



Five-Year Strategic Plan

Approved: September 13, 2012

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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 adopts the Strategic Elements. The Strategic Elements are reviewed annually but are intended, absent major new issues to be faced, 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
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
HUAWWMP	Hollister Urban Area Water & Wastewater Master Plan
GPS	Global Positioning System
LS	Lift Station
MGD	Millions of Gallons per Day
NIMS	National Incident Management System
OES	Office of Emergency Services
pH	Potential Hydrogen – ion activity in gram equivalents per liter to measure alkalinity/acidity
RM	Ridgemark
RWQCB	Regional Water Quality Control Board
SRF	State Revolving Fund
SBCWD	San Benito County Water District
SBR	Sequencing Batch Reactor
SCADA	Supervisory Control and Data Acquisition
SEMS	Standardized Emergency Management System
SSCWD	Sunnyslope County Water District
Sunnyslope the District	Sunnyslope County Water District
WDRs	Waste Discharge Requirements
WRASBC	Water Resources Association of San Benito County
WWTP	Wastewater Treatment Plant

Strategic Plan Development

In FY 2011, 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 and regional parts in a number of meetings to allow direct and "ground level" input to the Board during deliberations in a number of planning workshops. The following topics were discussed at all of the input gathering meetings:

- Mission;
- Vision;
- Core Values;
- Strengths;
- Weaknesses;
- Opportunities; and
- Threats.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. The Board workshop was conducted in March of 2012. At this workshop, the Board reviewed all input, considered the strengths, weaknesses, opportunities, and threats to the District. The Board also revisited and endorsed the existing hybrid Mission statement of the District and created a new Vision statement for the District. The Board also identified the seven strategic elements around and within which to organize implementation actions that will support the Mission and assure success of the Vision.

Key members of District staff, worked with BHI to develop the Strategic Element objective and strategy statements and Strategic Goals that support each element. 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.

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

Our Mission is to provide safe, reliable, and high quality water and wastewater services to our customers and all future generations in an environmentally and financially responsible manner.

Vision Statements

In 20 years we would like to be able to say...

- *We remain financially sound.*
- *We maintain strong and up to date policies, procedures, and District code.*
- *Evidence of good planning has been demonstrated.*
- *We have kept the “Team” feeling here.*
- *We maintain a professional and highly trained workforce.*
- *We have sufficient and reliable water supplies.*
- *We meet all regulatory requirements for water and wastewater.*
- *We have successfully implemented and are maintaining the Regional Urban Water Management Plan.*
- *Our Customers understand the “Value of Water”.*
- *Efficient planning relationships with neighboring agencies are maintained.*

In support of that long-term Vision, in five years SSCWD will say that...

- *We are financially sound and have dealt specifically with improving our financial policies and procedures.*
- *The West Hills treatment plant is under construction.*
- *We have made good progress in updating policies, procedures, and District code.*
- *The high-zone pipeline and upgrades to Lessalt plant are complete.*
- *Ridgemark wastewater treatment plant is complete.*
- *The question of who owns and runs the Lessalt and West Hills plants are answered.*
- *Our staff have trained, studied, and acquired the higher certification levels required by the State to operate our new water and wastewater treatment plants.*
- *We have instituted effective public education/incentive programs to meet water quality requirements.*
- *We meet all regulatory requirements for water and wastewater.*
- *We continue to make customer service a priority.*
- *We have achieved our incremental goal toward conserving water in-line with the 20% 2020 reduction goal.*
- *We proactively manage infrastructure maintenance.*

Core Values

We are fiercely dedicated to the following core values and, as the Board of Directors, will use them as decision filters.

- *Does it support the ability to reliably provide high-quality water and wastewater services to our region?*
- *Is it cost efficient and practical?*
- *Does it support our commitment to maintenance of our infrastructure?*
- *Is it responsive, open, and clear to our customers?*
- *Will it support regional cooperation and partnerships?*
- *Does it support our employees to be safe, productive, and motivated?*
- *Will it promote water conservation and protect the environment of this region?*

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" (pg. 48 & 49). 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 Management**
- 2.0 Wastewater Services**
- 3.0 Financial Planning**
- 4.0 Public Relations**
- 5.0 Strategic Partnerships**
- 6.0 Organizational Health & Personnel**
- 7.0 Administrative Management**

1.0 Water Management

Our objective is to ensure water supplies of high quality and quantity is available for existing and future customers. This will be accomplished by responsibly conserving and managing all current water sources, and by developing a diversified water supply in partnership with neighboring agencies.

Summary of 5-Year Strategic Goals

- 1.1 Water Capital Improvement Plan
- 1.2 Water System Maintenance Plan
- 1.3 Conservation Programs
- 1.4 Water Connections with City of Hollister
- 1.5 Water System Capital Repair and Replacement
- 1.6 Inter-Agency Water Supply Agreements

1.1 Water Capital Improvement Plan

Several large capital improvement projects comprise a plan that the District uses to assure long-term water reliability for its customers. The Water Capital Improvement Plan goal is to finance and build the capital facilities needed to supply the present and future needs of the Sunnyslope County Water District. Some of these capital facilities, such as the one existing surface water treatment plant and the second planned surface water treatment plant, will be upgraded or built jointly with the City of Hollister and San Benito County Water District. The two surface water treatment plants will allow the District and the City of Hollister to replace groundwater with high quality, soft, surface water. This will improve drinking water quality for the average potable water customer

and will lower the salt content in wastewater and in recycled water used for irrigation. Sunnyslope is expecting to operate the two surface water treatment plants under contract with San Benito County Water District.

Other capital projects will be built by the District individually, and will allow the District to maintain its existing facilities and allow extension of potable water service to areas where growth is contemplated in the general plans of the City of Hollister and the County of San Benito. Some capital projects will need to be financed by the use of debt servicing while other capital projects may be more appropriately financed on a “pay as you go” basis, which is generated by annual operating revenue. Capital projects will be paid for with water rates, property tax revenue from partner agencies, or from developer fees.

A listing of the proposed water capital projects and their estimated cost is as follows:

Table of Proposed Water Capital Projects (Estimated 2012 Dollars)

Water Projects	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Subtotal 2011-18
Lessalt DBP Compliance&Expansion (91.84% Share in 2015)	21,500	534,298	5,175,852	0	0	0	0	5,731,650
Ridgemark To Lessalt Pipeline (100% Share)	0	1,085,500	0	0	0	0	0	1,085,500
2nd Surface Water Treatment Plant (2015-16)	0	35,972	480,000	7,048,971	0	0	0	7,564,943
2nd Surface Water Treatment Plant 4.5 to 6.0 mgd expansion (2020)	0	0	0	0	0	0	0	0
Governance Committee Capitalized & Non Capitalized Costs	233,538	170,000	100,000	50,000	50,000	50,000	50,000	703,538
Repaint & Seismic Retrofit Ridgemark Tanks (100% Share)	0	377,500	377,500	0	0	0	0	755,000
Fairview 3.5 MG Tank Additional Construction (100% Share)	0	33,000	0	0	0	0	0	33,000
Well #12 (100% Share)	96,000	0	0	0	0	0	0	96,000
Best Road 24" Pipeline& Tanks (100% Share)	0	0	1,545,000	0	0	0	0	1,545,000
Reconstruct Airline Water Booster (100% Share)	0	0	0	250,000	0	0	0	250,000
SCADA (Water) (100% Share)	0	0	120,000	0	100,000	0	0	220,000
Well #7 Backup Generator (100% Share)	0	0	0	0	0	110,000	0	110,000
Union Road Tansmission Pipeline & Booster Station (2020)	0	0	0	0	0	0	0	0
General Funds Projects (Water Portion)	64,000	172,200	163,200	131,121	67,200	100,200	327,200	1,025,121
Subtotal for Short-term Water Capital Projects through 2017/18	415,038	2,408,470	7,961,552	7,480,092	217,200	260,200	377,200	19,119,752

Regional Surface Water Treatment Projects

The Governance Committee is made up of representatives from the City of Hollister, San Benito County Water District, San Benito County, and Sunnyslope County Water District. The Committee has developed and is implementing the Hollister Urban Area Water and Wastewater Master Plan (HUAWWMP) and Coordinated Plan. The upgrading of the Lessalt Surface Water Treatment Plant, in coordination with the new pipeline from Lessalt to Ridgemark, will allow the District's water customers in the Ridgemark area to receive treated surface water, discontinue the use of brine discharging water softeners, and help the District meet the salinity requirements of the Ridgemark wastewater plant and the Phase 3 recycled water project. The addition of the West Hills Water Treatment Plant will bring additional high quality surface water to the District's customers in the middle (Fairview) zone. This will allow these customers to limit or discontinue the use of brine discharging water softeners and improve wastewater quality for future recycled water needs of the City of Hollister.

In the Coordinated Plan, Sunnyslope, the City of Hollister, and San Benito County Water District will jointly upgrade and operate the existing 2.0/2.5 mgd Lessalt surface water plant and jointly build and operate the proposed 4.5/6.0 mgd West Hills surface water plant in 2013, 2014, and 2015. Sunnyslope's projected share of the project construction costs is shown in the above Table of Proposed Water Capital Projects.

Costs for the Governance Committee are shown as part of the Regional Surface Water Treatment Projects since these costs are a portion of the capital needed to plan, design, and administer these capital projects.

Repainting and Seismic Retrofits of Potable Ridgemark Tanks

The two existing Ridgemark tanks need to be repainted and may need to be seismically anchored and retrofitted to ensure their reliable operation during a major

seismic event. The California Department of Public Health has requested that the Ridgemark tanks be repainted. The addition of cathodic protection along with repainting the tanks will extend their useful life. Seismic anchoring, if needed, would provide additional assurance that these tanks would continue to operate after a large earthquake. The Ridgemark tanks may also benefit from having a mixing system installed to reduce water stratification in the tank and further control disinfection byproducts in the distribution system.

Best Road Tank and Pipeline

The addition of anticipated future large subdivisions, such as Santana Ranch and Award Homes will create the need for additional potable water storage in the District's Ridgemark (High) Pressure Zone. Tank sites and pipelines in areas near Best Road have been identified that will allow for this expansion of the District's water system. The proposed facilities will allow the District to consolidate with the Venture Estates Mutual Water Company and utilize low interest State Revolving Fund (SRF) monies to finance a portion of the-pipeline needed to connect the new Best Road Tank to the Ridgemark (High) Pressure Zone. Staff has previously applied for, and received tentative approval for a SRF loan for the construction of the Best Road Pipeline, which will connect Venture Estates and the future Best Road Tank to the Ridgemark (High) Pressure Zone. Sunnyslope water rates will need to be adjusted to conform to State of California State Revolving Fund debt service coverage requirements to execute this loan. Water rate adjustments in 2013 are anticipated, which may allow the District to move forward with the SRF loan. The timing of this tank and pipeline project may be delayed to coincide with the anticipated new developments listed above.

Cathodic Protection of Fairview Tank

The addition of cathodic protection to steel tanks extends their useful life. The Fairview Tank will have a passive impressed current cathodic protection system installed in order to protect the interior of the tank from corrosion.

Airline Booster

The proposed Airline Booster Pump Station will allow for the transfer of potable water from the middle (Fairview) potable water pressure zone to the upper (Ridgemark) potable water pressure zone. The existing Airline Booster Pump Station operates at approximately 300 gallons per minute and is located in the public right-of-way. This project would retrofit the pump station allowing variable flows between 100 to 700 gallons per minute, and would secure legal easements or title to the property location in order to avoid relocating this pump station in the future. This project will become more important after the West Hills Surface Water Treatment Plant is constructed, since it will provide a method of moving additional surface water into the District's water distribution system.

SCADA Improvements

Technological improvements to systems such as the SCADA system improve the overall efficiency and capability of District operations. This project consists of adding SCADA to the following 5 locations: Sunnyslope Booster Station, and at the pressure reducing valves at Well 5, Quail Ridge, Quail Hollow, and Oak Creek. Additional improvements include the District's 50% share of upgrading the SCADA system to monitor chlorine residual, conductivity, and pH at the five distribution system interties between Sunnyslope and the City of Hollister at the following locations: Santa Ana Road, Hillcrest Road, Sunnyslope Road, Sunset, and Southside Road. This project will enable the District and the City of Hollister to monitor the water quality and quantity of potable water transferred to/from the City of Hollister via the potable water distribution system interties.

Well #7 Backup Generator Replacement

Well #7 backup generator has outlived its useful life and must be replaced to assure emergency power backup and reliable water delivery.

1.2 Water System Maintenance Plan

System maintenance is a critical part of our commitment to assure reliable water delivery now and in the future and proactively manage our infrastructure. The District will ensure safe and reliable water supplies of high quality are delivered to the District's customers by working with our strategic partners focusing on the following tasks:

- ◆ Operate surface water treatment plants (Lessalt & future West Hills Plant)
- ◆ Fire hydrant - blow off flushing and maintenance
- ◆ Cross connection control program
- ◆ Water meter lifecycle replacement program
- ◆ Upgrade valve exercising and maintenance program with GIS Technology
- ◆ Expand water quality monitoring capabilities within the distribution system
- ◆ Water main upgrade in the distribution system to improve flow patterns and reliability
- ◆ Expand distribution system remote monitoring capabilities to help meet regulatory requirements
- ◆ Sustain highly trained, safe, productive and motivated workforce
- ◆ Equip, maintain and operate local water/wastewater laboratory to perform routine analyses

1.3 Conservation Programs

SSCWD believes in conservation as a critical part of the long-term water strategy for the greater Hollister region. California's climate is subject to periodic drought cycles and the District will continue its conservation practices to achieve the State mandated 20% water use reduction by the year 2020. Staff will review and update its Conservation Ordinance to provide the public with information pertaining to drought conservation methods and practices.

The District's Water Conservation Plan is contained within the Urban Water Master Plan jointly prepared by Sunnyslope County Water District, the City of Hollister, and San Benito County Water District. The District is implementing these measures through the Water Resources Association of San Benito County (WRASBC), which is made up of and funded by the District, the City of Hollister, San Benito County Water District, and the City of San Juan Bautista.

The District will continue to work with the WRASBC to conduct free home water use check-ups, free low-flow toilet give-a-ways, and its community outreach programs that include landscape seminars, school presentations, facility tours, informational bill inserts, and the WRASBC web site focused specifically for conservation awareness.

The California Urban Water Management Planning Act requires that each water supplier provide a report describing its implementation of fourteen demand management measures (DMMs), also known as best management practices (BMPs). The District is implementing these measures in cooperation with the WRASBC. The descriptions of the programs and measures are organized to correspond to the recent grouping of measures by the California Urban Water Conservation Council (CUWCC). These measures are organized as follows:

Utility Operations Programs

- ◆ Conservation coordinator.
- ◆ Water waste prevention - Programs that focus on existing users, new development, and water shortage measures.
- ◆ Wholesale agency assistance programs.
- ◆ Water loss control.
- ◆ Metering with commodity rates.
- ◆ Retail conservation pricing.

Education Programs

- ◆ Public information programs.
- ◆ School education programs.

Residential Measures

- ◆ Residential assistance program.
- ◆ Landscape water survey.
- ◆ High efficiency clothes washer (HECW).
- ◆ Water sense specification toilets.
- ◆ Water sense specifications for residential development.

Commercial, Industrial, and Institutional (CII) – The goal of these programs is to achieve a 10 percent reduction from baseline water usage on CII accounts (focused on interior and process-related water usage).

Landscape - These programs apply to accounts with dedicated irrigation meters or commercial landscapes served by mixed meters.

Goals for the reduction of water consumption by 20% by the year 2020 for the District and the City of Hollister are shown immediately below.

Water Consumption Reduction Goals by Sunnyslope and the City of Hollister

<u>Year</u>	<u>Sunnyslope*</u>	<u>Hollister*</u>	<u>Combined*</u>	<u>% Reduction</u>
2010	178.0	149.0	161.0	0
2011	174.4	146.0	157.8	2
2012	170.9	143.0	154.6	4
2013	167.3	140.1	151.3	6
2014	163.8	137.1	148.1	8
2015	160.2	134.1	144.9	10

<u>Year</u>	<u>Sunnyslope*</u>	<u>Hollister*</u>	<u>Combined*</u>	<u>% Reduction</u>
2016	156.6	131.1	141.7	12
2017	153.1	128.1	138.5	14
2018	149.5	125.2	135.2	16
2019	146.0	122.2	132.0	18
2020	142.4	119.2	128.8	20

* Gallons per person per day

1.4 Water Connections with City of Hollister

The water intertie connections with the City of Hollister allow the District and the City to collaborate in water supply and facility projects and allow the agencies to share water supplies in times of peak demand or emergency. The District will continue shared maintenance relationships at the five water distribution interties with the City of Hollister. Currently four interties are capable of remotely monitoring water source and quantity. The District will participate in upgrading the fifth intertie to include remote monitoring capabilities. We will also continue to investigate upgrades to the water quality monitoring at these sites and alternative booster station options to prepare for the new Surface Water Treatment Plant and to improve the movement of water between the two systems.

1.5 Water System Capital Repair and Replacement

The District has other capital items that are important to maintain and replace as needed to properly operate the water system. This list consists of funding the capital expenses of replacing vehicles, and funding legally required rate reviews and studies needed to maintain the water operations of the District. The specific list for general fund projects is as follows:

- ◆ Utility Maintenance Vehicles (80% Water)
- ◆ Utility Maintenance Vehicle Tool Sets (80% Water)
- ◆ GPS Vehicle Tracking System Per Vehicles (80% Water)
- ◆ Surveillance Cameras 7 Sites (Ridgemark Tanks, Fairview Tanks, Wells 2, 11, 7, 5, 8)
- ◆ New Trailer Mounted Valve Turner with GPS Unit, Pressure Washer & Vacuum
- ◆ Fork Lift (80% Water)
- ◆ Four Wheel Drive Fully Enclosed Loader
- ◆ Vector Truck (80% Water)
- ◆ Fee and Rate Study
- ◆ Urban Water Management Plan Program Costs
- ◆ Identify and prioritize structural deficiencies and implement short-term and long-term rehabilitation actions
- ◆ Provide continuing operator training

Approximately one vehicle will be replaced each year. Twenty percent of the vehicle replacement cost will be funded by the wastewater system and eighty percent will be funded by the water system. A valve-turning trailer will be purchased, rented, or leased by the water department for general use to turn water valves and determine valve locations. Surveillance cameras will be installed at the Ridgemark Tanks, Fairview Tanks, and Wells 2, 11, 7, 5 and 8. A forklift will be purchased for general use. A four-wheel drive loader will be purchased, rented, or leased by the water department for general use. A vector truck will be rented, leased, or shared with the City of Hollister. Water rate studies will be conducted every 3 to 5 years. The Urban Water Management Plan will be updated every 5 years.

1.6 Inter-Agency Water Supply Agreements

Successful agreements with nearby agencies are a critical component of the District's strategy. The District is a participating member of the HUAWWMP and is drafting a water supply and treatment agreement with SBCWD and the City of Hollister to assure

water reliability now and in the future. The terms of this agreement will be in accordance with the Memorandum of Understanding adopted by the Board in February 2008. Another agreement necessary to implement the HUAWWMP is an operations and maintenance agreement between SBCWD and the District for operating the Lessalt Water Treatment Plant and the future West Hills Water Treatment Plant.

These agreements will be presented to the Governance Committee for their review prior to the agreement being brought to the District Board for approval. An additional agreement with the City of Hollister is necessary to formalize the costs and procedures of providing water through the five water system interties between the City of Hollister and the District. The Water Supply and Treatment Agreement and the Operations and Maintenance Agreement are currently being negotiated and will be complete by the end of 2012.

A formalized water agreement that defines the terms for sharing of water through the water system interties with the City of Hollister, setting wholesale rates for groundwater, and defining procedures for determining groundwater and surface water sharing is under negotiation between the District and the City of Hollister and will be completed in 2013.

2.0 Wastewater Services

Our objective is to collect, treat and beneficially dispose of, and recycle wastewater to meet the needs of existing and future customers. This will be accomplished by the careful management of effluent, using prudent planning and maintenance, and by responding to changing conditions.

Summary of 5-Year Strategic Goals

- 2.1 Wastewater Capital Improvement Plan
- 2.2 Wastewater System Maintenance Plan
- 2.3 Wastewater Treatment Plant Operation and Regulatory Compliance
- 2.4 Recycled Water Plan
- 2.5 Capital Repair and Replacement

2.1 Wastewater Capital Improvement Plan

The Wastewater Capital Improvement Plan goal is to finance and build the capital facilities needed to supply the present and future needs of the District while meeting all regulatory requirements for the wastewater system. Currently, the District is in noncompliance with existing regulatory standards. The completion of the Phase 1 wastewater project will allow the District to comply with all wastewater regulatory standards, with the exception of salinity. Salinity standards will be met by improvement to the potable water system. The wastewater capital projects will be paid for utilizing wastewater rates and developer fees. Larger projects will be paid for through debt financing over a number of years.

A list of the proposed wastewater capital projects is as follows:

Table of Proposed Wastewater Capital Projects (Estimated 2012 Dollars)

Wastewater Projects	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Subtotal 2011-18
Ridgemark WWTP Phase 1 (Initial Construction RWQCB Compliance)	6,481,237	5,879,728	0	0	0	0	0	12,360,965
Ridgemark WWTP Phase 2 (Sludge Removal From Ponds)	0	0	598,500	892,500	0	0	0	1,491,000
Ridgemark WWTP Phase 3 (Recycled Water)	0	0	0	225,000	1,325,000	2,700,000	0	4,250,000
Wastewater Liftstation Improvements	0	20,000	60,000	0	0	0	0	80,000
General Funds Projects (Wastewater Portion)	17,800	51,600	137,600	46,600	13,600	46,600	78,600	392,400
Subtotal for Short-term Wastewater Capital Projects through 2017/18	6,499,037	5,951,328	796,100	1,164,100	1,338,600	2,746,600	78,600	18,574,365

Ridgemark WWTP Phase 1 –
(Initial Construction to achieve RWQCB compliance)

The Ridgemark WWTP Phase 1 Project consists of building a new wastewater plant at the existing Ridgemark I facility to comply with the Regional Water Quality Control Board Permit (RWQCB) waste discharge requirements (WDRs), with the exception of the salinity requirements. Salinity requirements will be met by improving the quality of the potable water supply serving the District’s wastewater customers and eliminating the use of water softeners that are a significant source of the salinity in the District’s wastewater. This will be done by bringing high quality treated surface water to the Ridgemark potable water pressure zone and conducting an extensive education program to convince wastewater customers to discontinue using water softeners. Both the Hollister Urban Area Water and Wastewater Master Plan and the Coordinated Plan, which were accepted by the Governance Committee and the member agencies, contemplated a Water Softener Ordinance. The retail water agencies will be working with all of the stakeholders to develop and implement an acceptable water softener ordinance during the 2015 time period.

Ridgemark WWTP Phase 2 – (Sludge Removal)

The Ridgemark WWTP Phase 2 Project consists of removing the sludge from the existing treatment ponds at Ridgemark I and Ridgemark II facilities. The removal of the sludge from the existing treatment ponds will allow the District to either convert the treatment ponds into percolation ponds, storage ponds for recycled water, or sell the property. The cost estimate provided above is for a contractor to remove and dispose of the sludge from the existing treatment ponds. The District is considering the use of its own employees to remove the sludge and incorporating sludge disposal into regular activities. This includes evaluating the purchase or the lease of a loader and other equipment to move the sludge onto trucks for transport to either the John Smith landfill in Hollister or agricultural users such as the golf course or sod farms. Options for sludge removal will be developed and presented to the Board.

Ridgemark WWTP Phase 3 – (Recycled Water)

The Ridgemark WWTP Phase 3 Project consists of installing filters and ultraviolet disinfection at the Ridgemark I wastewater plant and installing various recycled water lines in the Ridgemark area. The project will allow the District to begin the initial delivery of recycled water for irrigation to the Ridgemark Golf Course, and eventually deliver additional recycled water to other future development in the District's potable water system such as Dividend Homes, Gavilan College, Award Homes, and Santana Ranch. This project is currently planned for construction in 2015 to 2017. These dates are dependent on water supply needs, available funds, drought conditions, and timing coordination with other public agencies and private development for this phase of the project. Phase 3 (Recycled Water) is not needed to comply with the RWQCB WDRs. This project would allow the District to recycle approximately 0.3 million gallons per day to the Ridgemark golf course. This 0.3 million gallons per day of recycled water would replace 0.3 million gallons of untreated surface water allowing the transfer of this surface water to the West Hills and/or the Lessalt surface water treatment plants thereby increasing the potable water supply. The Ridgemark WWTP Phase 3

(recycled water) project would be coordinated with the Governance Committee, including the San Benito County Water District and the City of Hollister.

General Fund Projects – (Wastewater Portion)

These are the ongoing wastewater share of expenses for replacing vehicles, and funding legally required rate reviews and studies needed to maintain the wastewater operations of the District. This program is discussed in more detail in section 2.5 Capital Repair and Replacement.

2.2 Wastewater System Maintenance Plan

System maintenance is a critical part of our commitment to assure compliant wastewater service now and in the future and proactively manage our infrastructure. The District will continue to administer the current Sewer System Management Plan. The plan provides a schedule to properly manage, operate, and maintain all parts of the sanitary sewer collection system. This minimizes the possibility of sanitary sewer overflows as well as mitigates any overflows that do occur. District staff will provide adequate operation and maintenance of facilities and equipment, maintain up-to-date maps of the collection system, and maintain relevant information to establish and prioritize appropriate sewer system management plan activities.

Routine preventive operation and maintenance activities include the following:

- ◆ Regular hydro jet cleaning of the collection system.
- ◆ Identify and prioritize structural deficiencies and implement short-term and long-term rehabilitation actions.
- ◆ Provide continuing operator training.
- ◆ Provide equipment, repair and replacement parts inventories.
- ◆ Maintain Overflow Emergency Response Plan.
- ◆ Conduct a Fats, Oils, and Grease Program as needed.
- ◆ Schedule preventative maintenance on sewer collection system areas subject to blockages.

- ◆ Upgrade sewer lift station controls,
- ◆ Maintain generator power and remote system monitoring capabilities.

2.3 Wastewater Treatment Plant Operation and Regulatory Compliance

The District is committed to meet all regulatory compliance requirements in keeping with the public's expectations. The District will continue wastewater treatment in accordance with current Ridgemark Estates Wastewater Treatment Facilities Operation and Maintenance Manual for Wastewater Treatment and Disposal at Ridgemark I and II sites. The District is currently building a new Sequencing Batch Reactor (SBR) wastewater plant at the Ridgemark I facility that will replace both existing pond systems at Ridgemark I and II. This new plant will bring the District into compliance for nitrate, ammonia, biochemical oxygen demand, pH, and total suspended solids. Additional work improving drinking water quality and reducing the use of water softeners will be required to come into regulatory compliance for chloride, sodium, and total dissolved solids.

District staff will continue to provide the following in the operation of the Wastewater Treatment Plants:

- ◆ Provide economical upkeep of the equipment at Ridgemark I and II Plants.
- ◆ Maintain effective operation of the physical, chemical, and biological processes used in the treatment system.
- ◆ Sustain and continue training to ensure staff are highly qualified personnel to operate the existing and new wastewater plants.
- ◆ Commission and operate the new wastewater treatment facilities.
- ◆ Assist with the development of the Wastewater Treatment Facilities Operation and Maintenance Manual for the new SBR Plant.
- ◆ Develop equipment repair and replacement parts inventory for the new SBR Plant.

2.4 Recycled Water Plan

In order to complete the recycled water plan, the construction of third phase of recycled water facilities to the Ridgemark wastewater treatment system is necessary. This project consists of installing filters and ultraviolet disinfection at the Ridgemark I wastewater plant and installing various recycled water lines in the Ridgemark area to allow for the distribution of recycled water for irrigation of the Ridgemark Golf Course. The project is currently scheduled for construction in 2015 to 2017, but these dates are dependent on water supply needs and available funds. The project will be re-evaluated prior to 2015 to determine if the project remains cost effective and could be postponed since the Recycled Water facilities are not needed to comply with the RWQCB WDRs. For additional information, see Section 2.1, Ridgemark WWTP Phase 3 above.

2.5 Capital Repair and Replacement

The District has other capital items that are important to maintain and replace as needed to properly operate. These are the ongoing capital repair and replacement costs for maintenance vehicles, and funding legally required rate reviews and studies needed to maintain the wastewater operations of the District. The list below is the same list outlined in Section 1.5 above and outlines the cost to the wastewater fund.

- ◆ Utility Maintenance Vehicles (20% Wastewater)
- ◆ Utility Maintenance Vehicle Tool Sets (20% Wastewater)
- ◆ GPS Vehicle Tracking System Per Vehicles (20% Wastewater)
- ◆ Reconstruct and resurface the interior of sewer manholes
- ◆ Surveillance Cameras 5 Sites (Ridgemark WWTP, RM 2 Lift Station, Main LS, Oak Creek LS, Pallus Dr. LS)
- ◆ Fork Lift (20% Wastewater)
- ◆ Four Wheel Drive Fully Enclosed Loader (Used to load WWTP sludge)
- ◆ Vactor Truck (20% Wastewater)
- ◆ Wastewater Fee and Rate Study

3.0 Financial Planning

Our objective is to ensure the short and long-term fiscal health of the District. This will be accomplished by forecasting and planning revenues, reserves, debt, and expenditures. Our financial resources will be efficiently managed to fund current and future expenses.

Summary of 5-Year Strategic Goals

- 3.1 Budget Development and Communication
- 3.2 Five-Year Capital Budget
- 3.3 Reserve Policy Implementation
- 3.4 Investment Policy Implementation
- 3.5 Financial Audit

3.1 Budget Development and Communication

Budgets are a good communication tool that can be used to predict future performance and provide a measure against which to compare actual performance results. The District will promote prudent fiscal management through Annual Budget preparation, including proper communication both during the development of the budget and during the ensuing budget year to the public, employees, and Board members. The Finance Committee will be provided the preliminary Annual Budget for comments and input prior to presentation to the full Board of Directors. Annual budget information will be incorporated into fiscal communications to ensure that all District employees are aware of the budget and what it contains. Monthly “Budget vs. Actual” reports will continue to be prepared for the Board.

3.2 Five-Year Capital Budget

A five-year Capital Budget (updated annually) is integral to sound financial planning, debt management, and reserve development. In coordination with the Engineering and Operations departments, the District's management team will prioritize Master planned facilities, Capital replacement, and Capital Outlay (equipment) requirements over a five-year period for planned cash and debt management.

3.3 Reserve Policy Implementation

A reserve policy is part of a strong fiscal management strategy and provides financing for future capital expenditures. Such a policy includes the identification of various reserve needs such as working capital, repair and replacement, debt service, rate stabilization, construction-in-process, and post employment obligations for retirement and other benefits. A Reserve Policy will be developed by management team with input and direction from the Finance Committee and presented to the full Board for adoption.

3.4 Investment Policy Implementation

A sound investment policy provides a framework for safeguarding public funds and specifies investment options for idle cash. The District will maintain adequate cash availability and maximize yield on invested idle funds while ensuring that principal invested is protected from loss, in accordance with the Investment Policy established in May 1986 and in accordance with appropriate Government Code sections regulating the investment of public agency funds. The Investment Policy will be reviewed every two years and modified as recommended by the Finance Committee. Monthly "Investment Summary" reports will continue to be prepared for the Board.

3.5 Financial Audit

An annual audit provides reassurance and transparency of the District's financial management, reports its financial position, its financial operating results, and its cash flows. The District will conduct an annual audit of the District's financial records. The CPA firm hired by the Board is engaged under a Professional Services Contract to perform the audit services for the District and is re-bid through the Request for Proposals process at the end of the Contract term (usually three to five years) to ensure the District is receiving the most cost effective and high quality audit services.

4.0 Public Relations

Our objective is to show solid planning, long-range outlook, and overall value to our customers and neighboring agencies. This will be accomplished by being transparent and open in our business and decisions. We will employ effective ways to better involve and inform the public.

Summary of 5-Year Strategic Goals

- 4.1 Public Outreach & Education
- 4.2 Web Site Enhancements
- 4.3 Community Groups
- 4.4 Industry Relations

4.1 Public Outreach & Education

It is critical for customers of the District to understand the importance of water resources to the community and the environment in the County. The District recognizes its responsibility to properly informing its customers and the public at-large. The District will continue efforts to reach out to and educate our water and wastewater customers in coordination with the Water Resources Association of San Benito County (WRASBC). The value of water and the importance of conservation, reuse, and protecting the community's groundwater and surface water quality will be emphasized. Public education on conservation will allow the entire area to meet the 2020 legislated mandate to reduce water use by 20%, and to defer the development of expensive treated groundwater into the future. Some specific areas of focus in our education efforts are detailed below:

- A. Potable Water & Water Softener Education - The District, the City of Hollister, and San Benito County Water District will continue to coordinate potable water & water softener education via the WRASBC. The WRASBC is a locally based agency focused on water resource management in San Benito County. The Association represents the City of Hollister, the City of San Juan Bautista, Sunnyslope County Water District, and the San Benito County Water District for all their water conservation and water resource protection programs.

The District will be expanding the use of high quality treated surface water in the Ridgemark area beginning in 2014, which will eliminate the need for these customers to use water softeners. The District will conduct an intense public education program, in conjunction with the WRASBC, to encourage residents of the high-pressure zone (Ridgemark area) to eliminate the use of salt discharging water softeners in the Ridgemark sewer system.

Both the Hollister Urban Area Water and Wastewater Master Plan and the Coordinated Plan were accepted by the Governance Committee, including the District, and include references to enacting and enforcing a Water Softener Ordinance. Both plans are covered by a certified EIR. The District and the City of Hollister will be working with all of the stakeholders to develop and implement an acceptable water softener ordinance during the 2013 time period.

In 2016, the District will be adding additional treated surface water into the middle (Fairview) pressure zone improving water quality decreasing the need for water customers to use water softeners. By 2020, all customers in the District's water service area should be able to completely discontinue the use of brine discharging water softeners improving wastewater quality and allowing the City of Hollister and the District to meet wastewater discharge requirements. Education and outreach in coordination with the WRASBC will expand into these areas encouraging the elimination of water softener use.

- B. Recycled Water Education** - After 2016, the District's plan includes delivering recycled water to the Ridgemark area, specifically the Ridgemark Golf Course. The District will need to develop recycled water policies consistent with the City of Hollister and San Benito County Water District recycled water use policies. All three agencies will develop compatible operating standards to promote the consistent use of recycled water in the urban and farm communities. An education campaign will be prepared to educate golfers and homeowners near the golf course about safe practices for recycled water use.

The District and the City of Hollister are planning for the use of recycled water for the proposed 500-unit Award Homes development, the 1100 home Santana Ranch development, and other newly developed areas that will be served drinking water by the District in future years. In these developments, recycled water will be used for street landscaping, parks, and schools. District staff will coordinate recycled water practices and education with the WRASBC staff to promote consistent recycled water use policies between the District and the City of Hollister.

- C. Wastewater Education** - With the introduction of recycled water use into the community, it will be more important to educate and promote pharmaceutical recycling to improve the quality of wastewater collected by the District. Education of the public about proper disposal of personal care products, and other items, which should be either recycled or sent to a landfill rather than being flushed down the toilet will be critical to providing high quality recycled water. An education program on chemicals of emerging concern will be coordinated with the City of Hollister through the WRASBC.

4.2 Web Site Enhancements

The District recognizes that it operates in a technology-based society, and our customers have high expectations for technology-based interaction between

themselves and the District. Therefore, the District's web site is vital to providing timely information to a variety of customers, as well as providing web-enabled services that add to the online experience. Identifying and implementing web friendly improvements will enhance the District's web site to support customers' online needs. As web technologies evolve, so does the need to improve our online content and service delivery, and as such, web site enhancements will be an ongoing endeavor.

The District will continue to maintain construction progress information, Board Meeting agendas, Finance Committee agendas, Board minutes, public announcements, and other information on the Web Site to ensure the District customers have the most up to date information available to them about their water and wastewater system.

4.3 Community Groups

Connecting effectively with the surrounding community is critical to our public mission and trust. The District Board and management staff will attend community group meetings in the San Benito County area such as the Chamber of Commerce, Rotary, and other service clubs to educate the community, further the implementation of the HUAWWMP, and to stress the importance and value of water in the County. The District has embarked on an aggressive capital improvement plan in partnership with the SBCWD and the City of Hollister to improve drinking water quality to meet new and more stringent drinking water regulations and to eliminate the need for water softeners that degrade the sewage waters collected and disposed of by the District. Outreach and education efforts are critical to the District to develop the support for funding improvements needed to meet wastewater discharge regulations and drinking water quality standards. These efforts will be done in partnership with the WRASBC, SBCWD, and the City of Hollister.

4.4 Industry Relations

In order to stay efficient and cost effective, it is important for the District to stay current on water and wastewater trends and to learn from other communities and

organizations. The District Board and staff will participate in professional organizations such as AWWA and ACWA to stay current on industry trends, regulations, and problems facing water and wastewater utilities in our area and throughout the State. Relationships will continue to be fostered with surrounding water agencies in San Benito, Monterey, Santa Cruz, and Santa Clara counties to benefit from their unique experiences and knowledge that improves the District's ability to serve our customers.

5.0 Strategic Partnerships

Our objective is to foster mutually beneficial relationships with strategic partners to accomplish the goals of the District. This will be accomplished by collaborating with neighboring agencies on common facilities and other regional needs, working closely with regulators, partnering in a regional legislative agenda and participating in professional associations.

Summary of 5-Year Strategic Goals

- 5.1 Hollister Urban Area Water & Wastewater Master Plan
- 5.2 Water Rate & Capacity Fees with City of Hollister
- 5.3 Regional Coordination of Public Infrastructure, Operations, and Equipment
- 5.4 Mutual Aid

5.1 Hollister Urban Area Water & Wastewater Master Plan (HUAWWMP)

The District's overall mission of meeting all regulatory requirements for water and wastewater operations is more effectively and efficiently served by working with other agencies in San Benito County. In 2008, Sunnyslope County Water District joined the City of Hollister, San Benito County Water District, and San Benito County in the HUAWWMP to provide additional treated surface water to improve quality and reliability of the communities' water supplies while meeting regulatory requirements for both drinking water and wastewater treatment. The participating agencies have begun design of the Lessalt Water Treatment Plant upgrade and the design of the West Hills Water Treatment Plant to further the implementation of the HUAWWMP.

The HUAWWMP includes the following projects and estimated completion dates:

<u>Project</u>	<u>Completion Date</u>
◆ Lessalt Water Treatment Plant Upgrade	Dec. 2013
◆ High Zone Pipeline and Pump Station	Dec. 2013
◆ West Hills Water Treatment Plant (1 st Phase)	2015
◆ West Hills Water Treatment Plant expansion	2020
◆ Union Road Transmission Pipeline and Booster Pump Station	2020
◆ North County Groundwater Bank	beyond 2020
◆ Ridgemark Recycled Water Project	beyond 2015

5.2 Water Rate & Capacity Fees with City of Hollister

Adequate water rates and capacity fees are necessary for the fiscal health of the District and must be adjusted from time to time to properly fund the operations and capital improvements needed to reliably serve the District's customers. Water rates and connection fees will be developed in coordination with the City of Hollister to jointly fund the projects identified in the HUAWWMP. The City and the District will have separate and specific rates and capacity fees, but they will be developed jointly using the same structure and methodology providing sufficient revenue to fund capital improvements as well as operation and maintenance of the District's water facilities.

The District and the City have sent out a joint request for proposals to qualified professional firms in May 2012 and will begin the rate adoption process required by Proposition 218 in early 2013. Jointly developing rates for funding the HUAWWMP will ensure both agencies adequately fund the projects, their ongoing operations, and District staff will ensure the customers of the District and the City understand the benefits and cost saving opportunities gained by partnering.

5.3 Regional Coordination of Public Infrastructure, Operations, and Equipment

Strategic partnerships have shown to be of great value to both the District and the region as a whole. The District will continue to look for ways to collaborate and

coordinate with other local agencies as is being done through the HUAWWMP. This will include being responsive to other agencies to identify utility conflicts, jointly constructing improvements to minimize traffic and other construction impacts, and benefiting from competitively bidding and building improvements jointly. An example of this coordination is working closely with San Benito County Public Works to add the construction of the High Zone Pipeline Project to their widening and reconstruction of Fairview Road. This is planned in the fall of 2012 or summer of 2013 dependent on the environmental compliance issues the County is resolving with widening Fairview Road.

Other possibilities for regional coordination are the operation of facilities like what is currently occurring with the Lessalt Water Treatment Plant and is planned for the West Hills Water Treatment Plant. Other elements to coordinate will be explored and presented to the Board for consideration such as the operation of water system interties, booster pump station operations between the City and the District, and pump station operations with San Benito County Water District. Water storage tanks, SCADA system, billing, and other operations could and will be explored and considered.

Jointly purchasing and/or leasing equipment between agencies is another area where efficiencies and cost saving may be possible. Heavy equipment needs such as vector trucks, valve-exercising machinery, and other specialty equipment may possibly be an opportunity to collaborate with other agencies and provide efficiency opportunities for the District.

5.4 Mutual Aid

Sunnyslope feels it to be very important to be well prepared for any emergency while being valued partners with other agencies. The County of San Benito Office of Emergency Services (OES), acting as the operational area, coordinates the emergency response to disasters in San Benito County. It serves as the communications link between regional, State, and Federal Emergency Operations Centers for the local

agencies in the County. San Benito County OES conducts periodic exercises training staff from multiple agencies about responding to emergencies such as floods, earthquakes, and other disasters. The District has and will continue to participate in these training exercises to ensure the District is prepared and trained for response to disasters.

There is always the possibility of a localized emergency where San Benito County OES is not activated, but the District still needs the aid of surrounding water/wastewater agencies. The District will investigate the possibility of creating or joining mutual aid agreements for augmenting staff, equipment, and materials to ensure services can quickly be restored to the District's customers. The District will conduct ongoing training sessions to familiarize all personnel with the District's Emergency Response Plan.

6.0 Organizational Health & Personnel

Our objective is to employ and retain a high quality, motivated workforce. This will be accomplished by utilizing sound policies and personnel practices, offering competitive compensation and benefits, providing opportunities for training, development, and professional growth while ensuring a safe and secure workplace.

Summary of 5-Year Strategic Goals

- 6.1 Workforce Succession Plan
- 6.2 Recruit and Retain High Performing Workforce
- 6.3 Employee Training and Development
- 6.4 Compensation Studies

6.1 Workforce Succession Plan

Sustaining a high performing workforce, ensuring continued access to highly qualified key personnel is critical to the mission and operations of the District. We will endeavor 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 an overarching 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.

6.2 Recruit and Retain High Performing Workforce

Recruitment and retention of talented and productive employees is critical to reliably providing water and wastewater services to the customers of the District. In order to attract and retain the best talent, the District will provide opportunities for employees to enhance their job skills and knowledge in their career field. It is essential to enhance opportunities for training and advancement, and to offer opportunities for employees to be rewarded and recognized for superior job performance and for submitting valuable suggestions for improving business practices. Training and cross training plans are, and will be, provided to increase knowledge and skills within each job function.

Staff will analyze training and cross training needs to ensure the District retains a knowledgeable workforce. Training and opportunities for increasing levels of water and wastewater licensing will be provided and encouraged to ensure the District meets State regulatory requirements and have the expertise to operate the new Ridgemark Wastewater Treatment Plant, the new West Hills Water Treatment Plant, and the upgraded Lessalt Water Treatment Plant.

6.3 Employee Training and Development

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.

6.4 Compensation Studies

To ensure the District remains a desirable workplace and is thereby able to recruit and retain a high-performing workforce, staff will conduct periodic compensation studies to determine compensation and benefits competitiveness relative to local and regional labor markets.

7.0 Administrative Management

Our objective is to create, maintain, and implement policies and procedures to ensure sound and efficient management of the District. This will be accomplished by periodically reviewing, refining, and implementing policies and procedures to ensure that the General Manager has the direction and tools necessary for successful operations.

Summary of Strategic Goals

- 7.1 District Policy and Procedures
- 7.2 Improve Administrative Processes
- 7.3 Annual Update of Strategic Plan
- 7.4 Emergency Preparedness and Response

7.1 District Policy and Procedures

The District has an obligation to ensure that its water code, ordinances, policies, and procedures stay current and compliant with statutes and regulations governing its operations. Many new laws and regulations, which can affect the District, are adopted every year. This results in the need to evaluate and upgrade District policies and standard operating procedures on an ongoing basis.

District staff has been working with the Board's Policy & Procedure Committee implementing and updating policies and procedures, meeting on a monthly basis. Staff will continue to identify areas where the Board can upgrade and/or adopt new policies to provide guidance, define the employer/employee relationship, enhance customer

services, improve efficiencies, maximize decision-making, protect the public's interest, and provide a system of communications to increase awareness of District issues.

7.2 Improve Administrative Processes

The smooth and efficient operation of the District depends on many administrative functions. Staff will periodically review its internal processes for ways to improve and enhance efficiency with updated procedures or the use of technological advancements to both provide excellent customer service and internal support services.

- A. Customer Service, Monthly Billing & Reconciliation & Accounts Receivable** – Staff will continue to look for ways to enhance payment and communication methods available to customers using the latest technology, the District's web site, and the utility billing software in the most cost effective and efficient manner to enhance customer service. Staff will periodically review the procedures, including the written documentation of the billing cycle processes and month-end reconciliations, for changes and improvements.

- B. Purchasing, Vendors & Accounts Payable** – Staff will work on developing written documentation of the purchasing cycle processes. Staff will continue to provide the Board a detailed listing of disbursements on a monthly basis.

- C. Personnel & Payroll** – Staff will continue to maintain complete and confidential Personnel records for each employee consistent with applicable laws. Staff will continue to maintain and update the written documentation on the complete payroll process on an ongoing basis as changes develop through changes in the applicable laws and regulations, changes in District compensation and benefits, and/or through any other factors that arise from time to time. Payroll practices will be evaluated and options to pay twice a month, bi-weekly, and monthly will be reviewed with District staff and the Board. Modifications will be made in accordance with applicable laws and regulations.

- D. Monthly Financial Reconciliations & Reports – The Board needs to be kept informed on the financial health of the District. Staff will continue to reconcile bank accounts and other balance sheet accounts on a monthly basis and prepare an Income Statement (with comparison of actual results to budget) and Investment Summary report for Board review.

7.3 Annual Update of Strategic Plan

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. Staff will present an update to the Board each year for consideration and input and that sets more detailed expectations and strategic goals for the District for the coming fiscal year and more general goals for the four years following so that it is a rolling five-year plan.

7.4 Emergency Preparedness and Response

It is a mission critical function of the District to be prepared for and respond to emergencies to prevent or minimize disruption of service, minimize risk of loss, and keep the essential services of water and wastewater available to the community. The District has established various tools for emergency preparedness. The District maintains an Emergency Response Plan and Operation and Maintenance Procedures Manual, which includes an Emergency/Disaster Response Plan having an objective of continuing minimum service levels and mitigating the public health risks from drinking water contamination that may occur during a disaster or other emergency event. The District maintains a working relationship with the San Benito County Office of Emergency Services and routinely attends emergency training events. District staff is trained in the National Incident Management System (NIMS) and the Standard Emergency Management System (SEMS).

The District has a Sanitary Sewer System Management Plan, which entails a Sanitary Sewer Spill Contingency Plan including preventative maintenance activities designed to prevent overflows and response procedures in the event of an overflow. This plan is maintained and updated in accordance with the requirements of the RWQCB.

These emergency plans are updated annually as required by CDPH and RWQCB and District personnel receive routine and regular training on emergency procedures including detailed review and familiarization with these emergency plans.

Table 1 – The Strategic Plan “At a Glance”

Strategic Objective	Strategic Elements	Completion (Fiscal year)
1.0 Water Management		
	1.1 Water Capital Improvement Plan	See Table on Page 13
	1.2 Water System Maintenance Plan	Ongoing
	1.3 Conservation Programs	Ongoing
	1.4 Water Connections with City of Hollister	FY 13/14
	1.5 Water System Capital Repair and Replacement	Ongoing
	1.6 Inter-Agency Water Supply Agreements	FY 12/13
2.0 Wastewater Services		
	2.1 Wastewater Capital Improvement Plan	See Table on Page 24
	2.2 Wastewater System Maintenance Plan	Ongoing
	2.3 Wastewater Treatment Plant Operation and Regulatory Compliance	Ongoing
	2.4 Recycled Water Plan	FY 15/16
	2.5 Capital Repair and Replacement	Ongoing
3.0 Financial Planning		
	3.1 Budget Development and Communication	Ongoing
	3.2 Five-Year Capital Budget	FY 12/13
	3.3 Reserve Policy Implementation	FY 12/13
	3.4 Investment Policy Implementation	FY 12/13
	3.5 Financial Audit	Annual

Strategic Objective	Strategic Elements	Completion (Fiscal year)
4.0 Public Relations		
	4.1 Public Outreach & Education	Ongoing
	4.2 Web Site Enhancements	Ongoing
	4.3 Community Groups	Ongoing
	4.4 Industry Relations	Ongoing
5.0 Strategic Partnerships		
	5.1 Hollister Urban Area Water & Wastewater Master Plan	See Table on Page 38
	5.2 Water Rate & Capacity Fees with City of Hollister	FY 12/13
	5.3 Regional Coordination of Public Infrastructure, Operations, and Equipment	Ongoing
	5.4 Mutual Aid	FY 13/14
6.0 Organizational Health and Personnel		
	6.1 Workforce Succession Plan	FY 12/13
	6.2 Recruit and Retain High Performing Workforce	FY 12/13
	6.3 Employee Training and Development	Ongoing
	6.4 Compensation Studies	Bi-Annual
7.0 Administrative Management		
	7.1 District Policy and Procedures	Ongoing
	7.2 Improve Administrative Processes	Ongoing
	7.3 Annual Update of Strategic Plan	May 2013
	7.4 Emergency Preparedness and Response	Ongoing