has an ongoing Capital Improvement Program. The project planning and development process of the Capital Improvement Program was established to provide an orderly procedure for the identification, evaluation and prioritization of current and future capital needs of the San Lorenzo Valley Water District. The Capital Improvement Program has been utilized to guide the District's long and short-range planning process by matching identified needs, desired priorities and major capital expenditures. The 2010 Capital Improvement Program lists \$27,455,000 dollars of needed improvements. Over the next five years The 2010 Capital Improvement Program will be updated and progress will be published on the District's website describing the schedules for individual projects by activity, processing time frame and estimated costs for each of the on the projects that are anticipated to be completed over the five years.

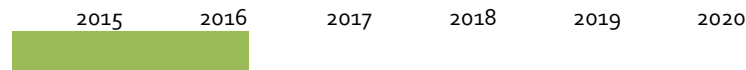
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

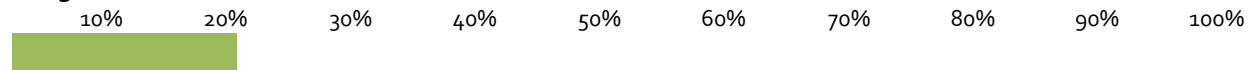
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District published a ten year Capital Improvement Plan, including project descriptions and individual project budgets.

4.0 Wastewater Management

Objective:

Properly managing our wastewater operation until the successful transition to a more appropriate entity is achieved. We will work with our wastewater customers and potential successor entities to find a beneficial solution.

Summary of 5-Year Strategic Goals:

4.1 Bear Creek Wastewater Collection and Treatment System

4.0 Wastewater Management

4.1 Bear Creek Wastewater Collection and Treatment System

The District currently owns and operates the Bear Creek Estates Wastewater System, which provides wastewater collection and treatment service to approximately 54 single-family residences. The District desires to transfer ownership and operation of the wastewater system to a more appropriate agency, such as the County of Santa Cruz, which could operate the system more efficiently. The District will continue to seek resolution of this matter with the County. In the next five years, specific steps toward this goal could include: conducting a rate-study that will establish operational and capital needs of the wastewater system, conduct a 218 rate increase process that will set rates appropriate to the operational and capital needs of the system, establishing a community dialog with Bear Creek Estates residents, meeting with County representatives on a regular basis to discuss and move this idea forward, and collaboratively establishing a plan with a schedule and key milestones.

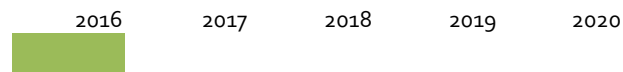
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

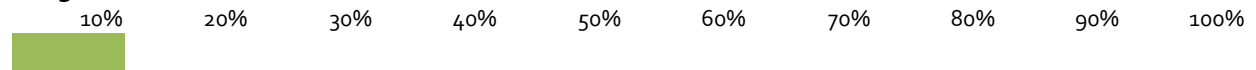
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District is completing a wastewater cost-of-service study.

5.0 Fiscal Planning

Objective:

To ensure the short and long-term fiscal vitality of the District. The District will forecast and plan income, reserves and expenditures and provide financial resources sufficient to fund on-going operations and the capital improvement program (CIP).

Summary of 5-Year Strategic Goals:

- 5.1 Fiscal Plan for Support of Strategy
- 5.2 Funding Infrastructure Replacement
- 5.3 Provide Support for Applying for and Securing Grants
- 5.4 Obtain the Comprehensive Annual Financial Report (CAFR) Award
- 5.5 Annual Review of the Reserve Fund Policy
- 5.6 Fiscal Transparency

5.0 Fiscal Planning

5.1 Fiscal Plan for support of Strategy

The District will continue to prepare and adopt annual balanced budgets, which reflect the mission of the District. The maintenance of this Strategic Plan will be integrated into the annual budgeting process. Additionally, it is anticipated that those goals, actions and/or initiatives outlined within this Plan will be reviewed and considered for funding as each annual budget is developed.

The District will conduct a multi-year rate study that will take into consideration as a minimum: continued fiscal impact of the drought, projected operational and staffing needs, conservation incentives, fixed rates vs. commodity rates, capital funding needs, and reserves.

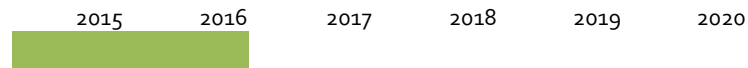
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

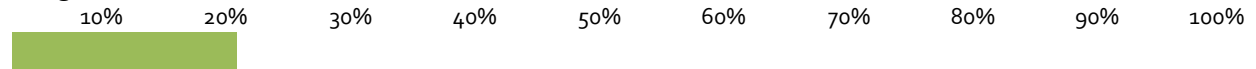
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District is completing a cost-of-service study.

5.0 Fiscal Planning

5.2 Funding Infrastructure Replacement

The District's ongoing fiscal planning activities will include periodic comprehensive analysis of the infrastructure needs of the District. These are generally outlined in the Capital Improvement Program (CIP). Each year during the budget development process, the capital improvement needs will be considered for inclusion within the upcoming budget for either full or incremental funding.

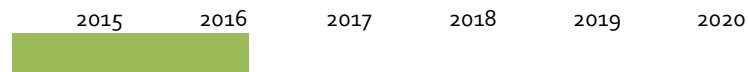
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

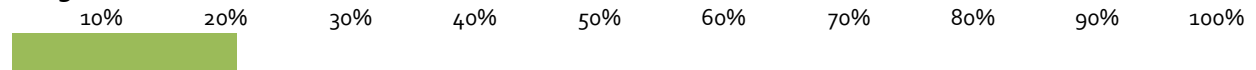
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – CIP projects were included in District's budget for the next fiscal year. District applied for two State Revolving Fund loans; one for Probation Tank Replacement project and one for Swim Tank Replacement project.

5.0 Fiscal Planning

5.3 Provide Fiscal Support for Applying for and Securing Grants

Securing grants for various projects within the District is a best practice and leverages District monies, and thus protects rates. The District will determine proper funding and assistance necessary to support an organized effort to seek out and secure grants as project specific revenues for the District.

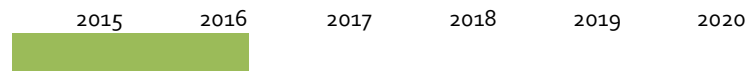
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

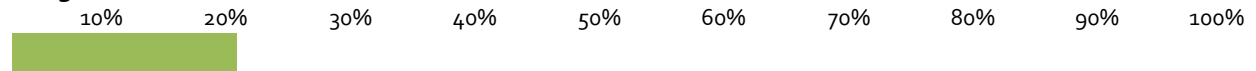
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District applied for two grants; one to conduct CEQA process to remove 'emergency' requirements for use of interties, one for the cost of the Fall Creek Fish Ladder project. Staff anticipates an answer in November 2016.

5.0 Fiscal Planning

5.4 Obtain the Comprehensive Annual Financial Report (CAFR) Award

A Comprehensive Annual Financial Report is a set of financial statements comprising the financial report of the District that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The CAFR may be considered a more thorough review of the District yearly budget. The Government Finance Officers Association (GFAO) provides a CAFR Award, which is the highest form of recognition in the area of governmental accounting and financial reporting. The District's CAFR is evaluated and judged by an impartial panel of the GFOA to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story to its users. Within the next five years, the District will earn the CAFR Award.

SCHEDULED START YEAR: 2017

EST. COMPLETION YEAR: 2017

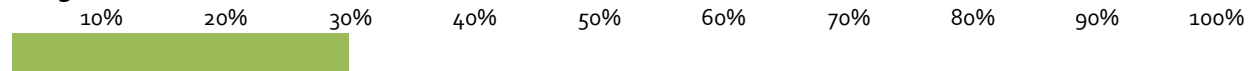
START DATE: 2016

COMPLETION DATE:

Schedule:

2017

Progress:



STATUS: Not started yet.

5.0 Fiscal Planning

5.5 Annual Review of the Reserve Fund Policy

Adequate reserves for the District operations ensure that customers experience both stable rates for service and the security that the District can respond to emergencies, especially regarding water and wastewater quality issues. Adequate reserves ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations, together with future debt or capital obligations, as well as any unfunded mandates, including costly regulatory requirements. The Reserve Fund Policy should be developed to clearly identify specific designated reserve funds, to clearly identify both reserve fund categories and purposes, and set target levels for reserves that are consistent with the District's mission statement, the uniqueness of the District, and the philosophy of the District's Board.

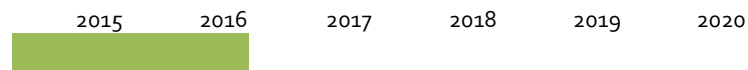
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

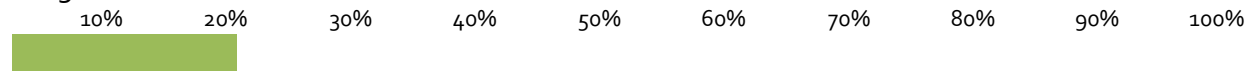
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District reviewed and updated its Reserve Fund Policy.

5.0 Fiscal Planning

5.6 Fiscal Transparency

Fiscal transparency is a bulwark ensuring appropriate governing and managing of a public agency. Ratepayers have a right to review the financial transactions of the District. Within the next five years, the District will adopt a Policy detailing the steps and actions the District will undertake to ensure fiscal transparency is available to the ratepayers.

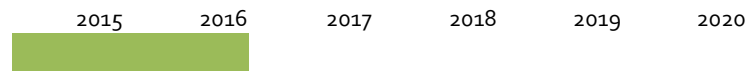
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

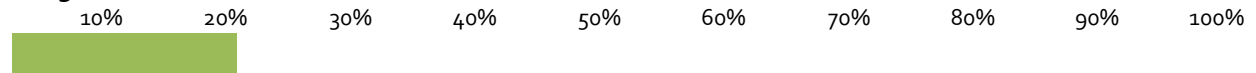
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS: Not started yet.

6.0 Public Affairs

Objective:

To show solid planning, long-range outlook and overall value to our customers. We will do this by being completely transparent and open in our business and decisions. We will identify and employ effective ways to receive input, educate and inform the public and proactively engage with a variety of local media outlets.

Summary of 5-Year Strategic Goals:

- 6.1 Survey Stakeholder Expectations and Understanding of District Issues
- 6.2 Increase Civic Understanding and Engagement
- 6.3 Technology Plan
- 6.4 SDLF Certificate of Transparency

6.0 Public Affairs

6.1 Survey Stakeholder Expectations and Understanding of District Issues

It is important to gauge stakeholder perceptions of the District on a regular basis, to determine how and if perceptions are changing, to improve our service and/or communications and to identify areas where our message is not getting through clearly. Every five years the District will conduct a customer survey such as it did in 2010 to determine what areas of information our customers were interested in and how they would like to receive the information and ask how we might be able to best serve them.

SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2015 – District conducted on-line/mail-in poll.

6.0 Public Affairs

6.2 Increase Civic Understanding and Engagement

It is critical that the public, especially our ratepayers, understand the issues that public water agencies face on both the global and local scale. Starting a conversation with ratepayers is a good way to engage them in understanding and solving problems. The Public Relations committee is intended to accomplish this. The Board of Directors for implementation will consider the outcome and advice of this committee.

Starting in fiscal 2015/16 the District will conduct a 'State-of-the-District' town hall meeting, presenting to the ratepayers in a concise and engaging manor the current issues impacting the District.

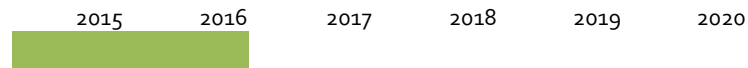
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

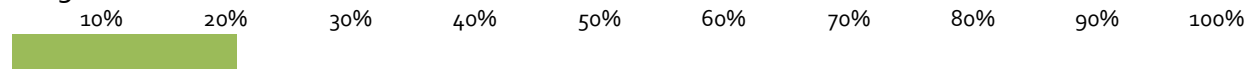
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2015 – District conducted a State-of-the-District meeting in October.

6.0 Public Affairs

6.3 Technology Plan

The District will prepare a Technology Plan that will outline procedures and policies the District will use to continue managing and refining its website (including such features as a calendar function, search capability, and providing more documentation and information resources) and its internet presence (such as Facebook, Twitter, etc.) to facilitate transparency, availability of information, open communications channels and providing useful information to District residents. Additionally, the Technology Plan will incorporate a replacement schedule to keep the District's electronic equipment (office computers, SCADA equipment, and radios) up to date.

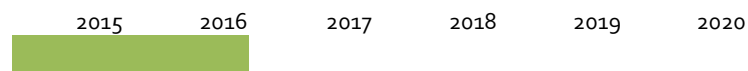
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

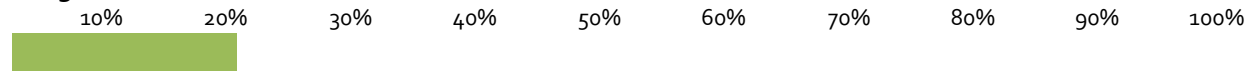
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: Not yet started.

6.0 Public Affairs

6.4 SDLF Certificate of Transparency

Within the next five years, the District will obtain the Special District Leadership Foundation 'Certificate of Transparency' as a way to help ensure the public that the District is functioning in as transparent a manner as possible.

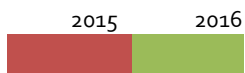
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2015

START DATE: 2015

COMPLETION DATE: 2016

Schedule:



Progress:



STATUS:

June 16, 2016 – District received the SDLF Certificate of Transparency in June 2016.

7.0 Strategic Partners

Objectives:

To foster beneficial relationships with strategic partners to accomplish the goals of the District. We will do this by embracing strategic ties with other organizations, the legislature and agencies, working closely with regulators and participating in professional associations.

Summary of 5-Year Strategic Goals:

- 7.1 Develop Strategic Partnerships with Other Agencies
- 7.2 Through Active Participation, Establish Strong Ties with Regional Planning Groups
- 7.3 Work with Neighboring Agencies and Impacted Private Well Owners to develop a Groundwater Sustainability Agency (GSA)

7.0 Strategic Partners

7.1 Develop Strategic Partnerships with Other agencies

The San Lorenzo River Watershed is a shared resource. Various public agencies oversee how the resource is managed. As such, partnerships and our relations with these other agencies are important. The District will cultivate supportive and positive relationships with other agencies that may impact the District's operations and watershed stewardship efforts.

The Board President and District Manager will meet on a semi-regular basis with representatives from local agencies (including Scotts Valley, City of Santa Cruz, and County of Santa Cruz) to discuss topics of regional concern.

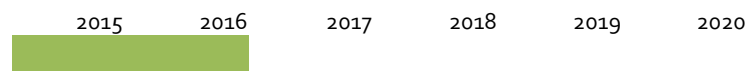
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

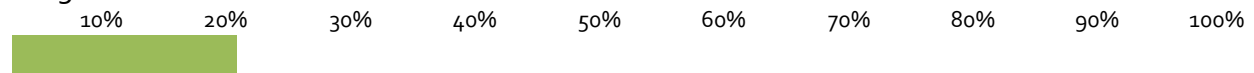
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District has engaged in regional discussion with representatives from local agencies to discuss topics of regional concern. District has jointly applied with the County on two grant applications. District has met with SVWD and City of Santa Cruz to discuss rate-setting process.

7.0 Strategic Partners

7.2 Through Active Participation, Establish Strong Ties with Regional Planning Groups

The District shares the water challenges and opportunities with other public agencies in the region and beyond. This makes the need for positive relations with regional planning groups important to the District. We will proactively seek to play an active role in such activities. Within the next five years the District will join and actively participate in various regional organizations or groups that meet on a semi-regular basis to discuss water related issues and topics of concern to the District.

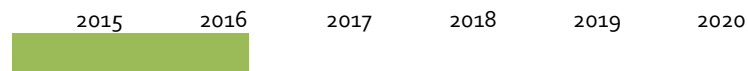
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

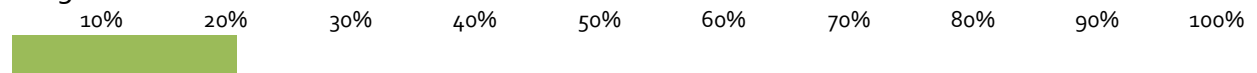
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

7.0 Strategic Partners

7.3 Work with Neighboring Agencies and Impacted Private Well Owners to develop a Groundwater Sustainability Agency (GSA)

The District shares responsibility for managing the Santa Margarita Groundwater Basin with the County of Santa Cruz, the Scotts Valley Water District and private well owners within the Santa Margarita Groundwater Basin (SMGB). Since the State adoption of the Sustainable Groundwater Management Act (SGMA), the District has started work with our neighbors on developing a Groundwater Sustainability Agency (GSA).

The State defines a GSA as, "One or more local agencies that implement the provisions of SGMA."

The first step in developing a GSA occurred when the District partnered with the County and Scotts Valley Water District to submit a request to the State of California to redefine the boundaries of the SMGB. Prior to our request, the State did not recognize SMGB as a medium or high priority basin due to what we believe are clerical errors in the State's defined boundary for the SMGB.

Further accelerated coordination between the District and our partners will be required if the State accepts our request to redefine the SMGB boundaries and adopts the SMGB as a medium priority basin. The formation of a GSA for State identified medium-priority basins is required by June 20, 2017.

Within the next year and a half the District would like to finalize the formation of a GSA with our neighboring agencies and private well owners within the Santa Margarita Groundwater Basin.

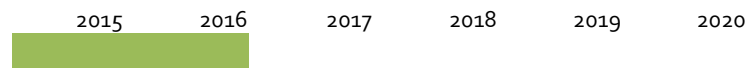
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

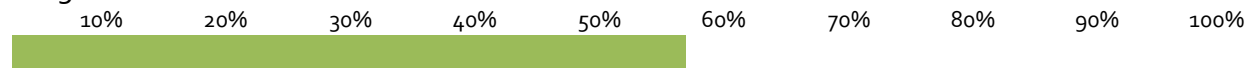
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

8.0 Organizational Health/ Personnel

Objectives:

To employ and retain a high quality motivated workforce. We will do this by utilizing sound policies and personnel practices, offering competitive compensation and benefits, providing opportunities for training, development and professional growth, while ensuring a safe and secure workplace.

Summary of Strategic Goals:

8.1 Staffing Plan

8.2 Compensation and Benefits Benchmarking

8.3 FLSA Audit

8.0 Organizational Health/ Personnel

8.1 Staffing Plan

As the District grows and considers taking on a larger role in water stewardship within the Valley, staffing will need to be thoroughly considered and factored into the budgeting process. Management will assess the staffing needs of the District annually during the budget development process and as the need presents itself.

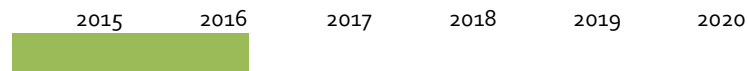
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

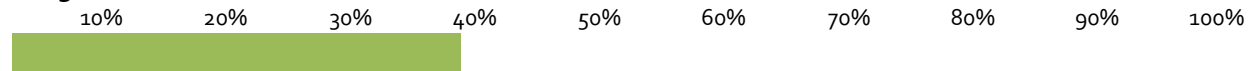
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – Proposed staffing plan has been completed.

8.0 Organizational Health/ Personnel

8.2 Compensation and Benefits Benchmarking

Proper consideration for the total compensation for District employees is an important aspect of being effective and efficient with the public funds. The District will perform a comprehensive salary and benefits study to assure a proper baseline of compensation for District employees. It is anticipated that this study will be conducted by a qualified consulting firm.

SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2017

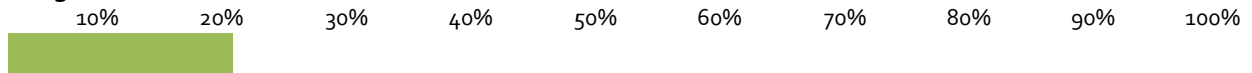
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: Not yet started.

8.0 Organizational Health/ Personnel

8.3 FLSA Audit

Every five years the District will conduct a Fair Labor Standards Act Audit to ensure that the District is remaining compliant with FLSA rules and regulations.

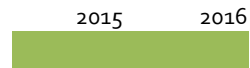
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2016

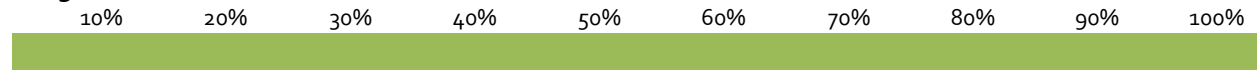
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – Staff, working in conjunction with Paychex (our payroll and HR consultant), conducted an internal FLSA Audit. Determination was that only one position (Board Secretary) was incorrectly assigned per FLSA rules and regulations.

9.0 Administrative Management

Objectives:

Our objective is to create, maintain and implement policies and procedures to ensure sound and efficient management of the District. We will conduct periodic review, refine and implement policies and procedures to ensure that the District Manager and Board have the tools necessary for successfully carrying out the Mission of the District.

Summary of Strategic Goals:

- 9.1 Update Ordinance 8
- 9.2 Board Development
- 9.3 Review Strategic Plan on an Annual Schedule

9.0 Administrative Management

9.1 Update Ordinance 8

Ordinance 8 is the primary source of the District's rules and regulations. Ordinance 8, originally adopted in 1970, has been amended and augmented on numerous occasions by various ordinances and resolutions since the date of adoption. The District will update Ordinance 8, either through a comprehensive review, rewrite and codification or by 'starting fresh', in order to ensure consistency and clear communication between District Board and staff and our customers. Due to the scope and breadth of this project, the District may engage an outside firm to assist with this effort.

SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2018

START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – Ord 8 was repealed and replaced with four new documents; Rules and Regulations, Policies and Procedures, Standard Rates and Charges and Definitions. District has begun the process of review and updating individual components of these four documents.

9.0 Administrative Management

9.2 Board Development

It is a best practice of Boards to address their own development and to adopt best practices in their public role. As such, the Board will adopt clear training and orientation methods each year and plan an annualized calendar for Board development and for individual Board members. The Board will also consider and improve its Board Policies and Procedures Manual.

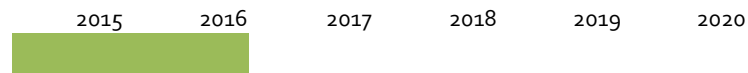
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

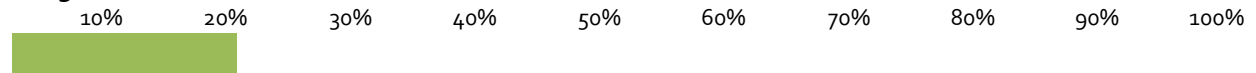
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

9.0 Administrative Management

9.3 Review Strategic Plan on an Annual Schedule.

To properly demonstrate commitment of the District in meeting its mission and vision, we will update this strategic plan annually, usually in February of each year.

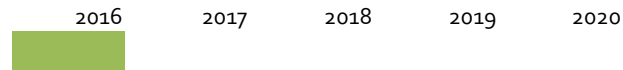
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

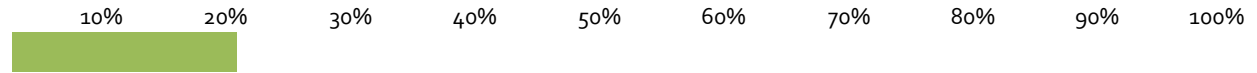
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



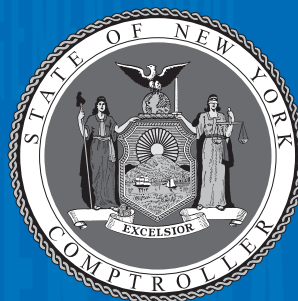
STATUS:



DIVISION OF
LOCAL GOVERNMENT AND SCHOOL ACCOUNTABILITY

LOCAL GOVERNMENT MANAGEMENT GUIDE

STRATEGIC PLANNING



Thomas P. DiNapoli

Strategic Planning

Introduction

You're probably a strategic planning veteran and don't even know it. Think about it: family vacations, retirement funds, sending your children or yourself to college, these are all examples of events that required some degree of long-term planning. And that's exactly the essence of strategic planning: a long-term, usually multi-year, roadmap comprised of a set of goals and objectives that help you successfully move forward from where you are now to where you want to be.

A strategic plan is founded on a vision and continues long after the initial groundwork is set. It's a common sense tool that sets a clear path for the future, while also allowing for your vision to mature and change as time passes.

Strategic planning is also a preventative measure designed to assist you in achieving maximum effectiveness and equity before a program or department reaches crisis level. Or, in management terms, strategic planning is "proactive," instead of "reactive." Semantics aside, strategic planning translates into good, common sense.

You may be following all the principals but not formalizing your plans in a structured format for all to see and follow. By formalizing a plan and having input from the participants and stakeholders, you are more apt to get buy in from all concerned. In this manner, a strategic plan is more apt to be successful. To help you and your municipality better understand the mechanics of strategic planning, we offer a fictional account of a municipality involved in the strategic planning process on pages 3-6. We take you through each phase of the strategic plan and explain why certain choices were made and what steps the planners should take at various points along the way. It is our goal, that after reading the sample strategic plans, you will realize that applying the strategic planning process to your particular municipal project will assist in its successful completion.

With these in mind, it's time to take your strategic planning expertise to your locality.

Overview

Strategic planning is more than just good business, it's good practice. If done correctly, it has the power to transform today's visions into tomorrow's realities. But what exactly is it? Strategic planning helps your local government realize its long-term vision by setting up goals and objectives in a systematic, incremental manner. Simply put, it makes you take a look at what's going on today, where you want to be tomorrow and which steps you will need to take to get there.

While strategic planning is a valuable tool that assists all sizes of government plan for the future, it must be emphasized that the process is only as strong as its advocates. Specifically, strategic planning may only succeed if it has the *unequivocal support of the chief executive, legislative body and affected department heads.*

To garner top-level support, hold a meeting or brainstorming session that allows executives and department heads to ask questions, make suggestions and discuss their concerns. By bringing these issues to the table, you can show how each item may be enhanced or better served through strategic planning.

We have divided this module into two distinct, but complimentary, parts. The first section gives you a more theoretical explanation of what strategic planning is. It helps you gauge whether your municipality is ready to undertake a project of this nature by illustrating basic principles and concepts. The next section is a “How-To” guide that takes the theory and puts it into practice. This particular part has been designed specifically for municipal officials who want to be able to implement strategic planning, but have little to no prior experience.

Another facet of the “How-To” section is to provide you with actual forms that your local government may use if it decides to engage in strategic planning. We have also broken down each chapter within this section so that you and your colleagues can easily reference what you have accomplished, as well as what lies ahead. We created this to be a practical guide that serves as the roadmap for your strategic planning efforts.

On the next few pages is a brief example of the strategic planning process that illustrates which key elements are needed for implementation and offers you a guide to follow in your own locality.

Our goal in creating this module is to provide you with another tool that will assist you in your daily and long-term municipal operations.

We have designed this publication for both elected and appointed local officials who are interested in strategic planning. This guide assumes no prior knowledge of strategic planning and takes a very basic approach to the rudiments involved in creating and implementing such a strategic plan.

This publication aims to convey the following:

- Description of strategic planning: what it is, key terms and concepts
- Why strategic planning is beneficial
- How to apply this technique
- Who should be involved, and at which stages
- Offer a “how-to” guide that takes you from inception to implementation

The Office of the State Comptroller advocates strategic planning as another tool to preserve your municipality’s fiscal health and overall well-being. By taking a look at the past and present, we believe that you will be better equipped to craft your own future.

Throughout this chapter, we will further explore the benefits and challenges to implementing strategic planning. Our goal in creating it is to offer you another tool that can assist you with both your daily, as well as long-term, duties. We believe that you will find this guide to be accessible, and we encourage you to adapt these basic principles in a manner that will help you and your locality effectively carry out its mission.

Strategic Planning has also been designed to compliment other chapters of this guide. For example, Financial Condition discusses capital planning, another type of long-range planning that is built upon forward-looking principles and procedures. Other good resources include Annual Budgets, Multi-Year Capital Plans, Reserves and Debt Management.

Sample Strategic Plan Key Elements

The fictitious scenario below takes you through the Strategic Planning process and offers examples and organizational techniques for you to follow.

Background: The City of Townville, population 70,000, has experienced a crime wave over the past year. Loitering, graffiti, stolen property and other minor, but nevertheless, illegal acts have been reported. Understandably, everyone wants to eliminate crime, but since Townville is a small city, there are only so many police officers. In the meantime, the Mayor, City Council and Police Commissioner have been barraged by calls from concerned residents and local media regarding the current state of affairs.

As City Manager, you believe that you have a solution: community assistance. By increasing the number of people walking Townville's streets, you feel that it will help deter crime. In addition, it would heighten community involvement and build morale and trust. The citizens would work in conjunction with the police department and serve as neighborhood monitors. The question now is: how do we do this?

To get a sense if this project is right for Townville, you've had to do some homework. You've researched how other municipalities have utilized community patrols by reading articles, accessing websites and interviewing public officials who have had success with this. After investigating the legal ramifications, meeting with police personnel and union representatives, crunching numbers, taking an inventory of Townville's resources and then garnering support from the Mayor, Council and Police Commissioner, you are ready to implement the City of Townville's first Community Safety Unit. On the following page is Townville's Strategic Plan for the Police Department's Community Safety Unit from start to finish:

For (department, program or unit): Police Department's Community Safety Unit, The City of Townville

Start date: January 1 (beginning of the City of Townville's fiscal year [FY])

Mission Statement:

"The City of Townville's Community Safety Unit is a cooperative effort between the citizens of Townville and its Police Department that strives to keep the municipality free of illegal and unwarranted activity. The Community Safety Unit ensures equality for all persons who either live or visit our area and promotes integrity, honesty and a sense of community pride. Under the direction of the Mayor, City Council, Police Chief and a Citizen President, the Community Safety Unit and its members are charged with maintaining the high quality of life that the people of Townville so deserve."

Values

The Community Safety Unit operates under these core beliefs:

- **Partnership:** a safe community rests both with the government and its people. We encourage and value our residents and their contributions and seek to maintain the alliance.
- **Equality:** equal treatment for all people is paramount. We will not tolerate discrimination toward any resident or non-resident and aim to protect the rights of all people within our borders.
- **Integrity:** we vow to operate in an ethical and responsible manner and execute the duties of the Community Safety Unit in the same way.

Vision Statement:

"The City of Townville's Community Safety Unit would like to expand its personnel and services, such as outreach and assistance, while also maintaining fiscal integrity and responsibility. We would like to increase volunteer activities and opportunities and make every member of the community aware of our presence and the many free services that we offer. Townville's Community Safety Unit seeks to achieve this vision by fiscal year 2007."

Goals, Objectives and Strategies

GOAL	OBJECTIVE	STRATEGY
1. Create volunteer pool to provide more citizen safety	Establish Community Watch Foot Patrol in 60% of all districts	Initiate foot patrol coverage in 60% of all districts at end of FY
2. Offer services responsive to citizens' needs	Discontinue non-value services and replace with new-value services	Conduct customer survey and implement at least one new service by end of 2nd quarter based on customer survey
3. Increase citizen awareness of Community Safety Unit	Increase Unit's visibility among citizens	Create Issue #1 of bi-annual newsletter and mail to residents by end of 2nd quarter

Action Plans

- **Goal, Objective & Strategy 1:** a) Initiate Foot Patrol coverage to 60 percent of all City districts by the end of the fiscal year (December 31).

Strategy	By Whom	By When
Recruit and train new members	Community Safety Unit Training Division	November 1
Initiate coverage for Districts A, B and C	Strategic Planning Work Group #1	December 31 (or before)
Deploy personnel	Community Safety Unit	December 31 (or before)

(continued on following page)

- **Goal, Objective & Strategy 2:** Discontinue outdated services and implement at least one new service by end of the second quarter (June 30).

Strategy	By Whom	By When
Create customer survey	Townville Strategic Planning Team and Community Safety Unit heads (not on Team)	End of January
Disseminate survey	All Townville residents	February 7
Compile survey results	Townville Strategic Planning Work Group #2	March 15
Present findings to Mayor, City Council, Community Safety Unit, public and media	Strategic Planning Team Leader (e.g., CFO)	April 1 (at regularly scheduled council meeting)
Agree upon which outdated services should be discontinued; create new programs	Townville Strategic Planning Team and Community Safety Unit heads (not on Team)	May 1
Publicize new services	Townville Strategic Planning Work group #2	June 30
Implement new service(s)	Community Safety Unit	July 1

- **Goal, Objective & Strategy 3:** Increase community awareness and visibility by creating Issue #1 of bi-annual newsletter by the end of second quarter (June 30).

Strategy	By Whom	By When
Create Customer survey to gauge degree of awareness	Townville Strategic Planning Team and Community Safety Unit heads (not on team)	End of January
Disseminate survey	All Townwide residents	February 7 (send with, or on, CSU services survey)
Compile results and draft a 2-page self-mailing newsletter (Issue #1)	Townville Strategic Planning Work group #3 and City Public Information Office	April 15
Review Issue #1	Townville Strategic Planning Team and Community Safety Unit heads (not on team)	May 15
Edit and print Issue #1	Townville Strategic Planning Work group #3 and City Public Information Office	June 15
Disseminate Issue #1	Townville Strategic Planning Work group #3 and City Public Information Office	June 30

Monitoring

From this point on, you should be **monitoring progress** and **making course corrections**, if necessary. If you are meeting your targets and deadlines, chances are you will have little difficulty meeting your initial objectives.

Part 1

Strategic Planning: What is it?

Is Strategic Planning for Us?

Why Do We Need a Strategic Plan?

Inevitably you will have to answer, “Why do we need a strategic plan?” to yourself, your colleagues, elected officials or possibly the public. Some may see it as yet another soon-to-pass management fad, complete with trendy jargon, increased paperwork and an intensified workload. Others may see it as a challenge to their existing roles and feel that this “strategic plan,” devalues their prior contributions. While there may still be others who, no matter what you say on behalf of strategic planning, will not embrace change. The size of the government should dictate the need and degree of implementation. The final decision should be based on cost-benefit.

So, why *do* you need a strategic plan?

- **Strategic planning yields results:** A strategic plan provides a realistic, workable framework that is built upon a foundation of constant improvement. Built into the plan are milestones that help gauge your progress.
- **Strategic planning is an invaluable managerial tool:** Balancing daily and long-term operations with defined, and often limited, resources is complex. A strategic plan assists you in determining how to perform work more efficiently and effectively, while staying within financial parameters.
- **Strategic planning is adaptable to a changing environment:** A multi-year plan will, inevitably, be affected by the changing internal and external environments. Therefore, you need to have a framework that is flexible enough to accommodate flux, while at the same time, strong enough to adhere to your basic mission and objectives. A strategic plan has those capabilities.
- **Strategic planning is responsive to citizens’ needs:** A successful strategic plan includes those priorities that are important to the citizens. Because citizen input is a vital component in the process, the ability of the strategic plan to address their needs is great.
- **Strategic planning narrows the communication gap:** Dialogue among all of the affected parties ensures a narrowing of potential communication gaps. As said, strategic planning is a participatory tool that cannot function unless there is a two-way, open exchange of ideas.
- **Custom-tailored:** Each department or municipality has different needs and the strategic plan allows for specific objectives and parameters that are specialized and appropriate to the organization.
- **Adaptability:** Elements contained within a strategic plan are not “carved in stone” and do not end once specific objectives and goals are put on paper.

It's an on-going process that is designed to be refined based on changing internal and external conditions.

- **Accountability:** With government dollars shrinking and public sentiment advocating more fiscal prudence, a solid strategic plan with definite objectives, financial targets and monitoring tools in place, ensures accountability.
- **Participatory:** A good strategic plan involves people at all levels of government, or within the department, and requires input from everyone if it is to succeed. By involving more people among the various levels, you are fostering teamwork and a sense of ownership. The strategic planning process should involve the public, as well. In fact, organizations that successfully implement this solicit input from their customers. Public forums, surveys and task forces are just a few ways that a community can involve residents. Similar to what you and your colleagues may experience, this process will also allow the public to feel a sense of ownership.

A high-quality strategic plan translates into much more than just a written outline of the future. A host of practical and subtle benefits also stem from the document. On the practical, day-to-day side, a strategic plan, by virtue of its structure, has the ability to enhance efficiency, effectiveness and decision-making. On the more subtle side, a successful strategic plan that has been crafted by a number of stakeholders has the ability to unify and empower a group to enact meaningful change.

In addition to these functional elements, a strategic plan is a tangible reflection of community spirit and culture. The goals and objectives you put on paper are representative of numerous people: staff, local officials, citizens (including taxpayers) and non-residents who may use your public service(s). It also conveys your community's values and reinforces the reciprocal partnership that government has to its citizens. In short, the strategic plan articulates those issues that are important to your community and allows a collective action plan to come to fruition.

Who to Involve

At each stage of the process, you will need to involve various people and groups. While collectively, everyone's input is needed, it is important to note that some individuals' involvement will be limited or sporadic. In terms of readiness, however, you will need to involve more top-level people at the very beginning.

In order to become “ready,” you will have to organize the “**Strategic Planning Team.**” A strategic planning team is the human foundation of the entire project and serves as the sponsor for the plan. Members of this team generally include:

- **Chief Executive Officer** and/or **Legislative Body** (usually the lead sponsor)
- **Fiscal Officer**
- **Legislative members** who have a vested interest
- **Key Department heads**
- **Some key stakeholders** (suggested stakeholders may include: organizations, groups, customers, vendors)

This is really the only formal “team” that you will have. As we will explain later, the others that will be involved in the strategic planning process will be assigned to “work groups.” While the work groups will have sporadic involvement at various stages, they are still just as vital as the strategic planning team.

Readiness

Before you begin formulating a strategic plan, it’s important to ask a few significant questions that will help in assessing your local government’s degree of readiness.

Pre-flight checklist:

- √ Is there executive-level support?
- √ Is there governing board support?
- √ Are we in a favorable position to undertake strategic planning, or are we at a crisis level?
- √ Is there departmental support?
- √ Which key (department) personnel should be involved?
- √ Do we have enough resources - personnel, financial, time, technology - to create a solid strategic plan?
- √ Are we ready to involve the public?

If you can answer “yes” to all of these preliminary questions, then you and your colleagues are ready to move to the next phase: crafting the strategic plan. But what if you’re not? What if some gaps or other obstacles exist? Then, how do you get ready for “takeoff,” so-to-speak?

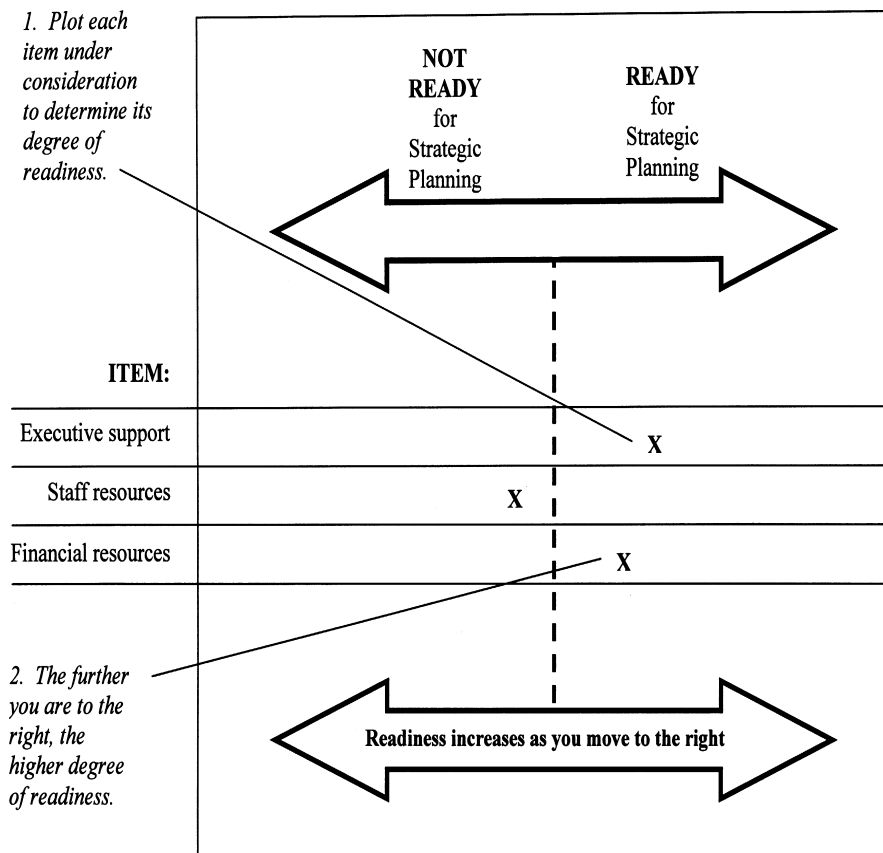
When you can’t check off everything on the pre-flight list, then you need to readdress the bigger question: ***Is the time right for strategic planning?*** For example, perhaps you may need more top-level support. Executive influence is a large motivator in getting the strategic planning process off the ground. If that’s the case, then you may need to provide your executive and/or governing boards more background information. This provides you with a good opportunity to review your materials and make sure that there are no gaps. For additional considerations that should be addressed, see Appendix C.

Another multi-faceted question that affects a number of items on the list is: **Are there enough resources?** Do you have enough personnel to work on this? Is your staff capable of gathering data, analyzing it and transforming it into meaningful information, while also being able to fit in their daily duties? Have you provided them with the proper technology to complete the job? Will you compensate them for additional time? Furthermore, do you have the financial resources to do so? How much input will staff have? Are you and your top-level players willing to take staff suggestions? Support from staff who perform the operations is just as critical to achieving success.

You will also need to discuss the level of public involvement. A good strategic plan does more than just *consider* the customer, it **involves** the customer. It's important to recognize that the magnitude of public involvement may be best determined by the size of the project and the number of constituency groups involved. For example, implementing a municipality-wide strategic plan may not require a high degree of public involvement initially. As the strategic plan begins to take shape, then the public's input will become valuable. Conversely, a small undertaking, for example, enhancing the public library's services, may need citizen involvement from day one. Once you establish the size and scope of the project, then the level of citizen involvement may be determined.

Finally, and most importantly, you need to know where the locality or unit "is" presently. This means that **if you answer, "yes" to: "are we at a crisis level?" then strategic planning is not advised at this time.** Strategic planning and crisis management should not be undertaken simultaneously. In fact, strategic planning during a crisis may only intensify the original difficulties and create new administrative, financial and morale problems.

“Degree of Readiness”



If you're not 100% ready, how do you get ready?

If, as mentioned, some of the key items on your pre-flight checklist are unchecked, then how can you get fully ready to proceed? First, **review which specific items are uncertain**. Is there top-level support, for example? If not, why? Have you done everything that you can on your end to gain this? Perhaps you need additional data and justification. What if sufficient staff resources are unavailable? The next step is to examine who is needed, who is available and consider conflicting priorities. Then, construct a tentative plan and accompanying time frame that may help determine when you will be ready. Continue this method until you have isolated each unchecked item.

Next, take a look at whether or not these items are interrelated. The essence of strategic planning is that it is designed to mirror reality; it takes a circular, integrated look at the many factors that affect the whole. Ask yourself whether or not these issues are connected. For example, perhaps you do not yet have executive support because there are not enough resources. Or, perhaps there are not enough resources because the economy is weak. Are there new governing board members who are not strategic planning advocates, and therefore top-level support is limited? Looking for the obvious and not-so-obvious relationships between the internal and external is one way to prepare for takeoff.

After you have determined the snags and have addressed them, then readdress strategic planning. Return to the executive board armed with solid answers and then put the wheels in motion for getting the strategic planning process going.

You're ready! Now what?
(A word of caution: things to avoid)

Here is a quick run down of things to avoid once you've decided to implement strategic planning:

- √ **Starting at crisis, or near-crisis, time:** If this is the case, wait until conditions are right. Remedy the problem at hand and then revisit the strategic planning issue to avoid future crises.
- √ **Beginning without executive and governing board support:** The lack of top-level support translates into a strategic plan with a very short life span. Studies have shown that projects with executive support had a considerably higher success rate.
- √ **Working without sufficient resources: human capital, financial, technological** - A strategic plan is great, but if you are unable to physically construct it based on one or more of these factors, then it is advised that you wait until you have all of the necessary resources at your disposal.
- √ **Initiating change for the sake of change:** Don't assume that a strategic plan will jump-start a lagging program or placate an apathetic public. While change is productive, you have to be sure that your timing coincides. Do citizens want change? If so, what do they want? When do they want it? Also, be mindful of your staff's reaction. Resistance to change is common and their readiness to embrace a new way of doing business will be reflected in the process.
- √ **Starting the process without a clear picture of the internal and external factors:** Knowing what's going on around you is vital. Internal and external situations and issues will have an impact on your municipality, regardless of whether or not you initiate a strategic plan. Therefore, it's important to have an awareness of those issues and elements that will influence how you do business.
- √ **Having an unclear future vision:** While the strategic plan is certainly adaptable, it needs an unambiguous end vision. Participants need to know why and what they're striving for.
- √ **Working with an outdated or non-applicable mission statement:** As times change, missions change. This is not to say that the core of why an organization exists should be abandoned. Rather, it's a good practice to review your current

mission statement, in light of the times, and see if there needs to be any revisions based on current social, economic or even technological issues. On the same token, use this opportunity to eliminate non-applicable language.

- √ **Not knowing what your customers and stakeholders want:** The strategic plan is designed to serve everyone. If you cannot identify what the groups want, then your plan has a very limited chance of generating productive change and achieving customer satisfaction. You need to go into the field, solicit input from customers and stakeholders (both internally and externally) as to what people desire and need.

- √ **Doing too much alone:** As we've said, strategic planning is interactive and the process should be participatory. Feel free to delegate tasks to other members based on their strengths and interests. Just because you initiated the process, does not mean that you have to shoulder the burden of making the entire project come to life. Also remember, the more you do by yourself, the more one-sided the plan becomes. In addition, too much singular effort on your part could lead to resentment and apathy among the other members.

If any of these variables are present, it is strongly advised that you **WAIT** until either the problem has been solved or until the timing is better. Remember, patience is a virtue. What you do now will have a direct effect on what happens later. Be sure that you are working within the best set of circumstances when you decide to initiate strategic planning.

Strategic Planning Fundamentals

What is Strategic Planning?

Strategic planning is a systematic process by which you identify:

- why your local government exists,
- whom it serves,
- what benefits will be derived from the services it provides, and
- the vision your administration has regarding how citizens needs can best be served.

The strategic plan is the result of this process, and serves as a blueprint for how your local government will achieve this vision.

Basic Elements of Strategic Planning:

Understanding of basic elements of strategic planning are necessary to help you understand what strategic planning is all about, and to ensure you have a successful experience employing the processes and techniques explained in this chapter.

It is important that any organization (including your local government) have a clear understanding of why it exists, who its customers are, what services it provides to them, and that its customers' needs are being served. In local governments this is necessary to ensure that citizens' needs can best be served, and that local government officials develop clearly defined blueprints and implement them to ensure it happens.

- **Mission**

Mission is the way you communicate to your customers (citizens to whom services are provided) and other stakeholders (those with a vested interest) why your local government exists, how they benefit or are impacted.

- **Vision**

By working with and listening to citizens, your administration should acquire an understanding of what services they want from their local government and the issues that concern them. Your administration should formulate a *vision* that represents a future to aspire to that is responsive to their needs and concerns. Consequently, vision is a picture that your administration crafts today of what your local government's future will look like.

- **Goals**

Goals are results-oriented, broad statements of policy or intention and represent particular aspects of the vision.

- **Objectives**

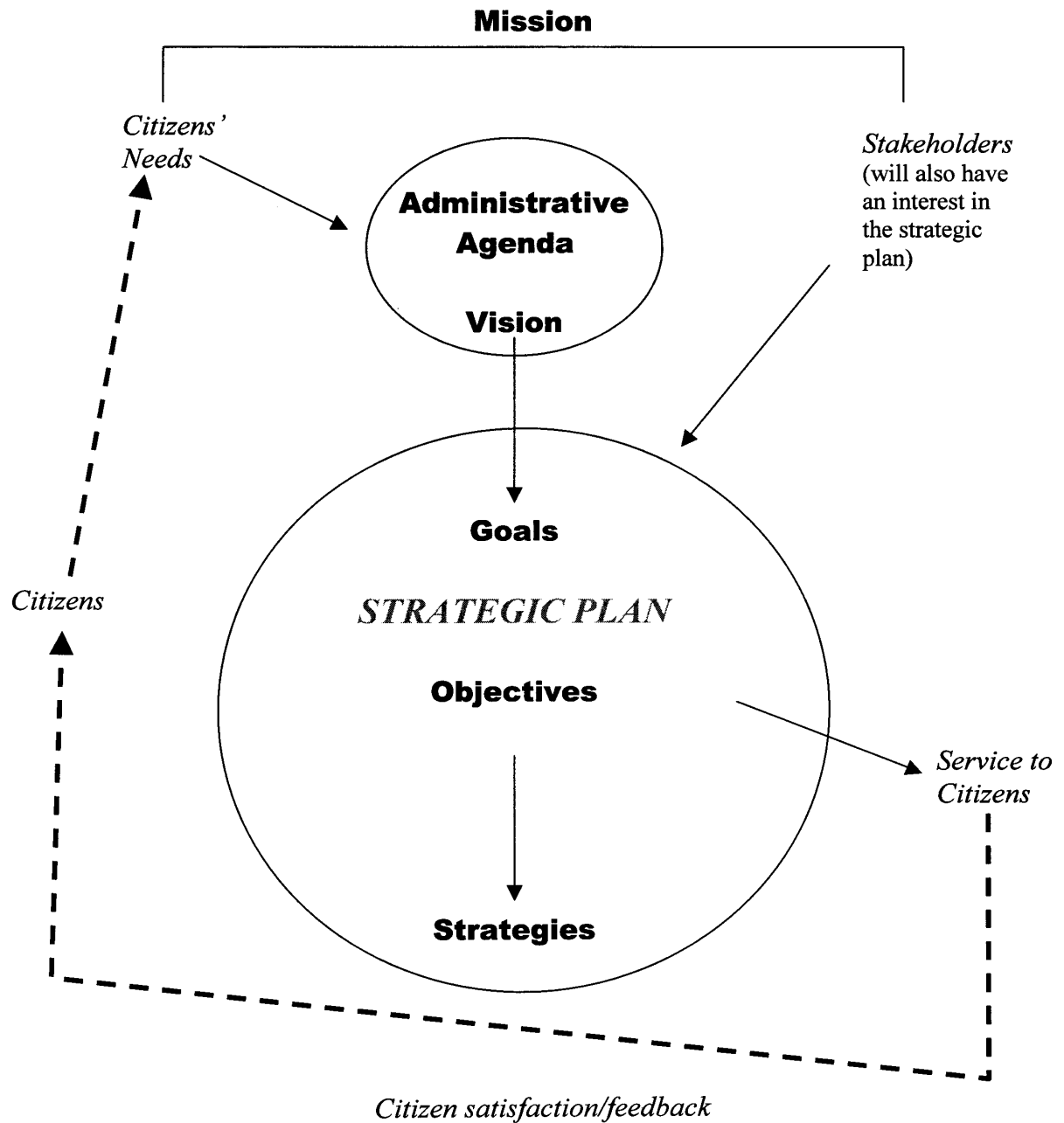
Objectives are specific products or services that are needed to attain a goal.

- **Strategy**

Strategies are key steps (milestones) in achieving an objective.

The relationship among these elements is shown pictorially in Figure 1 (shown on next page).

Figure 1. Basic Elements of Strategic Planning



As you can see, the needs and concerns of citizens should be the basis for the administration's agenda. The basic elements of strategic planning (mission, vision, goals, objectives and strategies) comprise the strategic plan. This plan is the way your agenda is communicated to citizens. Its implementation is the way you insure that your vision is achieved. Periodic feedback from customers is needed to assess if, in fact, the services are responsive to their needs and concerns.

To get to that end, you need to ask the following four key questions:

1. Where are we currently?
2. Where do we want to be in the future?
3. How do we get there?
4. How do we gauge progress?

These four questions are critical because they lay the groundwork for crafting the content of the strategic plan. This framework stays in place throughout the process and ensures that you stay on-track as you progress.

Within these questions is a key stipulation that, if not agreed upon, will be the silent executioner of your strategic plan; that is, the word "we." A department's strategic plan is only as strong as its advocates. Successful strategic plans have had strong management support and commitment that has ultimately filtered down to others in the organization. If this is absent, then the process becomes one uphill battle after another.

Next, because the decisions and ideals within the plan affect the local government or a significant portion of it, it's important that key staff (e.g. executive, governing board, department heads) concur with the basic idea of implementing a long-term plan. Once this premise is set, then the environment becomes conducive for beginning the process.

Finally, don't forget, the ultimate, "we": the taxpayers. Because government is accountable for what it spends and the results achieved, it is imperative that the strategic plan be comprehensive, realistic and fiscally responsible.

Part II

Strategic Planning: A How-to Guide

Getting Organized

The Strategic Planning Team

Now that you've assessed your local government's level of readiness, the next step is to create the strategic planning team and decide which people or groups should be represented. From the inception, key officials that should be involved are:

- Chief Executive Officer (sponsor)
- Chief Fiscal Officer
- Governing board
- Department heads
- Key department staff (e.g. program/service managers, human resources, information technology)
- Municipal counsel
- Stakeholders (as appropriate)

***Tool #1: "Teams"** *(Please see Appendix B, which provides useful guidance in organizing and managing a team.)*

After the strategic planning team is established, other levels of participants, both internally and externally, should be involved as needed. Such people or groups may include:

- Department staff (practitioners, analysts, administrative)
- Affected parties that do not work directly for the department or unit, but are important to the organization's operations
- Stakeholders
- Citizens/customers
- Other groups or parties specific to your municipality that you feel will enhance the strategic planning process

Organizing the Planning Effort

Once you have isolated the types of people you want to be involved, then you should ask the following questions:

- How many staff should be involved?
- How much public involvement do we want?
- Does everyone realize that this is a long-term effort?

Finally, inclusion is another important part of the process. While some may argue that the more people you let into the circle, the more dissension and indecision you'll get, strategic planning advocates will tell you the opposite. Experience has proven that the more people you include, the more rich and all-encompassing the final product will be. The art to this is to invite people to join at different stages, as suggested above. The recipe is simple: first, garner top-level support. Next, involve stakeholders and customers. Involve customers by conducting one or more focus groups or a customer satisfaction survey. Involve staff through one or more work groups (e.g. internal assessment working group) and solicit input from them. Then, include anyone else that you think will make the process and product more rounded, and at the end, be sure to alert the media (if they are not already apprised and/or involved).

Strategic Planning Process

Agree on a Process

The strategic planning team's first order of business should be to agree upon a process that will guide the entire project. The decisions that the team will need to make clear, should address such procedural issues as: decision-making, level of others' involvement, communication and timelines. These all should be in place before you write the strategic plan.

How will the vision, goals, objectives and action plans be decided upon? Will the executive branch determine them? Will the participants decide? Also, how will you go about reaching consensus once the few remaining possibilities are on the table? Will you vote? If so, how? Ballot? Show of hands?

Will you be creating progress reports? Will individual people or teams be writing them? If so, how often? How will you communicate progress? Will you have work groups disseminate progress reports? Will you have a web page? When will subsequent meetings take place? When and how will you monitor?

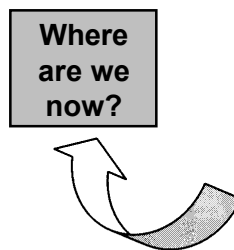
Finally, how will you report your progress? Will you create and send out a newsletter? Will you use electronic and print media such as the Internet, newspaper and public

service announcements? Is there a specific person or team that will have regular contact with local media? Who fields which questions? Executive? Department heads?

As you can see, the more of the details that you and your colleagues can hammer out prior to constructing the strategic plan, the fewer headaches and confusion you'll have. Clarity is an often overlooked facet that, when present, can propel any project to success.

Recommended Process

Remember the five key questions? Well, now it's time to answer them. As you proceed to each question, you will be faced with a series of secondary questions that stem from each initial inquiry. Also, since strategic planning is customized, you may find additional issues that are specific to your municipality or department that fall within these five main questions. Be sure to bring them to everyone's attention and consider them just as seriously. Below are listed the initial questions, as well as their resulting counterparts.



Take internal and external assessments to determine current conditions and whether or not they are conducive to developing a strategic plan.

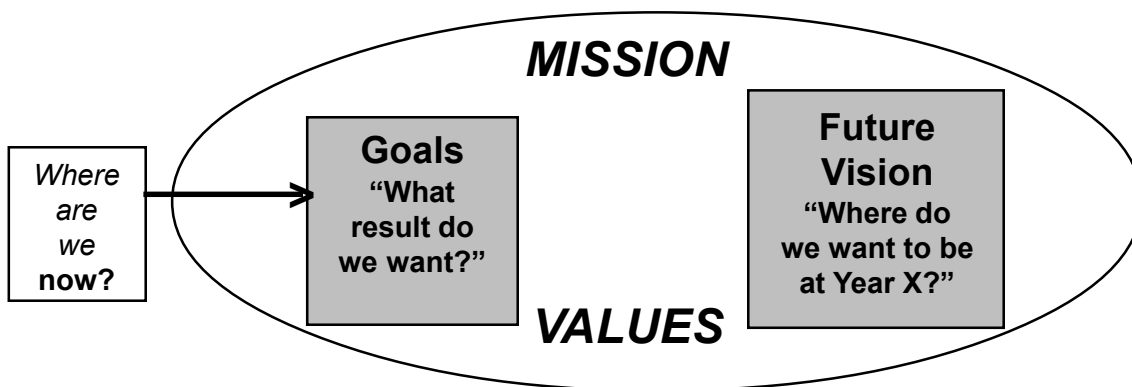
Assessments may be accomplished by conducting a type of analysis that looks at Strengths, Weaknesses, Opportunities and Threats (SWOT) that could affect your organization. Please see Tool #6, Appendix B, for more detail on the SWOT Analysis.

Internal assessment: Complete an “environmental scan,” a procedure that helps you take inventory of your organization’s present operations and mandates so that you may have an accurate picture of what services your government currently provides and to whom they are provided. Who are our stakeholders? What are their needs? Have we met them adequately in the past? If so, how can we build upon this? If not, how can we improve? What are their thoughts? A list of considerations for an internal assessment is shown in Appendix C.

External assessment: Who are our customers? What is important to our customers? Are we serving their needs? How well have we delivered the services we promised? Which governmental mandates are we bound by? How can we serve our customers’ needs and continue to stay within financial, legal and governmental parameters?

Mission and values: Why are we here? A mission statement is a written statement of purpose that describes what the organization does, and for whom. Inherent in a mission statement are an organization's values. Values articulate what is important and often serve as the cornerstone for all activities. When constructing a strategic plan, you have to be sure of what your overall mission is, and then incorporate future goals and associated objectives and strategies.

2. Where do we want to be in the future?



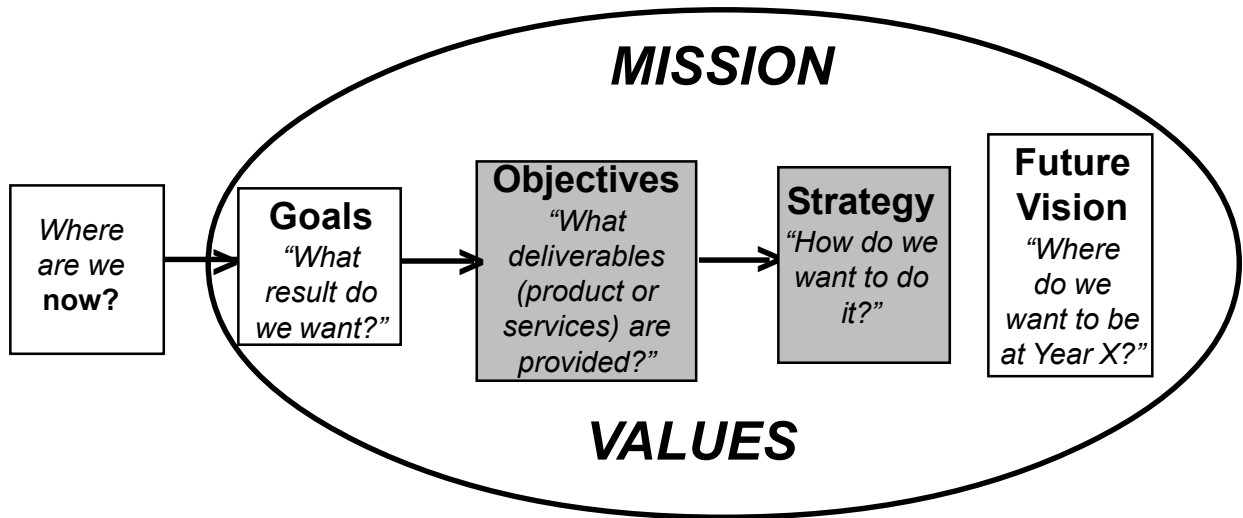
N. B. All steps must take into account your organization's goals and values.

This is the time where the "**vision**," or description of "where we want to be" is crafted.

Vision: Where do you want your organization to be in the future? A vision takes today's situation and explains what tomorrow should be like. It is generally seen as the result of implementing a strategic plan, but since good strategic plans are actually circular in nature, rather than linear, then there is no official end point. Therefore, the vision is more of one completed chapter in a text with many, rather than a definitive, closing.

The vision will help you define your **goals**. By knowing where you want to be at a certain period of time, you will be better able to design how to attain that future vision.

Goal: A goal is a broad outcome of what you want to achieve.



Objective: Once the goal(s) is set, what specific products and services will be provided?

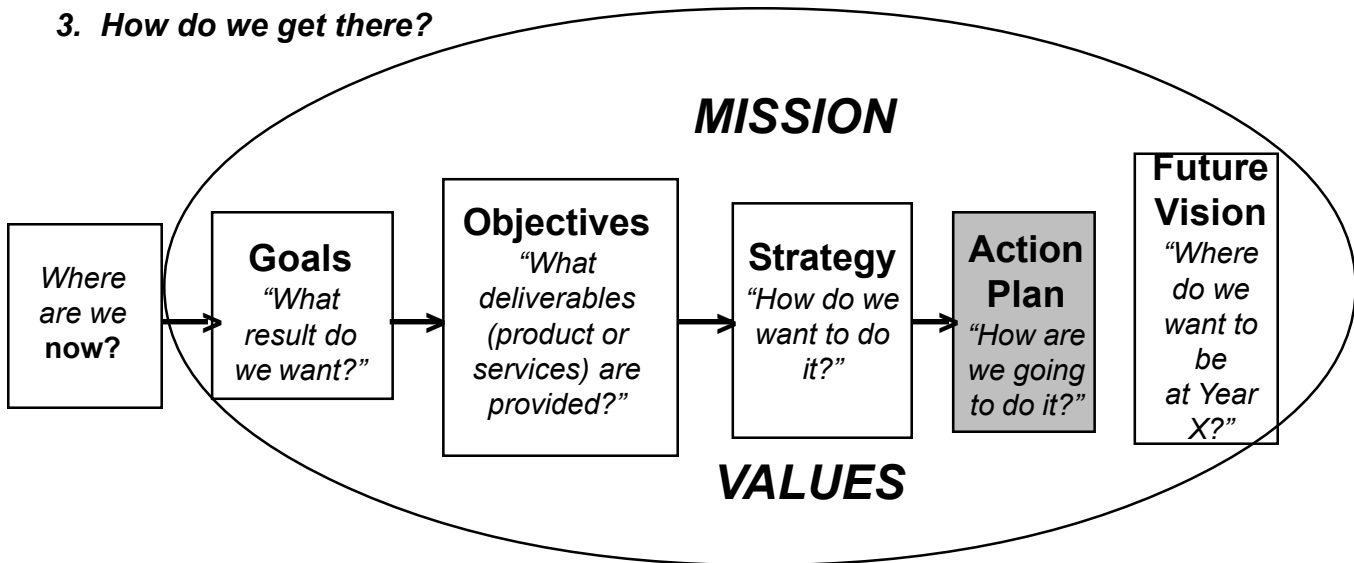
Strategy: Specific targets need to be specified and translated into quantifiable data (note table below). The questions now become: where do we want to be by the end of the quarter? By the end of the fiscal year? In two years? Five years? Next, what do we want to have accomplished within these time frames?

The relationship among goal, objective and strategy is illustrated by the following example:

GOAL	
To make Municipal services more available to citizens	
OBJECTIVE	STRATEGY
Expand municipal parking lot	Increase number of parking spots by 30 by the end of the quarter

Remember: the vision, goals and objectives portions of the strategic plan may be slightly lofty at first. As you will see, reality injects itself in future sections.

3. How do we get there?



Allow all ideas on the table and empower your team to work together and design action plans. Also, in order to get the action plans in place, your work groups will have to engage in consensus building and prioritization techniques. These tools are explained further in Appendix B.

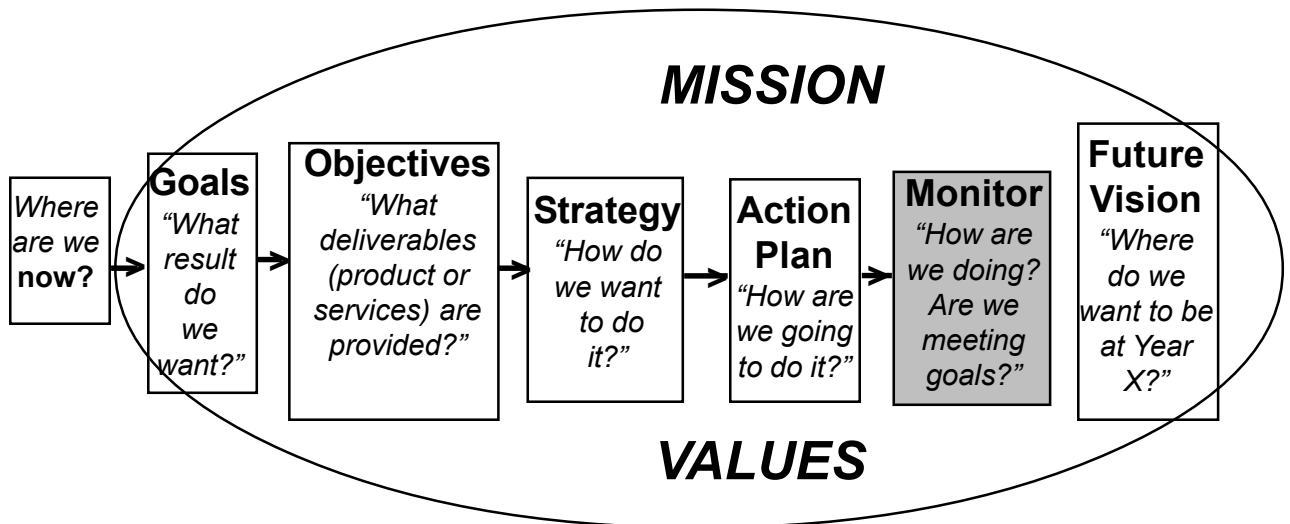
Action plans: Now that goals have been set, the next step is determining how you will achieve them. In this phase, detailed work plans, complete with short- and long-term strategies for getting from where you are now to where you want to be, are your objectives.

While creating the action plans, you will need to take a look at what is going on around you, both on an internal and external level. This is a good habit to get into, because throughout the process, you will have to assess your internal and external environments and see how they fit into your overall plan. Again, you will have to ask yourself, what are the customers' and stakeholders' needs? Will the action plans meet their single and collective needs? What are the impediments to achieving our goals? Is there top-level support for the action plans? If so, do we have the resources to implement the action plans? Are there any legal barriers or issues that must be addressed? Which departments or programs are at risk? What specific challenges will our municipality, department, unit or program face?

Finally, the most important question at this stage is: how will we get from A to B, and then to C, D and E, et cetera? How will we deal with potential pitfalls and obstacles? What is the protocol if something goes awry? Which strategic planning team member needs to be notified first? Is everybody clear about the lines of communication? This is where consensus building and prioritization takes center stage. All of these questions have to be addressed and answered before the strategic plan is drafted.

Once the aforementioned issues and questions are dealt with, then the time comes where all participants convene to develop and adopt the strategic plan. After this takes place, then you are ready to begin implementation.

4. How do we gauge progress?



Once implementation begins, you need regular and consistent oversight. Again, this is not an invitation to micromanage or to force change. Instead, seek input from customers and other stakeholders and see if intended results are being achieved.

Monitoring and tracking: as mentioned, the strategic plan is an evolving document. While the core values and goals remain unchanged, the plan for bringing such designs to life requires routine oversight and, in most cases, fine-tuning. By monitoring your progress at regular intervals, you allow your plan to adapt to a changing environment, while simultaneously maintaining your original vision and core values.

How often should you monitor? Because a strategic plan is custom-made to fit your organization's needs, the timeline varies. However, a good rule of thumb is to track your progress quarterly. Of course, you are free to amend this rule, decreasing or increasing the number of times you monitor. Some experts even advocate monthly, depending upon how time sensitive your plans are. However, be aware that *too much* monitoring can be as dangerous as too little. In your effort to observe your progress, be sure not to micromanage.

What should you monitor?

Objectives that can be quantified (e.g. “increase number of new books in the library by 10% this quarter”) are fairly easy to monitor. You simply look at the original objective and compare it to your current status. Then, you can assess and forecast whether your future goals are attainable. For example: did the book supply increase by 10 percent? If so, are you on-target for the next quarter? If not, what are the reasons why the supply did not increase? What can be done to overcome this challenge? Are the reasons for not meeting the objective within or outside of our control? Should we reassess our original objective?

Your plan will probably also contain **goals and objectives that cannot be measured in numbers**. For example, the quality of a product or service is more difficult to gauge when a specific numeric value cannot be assigned. So, how do you monitor it? There are ways to gauge progress without relying solely on numbers. For instance, surveys or interviews are good indicators of how well your action plans are working. Customer feedback is invaluable when trying to determine quality level. Or, you may want to hold special open meetings, or even address your plan at a regularly scheduled governing board meeting. Also, there is nothing to preclude you or your staff from informally speaking with customers about how the action plans are progressing. Both measures ensure a wide variety of responses, as well as the potential for solutions that can only enhance your endeavor.

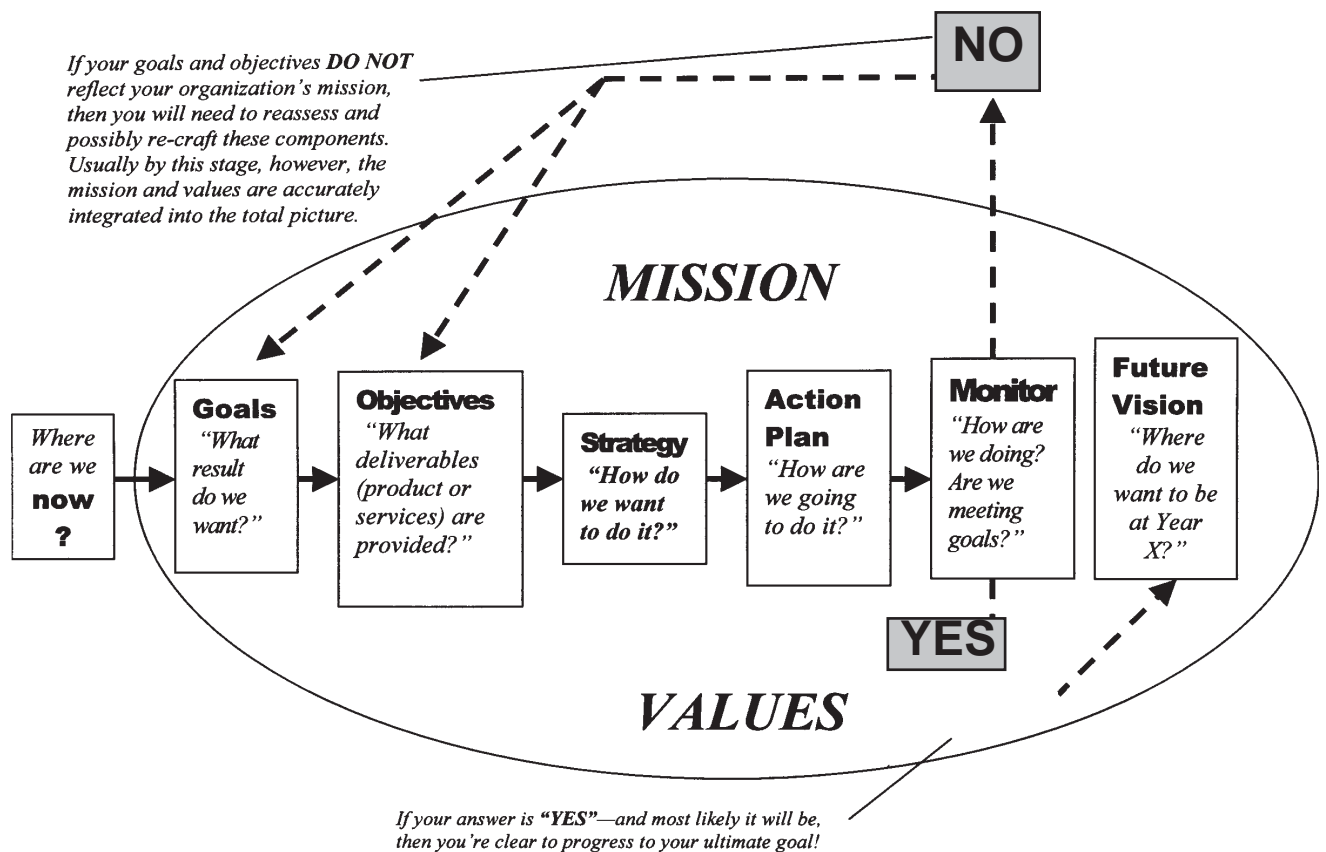
How much will it **cost**? Any type of formal measurement, unfortunately, will always have an up-front price tag. Be it in the form of staff time and resources for analysis, dollars to administer and compile a survey or even in overtime for staff to participate in an after-business hours meeting, monitoring is not free. However, the important words here are “up-front.” If you spend money in the early stages and maximize your investment by seriously considering and investigating how to effectively implement your findings, then the effort will be worth it in the long-run. Long-run payoff also means that you should monitor short-run costs.

Reporting your findings: openness on all fronts (internal and external) is good practice. By opening the lines of communication not only among the team members, but also with the public and media as well, you are creating an aura of trust and goodwill. Since the strategic plan is, ultimately, the public’s plan, it is beneficial if the plan is seen as the initiator of dialogue. Also, don’t hesitate to be proactive in your reporting. Tell the media how well things are progressing and which milestones you are expected to reach.

Maintain the trust you have created with your colleagues, team members, citizens and the media by addressing your challenges openly and honestly. Sometimes, a roadblock results in an opportunity for an innovative, creative and even more appropriate solution to emerge.

Another benefit in reporting your findings is that it brings important procedural issues to the forefront, allowing for course correction, if needed. Consistent monitoring and tracking is another proactive technique that can ease the tension considerably when you are forced to make decisions in a reactive manner. Certainly, the strategic plan cannot fend off all uncertainties, but periodic course corrections and adjustments may be the next best defense.

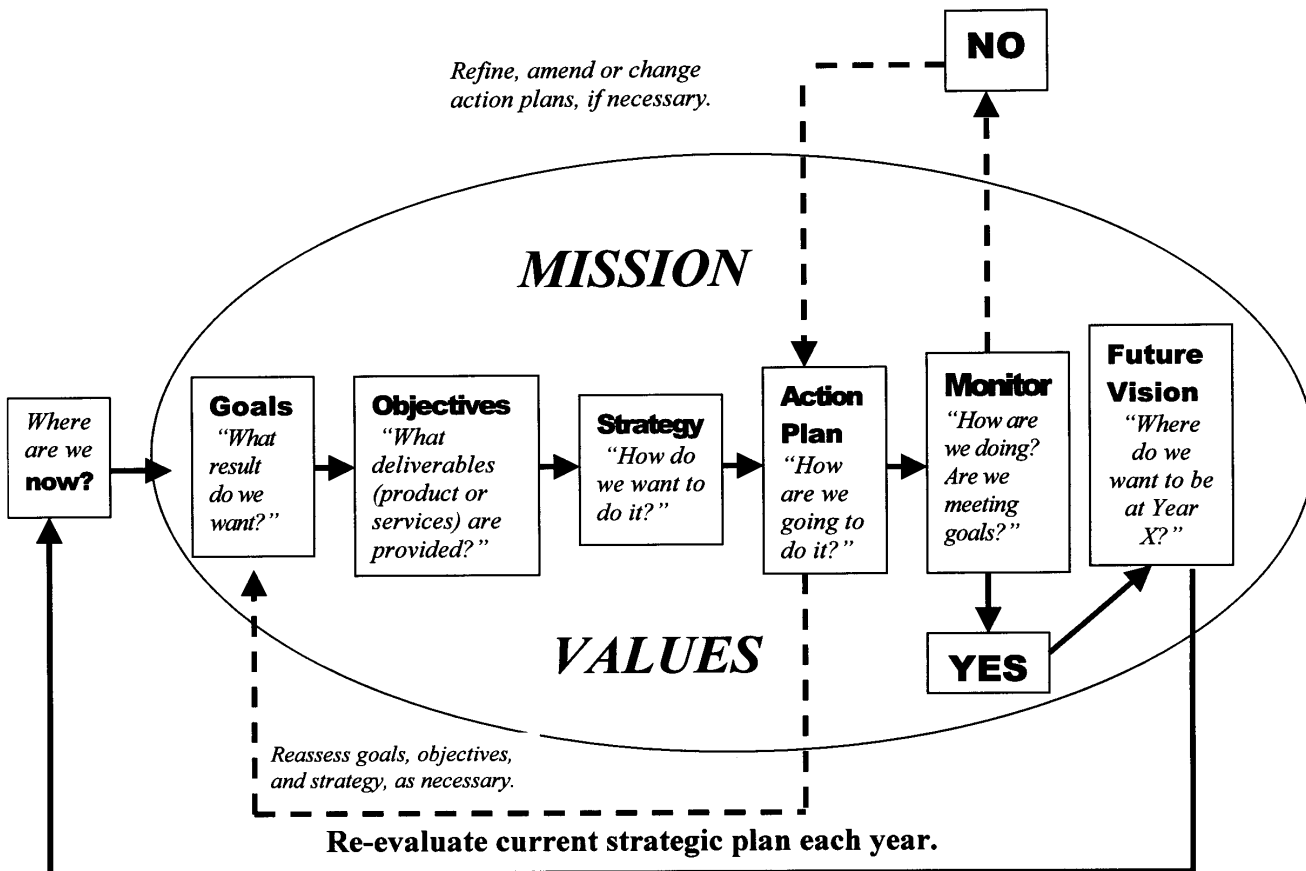
Regular monitoring is the key to ensuring that your strategic plan succeeds. As you progress from step to step, be sure that your overall mission is incorporated along the way.



Mission: The main premise in each of the steps is whether or not the plan adheres to your locality's core values. If they do, then you can safely proceed to implementation. If not, then take this opportunity to reassess, first, the goals, objectives and strategies. Are they realistic? Do they meet the customers' needs and still keep the mission intact? If they are not current and reflective of public desires and expectations, then perhaps you need to re-examine your mission. Has your mission changed as a result of the times? Does your mission need to be revised to better accommodate the increasing complexities of government services?

Finally, and this may be assumed, but is always good to mention, be sure that whatever you implement is **within legal parameters**. Your municipality's counsel should be a primary, active member of the strategic planning team. As the plan progresses, it is imperative that she or he reviews all tentative action items to ensure legal compliance.

Your Strategic Plan: The Final Product



Putting it all Together: The Strategic Plan

Throughout this chapter, we have discussed the many elements that make up the strategic plan. The next step is putting it all together. As with the preliminary phases, this stage begins with a series of questions:

- Who (which part of the organization) is it for?
- How will we organize it?
- What will be our communication strategies?

Who, or which part of the organization, is it for?

Which department, unit or program will the strategic plan be written for? Or, will the plan be a municipality-wide effort that encompasses every department? Be absolutely clear as to who the intended audience is.

How will we organize it?

This goes back to the basics. Re-examine the fundamental components (mission, vision, goals, objectives and strategies) and **put your thoughts on paper**.

Mission: Reiterate your mission; is it current and applicable?

Vision: What is the ultimate vision for the department, unit, program or municipality? What do you want to achieve?

Goals: Will the goals assist in achieving this vision?

Objectives: Does the goal address customer desires and expectations?

Strategies: Are the targets specific and realistic?

For all of the abovementioned elements, **be sure that you have solicited and considered all pertinent parties' input** (executive, governing board, department heads, department staff, citizens, etc.).

What will our communication strategies be?

How will we make sure that stakeholders (including customers) understand what the strategic plan is about? In constructing the strategic plan, it is imperative that your communication protocol is clear and equitable. First, set-up clear and definite communication lines, making sure that customers and other stakeholders are aware of the process.

Developing Elements of the Strategic Plan

“Mission” and “vision” are two distinct terms that we have used throughout the chapter. However, by the time you reach this stage, it is imperative that you recognize the key differences between the two.

A **mission statement** declares your **purpose**. Why the organization exists and whom it serves should be answered in the mission. A mission is on-going and stays with the organization as long as it is in existence. A **vision statement**, on the other hand, has a specific time frame in which it operates and is essentially a **verbal picture of what you want your organization to be**. It takes the mission (purpose) and uses it as a foundation. Please refer to the “Sample Strategic Plan Key Elements” (pages 1-7) for examples of both.

Mission Statement

A mission statement, as noted, clearly states what your organization does, which services and programs it provides, why you provide them, and for whom. It is a comprehensive statement that articulates a clear purpose. Generally, mission statements are already in place well before business is conducted. However, the changing times often dictate that the existing mission statement be, at a minimum, reviewed. In most cases, certain enhancements or clarification is needed to ensure that the mission meet the needs of its customers and stakeholders, while also remaining true to its original design.

The mission statement is the foundation upon which the strategic plan rests. Therefore, it is critical that you have a solid, current and agreed-upon mission statement in place before you initiate the subsequent steps.

How do you decide whether your mission statement meets these criteria? The easiest way to address this is to convene the strategic planning team and as a group, determine whether your mission statement can pass this test:

MISSION STATEMENT	Yes	No
Does it clearly state what business you are in?		
Does it answer the questions: "who we are, what do we do, for whom (or to whom) we do it, and why it's important?"		
Is the ultimate rationale for existence clear?		
Is the mission broad enough to accommodate current times?		
Can the mission survive changes in administration?		
Is it easily understandable to anyone who reads it?		
Can we justify the dollars we spend on executing the mission?		

If any of the answers are “no,” then the question merits further investigation. Simply, the more checks you can put in the “yes” column, the more solid your strategic plan will be.

The vision statement takes its lead somewhat from the mission statement. A vision articulates where you and your colleagues want your organization (program, department, unit or municipality) to be at the end of a certain time period. It builds upon the organization’s identity and takes those elements which are unique and that coincide with the mission, and crafts a long-term picture of a desired future. Similar to the mission statement test, it is helpful if the strategic planning team sees that the following criteria are met when deciding on what should be included in the vision statement:

VISION STATEMENT	Yes	No
Does the vision statement provide a clear picture of the organization's future?		
Is the vision statement challenging and inspiring?		
Is the vision statement believable?		
Will achieving the vision positively contribute to our overall mission?		

Goals

Goals are created in tandem with the vision statement. They are the desired results that fulfill the organization’s mission and also contribute to attaining the vision. Like their counterparts, goals need to be realistic and results-oriented. However, there are some differences that exist when dealing with goals.

Goals may be divided into external and internal categories. While often times they overlap, it is important to note that they may also be directed to specific customers or stakeholders. Next, goals should be measurable. That is, you should be able to gauge a desired result from your goals. The time period for goals is shorter than the mission (never-ending) and the vision (set time period) because they are steps along the way that assist in reaching the final destination. Can you place a time span on a goal such as: “Upgrade municipal services”? Yes. Because the vision is the last step, and the vision’s time frame is pre-determined, the goal may be placed into a time period. By reaching the ultimate vision, you have accomplished your goal to “upgrade municipal services.”

GOALS	Yes	No
Do the goals support the mission?		
Are goals consistent with your legislative authority?		
Do the goals represent a measurable result?		
Do the goals provide direction for action and results?		
Are the goals challenging, but realistic?		
Is there at least one key goal for each program and subprogram that you can reasonably manage?		
Do the goals reflect the organization's priorities (both legislative and administratively)?		
Are the goals important to management, policy-makers and customers?		
Will your goals reflect your program budget?		
Would someone unfamiliar with the program understand what the goals mean?		

Objectives

Objectives take the goals one step further by setting specific and measurable products and services so that the goals may be accomplished. If progress cannot be measured in some fashion (percentage, actual numbers, etc.) then the objective needs to be fine-tuned so that it meets this criterion. Every goal should have at least one objective, as well as one person or persons responsible for meeting that objective. Objectives literally help you progress toward the ultimate vision. Like the other components, objectives must also be considered prior to implementation.

OBJECTIVES	Yes	No
Do the objectives reflect specific desired accomplishments?		
Can progress be measured?		
Are the objectives challenging, yet realistic and attainable within the planning periods?		
Are there enough resources to meet the objectives?		
Do the objectives work toward a result?		
Are there specific time frames associated with the objectives?		
Will meeting objectives lead to goal attainment?		
Is there at least one objective for each goal?		

Strategies

Strategies are a detailed series of milestones used to implement your objectives. Strategies require evaluation of costs and benefits, consequences of each approach, and the appropriate course of action. Once you have determined your strategies, then it will be easier to develop requests for resource allocation.

Strategies lead to the formulation of action plans (a series of milestones) that, as you know, contribute to the ultimate vision. When developing strategies, you should note whether or not they are customer-focused, cost-effective and realistic. One of the benefits associated with strategies is that they may be honed or re-worked as the strategic plan progresses. Many times, economic trends or current events/issues that are out of your control will affect your plan. In order to compensate, you may have to revise various strategies.

Finally, strategies must take into account the impact they will have on the overall plan. What will be the impact of your strategies on the desired results? Is the organization authorized to take action to implement, modify or change the strategy? What are the anticipated consequences of each strategy? Who is responsible for implementation and oversight of each strategy?

STRATEGIES	Yes	No
Are the strategies framed within a certain time period?		
Are the strategies broken down into specific steps (have operations, procedures and processes been included)?		
Do the strategies contain sufficient detail to track milestones?		
Do the strategies help achieve the objectives?		
Are there enough resources to implement the strategies?		
Do the strategies relate to the ultimate vision?		
Has someone been assigned to each strategy?		

We have also included sample forms (see Appendix E) that you may use once each of the aforementioned tests have been performed.

Application Approaches

Now that you know what the strategic planning process is all about, the question becomes, ***what part of your local government*** do you want to implement it for? For local governments that are new to the process, it is recommended that you **start small**.

Apply strategic planning to a particular part of your organization (department, unit or program). Strategic planning requires a time commitment and may not be intuitive to every participant. Therefore, trying this on a smaller scale may make the process a bit more accessible and manageable. Also, for the first-time strategic planners, a smaller project has a greater chance of succeeding and creating confidence. It also will be easier to manage if things do not go according to plan. The victories you and your work group gain from the small-scale strategic plan will undoubtedly contribute to your effort when you implement this on a larger level.

Once you have mastered the small-scale strategic planning process, you will be able to apply this technique to a larger venue such as an **entire organization or municipality**. The tenets remain the same. What does change, however, is that now you are charged with managing a number of departmental concerns. For example, you will have to keep in mind that, although the organization as a whole has one mission, there will be a number of more specific missions within each department or unit. As with a department or program strategic plan, these missions cannot be ignored; and they don't have to. The key to success on this level will be to devote more time and energy to the preliminary stages. Here are a few tips that may make the larger strategic planning process easier:

- Top-level officials have to be as enthusiastic and committed as you are.
- Be sure that your pre-flight checklist is in order.
- Be sure that the vision and the mission for your local government fit together.
- Be sure that the vision and individual departments' missions are consistent with the vision and mission of your local government.
- Be sure that you have the resources to do this.
- Don't be afraid to take a little more time on the pre-planning end; it will only pay off when you go to craft your actual strategic plan.

The size and scope of the strategic plan is, of course, strictly up to you and your colleagues. You know better than anyone what resources you have or can reasonably expect, and staff capabilities. You should make your final decisions based on particular circumstances. Just be sure that regardless of where you decide to begin, that you allow yourself sufficient time to get the preliminary details in order. Please see Appendix D for a checklist that details each step of the strategic planning process.

The Basics Do Stay the Same!

Regardless of the size of the undertaking (department versus entire local government), the principles and techniques remain the same. You still have to be clear about your mission and vision, you still need definite goals and objectives, and you still need management support.

All of the tools and processes contained in this chapter are applicable to any size strategic plan. What will change, however, are stakeholders who should be involved, resource commitment and possibly the time frame. A smaller project will, understandably require fewer preliminary hours than its larger counterpart. This is not to suggest that a smaller project will be any easier. The message here is to allot enough time for your preliminary work based on the scope of the project.

The organizational tools, such as brainstorming, affinity diagrams and the SWOT analysis, will also work on every level. These are basic rudiments that are designed to assist the smallest to largest group. Because you have control of the work group sizes and meetings, for example, you may also determine how you will best use these tools. Perhaps you may need an additional facilitator for a larger meeting. Or, you may have to convene in the municipal library instead of a smaller conference room. Again, these details simply require thoughtful planning (tools are discussed further in Appendix B).

Challenges and Solutions

There are always a number of challenges involved in such efforts. The following are a few of the more common challenges and possible solutions:

Challenge: Achieving consensus

Solution: *Getting everyone to agree may be difficult at times, but certainly not impossible. Compromise is the key word. Because consensus is as much of a vital component as any other tool, it is imperative that you reach a level of compromise that retains the mission, vision and goals, but also integrates the group's ideas. Many organizational tools are great vehicles for achieving consensus and equity. Brainstorming, affinity diagrams, surveys, prioritization, SWOT analysis and in-depth dialogue are promising solutions for working toward clearing any impasse. Please see Tool #4 in Appendix B.*

Challenge: Working with unions

Solution: *Unions, like other interested parties, are stakeholders. Include union representatives in the process and consider their points of view. Working within legal and contractual parameters should not pose a problem if you have a well-crafted strategic plan.*

Challenge: This is just another management fad

Solution: *Management fads come and go. "Management by Objectives" (MBO), "Zero-Based Budgeting" (ZBB) and a host of other management techniques have been justly retired to the alphabet soup hall of fame. However, strategic planning, by its very construction, is designed to be long-term. The decisions you make today directly affect*

the outcomes tomorrow and the tomorrows after that. In contrast, fads have short life spans and are replaced by another trend. Also remember that when you use strategic planning, you and your colleagues have a considerable influence shaping the direction of your local government in the years ahead.

Challenge: We tried this years ago and it didn't work!

Solution: *Times change. People change. Attitudes change. And most importantly, internal and external environments change. You need to look at all of these factors in an historical context and understand why strategic planning was not conducive to your operations at the time. Were there limited resources? Was there enough staff? Was the technology too simplistic? Too complex? What were your customers' concerns? Were customers sufficiently involved in the process? What were the local and national economic climates? Take a realistic look at these—and whatever other specific factors you think may have been contributory—and see how they have changed. Next, see how these changes have affected your locality. Timing is everything. Perhaps the time was not optimal before. Is it right now? Reference your pre-flight checklist, comparing “then” and “now” in order to make a sound and honest decision.*

Monitoring via Performance Measurement

As mentioned, the successful strategic plan is not static. It needs to be consistently monitored to ensure that goals and objectives are being met and that the original mission and vision are still being adhered to. “**Performance measurement**” is the term used to describe this part of the process. Performance measures are just one tool used to assess how the action phase and results from the actions are progressing.

What should be evaluated and measured?

As a basic rule, you should regularly **review your action items**. Look at whether the steps within your implementation plan are progressing according to schedule, if they are within budget (if applicable) and if they are helping you achieve your goals and objectives as you work toward your ultimate vision. If any of these questions cannot be answered in the affirmative, then take this opportunity to reintroduce the issue and see how you and your team may correct the problems.

If your action plan seems to be in line with your goals and objectives, but your desired outcomes are not being achieved, then you may want to **review your goals and objectives**. In some cases, the problem is not necessarily *how* to get there, but *what* you're trying to do to get to the right place. Ask whether or not the goals, objectives and strategies need revision. Quite often, simple language clarification turns out to be the needed remedy.

When you encounter obstacles that may slow down or impede progress, work backwards. Begin with the ultimate vision (“where do we want to be?”) and then review each prior step in an effort to diagnose and pinpoint the problem. Has your mission remained intact? Are the goals and objectives consistent with your overall vision? Are the action plans reasonable? Where are you now?

How often should you measure?

Frequency will, understandably, vary according to goal. However, you should decide upon how many times a year you will measure results, as well as the person(s) responsible for this task. This should be decided during the preparatory stages (before the strategic plan is written) and adhered to throughout the process.

A good practice regarding measurement is to conduct quarterly and annual evaluations. You may want to look at performance more than four times a year, depending upon external circumstances (e.g. economic downturn or upswing) or internal events (e.g. change of leadership) and that’s fine. However, resist the urge to monitor too much. By “too much,” we mean more than once a quarter. Excessive evaluation can easily turn into micromanagement and can have adverse effects on the people who administer the project, which in turn, will weaken your strategic plan.

Annual evaluations are important components of the strategic planning process. If your plan is to end at the close of one year, then the annual review allows you to determine whether or not you have met your goals. If your plan is multi-year (and most likely it is), the annual evaluation is a good opportunity to see not only if you have achieved your short-term goals, but also to make any course corrections for the next year.

Who should measure?

It is best if a third party unconnected to the activity, task or service measure performance and help set goals. A neutral monitor ensures honesty and a “fresh set of eyes” that may be able to offer constructive criticism and/or support. While you may also include people directly involved in the project, the initiative’s integrity is maintained by utilizing the services of a person who is not strongly tied to it.

One potential pitfall associated with performance measurement is that people directly affected by the strategic plan may be tempted to underestimate targets. Thus, when it comes time to measure, these goals appear to have been exceeded. Not only do the false results have an impact on the next period’s goals, but they also contribute to the erosion of public trust. One vital reason in implementing a strategic plan is to show the citizens exactly how their valuable resources are being allocated. In short, when goals have no substance, then the implied contract that government has to serving its constituencies to the best of its ability has been broken. Therefore, it is advisable to have a neutral party be involved in the goal-setting and evaluative phases.

How to measure

Transforming information into quantitative data is the essence of performance measurement. To illustrate, let's go back to the City of Townville's Community Safety Unit's strategic plan and monitor progress for the first quarter of the year (January 1-March 31). This is the first phase of their strategic plan:

GOAL	OBJECTIVE	STRATEGY
1. Create volunteer pool to provide more citizen safety	Establish Community Watch Foot Patrol	Initiate Foot Patrol coverage in 60% of districts by end of FY
2. Offer services responsive to citizens' needs	Discontinue non-value services and replace with new-value services	Conduct customer survey and implement at least one new service by the end of 2nd quarter based on customer survey
3. Increase citizen awareness of Community Safety Unit	Increase Unit's visibility among citizens	Create Issue #1 of bi-annual newsletter and mail to residents by end of 2nd quarter

As you can see, each goal has been translated into measurable strategies. At the monitoring stage, the task at hand is to see how close the results are in relation to the strategies and their time frames. Ultimately, you want to take your anticipated results and compare them with the actual ones. It is also helpful to add a "Corrective Action" column so that you can initiate new tactics for completing your strategies. Also, a category of this nature can serve as a morale builder. It says that you have not given up hope on the project, rather, that you and your colleagues simply need to take a new or more intense approach. For example:

STRATEGY	ESTIMATED	ACTUAL	ACHIEVED?	CORRECTIVE ACTION?
Initiate Foot Patrol coverage in 60% of districts end of FY	Planned coverage in Districts A, B and C	Have enough recruits to cover Districts A and B	NO	Increase recruitment
Conduct customer survey	Create customer survey to gauge degree of awareness; disseminate survey; have preliminary list of customer needs	Customer survey created on 1/27; disseminated on 2/7; results are being compiled and preliminary list is written	YES	None needed
Create Issue #1 of bi-annual newsletter and mail to residents by end of 2nd quarter	Create and disseminate survey to gauge degree of awareness; compile results and draft newsletter by 4/15	Created and disseminated survey, but only 10% of residents responded	NO	Follow-up with telephone survey and compile results

Some Advice

Patience

Patience is a virtue in this process. As you can see in the above example, not every strategy will be fulfilled 100 percent. This is not to suggest that your actions were wrong. It just means that you may have to adjust your tactic. Part of that tactic could be to allot more time for completion.

Another point to keep in mind is that the first time a new process is undertaken, implementation will be slower. Everyone is struggling with the “learning curve,” so understandably the first-run will take more time. As you become more versed in strategic planning, the process will run more smoothly and efficiently. It’s important that you do not get down on yourself for not achieving perfection the first time out.

Have realistic expectations

As mentioned, implementing a strategic plan is not the easiest thing for a new group to do. While the theories may seem intuitive, execution among a vast number of people is a bit more difficult. Coordination, consensus building and all of the other related elements associated with implementing the strategic plan take time and a great deal of effort. Therefore, be sure to set realistic expectations. You, too, need some victories and setting astronomical goals is a recipe for disappointment.

For more information regarding performance measurement, please see the Urban Institute’s website at www.urban.org/research, the International City and County Manager’s website at www.icma.org/performance or the Government Accounting Standards Board at www.gasb.org.

Conclusion

As you can see, the strategic planning process is a circular, rather than linear, planning tool. It goes beyond a traditional cause-and-effect progression and instead takes an interrelated look at the bigger picture. By taking a holistic approach to problem-solving, accomplishing your goals becomes much more feasible and lasting.

The ultimate goal in implementing strategic planning is that your community’s needs and future visions are met in a way that is not only efficient, but also equitable. By investing time and resources today, you and your colleagues are ensuring that these visions are a reality tomorrow.

APPENDIX A

Definitions

Customers: people, internal or external to the organization, who receive or use what an organization produces. Customers are also anyone whose best interests are served by the organization's actions.

Environmental scan: an analysis of key external elements or forces that influence the conditions under which an organization functions.

Facilitator: that person who keeps the discussion flowing during meetings. A facilitator does not express personal opinions, but instead ensures that each of the meeting participants' views and opinions are heard and considered.

Goal: results-oriented broad statements of policy or intention and representing particular aspects of the vision.

Mission: a statement outlining an organization's purpose. It describes what the organization strives to do and for whom it's done. It is the way you communicate to your customers (citizens to whom services are provided) and other stakeholders (those with a vested interest) why your local government exists, how they benefit or are impacted.

Objectives: specific products or services that are needed to attain a goal.

Organization: local government or functional part (department, program, unit) for which a strategic planning initiative is applicable.

Performance measures: a tool that assesses work performed and results achieved.

Stakeholders: organizations, groups or individuals that have a vested interest or expect certain levels of performance or compliance from the organization. Stakeholders do not necessarily use the products or receive the services of a program. Customers are one group of stakeholders.

Strategic planning: an on-going, systematic process that takes a forward-looking approach to an organization's goals and objectives.

Strategic plan: a results-oriented blueprint consisting of goals, objectives and strategies in order to achieve a desired vision.

Strategy: key steps (milestones) in achieving an objective.

Dear PWD Customer:

It is with true pride that Palmdale Water District (PWD) is celebrating 100 years of providing high-quality water at an affordable cost to our community. PWD has grown exponentially since its inception in 1918 when agricultural farmland was the primary customer. Today, we serve more than 115,000 individuals, who rely on us to ensure that the water they receive in their homes and businesses is safe, clean and reliable.

California's water issues are complex, and competition for this precious, finite natural resource will only increase in coming years. Like we have done for 100 years, PWD continues to plan for the future to ensure that our community's water supply is properly managed so that long-term water needs will be met. We strive to responsibly expand our water portfolio through groundwater recharge projects, increasing reservoir capacity and complex negotiations for water rights.

As we move forward toward our second century of service, the PWD Board members and staff are committed to keep providing you with the best customer care, lowest rates possible and conservation practices to save money.

The Board works very closely with staff to plan and execute short- and long-term goals to make sure that our water supply and reliability is solid for our existing and future customers. These six initiatives, known as the 2018 Strategic Plan, will guide us to achieve our collective goal of serving you better.

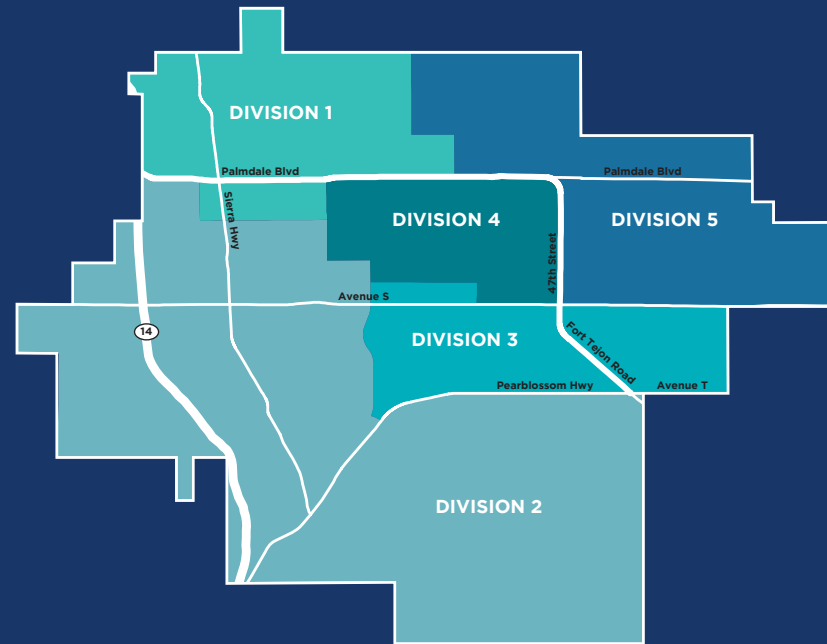
Thank you for being an important part of our first 100 years of service. We look forward to another century of providing you with clean and affordable water, and contributing to Palmdale's history!

Regards,

Vincent Dino
PWD Board President

Dennis D. LaMoreaux
General Manager

DISTRICT SERVICE AREA



Board of Directors



Robert E. Alvarado
Division 1



Joe Estes
Division 2



Marco Henriquez
Division 3



Kathy Mac Laren
Division 4



Vincent Dino
Division 5

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A CENTURY OF SERVICE

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PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

STRATEGIC PLAN

ADOPTED JANUARY 2018

2018 STRATEGIC PLAN

Strategic Initiative No. 1 – Water Resource Reliability:

- Complete the 2018 phase of the Upper Amargosa Creek Recharge Project
- Ensure Palmdale Recycled Water Authority to be fully operational by year 2020
- Adopt new state-of-the-art water treatment technologies
- Implement the Antelope Valley Groundwater Adjudication agreement
- Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
- Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
- Identify and pursue opportunities to increase the reliability of water supply

Strategic Initiative No. 2 – Organizational Excellence:

- Offer competitive compensation and benefits package to promote employee retention
- Focus Succession Planning Program on ensuring an overlap of training for key positions
- Continue providing transparency to our ratepayers
- Promote and support leadership training and professional development programs to enhance the District's customers' experience

Strategic Initiative No. 3 – Systems Efficiency:

- Implement 2016 Water System Master Plan
- Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
- Explore energy independence
- Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
- Research and test new technologies to increase efficiencies
- Improve safety and training for Directors, employees and customers
- Develop a crisis communications plan



OUR STORY. The history of water in the Antelope Valley began decades before the region's two largest cities – Palmdale and Lancaster – were established. Artesian wells, orchards, agriculture and the vast expanse of land created opportunities for growth and development throughout the High Desert.

In 1895, the South Antelope Valley Irrigation Company formed to construct the earthen dam at Lake Palmdale to provide irrigation to the significant farming operations throughout the area. The irrigation company was taken over 17 years later by the Palmdale Water Company, which became the Palmdale Irrigation District in 1918. The name Palmdale Water District (PWD) was adopted in 1973. Throughout the last century, PWD and its predecessors expanded to help service the promising aerospace industry and the growing population of the community.

Water usage has shifted from agriculture to residential and business customers, who rightfully expect and deserve the highest quality water at a reasonable cost. PWD strives to meet customer expectations while simultaneously works to address an aging infrastructure, reduced water reliability, drought concerns, increased demand, customer satisfaction, future growth projections, and emergency preparedness needs.

The six initiatives presented are a guide to help PWD focus its resources, energy, and planning ability so that it can be more of an efficient, regional asset to current and future customers. Positioning the PWD as a regional leader and community partner will help ensure that the long-term vision for Palmdale's success will prevail.



Strategic Initiative No. 4 – Financial Health and Stability:

- Pursue additional grant funding for all District projects
- Adopt a sustainable and balanced rate structure to meet short- and long-term needs
- Create a five-year financial plan in conjunction with the 2019 Water Rate Plan
- Maintain adequate reserve levels, high-level bond rating, and financial stability

Strategic Initiative No. 5 – Regional Leadership:

- Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority
- Expand school water education programs
- Engage elected officials in water-related issues
- Continue offering career opportunities through the Internship Program
- Provide opportunities for local businesses to contract with the District

Strategic Initiative No. 6 – Customer Care, Advocacy and Outreach:

- Increase Customer Care accessibility through communication and feedback to enhance customers' experience
- Evaluate, develop, and market additional payment options
- Be point of communication for customers' water-related public health concerns
- Develop the District's Public Outreach Plan
- Increase public awareness of the District's history and promote centennial anniversary

Mission Statement

Providing high-quality water to our current and future customers at a reasonable cost.