



Nipomo Community Services District 2014 Strategic Plan

March 2014



Nipomo Community Services District 2014 Strategic Plan

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Peter Sevcik: Director of Engineering and Operations

CONSULTANT

Martin Rauch, Managing Consultant

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1. DEVELOPING THE STRATEGIC PLAN

2014

Strategic Plan

INTRODUCTION TO THE STRATEGIC PLAN

The District has taken a proactive planning approach for many years, developing and utilizing strategic analysis, planning and action. Since it has been a number of years since the last formal strategic planning effort, it is appropriate to undertake a full evaluation of the District's situation and develop a new strategic plan that is presented in this document, with recent achievements and key priorities summarized below.

Water Supply Achievements. The District's most notable strategic success in recent years is development of multiple programs to responsibly manage the groundwater Basin and ensure its long-term reliability and health. These include implementation of supplemental charges and numerous policy and legal activities to protect the Basin. Its agreement to purchase supplemental water and invest millions of dollars to bring that water into the Basin are unique and substantial successes.

Water Supply Challenges. Despite these successes, water supply remains the number one priority identified in the strategic plan. The Basin has long been stressed, but the current drought is making additional progress on water supply more urgent: especially such tasks as completing Phase I of the supplemental water project, which is the District's top priority. In addition, additional water supply actions are prioritized, including developing agreements for neighboring purveyors to pay for their share of the supplemental project to make development of additional phases possible.

Completing the Major Facility Upgrades. The District has \$31 million in capital projects underway from previous strategic plans—a never-before achieved level of improvement projects. These include: a new wastewater plant, the supplemental water projects and work at Black Lake Blacklake Well #4 and Standpipe projects. Completing these projects on schedule and budget is another top priority.

Bring Operations to the Next Level. The new treatment plant and supplemental water system required a new level of operating sophistication. The District is prioritizing programs that ensure readiness of systems and cost-effectiveness of operations. For example: continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management)

ABOUT STRATEGIC PLANNING

Planning is strategic when it helps move an organization forward from its current situation to its desired future and anticipates new challenges and conditions.

The Strategic Plan is Nipomo Community Services District's highest level planning document, and represents the Board's direction for the future, and the staff's work plan for implementing it. It is developed through a step-by-step process that includes understanding the situation and the operating environment, identifies the highest priority issues, identifies the strengths and weaknesses of the organization, as well as its opportunities.

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

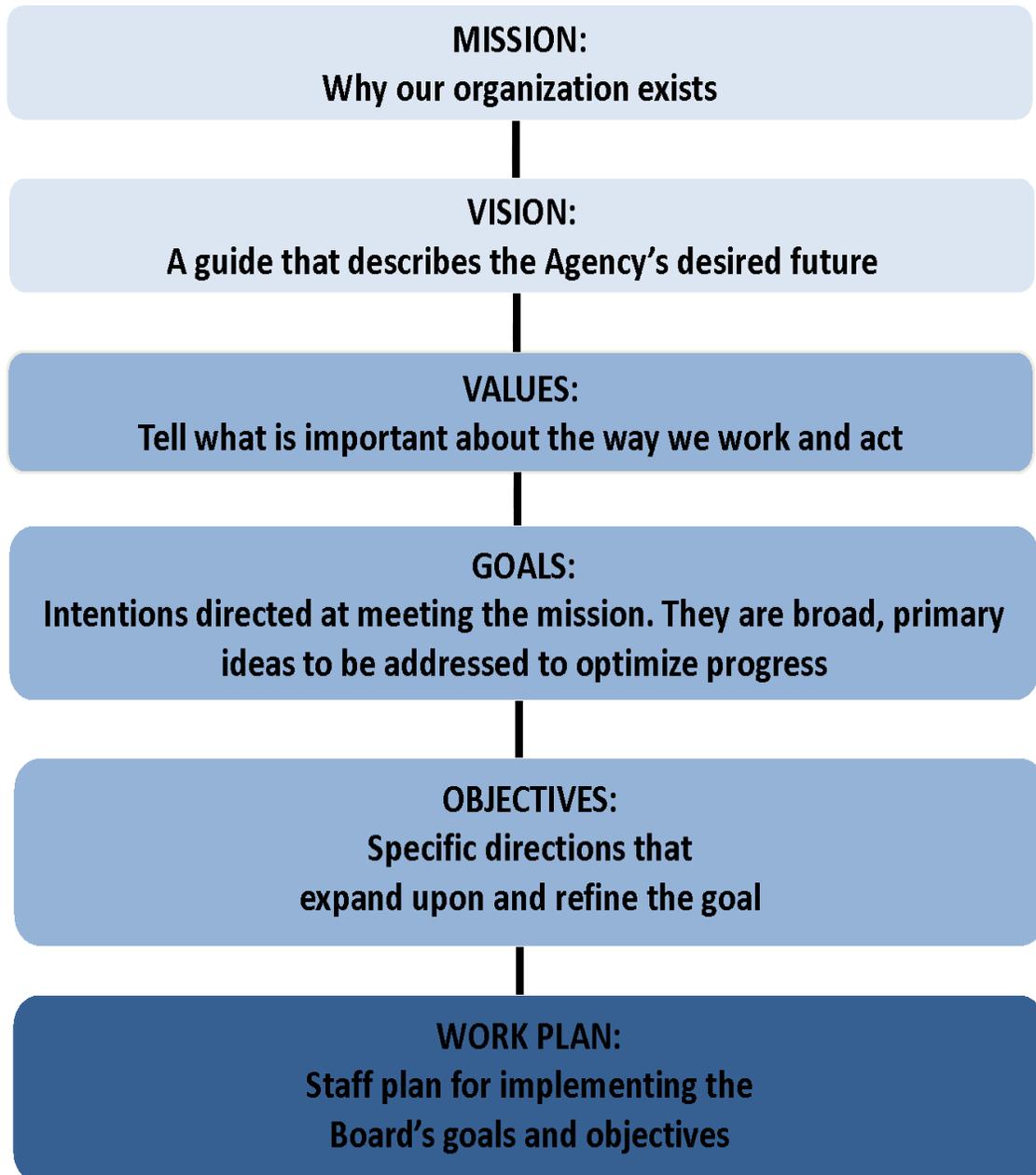
The Strategic Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives, and includes a practical Work Plan developed by the staff to implement those goals and objectives.

Given its importance, it should be referred to regularly as a guide to agency actions during the period covered.

To keep it fresh, it should be updated annually as new factors enter the picture, and rolled forward so that there is always a multi-year guide to the future.

STRATEGIC PLAN STRUCTURE

The strategic plan is built using a series of logical components as shown in the graphic below.



HOW THE STRATEGIC PLAN WAS DEVELOPED

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

Background Research.

Research. The consultant began by holding discussions with the Manager and assistant manager and by reviewing background documents including agendas and minutes, as well as a number of other documents and reports, the budget, and other pertinent information.

Confidential Interviews. The research phase was followed by a series of confidential interviews carried out by the consultant. The goal is for the interviewees to candidly express their interests and perspectives on the District. Interviewees included the Board of Directors, General Manager and Management team.

Planning Workshops

The Board of Directors and senior management staff participated in two strategic planning workshops facilitated by Rauch Communication Consultants.

The first workshop. During the first workshop, the group reviewed the results of the interviews, undertook a number of exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. They also undertook an initial review of the mission, vision and values

The second Board workshop. During the second workshop, the group reviewed the progress to-date and developed strategic direction: goals, objectives, and provided final direction on the mission, vision, values, goals and objectives.

Staff Workshop to Develop the Strategic Plan. Staff worked with the consultant to develop a Work Plan showing priorities, what the staff will do to accomplish each action; who is responsible; and when it will be done and its overall priority.

Additional Information from the Planning Process

During the planning process a number of exercises and discussions were undertaken to review.

They provide useful additional information and ideas.

Expectations of the Participants.

Summary of the Interviews.

Rating the District Today.

What is Coming Down the Road: Challenges and Opportunities.

HIGHEST PRIORITY ISSUES

Having reviewed numerous current and future issues, the participants identified the items below as being truly important to deal with in the coming years. It is important to focus on just a few priority issues, recognizing that in practice it is not possible to accomplish everything at once and that there are limits on time, money and personnel resources. Below is the group's selection of priority issues in order of priority.

HIGHEST PRIORITY ISSUES	
1	Complete supplemental water project. Drought may make it urgent. Complete Supplemental Water with reasonable rate increases.
2	Complete all \$31 million in capital projects on schedule and budget. These include the Supplemental water project, completing the new wastewater plant and Blacklake Well #4 and Standpipe projects.
3	Raise the Bar on Operational Effectiveness. Integrating supplemental water project within current operations will require a higher level of operational effectiveness: 1) defining and following operating rules and agreements with purveyors; 2) Coordinate with city on a daily basis on operating supplemental water; 3) Implement new disinfection; 4) Manage the transmission system at a more sophisticated level.
4	Upgrade Blacklake wastewater system. It is aging and worn. Need public to understand and accept the rates.
5	Developing agreements to pay for supplemental water supplies. We must cease mining water.
6	Meet all regulations. Continue to provide quality services.

2. STRATEGIC PLAN

2014

Strategic Plan

MISSION, VISION AND VALUES

Mission

A good mission statement should accurately explain why your organization exists and what it hopes to achieve in the future. It articulates the organization's essential work. The Board made minor edits to the existing mission and approved the following:

Provide our customers with reliable, quality, and cost-effective services now and in the future.

Vision

A clear vision provides a guide for an agency. The clearer the vision, the easier it is for the Board, Staff and stakeholders to picture what the Board is trying to achieve and then achieve it. The following is the Vision of Nipomo Community Services District:

Provide superior and cost-effective services to our customers, a valued place to work for employees, respected and supported by our public and peers, and helping to maintain the rural quality of life in Nipomo.

Values

Values are what we consider important—what we believe is right. The Board is responsible for identifying and being the guardian of values. Effective organizations identify and develop clear, concise and shared values, beliefs, priorities, and provide direction so that every employee understands and can contribute by implementing their work in line with the organization's values. The Board reviewed the existing values and made minor edits. The values are written as questions which can be posed to help make difficult decisions.

- *Is it open, transparent and responsive to our customers?*
- *Is it sensitive to rates, cost efficient and financially responsible?*
- *Does it support our commitment to maintaining-quality facilities and infrastructure?*
- *Does it support our ability to provide quality and reliable services?*
- *Does it support the welfare of our employees?*
- *Does it support the quality of life and rural character of our community?*

GOALS AND OBJECTIVES

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

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.1 Complete Phase 1 of Supplemental Supply Projects.
- 1.2 Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).
- 1.3 Develop water shortage response and management plan to respond to drought and other supply emergencies.
- 1.4 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.
- 1.5 Update Water Master Plan to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements.
- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations.

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

- 2.1 Complete treatment plant construction on-time and budget.
- 2.2 Manage both collection systems with the objective of zero spills and zero permit violations.
- 2.3 Manage both treatment facilities with the objective of zero permit violations and long-term preservation of assets.
- 2.4 Carry out treatment plant expansion on the scheduled trigger of 700,000 gallons per day of capacity. District is currently at 650,000 gallons per day (3-5 years).

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.

- 3.1 Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.
- 3.2 Maintain a strong commitment to a safe work place.
- 3.3 Maintain effective disaster response capability.

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

- 4.1 Ensure that purveyors and others pay their fair share of financing water supply, supplemental water, conservation, and sustainability of the regional water supply. Purveyors should pay their share up front before getting water in order to help finance next phases of supplemental water program.
- 4.2 Monitor liabilities for post-employment benefits. Continue to track State progress to reform post-employment benefit programs.
- 4.3 Monitor opportunities for grant funding.
- 4.4 Maintain adequate rates to fund future capital replacements.
- 4.4 Maintain sound investment policy and investments.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

- 5.1 Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management).
- 5.2 Ensure a safe work environment.
- 5.3 Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance.

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

- 6.1 Board carry out an annual self-evaluation seeking to provide better policy guidance, by-laws, and increase efficiency and effectiveness.
- 6.2 Utilize technology to maximize productivity and communications.
- 6.3 Provide excellent customer service.
- 6.4 Periodically review, update and reaffirm District policies and procedures.

Goal 7. COMMUNICATION. Use public outreach to communicate effectively with the public to obtain their input and build understanding and support for the District.

- 7.1 Develop and implement a complete outreach plan and timeline with specific goals and budget each year.
- 7.2 Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.

Goal 8. ADDITIONAL COMMUNITY SERVICES. Staff should focus on meeting the goals and objectives of existing services. Adding new services will be considered on a case-by-case basis and entered into only if funding can be found and existing services are not harmed.

- 8.1 PARK. Remain engaged in community planning at the Board level.
- 8.2 PARK. Communicate district's commitment to follow through pending acquisition and/or availability of funding source.
- 8.3 SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.
- 8.4 STREET LIGHTING. Monitor maintenance of facilities and respond to observed problems.
- 8.5 DRAINAGE. Monitor maintenance of facilities and respond to observed problems.
- 8.6 STREET LANDSCAPING. Monitor landscape maintenance and respond to observed problems.

Ensuring Results

A review of the contents of this plan, including the work plan, demonstrates that the expectations were met. In order to ensure results are achieved it will be important to have a plan for implementation and monitoring:

We recommend the following.

1. That the Mission, Vision, Goals and Objectives be printed, presented to staff, and displayed around the office.
2. That the Work Plan be published and regularly referred to by the management team.
3. That a Board Committee be named to oversee implementation of the Work Plan as appropriate. We recommend semi-annual reviews.
4. Reference Strategic Plan related elements in Agenda packets.
5. That the Strategic Plan be reviewed and updated annually and rolled forward. Usually this is accomplished through a half-day Board workshop followed by Staff updating the Work Plan. Some organizations update it biannually, usually through a whole-day workshop.
6. Utilize progress in implementing the Strategic Plan as part of performance monitoring of the General Manager.

STAFF WORK PLAN

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

Priorities:

There are two kinds of priorities assumed in this work plan: 1) Importance; and 2) Time. It is possible for a priority to be critical in importance but not due for a long time. Conversely a priority may have low importance but be due promptly. The 1-3 numbering system focuses on relative importance. The timing column indicates due dates. The numbering system is as follows:

1. Critical project that must be accomplished on time.
2. Important project that can be delayed if needed to complete a #1 priority project.
3. Desirable project that can be delayed or cancelled to complete a #1 or #2 priority project.

Key to Abbreviations

These abbreviations refer to who is named as responsible for a given action under the column titled LEAD:

MSL —Michael LeBrun	PVS —Peter Sevcik	LSB —Lisa Bognuda
JDH —Jim Harrison	Comm —Committee	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
1.0.0	1	Goal 1. WATER SUPPLY. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.	Goal	NA	
1.1.0	1	Complete Phase 1 of Supplemental Supply Projects.	Obj	Jul-15	
1.1.1	1	Rebid and construct bid package 3 (Blosser Rd Main).	PVS	Dec-14	Preparing to Bid
1.1.2	1	Complete construction package 4 (Pump Station) and Phase 1 of Project.	PVS	Jul-15	Under Construction
1.1.3	1	Negotiate sales agreements with purveyor partners. Include interconnection infrastructure and draft operating agreement (to be finalized after operating agreement with Santa Maria).	MSL	Sep-14	Assembling negotiating team. Rate consultant developing basis for agreements. With legal counsel
1.1.4	1	Negotiate operations agreement with City of Santa Maria.	PVS	May-15	With MSL
1.1.5	1	Negotiate final operations agreement with purveyors.	PVS	May-15	With MSL
1.1.6	1	Prepare for delivery of water (obtain permits, public notice an education of changes in disinfection methods and water quality, transition water supply to chloramines disinfection).	PVS	May-15	
1.1.7	1	Design and develop separate accounting fund for supplemental water, design and develop a rate approach to support the purchase of water through sale to customers and purveyor partners. A Proposition 218 process is required and will be conducted concurrently with 1.3.3.	MSL	Sep-14	With Lisa and consultant
1.2.0	1	Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).	Obj	Jan-18	
1.2.1	1	Define funding options and review with Board and select approach to scheduling. At minimum, seek to construct tank (\$2.5 million) before Phase I construction is complete. This would save restaging costs and increase delivery capacity. Pipeline up orchard is second priority (\$2 million) pending funding. (See 4.1 purveyors to pay share).	MSL	Jul-14	With LSB
1.2.2	1	Develop bid documents for the Phase 2 tank or additional projects depending on selected scheduling approach.	PVS	Dec-14	
1.2.3	1	Update sales agreements as additional pipeline capacity is constructed.	MSL	Dec-15	Time agreements with construction progress
1.2.4	1	Construct Phase 2 tank or additional projects depending on selected scheduling approach	PVS	Dec-15	
1.2.4	1	Complete construction of 3,000 AFY capacity interconnection with the City of Santa Maria	PVS	Jan-18	Timing is funding dependent - may accelerate.

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
1.3.0	1	Develop water shortage response and management plan to respond to drought and other supply emergencies.	Obj	Jun-14	
1.3.1	1	Coordinate with NMMA purveyors on triggers and levels of reduction in groundwater pumping and get Board approval.	MSL	Feb-14	Complete
1.3.2	1	Design drought rates and response programs to meet the mandated reduction in groundwater production. This task is concurrent with 1.1.7 above.	MSL	Mar-14	With LSB and rate consultant
1.3.3	1	Public review and 218 process. Conduct Rate Hearing. This task is concurrent with 1.1.7 above.	MSL	Sep-14	LSB
1.3.4	1	Coordinate with the County to implement restrictions on building permits during advanced stages of drought.	MSL	Jun-14	
1.3.5	1	Design and implement outreach and information on rate adoption.	MSL	Dec-14	Through out process, consultant services
1.4.0	1	Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.	Obj	Jul-14	
1.4.1	1	Assist and insist on the development of area wide Water Resources Policy to sustain local groundwater health. Base the Policy on implementation of approved County Ordinances 3090 and 3160, and the 2005 court ordered stipulation that requires all new demands be met with supplemental water.	MSL	Jul-14	Quarterly report to Board
1.4.2	1	Support the County in developing and implementing additional supplemental supply to meet the demands of County planned growth across the Nipomo Mesa. This may include added capacity to the 3,000 AFY pipeline project, desalinization of sea water or other water supply alternatives.	MSL	Not known	Timing depends on county funding and action
1.5.0	2	Update Water Master Plan to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements	Obj	NA	
1.5.1	2	Develop and Issue RFP for Water Master Plan Update. Select Consultant	PVS	Jun-15	
1.5.2	2	Complete Water Master Plan Update	PVS	Jun-16	
1.6.0	2	Continue to monitor and participate in water supply issues and programs with other local and regional organizations	Obj	NA	
1.6.1	2	Actively promote conservation of water through outreach, education and rate setting. Meet and exceed State mandated conservation goals and programs.	MSL	On-going	Public Information Assistant lead with as needed consulting help.

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
1.6.2	2	Develop a conservative and protective water allocation program to allocate the 500 acre-feet of supplemental water the District has reserved for County approved growth within District boundaries. Analyze customer use patterns and establish allocation factors with consideration of property zoning and size.	MSL	Jan-15	
1.6.3	2	Advance dialog with other water suppliers, municipal leaders and others about possible regional program. Maintain a 'seat at the table' for all discussions on regional water supply projects.	Board	Long-term	
2.0.0	2	Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.	Goal		
2.1.0	1	Complete treatment plant construction on-time and budget	Obj		
2.1.1	1	Carry out construction oversight. Start-up new facilities.	PVS	Jul-14	
2.2.0	3	Manage the collection system with the objective of zero spills and zero permit violations.	Obj	NA	
2.2.1	2	Implement computerized maintenance management system for water and sewer. (RFP, purchase and install hardware and software, integrate, train, implement) See goal 5.1.1.	PVS	Jan-16	
2.2.2	2	Address the backlog of preventive maintenance.	PVS	Jan-15	
2.3.0	2	Manage both treatment facilities with the objective of zero permit violations and long-term preservation of assets.	Obj	NA	
2.3.1	2	Complete Blacklake sewer facilities review.	PVS	Jan-15	
2.3.2	2	Conduct rate hearings (218 Rate Adoption Process) and set and approve appropriate rates to fund Blacklake upgrades and repairs recommended by the facilities review.	MSL	Dec-15	
2.3.3	1	Expedite the update of Town Sewer Capacity Charge to reflect the newly build facilities.	MSL	Sep-14	
2.3.4	2	Carry out Town Sewer System Master Plan update to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements.	PVS	Jan-16	
2.3.5	2	Set and approve appropriate rates to fund timely expansion of the Southland Wastewater Treatment and Reclamation Facilities and Town Sewer upgrades and repairs recommended by the Master Plan Update.	MSL	Jul-16	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
2.4.0	3	Carry out treatment plant expansion on the scheduled trigger of 700,000 gallons per day of capacity. District is currently at 650,000 gallons per day. (3-5 years).	Obj	NA	
2.4.1	3	Select design and construction management consultants, design expansion project.	PVS	Trigger	Schedule will trigger on influent flow volume
2.4.2	3	Develop funding plan for construction of facilities to expand the Southland Wastewater Treatment and Reclamation Facilities.	MSL	Trigger	Schedule will trigger on influent flow volume
3.0.0	2	Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.	Goal	NA	
3.1.0	1	Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.	Obj	NA	
3.1.1	1	Maintain staffing competency by providing regular training opportunities. Budget and prioritize staff training. Include training goals in annual performance evaluation and goal setting.	MSL	Ongoing	
3.1.2	1	Provide formal performance evaluations to all staff at least annually. The evaluations will be balanced and provide meaningful feedback and measurable performance goals. Annual evaluation of all Directors and Managers will include an evaluation of the timeliness of formal review of all staff under their responsibility. Also will include a face to face discussion between supervisor (evaluator) and staff person being evaluated.	MSL	Annually	
3.1.3	1	Foster good morale by maintaining high standards for professionalism and accountability of all employees. Annually review Employee Handbook (see 6.4.1). Quarterly staff meetings and semi-annual off-site all staff team building events.	MSL	Annually	
3.1.4	2	Provide advancement and growth opportunities for all employees. Recognize and encourage staff to 'train-up' for advancement within organization. Promote from within when able. Review opportunities for each employee during annual review.	MSL	Ongoing	
3.2.0	1	Maintain a strong commitment to a safe work place.	Obj	NA	
3.2.1	1	Maintain and implement Safety Program. Ensure all operational procedures and demands prioritize worker safety over work production. Safety first is a uni-directional policy of the District. All employees of the District are responsible for implementing and maintaining a safe work place as outlined in the Safety Manual adopted in 2007 and regularly updated.	MSL	Ongoing	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
3.2.2	1	Provide regular and appropriate safety training to all staff. Weekly operations tail gate meeting, Weekly management safety discussion, quarterly all-hands safety meeting, monthly office staff safety discussions. Annual safety training evaluations.	PVS	Ongoing	
3.2.3	2	Conduct semi-annual review of District facilities with a focus on safety related issues.	MSL	January and July	MSL coordinate a review of District facilities with PVS.
3.3.0	4	Maintain effective disaster response capability.	Obj	NA	
3.3.1	2	Maintain contact and communication with emergency response agencies of the County.	MSL	Bi-Monthly	Attend bi-monthly CSDA chapter meetings
3.3.2	2	Maintain contact and communication with local water and sewer providers to foster and develop mutual aid.	PVS	Ongoing	Attend local district operations meetings
4.0.0	1	Goal 4. FINANCE. Maintain, conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.	Goal	NA	
4.1.0	1	Ensure that purveyors and others pay their fair share of financing water supply, supplemental water, conservation, and sustainability of the regional water supply. Purveyors should pay their share up front before getting water in order to help finance next phases of supplemental water program.	Obj	NA	See 1.1.3 above
4.1.1	1	See 1.1.3 above: Negotiate sales agreements with purveyor partners. Complete work prior to setting supplemental water rates for regular customers. (see 1.2 expedite funding of supplemental water program).	MSL	Sep-14	General Counsel to draft agreement and lead negotiations.
4.2.0	3	Monitor liabilities for post-employment benefits. Continue to track State progress to reform post-employment benefit programs.	Obj	NA	
4.2.1	3	Attend webinars and conference programs.	LSB	Ongoing	As members of CSDA, the District supports and tracks OPEB reform.
4.3.0	3	Monitor opportunities for grant funding.	Obj	NA	
4.3.1	3	Participate in SLO County Integrated Regional Water Management priority setting and grant application process.	MSL	Ongoing	Attend WRAC and IRWM meetings regularly
4.4.0	2	Maintain adequate rates to fund future capital replacements .	Obj	NA	
4.4.1	2	Conduct regular reviews of infrastructure readiness and needs (a.k.a. Master Plan) and incorporate capital project needs in regular rate studies to insure rates support infrastructure needs.	PVS	Every 5-7 years	See 1.5.0; 2.3.1; 2.3.4 Master Plan Updates
4.5.0	4	Maintain sound investment policy and investments.	Obj	NA	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
4.5.1	1	Conduct annual review of Reserve Policy, Debt Policy, and Investment Policy and bring to Board of Directors.	LSB	Jan-15	Annually
5.0.0	1	Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.	Goal	NA	
5.1.0	1	Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management).	Obj	NA	
5.1.1	2	See 2.2.1 Development of Maintenance Management System.	PVS	Jan-16	See 2.2.1 above
5.2.0	1	Ensure a safe work environment.	Obj	NA	
5.2.1	1	Implement and update safety program.	MSL	Ongoing	See 3.2.0 above
5.3.0	3	Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance.	Obj	NA	
5.3.1	2	Regularly report to the Board of Directors on capital project and maintenance goals adopted in the Master Plan.	PVS	Monthly	
5.3.2	3	Develop metrics as data reporting accuracy and history improve. Incorporate into monthly operations reports.	PVS	Jan-16	
6.0.0	1	Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.	Goal	NA	
6.1.0	1	Board carry out an annual self-evaluation seeking to provide better policy guidance, by-laws, and increase efficiency and effectiveness.	Obj	NA	
6.1.1		Board determine how to carry out annual self evaluation and implement it.	Board	Jan-15	Annually during by-law review
6.2.0	2	Utilize technology to maximize productivity and communications.	Obj	NA	
6.2.1	2	Research and install new billing system, including paperless and e-billing services.	LSB	Jan-16	Budget for implementation in 2014-2015. Complete by 1/1/16.
6.2.2	2	Maintain electronic archive of records. Schedule time for clerk/secretary to perform task on regular basis.	LSB	Jan-16	Eliminate backlog by January 2016
6.2.3	2	Update District website to improve presentation of information.	MSL	Jan-14	Completed 4/6/14
6.2.4	2	Keep website up to date and 'fresh'. All office staff review site weekly and give input for updates.	MSL	On-going	Public Information Assistant is webmaster.
6.3.0	4	Provide excellent customer service.	Obj	NA	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
6.3.1	1	Provide regular updates and coaching of all staff to ensure a consistent and courteous message is delivered to the customer. Quarterly all-staff meeting, weekly office staff discussions and monthly check-in with operations staff.	MSL	On-going	
6.4.0	4	Periodically review, update and reaffirm District policies and procedures.	Obj	NA	
6.4.1	3	Conduct annual review of Personnel Handbook.	MSL	Annually	Each January convene Comte. Include District Legal Counsel.
6.4.2	3	Address dated policies and incorporate new polices as needed.	MSL	Jan-15	Ongoing. Summarize each January to Board
7.0.0	2	Goal 7. COMMUNICATION. Use public outreach to communicate effectively with the public to obtain their input and build understanding and support for the District.	Obj	NA	
7.1.0	1	Develop and implement a complete outreach plan and timeline with specific goals and budget each year.	Obj	NA	
7.1.1	1	Review outreach program and budget annually in concert with budget development.	MSL	Annually	Work with PIO to develop annual budget
7.2.0	3	Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.	Obj	NA	
7.2.1	2	Utilize Board assigned Directors as liaisons to assist General Manager.	MSL	On-going	Manager and Directors
8.0.0	3	Goal 8. ADDITIONAL COMMUNITY SERVICES. Staff should focus on meeting the goals and objectives of existing services. Adding new services will be considered on a case-by-case basis and entered into only if funding can be found and existing services are not harmed.	Goal	NA	
8.1.0	4	PARK. Remain engaged in community planning at the Board level.	Obj	NA	
8.1.1	4	Continue to represent District at the Olde Towne Nipomo Association park planning meetings.	Comm	On-going	Parks Committee Members will play a lead and active role in near term. Attend OTNA meetings as needed.
8.1.2	4	Support Olde Towne Association park planning efforts as needed.	MSL	On-going	Attend OTNA meetings as needed
8.2.0	1	PARK. Communicate district's commitment to follow through pending acquisition and/or availability of funding source.	Obj	NA	
8.2.1	4	Clarify District position on development of Jim Miller Park. Agenda and Board discussion when needed to provide support for planning phases	JH	As needed	

STAFF WORK PLAN

No.	P.	Action	Lead	Timing	Timing/Status
8.3.0	3	SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.	Obj	NA	
8.3.1	3	Solidwaste Committee to meet and engage public on ideas for franchise fee expenditures that would provide meaningful services.	Comm	NA	
8.4.0	4	STREET LIGHTING. Monitor maintenance of facilities and respond to observed problems.	Obj	NA	
8.4.1	4	Maintain the assessment income for the services adequate to meet the cost of services.	MSL	Annually	Annual assessment review process.
8.4.2	4	Minimize to administrative cost increment of these services.	MSL	Annually	Review during budget development process
8.5.0	4	DRAINAGE. Monitor maintenance of facilities and respond to observed problems.	Obj	NA	
8.5.1	4	Provide minimum necessary oversight to ensure facilities are functional and safe.	PVS	Quarterly	Inspect quarterly. Service as needed. (Jan, April, July, Oct.)
8.6.0	4	STREET LANDSCAPING. Monitor landscape .maintenance and respond to observed problems.	Obj	NA	
8.6.1	4	Maintain the assessment income for the services adequate to meet the cost of services.	MSL	Apr-15	Annual assessment review process.

3. APPENDIX

2014

Strategic Plan

APPENDIX:

The following pages contain summations from some of the key discussions in the interviews and workshops. These ideas, opportunities, threats and proposed directions were discussed and led to the formal policy direction found in the mission, vision, values, goals and objectives.

Expectations of the Participants

The first question asked in the first workshop was for each of the participants to share their initial expectations for the workshop by considering their own goals for the workshop, and what they hoped would be the outcome. The expectations are organized into topic headings below. A review of these expectations and the results found in this report show that the expectations were met or will be met as the work plan is implemented.

CLEAR, PRACTICAL PLAN WITH PRIORITIES

- Develop a viable plan that can be implemented and is doable financially, politically, etc.
- Clear priorities and reasonable expectations.
- Develop a reasonable plan that recognizes the reality of the District's resources.
- Develop a plan that outlines priorities to help guide staff.

OUTREACH

- Improve the District's outreach.
- Develop a plan to develop the full 6,200 acre-feet of needed water.

COLLABORATION

- Join with a joint use plan to develop desalination with San Luis Obispo County, Santa Barbara County, Local cities, etc.
- Work with south county leaders to start the process for regional desalination and/or water supply development.
- Ensure that in any collaborative agreements the District retains the ability to do what is best for its customers.

WATER SUPPLY

- Focus on current services.

Summary of the Interviews

The following is a summary of the interviews. These viewpoints are a good starting point for participants in this workshop as they formulate the strategic plan.

STRENGTHS

In sum, the interviewees report that the District is successfully carrying out its mission in a proactive and progressive manner with an effective Board and staff.

Staff and administration

- Excellent management team.
- Work ethic. Lean staff keeps costs down. Staff is characterized by motivated, hard-working team

Finance

- Solid finances. Have AA rating from Standard and Poors. Have good reserves and financial policies.

Capital Facility Accomplishments.

- Most progress on capital facilities in District history. Completed big trunk lines, nearly completed treatment plant, installed a big well. Phase I of Supplemental Pipeline underway.

Operations

- Recently upgraded SCADA system.

Water Supply.

- Supplemental Water program a major achievement

CHALLENGES

While the District is reported to currently function well, there are a number of areas where work is needed, particularly around facilities, and, of course, long-term water supply challenges.

Staffing

- Understaffed. Biggest problem is hiring and keeping good field people.
- Have a brand new wastewater plant to bring online, requiring additional field staff. The Supplemental water system will require additional help for 24/hr. service. Together these will further increase the need for staffing

Operations and preventive maintenance

- Director of Engineering and Operations has made great improvements in facilities/operations. Now the District has \$30 million in new infrastructure to manage. Have demanding warranty requirements for

those new facilities. Need a new maintenance management system. In sum: operation and maintenance demands will increase.

Administration

- Billing system is antiquated and needs replacement.

Master Plans

- Water Master Plan is out-of-date--slipped on timelines. Need long term relook at transmission system. Need guidance on priority upgrades.
- Sewer Master plan. Long term effluent disposal is a future issue. Need to make progress on sewerage rural areas and paying for it. Black

Lake facilities review underway but need master plan for Town sewer.

Water Supply

- Need Regional Long Term Water Supply Plan. We are mining water supply by 2,500 af/year. District has a plan to bring in about 3,000 af, but needs long term water supply strategic plan for long-term needs.
- County needs to act responsibly
- Critical need for county to ensure there are supplemental supplies for new development. Also needs to implement supplemental water fees. As we take care of our problem, county allows continued development and unlimited pumping continuing to mine the water supply. County does not comply with law to identify source of water for new development.
- Preparation for water supply emergency. Have we done enough?

Board meetings

- Recent meetings have been faster and should continue to focus on that. Historically, board meetings have been long. The Board can micromanage (details on vehicle types for instance). If the Board focused on having efficient meetings, it would be possible to have a single meeting each month and still get Board work done, saving all time, including staff.
- All boards, even good ones can benefit from continued work on self-management. Are Bylaws right and properly followed? Can it be more efficient? Can it provide better policy guidance?

Capital Improvement Program

- Does District have enough staff to manage contractors?

- Is District behind on Black Lake sewer work?

Park

- Variety of opinions and questions: 1) are we in or not; 2) we are a CSD and should be involved; 3) I wouldn't touch it; 4) I would stick to what we do well and not get into this additional service; 5) If there is funding, I am ok. Is there funding?

Outreach and community relations

- We work hard at outreach but have a temporary black mark from assessment. People still mistrust the District but we are getting past that. Rates reasonable.
- Need to do more direct outreach with regional leaders: Need to consciously maintain relationships with County, State Assembly, State and Federal legislators, Santa Maria, Arroyo Grande, Pismo, Grover and Oceano. Mayors, chambers, service clubs, etc.

Finance

- Need to look at long-term salaries and pensions
- Need policy on annexations for when supplemental water flows
- Outside user agreements will transition to annexation following supplemental water
- 500 acre feet within current boundary. There are two projects in the LAFCO pipeline that will be incorporated into the District's boundaries. They are on the District's immediate boundaries and the County was posted to approve the projects and have them receive water from a Mutual Water Company – in other words add to groundwater demand.

Rating the District Today

Each participant in the workshop was asked to rate various aspects of the District based on its performance as it stands today. Each participant selected aspects of the District to rate, graded them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The results were averaged and summarized.

BELOW ARE THE CATEGORIES AND RATINGS PROVIDED BY THE PARTICIPANTS	
Avg. 9 9	Administrative Office. The administration always works well.
Avg. 8+ 9, 8	Overall. Great manager, staff and Board. Best in last 21 years. Overall team and District quality.
Avg. 8 8, 8	Project Management and the Capital Program. Staff brought the treatment plant and supplemental water project from dream to reality. These major construction projects are under budget and on schedule.
Avg. 7+ 9, 6	Finance. We have good financial management and have handled our current substantial need to finance and pay for major capital projects well. However, we are near maxed financial and have additional future financial needs. We have done well so far, but there is more to be done.
Avg. 7+ 8, 7	Board. Board micromanages less than it did in the past. One concern is that the Board adopts policies but sometimes reverses them under pressure and pressure is expected with potential drought and need by new customers and those outside boundaries for supplemental water.
Avg. 7 8, 8, 6, 6	Operations. Staff is efficient, and gets a lot done, but we face major challenges and are always shorthanded. Installation of the SCADA system is an improvement, but operations/maintenance is running a little behind the curve in cleaning, valve exercising, etc. Staff developed a paper maintenance system but need to automate record keeping. We need to keep better track of scheduled maintenance so we don't react to failure. The \$30 million in facilities require improved maintenance and operations to maintain warranties and to protect our investment. The supplemental water system also requires additional staff, putting further pressure on limited staff. We need more help. Some say need operations manager.
Avg. 6+ 6, 6, 6, 7	Staffing. District is understaffed. All planned work is not getting done. Staffing challenges will increase as the new plant and supplemental water system come online. However, Operations brought in three new people in the last three months and assistant engineer was hired in the last year.
Avg. 6 6	Water supplies. We have make progress but more needs to be done.

What is Coming Down the Road: Challenges and Opportunities

Taking account of the business and regulatory environment that the District faces today and is expected to face in coming years is an important step in creating context for the development of the strategic plan. What are the critical challenges or opportunities facing the District? Each participant was asked to predict what issues the District would confront in the future. That list follows:

WATER SUPPLY

- **Getting Refineries to use recycled water.** Oil refinery uses 15% of Mesa water. This is equal to South Coast Sanitary discharge. Could they use recycled water and carbon credit money?
- **Develop an additional 3,000 acre-feet of water.** Where can we get an additional 3,000 acre-fee of water for a total of 6,000 acre feet to meet future growth
- **Complete phase II and III supplemental water program**
- **Get supplemental water built into the adjudication**
- **Follow water supply developments in Paso Robles.** Be good neighbors and link to changes there if positive.
- **Deal with issue of other water suppliers pumping and using up the same aquifer** in an uncontrolled way.
- **Develop drought plans:** stepped conservation and rationing. Appropriate rates. Incentives.
- **Pressure County to stop approving development without enforcing sustainable water supply policies.**

ADMINISTRATION

- **Need to develop new billing system** with paperless and e-billing services

FINANCE

- **How to raise resources in future:** rates, and bonds
- **Maintain reserves, rates, resources**
- **Getting purveyors to pay their share of supplemental water costs**

SANITARY

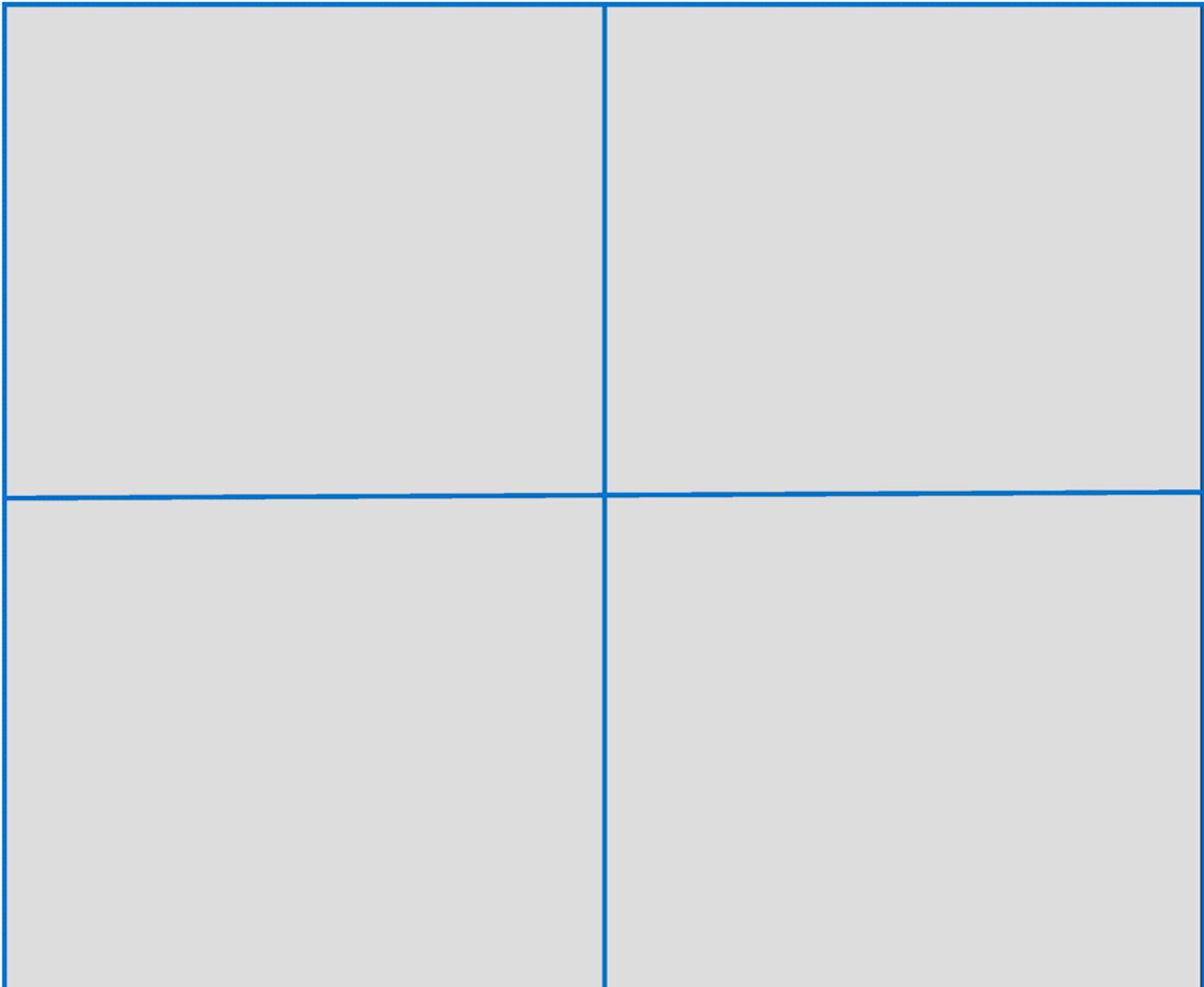
- **Develop Sewer Master Plan**
- **Conduct Black Lake facilities review, set and approve appropriate rates to fund**

OPERATIONS AND MAINTENANCE

- **Will need more staff** for O&M once the treatment plant is online
- **Bring deferred maintenance up to date.**

LONG TERM SERVICE NEEDS OF COMMUNITY

- **Meet Demands Caused by Growth.** Provide services to future customers. The general plan calls for doubling in next 20 years. Need to be prepared for that with appropriate finances, facilities, policies and quality since future customers will have higher expectations.
- **Annexation policy**
- **Serve the Proposed Park.** The District has an MOU. How will it fund and staff that?
- **What services should we provide?** Can we go beyond latent powers? How would we staff and where would funding come from?



Nipomo Community Services District

148 S. Wilson Street
NIPOMO, CALIFORNIA 93444

TELEPHONE (805) 929-1133
E-MAIL INFO@NCSD.CA.GOV

WWW.NCSD.CA.GOV



www.rauchcc.com