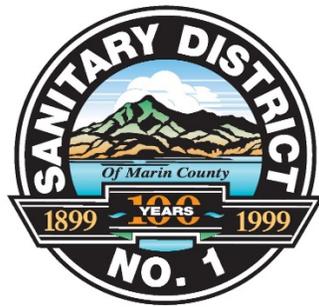


2016

ROSS VALLEY SANITARY DISTRICT STRATEGIC PLAN



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ROSS VALLEY SANITARY DISTRICT MISSION AND VALUES STATEMENT

Our Mission ...

We provide our customers with high quality wastewater collection service, through a system that has no avoidable sanitary sewer overflows, at the lowest sustainable cost, in order to protect public health and the environment.

Our Core Values ...

Individually and as a team, we value the following:

- Being fiscally responsible
- Protecting our natural resources
- Developing solutions that work today and for future generations
- Providing excellent quality service and creating quality work products
- Collaborating with each other and our stakeholders
- Being industry leaders
- Supporting efficiency and alignment with the mission of the Ross Valley Sanitary District through our resources and work

1 - SCOPE AND PURPOSE OF THE 2016 RVSD STRATEGIC PLAN

1.1 Background

This report presents the 2016 Ross Valley Sanitary District (RVSD) Strategic Plan (Strategic Plan). The Strategic Plan was developed to provide a single, comprehensive set of policy-level goals and objectives which support RVSD's strategic priorities. The Strategic Plan will be used to guide allocation of financial and other resources, inform annual staff level work plans, and influence the annual budget plans. The 2016 RVSD Strategic Plan also presents RVSD's updated Mission Statement and its Core Values, which the Strategic Plan is intended to reflect and support. RVSD does not have an equivalent recent strategic planning document, and so the 2016 RVSD Strategic Plan is filling a key gap in RVSD's business and strategic planning effectiveness.

The wastewater utility industry is undergoing major changes driven by a mix of external influences. The Strategic Plan is intended to ensure RVSD can adapt to these changes and provide high-quality, efficient wastewater utility service. The most notable external trend is the evolving state and federal regulatory standards, which define minimum standards for reducing sanitary sewer overflows (SSOs) and the related public health, safety, and environmental impacts. The wastewater utility industry's own national organizations have also been driving change through development of the best industry practices of Effective Utility Management (EUM), endorsed by the federal EPA and national industry groups. Like nearly every industry, the utility sector is experiencing technology-driven change such as adoption of CMMS, GIS, SCADA, cloud-based information services delivered via mobile platforms, and advances in construction and rehabilitation methods. Finally, the wastewater utility industry's relationship with its customers and public is changing based on greater public awareness of the benefits and costs of reliable wastewater utility services, and its emerging role in water resources and supply reliability. Rate payers are expecting reasonable value for their limited financial resources, as they are asked to support increased rates.

1.2 Summary of Recent Progress by RVSD

RVSD has been making notable progress in adapting to the changing industry needs. RVSD's financial health is stabilized with a five year rates schedule, updated connection fees, refinancing and issuing of new bond debt for capital program funding, and use of a rolling five year forecast during annual budgeting. Operations and maintenance (O&M)

quality and efficiency have improved with adoption of CMMS for planning and tracking of O&M, modern field equipment better suited for RVSD's service area conditions, and regular pump station and force main preventative maintenance. RVSD has also implemented a comprehensive lateral replacement program utilizing the new lateral ordinance, grant and loan financial assistance, and integration of lateral replacements with street paving and underground utility work. RVSD has also successfully met or exceeded all requirements of an extensive 2013 Cease and Desist Order from the RWQCB, which will remain in effect through at least 2019.

1.3 Limitations of the 2016 RVSD Strategic Plan

The 2016 RVSD Strategic Plan will assist RVSD's leadership, senior management, and line staff in a number of ways. First, it presents a clear, consistent framework for evaluating and assessing how RVSD is doing in carrying out its organizational mission. The Plan provides near term focus for specific initiatives and projects, and mid to long term vision to guide planning and decisions on critical issues. RVSD will continue to be impacted by the outside drivers of regulatory requirements, technology trends, and evolving industry standards for managing wastewater in the broader, integrated context of regional water resources. By having an effective strategic plan, RVSD will improve its ability to manage the impacts of these trends, and to avoid the pitfalls of arbitrary or poorly conceived changes in policy and priorities.

The 2016 RVSD Strategic Plan could be viewed as a "Two Year Business Plan." It sets out ambitious but achievable objectives which will take the entire organization's energy, focus, and support to achieve. These objectives will make substantial improvements in every aspect of the RVSD organization. The near term Board level objectives and staff-focused deliverables will help assess annual budget and other resource planning; support department-level annual work plans; set performance metrics for all key aspects of the organization's operations and business processes; establish annual performance goals for senior management; and provide a consistent reference guide for staff to understand clearly how their work fits into and supports the broader mission and goals of the organization.

The Plan also has several limitations which should be recognized. First, it is not intended to be a static, long term plan in the tradition of more typical organizational master plans. RVSD has developed this plan coming off a decade of disruption and change, and only in the last few years has it achieved sufficient stability to focus clearly on long term planning. Second, this plan should be seen as a working document, which is reviewed and updated annually, as part of the budget and work planning cycle. Finally, like any planning document, the 2016 RVSD Strategic Plan will only be as effective as the support and active engagement provided by the organization's leadership and management.

2 - THE 10 ATTRIBUTES OF EFFECTIVE UTILITY MANAGEMENT; A STATUS CHECK FOR RVSD

2.1 Overview of the EUM Framework

Strategic plans for organizations can be organized in a wide variety of ways. For wastewater and water utilities, a proven and widely used framework for assessing how well a utility organization is carrying out its core service mission is the *10 Attributes of Effective Utility Management* (the EUM framework). The EUM framework was developed over nearly a decade, with input from national utility organizations (AWWA, WEF, NACWA) and the federal EPA. The EUM framework uses these 10 broadly defined areas to provide a comprehensive and balanced review of how well an organization is doing, identify gaps between actual and preferred conditions, and narrow the focus to what actions need to be taken to ensure the utility organization is highly functioning across the full spectrum of critical success factors.

Table 2-1 below lists the 10 Attributes, and provides the industry definition of what each attribute is focused on. For the purposes of this Plan, several of the attributes were grouped together to allow more efficient discussion and evaluation. These attribute groups were reviewed in both the Board and staff level workshops, to assess the current strengths and challenges. Once all 10 areas had been discussed at these workshops, and the input reviewed and refined, a clear picture developed of how well RVSD is or is not doing in these areas, and provided a narrowed focus for identifying specific weakness. In the following section of this chapter, the summary points of those workshops are addressed, which helps set the stage for the subsequent steps of identifying and priorities actions to address areas of needed improvement.

TABLE 2-1 EUM Attributes

EUM Element	Category	AWWA/WEF Definition
1	Financial Viability	Understand lifecycle of utility. Effective balance between debt, expenditures, and revenues. Assure predictable and sufficient rates.
2	Infrastructure Stability	Understands condition and costs of critical assets. Maintains and improves assets at lowest possible lifecycle cost and risk. Repairs are coordinated to minimize disruptions.
3	Product Quality	Complies w/regulatory and reliability requirements
4	Customer Service	Services are reliable, responsible, and affordable. Provide timely customer feedback. Response to customer needs.

EUM Element	Category	AWWA Definition
5	Stakeholder Understanding and Support	Understanding and support from regulatory bodies, etc. Actively involves stakeholders in key decisions.
6	Water Resource Management	Receive and treat flows long-term without unnecessary and costly infrastructure expansions.
7	Community Sustainability	Attentive to impacts on community and watershed. Efficiently use water and energy resources and engender overall community improvement. Maintain and enhance ecological and community sustainability.
8	Employee and Leadership Development	Recruit and retain competent workforce. Continual learning and improvement. Knowledge retained and improved. Opportunities for development. Strong senior leadership team, beginning with the Board of Directors.
9	Operational Resiliency	Staff works together to anticipate, mitigate, and avoid problems. Proactively establishes tolerance levels and manages risk (legal, regulatory, financial, environmental, safety, security, and natural disasters)
10	Resource Optimization	Implements ongoing performance improvements. Minimizes day-to-day resource use and loss, and is aware of operational and technological improvements.

2.2 Summary of How RVSD is Performing by Each Attribute Area

2.2.1 Customer Service and Stakeholder Understanding and Support

Customer Service:

Customer Service covers every type of interaction that RVSD staff have with its customers. This includes utility service billing, issuing permits, providing grant and loan assistance for the lateral replacement program, reviewing construction plans, and general health and safety code enforcement related to private sewer laterals. At its core, good customer service is providing reliable, efficient wastewater utility service to each customer. Key points regarding the existing statue of customer service includes the following.

- Field staff regularly get positive feedback from customers based on service call responses.
- Use of paper files and records makes tracking information on the over 19,000 parcels time consuming and inefficient.
- Customers don't hear from or see RVSD until there is a problem or concern, such as a failure of their sewer lateral, a public sewer spill, or rate increase. The use of once per

year billing, buried as a line item on the county tax bill, does not have the same prominence or frequency as other utility services.

- There is poor understanding of the role of RVSD and its relationship with the CMSA JPA, which provides the wastewater treatment service.
- RVSD has been the focus of negative public media reports and grand jury reports, going back nearly a decade. As a result, some customers may have a low level of trust and confidence in the operations, management, and leadership of the organization.
- Customers have an active role to play in helping improve their public wastewater system, by being informed about improper disposal practices (chemicals, pharmaceuticals, “flushable” wipes, and FOG) and the role their private laterals (and any illegal drain connections) play in impacting high I&I and contributing to increased SSO risk.
- RVSD does not have regular metrics and reporting to consistently and objectively assess its overall level of customer service.

RVSD Stakeholders:

RVSD has four key stakeholder groups. The following summary describes the stakeholder relationship with RVSD, in terms of their understanding and support.

1. **RVSD Customers** - RVSD customers are the primary stakeholders, as the recipients of the utility service source of RVSD’s revenues (through both utility charges and ad valorem property taxes). Factors impacting the quality of their understanding and support are largely covered in the preceding section. These include having a clear understanding and awareness of how RVSD provides its services, and that customers can support RVSD because they have basic confidence and trust in the quality and efficiency of service. The customers should also believe that the leadership and management are operating with the public’s interests in mind, are carrying out business in an open, transparent manner, and providing sufficient opportunity for public participation and input to important decision.
2. **CMSA JPA Partners** - RVSD’s JPA partners are its most important local governmental stakeholders. CMSA accounts for 50% of RVSD’s operating cost, and is RVSD’s most important business partner. Conversely, RVSD and the other JPA members are CMSA’s most important business and government partners. The quality of the relationship between RVSD and its JPA partners has varied by poor to terrible in recent years, highlighted by lawsuits, lack of common long term planning, open acrimony and hostility, and long running but unproductive debates about what should be basic good business matters. Most RVSD customers appear to have little or no awareness of the role of the JPA and the treatment plant services, how these impact their RVSD rates, etc. In summary, there is currently not leadership-level focus on acknowledging that RVSD

and CMSA are respective critical stakeholders. Neither agency can likely achieve optimal levels of customer service and excel fully at their service missions without making substantial improvements to the current level of communication, coordination, long term planning, and mutual trust at the level of the elected leaders and senior management.

3. **Local Governments** - Local government stakeholders include the Cities of Larkspur, San Anselmo, Ross, Fairfax, and Marin County. Common areas of interest include the need to coordinate capital projects within streets, minimizing impacts of the lateral replacement activity on local street paving, future land use and development proposals review and approval, sharing of GIS and other major data sources, opportunities for efficient sharing of contracted services and fleet equipment, evaluating and planning for long term sea level rise impacts, and coordinated emergency planning for near term major events like floods and earthquakes.
4. **Regulatory Agencies** - RVSD deals with a number of state and local regulatory agencies, but the most important stakeholder relationship is the RWQCB. The RWQCB has extensive oversight and enforcement authority, as demonstrated by the string of major enforcement actions against RVSD, culminating in the 2013 Cease and Desist Order (2013 CDO). Current issues of concern include ensuring steady compliance progress on the 2013 CDO requirements, and tracking developing regulatory issues.

2.2.2 Water Resources Management and Community Sustainability

These two Attributes were combined in the Plan, given their close links. Wastewater conveyance utilities have not traditionally been viewed as significant players in local or regional water resources, but that is changing. RVSD's conveyance system has a number of significant interactions with both the natural hydrology of the Corte Madera Creek watershed and the local water resources picture. Examples include water quality impacts to the creek from sewage seepage or surface spills into the waterways, interception of natural shallow groundwater and creek flows into degraded sections of sewer main, and salinity loading from inflow and infiltration (I&I) in areas impacted by sea water, and seasonal flooding. Emerging issues for community sustainability and water resources include the projected sea level rise impacts, use of grey water for irrigation and reduced wastewater return flows, and striving for carbon neutral power use to reduce GHG emissions and climate change progression.

2.2.3 Financial Sustainability

For RVSD, this Attribute is very similar to most wastewater utilities, which are capital intensive businesses with large amounts of built infrastructure. The basic challenge in

achieving financial sustainability involves balancing a mix of long term capital costs, variable near term O&M costs, and limited revenue streams from utility service rates. Ensuring the most efficient service possible, the lowest life cycle cost of infrastructure, and avoiding rapid changes to rates are continuing challenges. RVSD has made notable progress in stabilizing its financial health, and has approximately \$50M in capital program work in progress or scheduled to begin within the next year. It has successfully refinanced two bond issuances (one for RVSD debt, one for CMSA debt which RVSD is responsible for) and issued \$30M in bonds to stabilize capital program funding. However, much future work remains to maintain its financial stability. For example, nearly 100% of RVSD's rate revenue is needed to cover its O&M costs, leaving the separate ad valorem tax revenue as the only sustainable source of capital program funding. Bond funds are bridging the current gap for the current and next few fiscal years, but looking out beyond 2020, it's unclear what mix of revenue sources and capital program spending balance will be supported by future revenue streams. Separately, long term personnel costs have been escalating at relatively high rates due to both salary and benefit costs, and are currently being assessed as labor negotiations are underway.

2.2.4 Infrastructure Stability and Product Quality

RVSD's "product" is providing reliable, safe, efficient wastewater collection and conveyance. The quality of that product can be expressed in terms of its service reliability, risk of failure and disruptions to the public, and level of regulatory compliance. RVSD's infrastructure includes over 200 miles of gravity sewer mains, nine miles of forcemains, five major pump stations, and 14 lift stations. The system was developed beginning over 100 years ago as one of the earliest publicly owned sanitary systems in California. The system was steadily expanded as the Ross Valley communities grew, and now most of the buried infrastructure has been in service for approximately 50 to 100 years. The system has been experiencing accelerated rates of failure, with frequent large volume sewer overflows, which resulted in regulatory fines and enforcement orders beginning 10 years ago.

In 2013, in cooperation with the RWQCB, RVSD adopted its Infrastructure Asset Management Plan (IAMP), which applied best practices of asset management to develop a long term asset management program. The IAMP integrates risk reduction, targeted Level of Service objectives, and preventative O&M practices to support the fundamental objective of maintaining the RVSD infrastructure at the lowest sustainable life cycle cost. The progress made by RVSD, based in the IAMP, has been well received by the RWQCB and has resulted in meeting or exceeding 100% of the 2013 CDO enforcement requirements. The primary challenge now is how to efficiently implement the capital projects in balance with RVSD's limited staff and financial resources.

2.2.5 Employee and Leadership Development

This Attribute group incorporates a number of significant challenges for RVSD, which has had a relatively difficult period of staff relations as well as challenging Board dynamics. The success of everything else in this Strategic Plan depends heavily on how well RVSD can resolve current challenges in this area, so that all levels of staff and leadership are working well together towards common objectives. Specific challenges identified in discussions with Board members and staff include the following. RVSD has had a stressful and difficult work place environment, with frequent disruptive events ranging from personnel lawsuits to relocation of facilities, to dramatic changes in Board priorities and direction. There has often been low levels of trust and confidence within and between the Board and staff. Communication between departments and between staff and the Board has not always been effective, and could be more inclusive. There has not been a consistent focus and clear plans for staff and Board professional development and training. As the District addresses these existing challenges, it is also in the process of negotiating a new labor agreement, and undertaking a substantial reorganization. RVSD has begun investing resources, such as professional HR services, to begin to change the negative aspects of its organizational culture, and to help build a more professional and team-oriented work force

2.2.6 Operational Resiliency and Resource Optimization

These two Attribute groups are combined given their close connections for RVSD's organizational context. For RVSD, operational resiliency can be viewed as the organization's ability to absorb and respond to unexpected events and future changes, without excessive disruption of normal business. Examples of potentially disruptive events may include emergency situations like natural disasters or major facility failures, key staff turnover, and unexpected financial impacts from varying causes such as litigation or regulatory fines. Operational resiliency can be improved by adopting a wide angle perspective of risk management, knowing that disruptive events can occur in different ways, and the organization should be regularly assessing and mitigating for all major risk source. Information systems security and resiliency is also an emerging need, as increasing amounts of critical data and software services are provided and managed through cloud-based services.

Resource optimization for RVSD can be seen in fairly simple terms; how does RVSD utilize all of its resources to achieve the most efficient operations and delivery of service. That can mean getting the most value and productivity out of staff through new skills and technology, maintaining and operating pump stations to minimize power use, and optimizing work schedules to minimize service vehicle travel miles.

3 - STRATEGIC PLAN DEVELOPMENT PROCESS

3.1 Overview

The 2016 RVSD Strategic Plan was developed through a series of interactive workshops with Board members and staff, with the ultimate objective of answering two questions:

- 1. What does a successful future for RVSD look like?**
- 2. How does RVSD achieve that envisioned future by translating it into specific goals and objectives, and supporting actions?**

RVSD utilized a team of resources to develop the Strategic Plan. This included the Board of Directors, the consulting team of VHA and Dewpoint, the General Manager, Department Managers, and all RVSD staff. The most fundamental component of the Plan is the District Mission. The RVSD mission was updated by the RVSD Board, as follows:

RVSD provides its customers with high quality wastewater collection service, through a system that has no avoidable sanitary sewer overflows, at the lowest sustainable cost, in order to protect public health and the environment.

Every other element of the Strategic Plan is intended to directly support this organizational mission. Based on this mission and the EUM 10 Attributes framework, the Board worked to establish policy-level goals and supporting objectives. These can be thought of as “what we think success looks like” at RVSD. Once those goals and objectives were developed, staff level workshops were then used to develop a detailed set of specific actions to achieve the goals. Figure 3.1 shows the supporting relations between the District mission, goal, objectives, and key performance indicators. Figure 3.2 summarizes the series of workshops and related steps in completing the 2016 RVSD Strategic Plan.

Figure 3.1



3.2 Process Overview

The Strategic Planning process involved a series of workshops at the Board and staff levels, along with meetings and check-in discussions with individual staff groups and stakeholders. Through this process, goals and Key Performance Indicators have been identified and refined.



4 - BOARD POLICY-LEVEL OBJECTIVES

The Board policy goals form the most stable aspect of the Strategic Plan, and directly support the District mission. These high level, outcome oriented goals are what success looks like for RVSD, under each of the EUM attribute areas. The goals are intended to be long term outcomes and qualities of the RVSD organization. The related objectives will vary through the years, as the specific needs of the District change. The objectives listed here are generally expected to take between one and two years to implement, which is one reason why this Strategic Plan, at its lower levels of objectives and supporting actions, can be viewed as a “2 Year Business Plan.” The Board policy goals and supporting objectives were developed through two workshops, facilitated by staff and the consultant team. The following tables present the results of those workshops, summarized by each EUM Attribute.

In Chapter 5 of the Strategic Plan, the related staff-level objectives are presented. These more specific, near term projects and initiatives will in turn support achieving the Board level objectives.

EUM Attribute Group: *Customer Service, Stakeholder Understanding and Support*

Policy Level Goals	Objectives
<p><u>Customers</u> Provide high-quality, reliable, cost-effective customer service Provide Customers with awareness of and confidence in RVSD, and how the District provides its services</p> <p><u>JPA Partners</u> Engage in collaborative partnerships with JPA partners to maximize quality and efficiency of wastewater utility services in central Marin</p> <p><u>Local Municipal Government Partners</u> Engage consistently with our local government parts to work together on areas of common interest to our customers and citizens</p> <p><u>Regulatory Agencies</u> Maintain positive relationships with RWQCB and meet or exceed all regulatory enforcement requirements Submit required RWQCB 2013 CDO annual progress reports on schedule</p>	<ol style="list-style-type: none"> 1. Utilize an Integrated Customer Information System (CIS) for permitting, annual billing, service history, and lateral data 2. Develop, track and report customer service KPIs to validate high level of customer service for all external transactions 3. Contract with communications firm(s) to develop long-range outreach program and implementation plan 4. Adhere to timely implementation and reporting on State Audit recommendations by end of FY 15-16 5. Complete the successful application for CSDLA Transparency Certificate of Excellence 6. Implement Joint Facilities O&M Agreement 7. Evaluate feasibility of SCADA as shared service, make a go/no go decision for RVSD's future system 8. Adopt an updated JPA capital debt service agreement 9. Complete GM and Board reviews of the 1983 JPA Agreement for long-term updating process 10. Complete annual inter-agency review of a rolling two-year forecast of capital projects 11. Establish Mutual Aid agreements with local governments within service area 12. Schedule semi-annual meetings between Board-level ad hoc committee and representatives of Councils and Boards to address issues of common interest or concern

EUM Attribute Group: *Water Resources Management and Community Sustainability*

Policy Level Goals	Objectives
<p>Maintain and operate RVSD’s system in a manner that supports local watershed health and water resources management</p> <p>Minimize the impacts from Inflow and Infiltration (I&I) on RVSD cost of service (capital and O&M) and recycled water feasibility</p> <p>Plan and mitigate for long-term impacts of sea level rise or RVSD infrastructure and operations</p> <p>Track and report the carbon footprint of the enterprise; provide carbon-neutral wastewater utility service</p>	<ol style="list-style-type: none"> 1. Maintain active participation with North Bay Watershed Association 2. Support CMSA/MMWD recycled water efforts, including use of RVSD O&M fleet 3. Develop I&I Reduction Strategy based on monitoring, assessing, reducing. Integrate I&I reduction targets to annual O&M and capital project plans 4. Implement flow monitoring network for real-time monitoring and historic trending analysis, including pump stations and key gravity sewer reaches 5. Develop and issue an annual flow monitoring report to track flow and I&I reduction metrics, as key Level of Service metric 6. Participate in Vulnerability Assessment study with NBWA 7. Track in-progress pilot projects for coastline 8. Evaluate options for carbon tracking implementation, in coordination with national water/wastewater standards

EUM Attribute Group: *Financial Viability/Sustainability*

Policy Level Goals	Objectives
<p>Utilize best practices of public utility industry financial planning and apply these practices to an annually updated five-year rolling forecast</p> <p>Manage utility rates to ensure predictable, smooth trends in rates</p> <p>Achieve and maintain the highest possible bond credit rating;</p> <p>Track and adequately fund long-term pension and OPEB liabilities</p> <p>Consider financial risk from a range of sources as part of the District’s risk management strategy; property damage, legal/litigation, regulatory factors, personnel, etc.</p>	<ol style="list-style-type: none"> 1. Approve each new FY Budget on time, as part on annual business planning 2. Adopt and implement new Financial Reporting and Controls policies per State Audit 3. Complete annual FY independent financial audits with highest possible audit conclusions 4. Develop strategy for Prop 1A funding opportunities and positioning over next 2-3 years 5. Review and update the five-year rate schedule each year based on rate policy criteria 6. Evaluate feasibility of long-term transition to primarily a pay-as-you-go Asset Management program financing by managing sustainable rate revenues, property taxes, and capital debt 7. Seek opinion every two years, or more frequently, on independent bond rating of agency 8. Include GASB 68 reporting requirements in annual audit 9. Clearly show funding of long term liabilities in budget reports, and align to Board-established policies on funding targets (TBD) 10. Review CSRMA 2015 baseline risk management survey finding and implement applicable recommendations 11. Track and report on risk management metrics to show impacts of risk-reduction actions

EUM Attribute Group: *Infrastructure Stability and Product Quality (Wastewater Conveyance)*

Policy Level Goals	Objectives
<p>Utilize WEF/AWWA-based Asset Management methods and tools as the foundation-enhancing infrastructure stability and customer Level of Service, at the lowest sustainable life cycle cost</p> <p>Support a steady, cost-effective, long-term program for private lateral replacements</p> <p>Invest in appropriate technology, tools, and processes to support AM and leverage efficiency gains in resource requirements</p>	<ol style="list-style-type: none"> 1. O&M activities are coordinated to support capital projects 2. Base 100% of non-emergency cleaning on dynamic scheduling in CMMS 3. Transition CCTV/CA resources from first complete condition assessment of gravity lines to next phase; regulatory reinspections, ongoing risk-based reinspection schedules. 4. Evaluate alternatives for long-term manhole rehabilitation effort 5. Replacements/rebuilds of pump stations are performance-based 6. Manage and complete prioritized projects, maximum SSO risk-reduction, and LOS improvements (FY 14/15, 15/16, 16/17 gravity sewer rehab., Large Diameter Gravity Sewer Project II, PS 12 &13 Rehab, Force Main Appurtenances replacement, targeted use of in-house crews for emergency response, cost-effective restoration of critical defects) 7. Use an “all of the above” strategy that relies on broad-range of drivers for lateral replacements 8. Support consistent enforcement of Ordinance 66 as foundation of Lateral Replacement Program 9. Achieve an annual average of 900 lateral replacements per year through combination of ordinance triggers, capital program, and incentive/proactive replaces ahead of paving projects 10. Complete implementation of enterprise-wide CMMS; use as foundation for O&M performance metrics reporting

EUM Attribute Group: *Employee and Leadership Development*

Policy Level Goals	Objectives
<p>Develop and support an organizational culture of trust, teamwork, mutual respect, and professionalism at all levels of the RVSD organization</p> <p>Ensure Board members have clear roles and responsibilities, and regular professional development opportunities to ensure effective organizational leadership</p> <p>Ensure District commitment to professional development, career paths, and succession planning</p> <p>Attract, develop, and retain high quality staff</p> <p>Ensure staff have technical, managerial and operations skills/tools to maximize the value of their work</p> <p>Ensure staffing resources/skills appropriately aligned with level of service objectives</p> <p>Maintain effective level of professional HR management services</p>	<ol style="list-style-type: none"> 1. Develop and adopt a Board policy statement on the organizational and cultural values that guide RVSD's leadership and employee development 2. Hold annual business planning workshop to guide implementation annual Strategic Plan near-term objectives and set management performance goals 3. Complete Standard Operating Procedures and related competency/training standards for integrated "competency-based training" and qualifications certification 4. Update the annual performance review system, to tie key staff to annual targets for key business activities 5. Complete “gap analysis” for both technical and supervisory/management skills, supporting new organization alignments and job classifications. 6. Develop annual training plans for all departments, as part of budget cycle

EUM Attribute Group: *Operational Resiliency and Resource Optimization*

Policy Level Goals	Objectives
<p>Commit to effective emergency planning and preparation</p> <p>Maintain critical infrastructure in a high-quality state, with planned redundancy for critical systems</p> <p>Utilize select metrics and regular performance reporting to assess the efficiency and effectiveness of operations, business services, and customer services</p> <p>Partner with local agencies to provide backup resources</p> <p>Develop and maintain integrated information systems for business services, O&M, capital program management, and financial systems</p> <p>Utilize CMMS to manage 100% of its non-emergency O&M operations, preventative maintenance, and field service calls</p>	<ol style="list-style-type: none"> 1. Implement cloud-based backup of all critical information systems 2. Meet or exceed CSRMA guidelines for IT security practices 3. Conduct semi-annual EOP training for each department; annual for entire District 4. Conduct evaluation to identify mission-critical staff roles, plan for targeted cross training or similar redundancy 5. Ensure completion of NIMS/SEM training for inter-agency disaster response for managers and supervisory staff

5 - STAFF LEVEL OBJECTIVES AND DETAILED WORK PLANNING

District staff have played an active and critical role in the development of the 2016 RVSD Strategic Plan. Two separate levels of staff workshops were incorporated into the plan development. The first set was conducted early on, and focused on unvarnished input from all staff on existing problems, challenges, and also what was going well. These helped to identify consistent areas of concerns, and well as linkages to what types of Board level policies and objectives might help solve or improve the current challenges.

The second set of staff workshops occurred later in the process, after the Board workshops had finalized the Board level policies and objectives. The Board level objectives were then used as the common link to the staff level actions. The second set of staff workshops involved specific mixes of staff best suited to discuss each of the EUM Attribute areas, and to contribute to solutions that helped meet the Board Policy Level Goals.

As the following tables illustrate, there is a tremendous amount of very specific and constructive initiatives and projects that will help achieve the Board Policy Level Goals. This ambitious but achievable set of staff level objectives will help in all major planning areas going forward, from budgeting to annual department work plans. One of the first steps to follow adoption of the 2016 RVSD Strategic Plan will be for staff to begin developed refined, prioritized work plans and consider such factors as critical path linkages, resource requirements, and degree of leveraged or spinoff value from each specific goal.

From the budget and department level work planning steps, the next action will be to link this to individual staff roles, work load assessment distribution, and performance metrics for supervisors and management staff. The “RASCI” acronym helps identify the potential necessary roles in getting each major project or initiative completed.

Responsible- Staff who do the work to achieve the task.

Accountable- The staff person(s) ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates and reviews the work to those *responsible*.

Consulted- Staff who provide important input, typically subject matter experts for RVSD.

Informed- Staff who are kept up-to-date and informed on progress.

The following tables list the staff level actions that link to and support accomplishing each of the Board policy level objectives, and ultimately, the Policy level vision of success for carrying out the RVSD mission.

EUM Attribute Group: *Customer Service, Stakeholder Understanding and Support*

Policy Level Goals	Staff Actions
<p><u>Customers</u> Provide high-quality, reliable, cost-effective customer service Provide Customers with awareness of and confidence in RVSD, and how the District provides its services</p> <p><u>JPA Partners</u> Engage in collaborative partnerships with JPA partners to maximize quality and efficiency of wastewater utility services in central Marin</p> <p><u>Local Municipal Government Partners</u> Engage consistently with our local government parts to work together on areas of common interest to our customers and citizens</p> <p><u>Regulatory Agencies</u> Maintain positive relationships with RWQCB and meet or exceed all regulatory enforcement requirements</p>	<ol style="list-style-type: none"> 1. Comparex System implementation complete for permits 2. Inspections and USA work orders managed in CMMS/Comparex 3. Annual customer billing and rate payer letters generated in Comparex for FY 15-16 billing 4. Lateral grant and loan program workflow migrated to Comparex 5. Lateral card legacy records scanned and indexed to geo-database 6. Customer Service KPIs developed and implemented to business reports 7. Implementation plan/schedule/resources developed and endorsed by Board 8. Issue communication services RFP, Board consideration and award 9. Website, social media, surveys, other coordinated program elements follow--include channels like Nextdoor, Facebook, and well attended public fairs/gatherings 10. Financial practices and controls (policies) approved by December 2016 11. Staffing and HR-related recommendations completed by June 2016 12. CSDLA Transparency application reviewed and work plan developed for supporting actions 13. CSDLA application submitted, with schedule for completion of required activities 14. Successful application for CSDLA Transparency – accepted and awarded 15. Conduct evaluation of a low income assistance program for rate payers 16. Bring draft agreement O&M/ownership details on joint facilities, between SD1, SD2, and CMSA 17. Draft SCADA service proposal developed, and joint technical review completed by CMSA, RVSD 18. Staff semi-annual meetings with public works to review two-year rolling forecast 19. Draft Mutual Aid Agreement standard developed with San Anselmo, template for others later 20. GM works with ad hoc committee to set up annual meetings 21. Present “RVSD Strategy: Lessons Learned” to the SF RWQCB in January 2016 22. Completion and “no further action” for EPA 2006 Consent Decree

EUM Attribute Group: *Water Resources Management and Community Sustainability*

Policy Level Goals	Staff Actions
<p>Maintain and operate RVSD’s system in a manner that supports local watershed health and water resources management</p> <p>Minimize the impacts from Inflow and Infiltration (I&I) on RVSD cost of service (capital and O&M) and recycled water feasibility</p> <p>Plan and mitigate for long-term impacts of sea level rise or RVSD infrastructure and operations</p> <p>Track and report the carbon footprint of the enterprise; provide carbon-neutral wastewater utility service</p>	<ol style="list-style-type: none"> 1. Renew annual NBWA membership, appoint Board rep, staff TAC rep 2. Evaluate and report to Board on costs/benefits of recycled water from CMSA, for O&M 3. Deploy pilot set of “Smart Covers” for SSO risk areas, high I&I areas. Issue report on results 4. Develop flow data recording, analysis, and reporting toolset and standards, including future SCADA system role 5. Issue first quarterly flow monitoring report by June 2016 6. Identify successful I&I reduction programs, identify successful elements 7. Develop outline of long term I&I reduction strategy based on flow monitoring, field investigation, outreach/education, enforcement, asset rehab and laterals program 8. GM and Engineer will assist NBWA-lead vulnerability assessment for central Marin WW infrastructure. Integrate results for RVSD assets into long-term AM planning 9. GIS mapping of sea level rise project 10. Review work by Bay Area WW utilities that have carbon load reporting 11. Explore interest in partnership with local utilities, municipalities in carbon-neutral energy generation program

EUM Attribute Group: *Financial Viability/Sustainability*

Policy Level Goals	Staff Actions
<p>Utilize best practices of public utility industry financial planning and apply these practices to an annually updated five-year rolling forecast</p> <p>Manage utility rates to ensure predictable, smooth trends in rates</p> <p>Achieve and maintain the highest possible bond credit rating; track and adequately fund long-term pension and OPEB liabilities</p> <p>Consider financial risk from a range of sources as part of the District’s risk management strategy; property damage, legal/litigation, regulatory factors, personnel, etc.</p>	<ol style="list-style-type: none"> 1. Develop a quarterly business planning calendar for all departments, supporting steps to draft FY 15-16 Budget by May 2016 2. Draft and present the new FP&C Policies, for consideration and adoption by end of FY 2015-16 3. Assign team to monitor and begin planning consideration of outside funding opportunities. FY 2016-17 Budget should include an update of this team’s work 4. Prepare supporting information for pending FY 2016-17 rate update, as part of draft Budget report 5. Continue to update rolling 5-year forecasts for factors influencing need for managed debt 6. Work on options to present / interpret actuarial financial factors, to allow policy targets for financial management. Include examples in the draft FY 2016-17 Budget report 7. Develop draft financial guidelines for setting acceptable levels of actuarial-type benefit costs 8. Present CSRMA Report and staff analysis to Board in January 2016 9. Develop draft and final set of Risk Management metrics for annual business tracking/planning

EUM Attribute Group: *Infrastructure Stability and Product Quality (Wastewater Conveyance)*

Policy Level Goals	Staff Actions
<p>Utilize WEF/AWWA-based Asset Management methods and tools as the foundation-enhancing infrastructure stability and customer Level of Service, at the lowest sustainable life cycle cost</p> <p>Support a steady, cost-effective, long-term program for private lateral replacements</p> <p>Invest in appropriate technology, tools, and processes to support AM and leverage efficiency gains in resource requirements</p>	<ol style="list-style-type: none"> 1. Quarterly O&M and capital projects planning workshops occur to update crew work focus 2. Cleaning matrix is updated every quarter, to assign new pipe scheduling frequencies 3. Update 12 month work forecast for CCTV based on regulatory targets, trend for end FY 206-17 4. Develop alternatives and report back to Board on long term asset replacement for manhole 5. Develop monthly/quarterly/annual O&M metrics reports 6. CMMS training completed for all regular CMMS users 7. Implement project delivery plan to reliably and sustainably execute the capital program, with mix of internal and external resources 8. Review and update business processes for capital projects; contract administration, record keeping, close out processes, integrated records systems 9. Complete roll out of Condominium Ordinance, and related administrative features 10. Migrate grant and loan admin process steps to Customer Information System 11. Migrate paper copy lateral cards (19,000+) to scanned PDFs, to support digital image access from CMMS and CIS; PDF flat files/engineering 12. Complete miscellaneous implementation steps for CMMS, including mobile 13. Develop monthly, quarterly, annual O&M metrics for all major activities 14. Adopt formal AM Policy stating adherence to capital asset practices 15. Ensure Ordinance 66 compliance enforcement processes are in place 16. Coordinate paving projects with appropriate municipalities 17. Work with appropriate entities to ensure FOG compliance

EUM Attribute Group: *Employee and Leadership Development*

Policy Level Goals	Staff Actions
<p>Develop and support an organizational culture of trust, teamwork, mutual respect, and professionalism at all levels of the RVSD organization</p> <p>Ensure Board members have clear roles and responsibilities, with regular professional development opportunities to ensure effective organizational leadership</p> <p>Ensure District commitment to professional development, career paths, and succession planning</p> <p>Attract, develop, and retain high quality staff</p> <p>Ensure staff have technical, managerial and operations skills/tools to maximize the value of their work</p> <p>Ensure RVSD has staffing resources and skills that are appropriately aligned with its level of service objectives</p> <p>Maintain effective level of professional HR management services</p>	<ol style="list-style-type: none"> 1. Develop cultural values policy statement along with review/update of Board policies 2. Schedule department level annual planning meetings for strategic plan goals 3. Finish current SOP development, Pump Station EOPs 4. Develop plan for fully developed Competency Based Training system qualifications standards 5. HR to complete gap analysis for future and present organization technical and soft skills 6. Each dept (O&M, Engineering, Business Srvcs) to develop dept training plans with annual targets

EUM Attribute Group: *Operational Resiliency and Resource Optimization*

Policy Level Goals	Staff Actions
<p>Commit to effective emergency planning and preparation</p> <p>Maintain critical infrastructure in a high-quality state, with planned redundancy for critical systems</p> <p>Utilize select metrics and regular performance reporting to assess the efficiency and effectiveness of operations, business services, and customer services</p> <p>Partner with local agencies to share and provide backup resources</p> <p>Develop and maintain integrated information systems for business services, O&M, capital program management, and financial systems</p> <p>Utilize CMMS to manage 100% of its non-emergency O&M operations, preventative maintenance, and field service calls</p>	<ol style="list-style-type: none"> 1. Complete new multi-year IT support services contract 2. Safety program review and annual planning needed to refine actions 3. Inventory all IT/IS software and systems 4. Develop Emergency Response Plan 5. Develop Mutual Aid Agreements with local municipalities 6. Develop plan and processes for document management 7. Ensure technological training is available for staff

6 - IMPLEMENTATION OF 2016 RVSD STRATEGIC PLAN

The tables in Chapter 4 and 5 present an extensive and ambitious range of actions by the leadership and staff of RVSD over the next 12 to 24 months, to achieve the Plan goals and objectives. The implementation planning for the 2016 RVSD Strategic Plan will begin immediately following its adoption by the RVSD Board. Next steps in the implementation of the plan include the following:

1. **Public Workshop to Present and Receive Input on the Draft Strategic Plan** - RVSD will schedule a public workshop at the CMPA meeting facility, in mid-January, to go through the draft plan, the Board level objectives, and detailed staff level actions. Input from the public will be sought on such areas as possible missing key issues to address; is the Strategic Plan aligned with what the public sees as the mission and purpose of the utility service? What would be considered the highest priority actions in the public's view? What future information or interactive discussions on the strategic plan implementation would be useful for the community? Are there local forums that may be beneficial for audiences to present the plan summary?
2. **Final Board adoption in February** - With public feedback considered and incorporated into the final 2016 RVSD Strategic Plan, the Board will be asked to consider adopting the Plan in February 2016.
3. **Detailed Work Planning for FY 2016-17** - The information in Chapter 5 will be used to develop department level annual work plans, with prioritization and sequencing of the 12-24 month milestone schedules supporting the Board Objectives.
4. **FY 16-17 Budget Input** - Most of the RVSD annual budget is set by major capital program elements and relatively established costs such as labor and CMSA charges, and already in progress capital projects. However, for budget items focused on special initiatives, such as new information systems or moving legacy hardcopy records to digital format, the Strategic Plan will be used to develop targeted expenditures to specific work plan deliverables.
5. **Performance Metrics Development** - There are frequent referrals to the need to begin providing useful metrics for assessing and making decisions on how well all key processes of District business are being carried out. These various metrics reports will begin getting implemented into Board reports beginning in April 2016 and on.
6. **Review and update 2 Year Strategic Plan in Third Quarter of FY 17-18** - The 2016 RVSD Strategic Plan is by design a fairly short focus plan, with a horizon of one to two years. This is largely due to the very dynamic nature of events at RVSD, including the pending reorganization, and the substantial changes that will be in place near the end of this first two year plan. So it will be necessary to review and update both the Board policy level goals and the staff level objectives, to build on progress to date and make necessary updates to reflect changing needs and priorities.