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Tom Moore, Vice President

Bill Lee, Director

Jan Shriner, Director

Herbert Cortez, Director

District Management

Keith Van Der Maaten, General Manager

Mike Wegley, District Engineer

Jean Premutati, Human Resources/Customer Relations Manager

James Derbin, Operations and Maintenance Superintendent

Kelly Cadiente, Director of Administrative Services

Consultants

Brent H. Ives, Principal, BHI Management Consulting



Introduction

A Strategic Plan is a 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 five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational and balanced course of action. The District's Mission, Core Values, Vision, and the overall structure of this Strategic Plan were developed by the Board in workshop settings. Within the framework of that structure and the business environment, strategies and goals were developed to sustain and improve the District over the next five years. 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.

This plan also identifies actions, activities, and planning efforts that are currently underway which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

Strategic Planning Definitions

Mission Statement: A declaration of the District's purpose, which succinctly describes why the District exists. All activities of the District should be in support of the Mission Statement. The District's Mission statement also reflects the values to which the District Board is dedicated. The Board of Directors adopts the Mission Statement. The Mission Statement is reviewed annually but is intended to be constant over the long term.

Vision Statement: A statement that articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan. The Board of Directors adopts the Vision Statement. The Vision Statement will be reviewed annually and will typically change

more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

Core Values: These are the values, framed in question form, to which the Board of Directors is fiercely dedicated. They are anchored in community values and are used by the Directors as decision filters for the myriad of decisions in the future.

Strategic Elements: The broad and primary areas of District operations, planning, and management that are addressed and supported by the Strategic Plan goals. These essentially serve as the outline and organization of the Strategic Plan. The Board of Directors reviews and endorses the Strategic Elements. The Strategic Elements are reviewed annually but are intended, absent major new issues facing the District, to be relatively constant over the life of the five-year Strategic Plan.

Objective/Strategy statement: A concise statement associated with each Strategic Element that describes what the Objective for that Element is and how it will be achieved.

Strategic Goals: The goal statement is supported by a narrative that more fully explains the nature of the goal and the issues that the goal intends to address. The Strategic Goals are prepared by District staff and accepted by the Board. The Strategic Goals may change from year-to-year when the annual assessment is made of the progress on each Strategic Element. The Strategic goals define the line between policy (Board responsibility) and implementation (staff responsibility) and as such are a collaborative effort of both the Board and staff.

Glossary of Acronyms

ACWA	Association of California Water Agencies
AWWA	American Water Works Association
BHI	BHI Management Consulting
BMPs	Best Management Practices
CAFR	Comprehensive Annual Financial Report
CDPH	California Department of Public Health
CII	Commercial, Industrial and Institutional
CIP	Capital Improvement Plan
CPA	Certified Public Accountant
CUWCC	California Urban Water Conservation Council
DMM	Demand Management Measures
FY	Fiscal Year
HCF	Hundreds of Cubic Feet
HECW	High Efficiency Clothes Washer
GPS	Global Positioning System
LS	Lift Station
MGD	Millions of Gallons per Day
<u>MOW</u>	<u>Monterey One Water (previously Monterey Regional Water Pollution Control Agency)</u>
NIMS	National Incident Management System
OES	Office of Emergency Services
pH	Potential Hydrogen – ion activity in gram equivalents per liter to measure alkalinity/acidity
RWQCB	Regional Water Quality Control Board
SRF	State Revolving Fund
SCADA	Supervisory Control and Data Acquisition
SEMS	Standardized Emergency Management System
the District	Marina Coast Water District
WDRs	Waste Discharge Requirements
WWTP	Wastewater Treatment Plant

Strategic Plan Development

In FY 2013, the District retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the development of the District’s five-year Strategic Plan. BHI

first gathered input from the Public, through a public workshop, District Board members, staff and employees in a number of meetings to allow direct and “ground level” input to the Board during deliberations in a number of planning workshops. At each meeting the District Mission and 5-year Vision were discussed.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. A Board strategic planning public workshop was conducted in April of 2013. With the Board at this workshop, senior District staff also attended. The Board reviewed all inputs prior to working on Mission, Vision, and Core Values for the District and strategic elements for the strategic plan. The Board developed a new Mission statement of the District and created a new Vision statement for the District. The Board also identified the six strategic elements around and within which to organize implementation actions that will support the Mission and assure success of the Vision. Core Values then must be well understood and respected in the plan for implementing the Vision.

Following the Board workshop, Key members of District staff, worked with BHI to develop the Strategic Element objective and strategy statements and Strategic Goals, Actions and Tactics that support each element to make the Board’s Vision reality within the 5-year timeframe. Using this process, this Strategic Plan was assembled in a way that provides assurance of success for the Board’s Vision and Strategy for the District over the next five years. This Plan was then vetted with the Board in another workshop to assure that the implementation proposed by BHI and staff would indeed meet with their understanding and acceptance regarding the Vision success.

Strategic Plan Maintenance

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so it reflects the actual progress and conditional needs of the District. The reviews will be documented and followed up with either a Plan supplement or an updated Plan. A five-year planning

horizon will be maintained with each review effort developing a new fifth year of actions, projects, and initiatives.

Mission, Vision, and Core Values

Mission Statement

We provide our customers with high quality water, wastewater collection and conservation services ~~that are safe, affordable, reliable and sustainable, at a reasonable cost,~~ through planning, management and the development of water resources in an environmentally sensitive manner.

Vision Statements

In 5 years we would like to be able to say...

- ~~• We have resolved all of the 2013 legal proceedings.~~
- We have Board policies and procedures with the aim to receive a CSDA “District of Distinction” Award.
- We have annexed the ORD community ~~while preserving and preserved~~ the separate cost center concept.
- ~~• We have studied ALL potential sources of water for the District (ground, surface, recycle, desal, etc.) and selected supplemental sources of additional water.~~
- We have an engaged, reliable and productive workforce that is robust strong and enjoys high morale with low turnover.
- We are looking forward to the future as leaders in the region in water quality, communications, water resources, conservation and workforce development.
- We enjoy a positive reputation with the Public and other governmental agencies.
- We have evaluated and have taken steps to fund, all real and likely District liabilities.
- We have adequate reserves for repair and replacement of our infrastructure.
- We have adopted a new rate study.
- We have a formal workforce development and succession plan in place.
- ~~• We have updated and adopted 5 year water and sewer master plans, Urban Water Management Plan and CIP.~~
- We have a strong and robust water conservation program, meeting State mandates.
- We have taken steps to protect the Salinas Valley groundwater basin from seawater intrusion.

~~We have annually provided our customers with a clear and consistent picture of their current and forecasted future water demand.~~

Enhance our Public Relations efforts in community outreach.

- Maintain affordable and sustainable rates.
- We have established key performance indicators and level of service targets.

Core Values

We are fiercely dedicated to the following core values and, ~~as~~ the Board of Directors, will use them as decision filters. Primarily, we will examine if what we do is effective and cost efficient while ensuring it helps us in the long term.

Our values will support our commitment to maintenance of our infrastructure to protect the ratepayers of today and in the future as well as support our commitment to reliability in the services we provide.

Our purpose is responsive, open and clear communication to our customers while maintaining environmentally and sustainable water quality and wastewater collections. We will support local control, good governance and promote accountability will considering all options and assure that we are proactive.

Finally, we will provide our employees a safe, supportive and collaborative work environment, job satisfaction, competitive wages and career opportunities.

- ~~• Is it effective and cost efficient?~~
- ~~• Will it harm us in the long term?~~
- ~~• Does it support our commitment to maintenance of our infrastructure to protect the rate payers of today and in the future?~~
- ~~• Will it support our commitment to reliability in the services we provide?~~
- ~~• Is it responsive, open and clear to our customers?~~
- ~~• Does it support our employees by providing a safe, supportive and collaborative work environment, job satisfaction, competitive compensation and career opportunity?~~
- ~~• Is it environmentally sensitive and sustainable?~~
- ~~• Does it support local control, good governance and promote accountability?~~
- ~~• Have we considered all options and assured that we are proactive?~~

Strategic Elements

Strategic Elements represent the vital areas of the District's operation and management. They assure that the implementation of work to be performed in support of the Mission and Vision are comprehensive in nature and properly cover the District in all areas. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action and results through the Strategic Goals written in each area and the Strategic Work Plan. Within the five-year period covered by this Strategic Plan, these Elements assure that all aspects of District operations are well supported and moving forward in a way that reflects Board priorities and creates balanced implementation. The Strategic Work Plan that contains the supportive actions and initiatives organized and prioritized by year within the planning period, is presented along with each Strategic Goal and is also consolidated in tabular form in Table 1 - Strategic Plan "At-a-Glance" (pgs. 28-30). Business Plans and Employee Goals are not a part of the Strategic Plan; these are developed on a one to two year timeframe with tasks, and are handled within the management structure of the District.

The Strategic Elements are:

- 1.0 Water Sources
- 2.0 Infrastructure
- 3.0 Fiscal Planning
- 4.0 Strategic Partners and Public Affairs
- 5.0 Organizational Health/Personnel
- 6.0 Administrative Management

1.0 Water Sources

Our objective is to manage and protect our current water source (groundwater) and find alternative water sources. We will secure and protect our developed potable water sources sufficiently to supply current and future customers. Our water sources strategy is to work with local land use jurisdictions to determine what their ultimate and interim projected demands will be and explore alternative water sources such as desalination, surface water treatment and recycled water, to find the most efficient, and to secure cost effective water source portfolio.

Summary of 5-Year Strategic Goals

- 1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use.
- 1.2 Establish the difference between available groundwater and ultimate water demands.
- 1.3 Determine the growth rate or timeline of when additional water sources will be needed.
- 1.4 Establish a prioritized list of available alternative water sources.
- 1.5 Develop an alternative water sources work plan that will carry us from conception to development.
- 1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination.
- 1.7 Review and update our water conservation program.

1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use - To ensure that water is available to our customers when needed, we will work with local land use jurisdictions to clearly establish current and future water use. We need to have realistic demand estimates and secure involvement by agencies that these are the correct numbers. This will also be an opportunity to establish a positive reputation with the Public and other governmental agencies. ~~(2015)~~

The three-party MOU was approved by the Board on 5/2/16 which will result in a study that will address this item and is currently underway. The Urban Water Management Plan was completed in June 2016 and staff is in the progress of studying the Armstrong Ranch Property as a possible storm water storage site for groundwater recharge. Staff is moving forward on the Regional Urban Water Augmentation Project and recycled water project and working with local jurisdictions to determine and commit to water use from the project.
(2018)

1.2 Establish the difference between available groundwater and ultimate water demands - Once all stakeholders have committed to what future demands will be, we can then move forward in planning new water sources with a clear understanding of needed capacity. We will establish the difference between available sources and ultimate water demands. Using the future demands in 1.1 above, the District will determine how much alternative water will be required for ultimate build-out of the District. ~~(2015)~~(July 1, 2020 initial due date for the GS plan for the 180/400 subbasin) Staff is in process of creating a groundwater management database application as part of its GSA duties. The database will contain information on water levels, water quality, and all relevant well production information. Additional monitoring wells may be needed and evaluated. This will be used along with the GS planning efforts to establish the difference in groundwater and ultimate demands.

The Stanford report regarding the Aerial Electromagnetic Survey (AEM) conducted in May 2017 will be complete by Spring of 2018. Additionally, by October 1, 2017, Hopkings Groundwater will be updating their technical memo that was created in May 2016 to include the preliminary findings from the AEM work. The AEM will provide the necessary data and information to determine available groundwater to inform how the District will meet its ultimate water demands and to provide the tools necessary for the District to provide sustainable groundwater. It is expected that the District will have ongoing work to provide additional information to the AEM over the next 5 years including installing

additionally monitoring wells and possibly performing Electro-resistivity Thermography (ERT) in areas that the AEM did not cover

1.3 Determine the growth rate or timeline of when additional water sources will be needed - To ensure that water is available when needed, we will determine a reasonable growth rate or timeline of when additional water sources will be needed. We will provide a clear schedule of when projected demands will exceed available production. This will provide us a clear ‘needs’ timeline. These rates and timelines will be reviewed annually. (2015)(2018) Staff is updating the water, sewer, and recycled water master plans which will provide the projected growth, required projects, estimated costs, and needed capacity fees to construct the projects per the growth schedule. Also, the three party MOU will be used to confirm the development rates, projects, and water demand needs.

1.4 Establish a prioritized list of available alternative water sources - To ensure we stay focused on reasonable and most likely alternative water sources, we will establish a list of available sources to study, along with their respective pluses and minuses. We will prioritize the alternative sources accordingly. (2015)(2018) See 1.3.

1.5 Develop an alternative water sources work plan that will carry us from conception to development - To ensure that timelines are maintained and ensure that water will be available, we will utilize the ‘needs’ timeline and prioritized list of alternative sources to develop a work plan that will carry us from conception to development of said sources. (2015/2016) (2018) See 1.3

1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination - We recognize the fragile nature of our existing groundwater basin. Working with other Salinas Valley groundwater basin stakeholders (farmers, agencies, cities and citizens), we will establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination. (Substantial progress by 2015)

MCWD is the exclusive GSA for Central Marina and is working towards being the GSA for all of its service area. As part of the GSA activities, a GS plan will be developed with goals and objectives to protect our groundwater. (July 1, 2020)

1.7 Review and update our water conservation program - We recognize that drinking water is one of the most precious resources on earth. We will assign this to the Water Conservation committee to review and update our water conservation program to ensure we are appropriately managing our water sources. ~~(2015/2016)~~ Conservation goals were updated in February 2017. Additional Conservation staff position has been added and evaluation of Conservation programs is ongoing. (Ongoing)

2.0 Infrastructure

Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards.

Summary of 5-Year Strategic Goals

- 2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems.
- 2.2 Develop an office/corporation yard Facilities Master Plan.
- 2.3 Develop and implement an Asset Management Plan.
- 2.4 Continue the development of the District's Geographic Information System.
- 2.5 Continue the development of the District's Computer Maintenance Management System (CMMS).
- 2.6 Leak audit and detection.

2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems - To ensure the District is providing services in a cost efficient and timely manner, the 2006 Water Master Plan and 2005 Wastewater System Master Plans will be updated to reflect the existing and future needs of the community. Additionally, the Urban Water Management Plan will be reviewed and updated to ensure that the District has a clear understanding of potential future demands within the District and that implemented conservation measures are appropriate. ~~(2015/2016)~~The annual Capital Improvement Projects are based on the 5-year CIP updated annually with the budget. The Marina and Ord Sewer and Water Masterplans will be updated this coming year. (2018)

2.1.1 Existing Infrastructure Plan –The 2006 Water System Master Plan and 2005 Wastewater System Master Plan identified existing infrastructure deficiencies that need to be addressed in the Capital Improvement Plan (CIP). The existing CIP will be a prioritized list of recommended improvements to both systems. The District's

CIP will be reviewed annually to ensure that construction projects are replacing aged facilities prior to catastrophic failure. The yearly CIP review will include a one year, five year and ten year look-ahead to ensure potential infrastructure liabilities are funded and adequate reserves are maintained for repair and replacement. A communication plan for informing the public and District Board/staff of the various projects in the existing system CIP will be prepared. The projects identified will be placed in future budgets as recommended in the Master Plans.

2.1.2 Future Infrastructure Plan- The 2006 Water Master Plan and 2005 Wastewater Master Plans included the expansion and replacement of the existing system components to include build out and various intermediate scenarios to account for phasing of the District's water distribution and wastewater collection systems as development progresses. The District's CIP will be reviewed annually to ensure that construction projects are expanding infrastructure timely for future demands. The yearly CIP review will include a one year, five year and ten year look-ahead to ensure potential infrastructure liabilities are funded and adequate reserves are maintained for repair and replacement. Future system construction and development triggers will be identified to allow the District time to construct required future capital improvements according to the pace of development and redevelopment. A communication plan for informing the public and District Board/staff of the various projects in the future system CIP will be prepared. The projects identified will be placed in future budgets and constructed as recommended in the Master Planning documents.

2.2 Develop an office/corporation yard Facilities Master Plan – To ensure the District is efficient, meeting our predetermined levels of service, and that District Departments can communicate with each other, we need to study the concept of combining all departments into a central office and corporation yard. We will establish future needs for office headquarters and corporation yard. Produce a master plan layout and location of future headquarters and corporation yard. Define location and layout including building sizes,

parking areas, and roadways. Refine layout, location and implement. ~~(2016)~~There may be an opportunity for a land exchange with the City of Marina that may lead to changes in the corp year and office use. In addition, review of the 2004 Corp Yard Master plan to evaluate the possibility of consolidating all staff at the Ord Office site and budgeting in 2018 to begin phasing work at the current Ord Office site to remove some old buildings. (2020)

2.3 Develop and implement an Asset Management Plan – To ensure a reliable and accurate CIP program, the District needs to have a clear understanding of our existing infrastructure through the development of an asset management plan. An appropriate asset management plan will help the District establish clear and measurable key performance indicators and levels of service. We will establish procedures and develop programs for planned management of district facilities and equipment including headquarters and facility buildings, wells and booster pump stations, lift stations and associated supporting infrastructure and district equipment. Work will include educating the Board/staff on asset management, developing the overall program and approach, and phased implementation ~~(2016)~~O&M continues to collect asset data and location information as discovered. Refining interoperability between CAD, GIS, CMMS and accounting software and data for development of an asset management plan and program. Staff has begun evaluating new CMMS programs. (2018)

2.4 Continue the development of the District's Geographic Information System (GIS)– To assist the District in developing an appropriate CIP program and yearly review we will continue to implement our GIS system. An appropriate GIS system is the core component to the District's asset management program. Additionally, an updated GIS database will improve efficiency in the District's geocentric Work Order/Computer Maintenance Management System. The District will explore further GIS database and integration enhancements to leverage our initial investment in the GIS system. The District will train internally or hire a GIS administrator to support Engineering, Conservation,

Operations and Customer Service Departmental needs. ~~(2015)~~ As capital replacement and new infrastructure occur. (Annual review)

2.5 Continue the development of the Computer Maintenance Management System (CMMS) – The District will continue to support and expand the use of the CMMS system to support Engineering, Conservation, Operations and Customer Service departmental needs. The District will evaluate ways to expand the use of the CMMS system to support future benchmarking studies and develop Key Performance Indicators (KPIs) to allow the District to improve services and CIP planning. ~~(2015)~~ Staff has begun evaluating new CMMS programs. (Annual review)

2.6 Leak audit and detection – Staff completed a pilot water leak detection survey of the Fitch Park neighborhood using Aquarius Spectrum fixed sensors in FY 16/17 No leaks were detected. Planning on conducting another pilot study once the GIS is updated. Staff recently completed the AWWA TAP water loss validation audit. The District is now in compliance with SB 555 (Title 23, Div. 2, Chapter 7). ~~**2.6Leak audit and detection** – Complete a water leak audit and detection of water leaks within the system. (2015/2016) Staff has implemented a pilot leak detection program with Aquarius Spectrum. Staff still needs to work on confirming metering between the Ord/Marina systems to firm up water loss information. (Annual review)~~

3.0 Fiscal Planning

Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.

Summary of 5-Year Strategic Goals

- 3.1 Five-year Financial Plan and Rate Study.
- 3.2 Regular financial updates to policymakers and managers.
- 3.3 Best Accounting Practices.
- 3.4 Close and audit financial statements in a timely manner.
- 3.5 Obtain the CAFR annually from the Government Finance Officers Association.
- 3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District's infrastructure.

3.1 Five-year Financial Plan and Rate Study – To support and ensure the vision of the Board to fund all real and likely liabilities and adopt a new rate-study, the District will create a Five-year Financial Plan and Rate Study to forecast future revenues and to optimize resources by keeping spending within the approved budgeted amounts. The District will conduct annual Budget Workshops allowing staff and the Board to develop a budget consistent with the Strategic Plan. (2018 or as needed) [Distributed RFP's in July 2017 for water, wastewater and recycled water rates. Contract was awarded to Carollo Engineers. Also, the water and wastewater master planning efforts will provide a financial plan for updated capacity fees. \(October 9, 2017\).](#)

3.2 Regular financial updates to policymakers and managers – Maintaining a positive reputation with the Public requires the District to be fiscally responsible with funds received from ratepayers. In order to operate the District in an open and transparent manner, it is

critical that regular financial reports are provided to the Board, public and Managers of the District. Financial Reports will be provided monthly to the Board, public and Managers. The finance staff will utilize tools available within the financial system augmented with other technological resources to ensure the ability to give ~~more frequent and~~ timely financial data. (Annually) Financial updates are currently provided on a quarterly basis. By end of FY2017, quarterly updates will not only include revenue and expense information but also balance sheet information. (Annually)

3.3 Best Accounting Practices – The District will carefully follow best practice accounting practices as set forth by the Government Accounting Standards Board (GASB) to ensure that the proper accounting practices are in place, and evaluate and update fiscal policies, such as the District’s Investment and Reserve policies, based on the Financial Plan to assure financial stability. (2017) Investment, Debt, and Reserve Policies updated in FY2015/2016. The Procurement Policy will be updated to reflect Federal requirements under Code of Federal Regulations (CFR), Title 2: Grants and Administrative Requirements, Part 200.317-200.326. (FY2017-2018)

3.4 Close and audit financial statements in a timely manner – An annual audit is conducted to ensure the validity and transparency of the District’s financial records. It is important that the audit be performed in a timely manner in order to protect the integrity of the records. The financial audit is conducted at the close of each fiscal year by a qualified independent accounting firm to confirm that the financial statements accurately reflect the fiscal status of the District. The audited financial statements are the primary component of the District’s CAFR. (Annually)

3.5 Obtain the CAFR annually from the Government Finance Officers Association – The CAFR 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.

The District has obtained this award for the past five fiscal years and will continue to submit its CAFR to the award program and obtain the award on an annual basis. (Annually)

3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District's infrastructure – To support the District's vision to have adequate reserves for repair and maintenance of our infrastructure, the District will reserve and restrict sufficient funds to meet the needs of the District's Capital Improvement Plan (CIP) for each of its cost centers. Management will review each cost center's capital budget annually to ensure sufficient funding to meet the capital expenditure needs of the District. The Board will annually review and approve the CIP. The District will continue to research, evaluate, and submit grant applications for capital improvement projects. ~~(2017)~~ Reserve policy was updated in FY2015/2016 which established more reserve funds for tracking and planning purposes. (Annual review)

4.0 Strategic Partners and Public Affairs

Our objective is to build our relationship with the public and local agencies. Our strategy in the areas of strategic partners and public affairs is to communicate in a positive way, including active listening and encouraging open discussions.

Summary of 5-Year Strategic Goals

4.1 Develop a Strategic Communications Plan and Communicate with ~~the Public~~our strategic partners.

4.2 Develop a Strategic Communications Plan and Communicate with our Strategic Partners.

4.~~2~~3 Adopt a plan for technology use in public affairs.

4.~~4~~3 Establish clear standards for the construction process.

4.1 Develop a Strategic Communications Plan focused on Community Outreach-

The District will develop a more aggressive public outreach program by developing an annual report outlining our history, including our future water supply, the Regional Urban Water Augmentation Plan, Armstrong Ranch Groundwater Recharge Project and the GSA as well as the Monterey Peninsula Water Supply Project. In addition, The District and its PR firm are in the process of creating the MCWD Future H2O website which will offer up-to-date information on the District's activities and water resources. RSE was hired as the District's Public Relations firm. RSE conducted materials audit, customer and stakeholder surveys, press releases and completed a communication and technology plan. Staff regularly communicates with our strategic partners through social media, our website, press releases, community presentations, and mailers/letters. RSE will soon distribute the first MCWD annual report and is creating a new website for Future H2O. (Ongoing review)

4.2 Develop a Strategic Communications Plan with our strategic partners – Our

actions and non-actions impact the public ~~and~~ agencies within and surrounding the District. We will establish clear lines of communication between the District and, ~~other agencies and the public~~ to ensure that our message is clearly and quickly communicated so that we

can establish and maintain a positive reputation. Meet regularly with other agencies to coordinate efforts. Clearly communicate District goals, limits, and requirements in a timely fashion. (Ongoing review) See 4.1

4.2 Adopt a plan for technology use in public affairs - To ensure that our message is clearly and quickly communicated so that we can establish and maintain a positive reputation, we will ensure that technology is appropriately used to maximize communication (website, telephones, televising meetings, electronic communications such as email twitter, Facebook. (Ongoing review)~~2016~~)

4.3 Establish clear standards for the construction process - To establish and maintain a positive reputation with contractors, developers, planning departments and the public, the District will update the District’s Engineering Standards and plan review/construction inspection process to ensure our construction partners understand exactly what is required from them for Marina Coast. (~~2015/2016~~) Updates to Procedures, Guidelines and Design Requirements. (2018)

5.0 Organizational Health & Personnel

Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.

Summary of 5-Year Strategic Goals

- 5.1 Recruit and retain high-performing, engaged personnel.
- 5.2 Establish a workforce succession plan.
- 5.3 Develop a knowledge transfer program.
- 5.4 Conduct periodic compensation studies.
- ~~5.5 Conduct a Fair Labor Standards Act (FLSA) audit.~~

5.65 Establish and develop an employee professional development plan.

5.6 Revise and update our Employee Handbook

5.7 Revise employee performance evaluations

5.1 Recruit and retain high performing, engaged personnel - Recruitment and retention of talented and productive employees is essential to be able to accomplish our mission and vision statements. In order to attract and retain the best talent, the District will support and provide opportunities for employees to enhance their job skills and knowledge in their career field. Staff will conduct periodic classification and compensation studies to ensure competitiveness within the local and regional labor markets. The District will reward and recognize staff for superior job performance and make recommendations that lead to improvements in the workplace. Continue partnering with local universities and community colleges for internship opportunities that will prepare students for future career prospects. (Ongoing) Hired multiple positions throughout 2016-2017 as needed. Continue to encourage and provide training to employees. (Ongoing as needed)

5.2 Establish a workforce succession plan - In order to sustain a high quality, diverse and inspired workforce, the District will strive to ensure that it maintains a mission-focused workforce that has the skills and experience to meet the needs of the District today and into the future.

We will develop a workforce succession plan that will take a comprehensive look and analysis to determine which positions are more mission critical and which have less bench strength than others to avoid staffing gaps, assuring appropriate depth in critical functions. Likely retirements will be identified and internal staff with the potential skill, experience, and interest will be assessed and prepared for those retirements where appropriate. Job descriptions for positions where internal candidates are not likely will be evaluated and modified to meet the District's future needs. Compensation will be reviewed and adjusted to attract highly qualified candidates. While succession planning will be ongoing throughout the years ahead, the project will begin with this analysis and plan. (20185).

Received Board approval to flexibly staff the Engineering Tech/Assistant Engineer as first succession planning opportunity. Reviewing org chart for additional opportunities and the results of the classification study. (In Progress)

5.3 Develop a knowledge transfer program - In the next several years there will be a “silver tsunami” as the baby boomers depart the workplace. The District realizes the need to document the skills, knowledge and connections of our current workforce in order to continue to provide optimum service to our customers and the region. Staff will develop processes such as annual interviews, mentoring and cross-training. ~~(2017 and ongoing)~~Job shadowing and cross-training will begin in Customer Service and Conservation in 2018. More work needs to be done in order to formalize the succession plan which should include knowledge transfer and training programs. (2019 and Ongoing)

5.4 Conduct periodic compensation studies - To ensure the District remains able to attract and keep a high-performing workforce, the District will conduct periodic compensation studies to determine competitiveness relative to the local and regional labor market. The Board will establish its salary and benefit philosophy prior to the commissioning of these studies. ~~(2016)~~RFP’s were distributed in May 2017 and a consultant was selected. Staff is going to work with consultant on selecting other flexibly staff positions that will help to support our succession plan. (2017)

~~**5.5 Conduct a Fair Labor Standards Act (FLSA) Audit** – In reorganization conducted in 2012, several positions were reviewed for management status and therefore exempt from overtime. In order to ensure the District is in compliance with the FLSA rules and regulations, an audit will be completed. (2015)~~

Revise and Update Employee Handbook – The Employee Handbook establishes policies, procedures, benefits, and working conditions that employees are expected to follow as a condition of their employment with the District. When employment laws change as they do annually, that particular section of the Handbook gets updated. The current

layout of the Handbook will be revised to a more “user-friendly” format with an index included for quick lookup. (2018)

5.6 Establish and develop an employee professional development plan – The District recognizes that its investment in training and development of employees is an ongoing process that benefits the District and employees alike. A knowledgeable staff, prepared with the proper training and skills, will create and maintain an effective workforce. The District’s management will work to create and promote an environment that values development, diversity, productivity, and growth opportunities by implementing employee-training programs and goal-oriented evaluation programs. (20196)

5.7 Revise Employee performance evaluations – Annual performance reviews are a key component of employee development. The evaluation process is designed to promote communication and provide useful feedback about job performance, to facilitate better working relationships, and to contribute to professional development. District management recognizes that performance management is an ongoing process to assist employees in enhancing performance and development. (2018)

6.0 Administrative Management

Our objective is to create, maintain and implement policies and procedures to ensure sound management of the District. We will also maintain and use appropriate technology to maintain efficiency and redundancy. Our strategy will be to conduct periodic review, refinement and implementation of policies and procedures and ensure that staff has the direction and tools necessary for successful operations throughout the District.

Summary of Strategic Goals

- 6.1 *Annexation of the Ord community.*
- 6.2 *Routinely review policies and procedures.*
- 6.3 *Encourage Board development.*
- 6.4 *Conduct new Board member orientation program.*
- 6.5 *Digitize District records.*
- 6.6 *Achieve the CSDA District of Distinction award.*
- 6.7 *Incorporate appropriate technology into District's daily functions.*
- 6.8 *Update Strategic Plan Annually.*

6.1 Annexation of the Ord community – To ensure direct representation of the Ord Community in matters related to the District, we will work with LAFCO to expand the District's Sphere of Influence and legal boundary to include the Ord Community. During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District. Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs.

~~(2018)~~ Ongoing discussions with SCSD and FOR A. (2018)

6.2 Routinely review policies and procedures – To ensure the District is providing clear and consistent policy and communication that meets state and legal requirements and the needs of the District, the District will review all policies and procedures at least every two years. ~~(2016)~~ Periodically reviewing all District policies. (Annually)

6.3 Encourage Board development – Provide Board members with opportunities to engage in training to promote better decision and policy making to the District’s benefit.

~~(2015)~~ (Ongoing as needed)

6.4 Conduct new Board member orientation program – Good policy requires knowledge. To increase new Board member’s knowledge of the District, the staff will provide one-on-one orientation with the General Manager and senior staff for new Board members. Information to be discussed includes current policies, procedures and Water Code. A field trip to key facilities of the District will also be scheduled. ~~(2016/2018)~~

(Ongoing as needed)

6.5 Digitize District records– An accurate, searchable and retrievable record of the District’s documents is required to enable current Board and staff to make informed decisions. The District will update its current document retention policy and scan and complete the process of digitizing its records as necessary. (201~~9~~6)

6.6 Achieve the CSDA District Transparency Certificate of Excellence of Distinction award – Being recognized by an independent organization for appropriate governance improves the District’s reputation among other agencies and the public. Additionally, good governance encourages staff to be engaged, reliable and productive. ~~†This provides the District with an opportunity to showcase their efforts in transparency. †he District will encourage all Board members to participate in Board training and development classes annually to achieve the “District of Distinction Award”. (22018)~~

6.7 Incorporate appropriate technology in the District’s daily functions – Appropriate technology can improve the District’s ability to communicate both internally and externally. Using appropriate technology can improve the District’s reputation with the public and other agencies by being able to provide accurate information quickly. The proper use of technology can help establish a engaged, reliable and productive workforce by providing

employees the right tools for the job, thereby improving efficiency while meeting our desired levels-of-service. The District will improve and maintain technical equipment to ensure appropriate redundancy, back-ups timely retrieval of information from both the field sites (SCADA) and office (documents). Ensure that communication technology is appropriately used to maximize communication (web site, telephones, electronic communications such as email twitter, Facebook. ~~(2016)~~ The District hired an Applications System Analyst who is in the process of evaluating use of technology and applications. (Ongoing)

6.8 Update strategic plan annually - The Strategic Plan should function as a planning tool for the next five years with annual updates in coordination with the adoption of the coming fiscal year budget and capital improvement plan. The Strategic Plan will require modifications from year-to-year to reflect progress made on each of the Strategic Goals and to incorporate new goals and needs of the District for the coming five-year period. The District staff will update the Plan with the Board each year for consideration and input which sets more detailed expectations and strategic goals for the District's coming fiscal year and more general goals for the four years following, so that it is a rolling five-year plan. ~~(Annually)~~ Strategic Plan workshop held March 6, 2017. (Annually)

Table 1 – The Strategic Plan “At a Glance”

#	Strategic Objective/Elements	Lead Person(s)	Status (not-started, in progress, complete)	Status Description	Target Completion (FY)
1.0 Water Sources					
1.1	Work with local land use jurisdictions to clearly establish and determine current and future water use.	Keith Van Der Maaten/ Mike Wegley	In Progress	The Three Party MOU approved by the Board on 5/2/16 will result in a study that will address this item and is currently underway. The Urban Water Management Plan was completed in June 2016. Staff is in progress studying the Armstrong Ranch Property as a possible storm water storage site for groundwater recharge. Staff is also moving forward on the RUWAP recycled water project and working with local jurisdictions to determine and commit to water use from that project.	201 8 ⁷
1.2	Establish the difference between available groundwater and ultimate water demands.	Keith Van Der Maaten/ Mike Wegley	In Progress	Staff is in the process of creating a groundwater management database application as part of its GSA duties. The database will contain information on water levels, water quality, and all relevant well production information. Additional monitoring wells may be needed and and evaluated through this process. This will be used along with the GS planning efforts to establish the difference in	July 1, 2020 (initial due date for the GS plan for the 180/400 subbasin)

				groundwater and ultimate demands.	
1.3	Determine the growth rate or timeline of when additional water sources will be needed.	Mike Wegley	In Progress	Staff is updating the water, sewer, and recycled water master plans which will provide the projected growth, necessary projects, estimated costs, and necessary capacity fees to construct the projects per the growth schedule. Also the three party MOU will be used to confirm the development rates, projects, and water demand needs.	2018
1.4	Establish a prioritized list of available alternative water sources.	Keith Van Der Maaten/ Mike Wegley	In Progress	Staff is updating the water, sewer, and recycled water master plans which will provide the projected growth, necessary projects, estimated costs, and necessary capacity fees to construct the projects per the growth schedule. Also the three party MOU will be used to confirm the development rates, projects, and water demand needs.	2018
1.5	Develop an alternative water sources work plan that will carry us from conception to development.	Keith Van Der Maaten/ Mike Wegley	In Progress	Staff is updating the water, sewer, and recycled water master plans which will provide the projected growth, necessary projects, estimated costs, and necessary capacity fees to construct the projects per the growth	2018

				<p>schedule. Also the three party MOU will be used to confirm the development rates, projects, and water demand needs. Staff is in progress studying the Armstrong Ranch Property as a possible storm water storage site for groundwater recharge. Staff is also moving forward on the RUWAP recycled water project and working with local jurisdictions to determine and commit to water use from that project.</p>	
1.6	Establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.	Keith Van Der Maaten/ Mike Wegley	In Progress	<p>MCWD is the exclusive GSA for Central Marina and is working towards being the GSA for all of its service area. As part of the GSA activities, a GS plan will be developed with goals and objectives to protect our groundwater.</p>	July 1, 2020 (initial due date for the GS plan for the 180/400 subbasin)
1.7	Review and update our water conservation program.	Jean Premutati	In Progress	<p>Conservation goals were updated in February 2017. Additional Conservation staff position has been added and hired. Evaluation of Conservation programs is ongoing.</p>	<u>Ongoing 2017</u>
2.0 Infrastructure					
2.1	Improvements and expansion plans for existing water delivery and wastewater collection systems.	Mike Wegley	In Progress	<p>The annual Capital Improvement Projects are based on the 5-year Capital Improvement Program updated annually with the budget. The Marina and Ord Sewer and Water Masterplans will</p>	201 <u>8</u> 7

				be updated this coming year.	
2.2	Develop an office/corporation yard facilities master plan.	Keith Van Der Maaten	In Progress	Reviewing the opportunity for land exchanges with the City of Marina that may lead to changes in the corp yard and office use. Also, reviewing the 2004 Corp Yard Master plan to evaluate the possibility of consolidating all staff at the Ord Office Site, and budgeting next year to begin phasing in work at the current Ord Office site (remove some of the old buildings).	20 2017
2.3	Develop and implement an asset management plan.	Mike Wegley/ James Derbin <u>O&M Sup.</u>	In Progress	O&M continues to collect asset data and location information as discovered. Refining interoperability between CAD, GIS, CMMS and accounting software and data for development of an asset management plan and program. Staff has begun evaluating new CMMS programs.	<u>Annual review</u> 2018 7
2.4	Continue the development of District's geographic information system	Mike Wegley	In Progress	Ongoing process as capital replacement and new infrastructure occur. Refining data for use with CAD, CMMS, accounting and asset management.	2017

2.5	Continue the development of the CMMS System.	Mike Wegley/ James Derbin <u>O&M Sup.</u>	In Progress	The Applications Systems Analyst staff position is filled and staff has begun evaluating new CMMS programs.	<u>2017 Annual review</u>
2.6	Leak audit and detection.	James Derbin <u>O&M Sup.</u>	In Progress	Staff has implemented a pilot leak detection program with Aquarius Spectrum. Staff still needs to work on confirming metering between the Ord/Marina systems to firm up water loss information.	<u>Annual Review 2017</u>
3.0 Fiscal Planning					
3.1	Five-year financial plan and rate study.	Kelly Cadiente	Not-Started	Will go out for RFP in July 2017 for water, wastewater, and recycled water rates. Also, the master planning efforts will provide a financial plan for new capacity projects.	July 1, 2018
3.2	Regular financial updates to policymakers and managers.	Kelly Cadiente	In Progress	Financial updates are currently provided on a quarterly basis. By end of FY 2017 updates will be provided on a monthly basis.	Annually. By end of FY 2017 they will be provided monthly.
3.3	Best accounting practices.	Kelly Cadiente	Completed	Investment, Debt, and Reserve Policies have been updated in FY 2015-2016.	Annually review
3.4	Close and audit financial statements in a timely manner.	Kelly Cadiente	Completed		Annually review
3.5	Obtain the Certificate of Achievement in Financial Reporting annually from the Government Finance Officers Association.	Kelly Cadiente	Ongoing		Annually

3.6	Fiscal reserves management for the maintenance/ replacement/ expansion of the District's infrastructure.	Kelly Cadiente	Completed	Reserve Policy was updated in FY 2015-2016 which established more reserve funds for tracking and planning purposes.	Annually review
4.0 Strategic Partners and Public Affairs					
4.1	Develop a Strategic Communications Plan and Communicate with our strategic partners. <u>Develop a Strategic Communications Plan focused on community outreach</u>	Jean Premutati/ <u>RSE</u>	Completed <u>Ongoing</u>	Runyon, Saltzman Einhorn (RSE) was hired. RSE conducted materials audit, customer and stakeholder surveys, press releases, and completed a communication and technology plan. Staff regularly communicates with our strategic partners through social media, website, press releases, and mailers/letters.	Annually review <u>Ongoing review</u>
<u>4.2</u>	<u>Develop a Strategic Communications Plan and Communicate with our strategic partners.</u>	<u>Jean Premutati/RSE</u>	<u>Ongoing</u>		<u>Ongoing review</u>
4.2	Adopt a plan for technology use in public affairs.	Jean Premutati/ <u>RSE</u>	Completed	RSE has completed a technology plan and the District regularly communicates with our strategic partners through social media.	<u>Ongoing review</u> Annually review
4.3	Establish clear standards for the construction process.	Mike Wegley	In Progress	Ongoing updates to Procedures, Guidelines and Design Requirements.	2018 <u>7</u>
5.0 Organizational Health and Personnel					

5.1	Recruit and retain a high performing, engaged workforce.	Jean Premutati	Ongoing	Hired multiple positions throughout the year as needed. Continue to encourage and provide training to employees.	Ongoing as needed Annually
5.2	Establish a workforce succession plan.	Jean Premutati	In Progress	Received Board approval to flexibly staff the Engineering Tech/Assistant Engineer as first succession planning opportunity. More work needs to be done in 2017 to formalize the succession plan.	2018 ⁷
5.3	Develop a knowledge transfer program.	Jean Premutati	Not-Started	Job shadowing and cross-training began in Customer Service and Water Conservation in September. More work needs to be done in 2017 to formalize the succession plan which should include knowledge transfer and training programs.	2019 ⁷
5.4	Conduct periodic compensation studies.	Jean Premutati	Scheduled for FY 2017/2018	RFP to be distributed in May 2017	2017 ⁸
5.5	Conduct a Fair Labor Standards Act (FLSA) audit.	Jean Premutati	Completed	Completed August 2017	2017
<u>5.5</u>	<u>Revise and update Employee Handbook</u>	<u>Jean Premutati</u>	<u>Not started</u>		<u>2018</u>

5.6	Establish and develop an employee professional development plan.	Jean Premutati	Not-Started		201 <u>9</u> 7
<u>5.7</u>	<u>Revise employee performance evaluations</u>	<u>Jean Premutati</u>	<u>Not Started</u>		<u>2018</u>
6.0 Administrative Management					
6.1	Annexation of the Ord community.	Mike Wegley	In Progress	Ongoing; In discussions with SCSD and FORA.	2018
6.2	Routinely review policies and procedures.	Keith Van Der Maaten	Ongoing	Periodically reviewing all District policies.	Annually
6.3	Encourage Board development.	Keith Van Der Maaten	Not-Started		<u>Annually as needed 2017</u>
6.4	Conduct new Board member orientation program.	Keith Van Der Maaten	Not-Started		<u>Annually as needed 2017</u>
6.5	Digitize district records.	Keith Van Der Maaten	Not-Started		201 <u>9</u> 7
6.6	Achieve the CSDA District of Distinction award. <u>District of Transparency</u>	Keith Van Der Maaten	Not-Started		2018
6.7	Incorporate appropriate technology into the District's daily functions.	Kelly Cadiente	In Progress	The District hired an applications analyst who is in the process of evaluating use of technology and applications.	<u>Ongoing 2017</u>
6.8	Update strategic plan annually.	Keith Van Der Maaten	Completed	To be discussed at the March 6, 2017 Board Meeting	Annually review