



## NOTICE OF ADMINISTRATION COMMITTEE MEETING July 12, 2022

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 on **Tuesday, July 12, 2022, 1:00 p.m.**, via video/teleconference.

There will not be any physical location for this meeting. Pursuant to AB 361 and San Lorenzo Valley Water District Resolution No. 4 (21-22) this meeting will be conducted by video/teleconference. Any person in need of any reasonable modification or accommodation in order to participate in the meeting may contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting. The meeting access information is as follows:

<https://global.gotomeeting.com/join/269830453>

You can also dial in using your phone.  
(For supported devices, tap a one-touch number below to join instantly.)

United States (Toll Free): 1 877 309 2073  
- One-touch: <tel:+18773092073,,269830453#>

United States: +1 (571) 317-3129  
- One-touch: <tel:+15713173129,,269830453#>

Access Code: 269-830-453

### 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. 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. LEGISLATIVE ADVOCACY

Presentation on strategies to maximize legislative impacts and increase access to funding opportunities for water districts at the State and Federal levels, by Ashley Walker, Nossaman lobbyist and senior policy advisor.

B. COMMITTEE MEMBER VACANCY

Discussion by the Committee regarding the vacancy on the committee.

C. STRATEGIC PLAN

Discussion by the Committee regarding the Strategic Plan.

4. Unfinished 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. JOHNSON BUILDING UPDATE


Discussion by the Committee regarding an update on the Johnson Building meeting space remodel.

5. Informational Material:

Here is a link <https://www.slvwd.com/node/286/minutes> to previous Admin Committee meeting minutes.

6. Adjournment

***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](http://www.slvwd.com) subject to staff's ability to post the documents before the meeting.***



San Lorenzo Valley Water District  
Administration Committee

Legislative Advocacy

*Presented By:*  
Ashley Walker, Senior Policy Advisor  
Nossaman LLP

## Today's Presentation

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- Review the state legislative process and the current Sacramento political landscape.
- Discuss how to maximize legislative advocacy impacts.
- Outline hot policy topics in the current, and future state legislative session.
- Discuss funding opportunities at the state and federal levels of government.

## State Legislative Process

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- Legislative Session Timeline
- Bill Deadlines
- Committee Hearings
  - Policy
  - Fiscal
- Amendment Process
- State Budget Process
- Governor's Office Actions

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## What to Know in Sacramento

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- Election Year
- Redistricting
- Resignations
- COVID-19 Pandemic Actions and Executive Orders
- Advocacy Changes Related to COVID-19
- Second Year of a Two-Year Session

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## Maximizing Advocacy Impacts

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- Working with a Lobbyist
- Developing a Strategic Legislative Platform
- Developing Key Relationships
- Educating Key Legislative Members
- Seeking out Champions for your Cause
- Advocating in Coalitions
- Maximizing Statewide Organizations

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## Current Hot Policy Issues

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- Drought
- Mitigating Climate Change Impacts
- Pandemic Response
- Water Affordability
- Water Infrastructure Investments
- Water Use Efficiency
- Wildfire

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## State and Federal Funding

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- State Budget Member Request Process

Examples:

Padre Dam Municipal Water District

Monterey County Water Resources Agency

- Federal Earmark Process

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## Thank you!

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Questions?

### Contact Information:

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916-930-7780 (Direct Office)

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M E M O

TO: Administration Committee  
FROM: District Manager  
SUBJECT: COMMITTEE MEMBER VACANCY  
DATE: July 12, 2022

RECOMMENDATION:

It is recommended that the Committee review this memo and decide whether or not to fill the vacancy on the Admin Committee.

BACKGROUND:

On May 19, 2022, the Board of Directors appointed Monica Martinez to the Budget & Finance Committee triggering her resignation from the Administration Committee.

The Administration Committee may choose to replace Ms. Martinez or change the number of Committee members from 5 to 4 members. A quorum will still be 3 members.

If the Committee chooses to add another member staff will be directed to advertise in the local newspaper, through social media, and with flyers posted at key areas throughout the District. The term of a replacement committee member will still end on December 31, 2022.

## MEMO

TO: Administrative Committee  
From: District Manager  
SUBJECT: Strategic Plan  
DATE: July 12, 2020

### Recommendation:

It is recommended that the Administration Committee review the attached information regarding updating the District's Strategic Plan and make a recommendation for updating the District's Strategic Plan.

### Background:

The District's current Strategic Plan dated December 2016 can't be verified as ever being adopted by the Board. In 2019 the Board of Directors discussed updating the existing plan. A great deal of discussion has taken place in drafting an updated Plan.

In September 2019, Director Fultz submitted a draft plan to the Board for review. After discussion, it was decided that Directors Fultz and Farris would edit the draft.

In June 2020, the Board directed the District manager to review the Fultz/Farris draft and return with a modified document to reflect the Manager's goals and objectives.

COVID, changes in Board members, and the CZU Fire put the Strategic Plan on hold. Only one Board Member, Director Fultz, is still on the Board that worked on the draft document and is familiar with the past process.

At this point, the staff is recommending we jump-start the discussion and give direction to staff on moving forward with a draft Strategic Plan.

Attachment



## San Lorenzo Valley Water District

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### 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.

DRAFT - For Board Discussion

## 1.0 Introduction

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### 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.

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

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

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### **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

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### 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

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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

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### 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

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### 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 construction<sup>1</sup>.
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.

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<sup>1</sup> 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

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### 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

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### **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

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### 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 permit<sup>2</sup> 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.

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<sup>2</sup> 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.o Civic Engagement

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### 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

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### 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.o Bear Creek Estates Wastewater Facilities

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### 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.