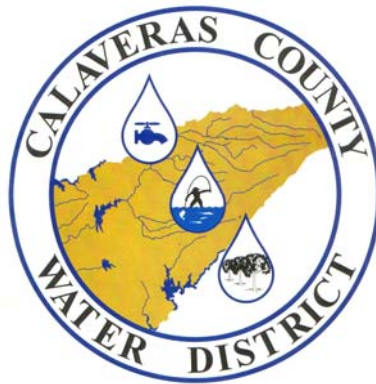


Strategic Business Plan

Fiscal Year 2011-12 thru

Fiscal Year 2015-16

*“Delivering the highest quality
product in the most responsible
and cost effective manner”*



*Calaveras County Water District
August 2011*

Calaveras County Water District

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Strategic Business Plan

Fiscal Year 2011-12 thru

Fiscal Year 2015-16

Board of Directors

Jeff Davidson, President

Don Stump, Vice-President

Robert Dean, Board Member

Dennis Dooley, Board Member

Scott Ratterman, Board Member

Joone Lopez
General Manager

Strategic Business Plan Workgroup

John Brown – Utility Services

John Gomes – Information Technology

Jim Harlan – Utility Services

Jeffrey Meyer – Financial Planning

Ed Pattison – Water Resources

Teresa Tanaka – Utility Services

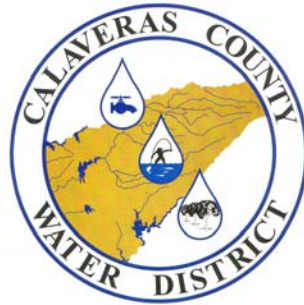
Oliver Tarap – Utility Services

Corinne Thornburg – Customer Service

Mona Walker – Administration

August 2011

“Delivering the highest quality product in the most responsible and cost effective manner”



Executive Summary

- District Overview
- Plan Process
- Plan Development
- Timeline
- Goals and Objectives

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District Profile:

The Calaveras County Water District (CCWD) has operated continuously since 1946 under the laws of the State of California as a county water district for the purpose of providing water and wastewater services to the residents and businesses of Calaveras County. The District is a political subdivision of the State of California and is not a part of, or under the control of, Calaveras County.

The District’s service area encompasses all of Calaveras County, approximately 1,080 square miles of land ranging from the San Joaquin Valley to the Sierra Nevada Mountains. The western portion of the County was once dominated by cattle ranching, but is now undergoing a shift to residential development. With elevations starting at 200 feet, the western portions of the County are also the site of numerous water and hydroelectric projects. The eastern portions of the County range to over 8,000 feet, host mining, timber and tourism. Residential development has occurred in the eastern portion of the County along highway corridors and in the western areas of the County that are closer to the valley communities. Population growth has stabilized over the last several years with most residents living within various unincorporated communities. As of January 2010 the County population was 45,870.



The District is the largest public water purveyor in the county in terms of service area; number of customers served, and amount of water delivered, providing water service to approximately 12,720 municipal and residential/commercial customers in four major water service areas. The District uses surface water from the Mokelumne, Calaveras and Stanislaus rivers to service its customers. The District also maintains four major wastewater service areas that provide sanitary sewer services to approximately 4,620 customers.

While cooler, wetter weather and the economic downturn has reduced the current demand for District water, the District must plan for increasing future demands. Residential and commercial growth will return. There will be new agriculture. As such, the urban and agricultural demands, combined with water demands mitigating groundwater overdraft and habitat enhancement, will require careful stewardship of the District’s available water supplies.

Challenges:

Experts have declared that the “Great Recession” is now behind us. However, Calaveras County and the District continue to face financial challenges. The collapse of residential and commercial development, along with the ongoing foreclosure problem, has dramatically reduced the number of new connections and the associated “new” revenues projected in the 2007 Five-Year Water and Wastewater Rate Study. This in turn has put a severe funding strain on both the District’s Operating Budget and its Capital Improvement Program (CIP). The outcome is that the District will continue its austere approach to operations; which unfortunately translates into the continued deference of much needed capital maintenance projects and equipment replacement.

Nevertheless, District staff and the Board of Directors see these times as an opportunity to re-evaluate the District’s operations, policies and practices, and identify ways to improve services while reducing costs and position the District to prepare itself for the balance of the decade. To that end, staff and the Board together see the need for a five-year plan. A plan that helps position the District to meet its current needs while preparing to transition to longer term stability.

Strategic Business Plan:

The District’s current Strategic Plan was adopted June 11, 2003 and included six major areas, Public Outreach/Communication; CCWD Mission; Infrastructure, Planning and Regulatory Compliance; Water Rights; Watershed Planning and Management; and CCWD Administration.

The 2003 Strategic Plan called for a revision by January 2007. The review process did not start until fall 2010, and by this time it was decided that a new approach to strategic planning would be needed to address the District’s many challenges. The approach, a Five Year Strategic Business Plan, is a plan that differs from a conventional strategic plan by combining the District’s strategic needs with the more specific direction provided by a business plan. The strategic business plan will focus and align all aspects of District’s operations to ensure reliability, safety and service, and will encourage effective management of staff and resources, thereby strengthening the District’s financial and operational health.

The kick-off of the Strategic Business Plan (SBP) process started with a presentation by the District’s General Manager to the Board on December 8, 2010. The presentation included an outline of the plan development process, the desired outcomes and a project timeline. It was noted that to be successful, the strategic business plan must be clear in its goals; it must be measurable and attainable; and it must be flexible. The plan must also include input from the Board, all levels of staff and external stakeholders, and needs to answer the questions, “who we are” and “who we want to be?”

Six new “Key Areas” were identified to help address the District’s critical needs and help formulate the goals and strategies of the 2011 Five Year Strategic Business Plan. They are:

- Staff
- Finance
- Customer Service/Customer Relations
- Operations/Engineering
- Regional Planning and Stewardship
- IT / Technology

Why are we not yet a leader?

- No long-term leadership – including the Board of Directors
- Distractions – General Manager turnover; challenging interagency interactions
- No vision – too much status quo. Need a vision of “who we are” versus “what we do”

How should the Strategic Business Plan be used?

- Provides Board direction to the General Manager and from the General Manager to staff
- A tool for evaluation and assessment of District’s operations and work
- Used to create benchmarks and baselines to measure against

What are the Board’s/Staff’s expectations of the Strategic Business Plan?

- There must be buy-in from all, the Board, the General Manager and staff
- Provides clear, constant and ongoing direction, easy to understand
- A method for change and improvement.

How do you compare staff’s input to the Board’s input?

- Makes me feel optimistic that the SBP can be done as we have common goals
- We are ahead of the game as we share common goals

What is a Strategic Business Plan?

A strategic business plan is developed from the bottom up. It must have meaningful goals, objectives and strategies that can be measured and monitored. The first step in creating the plan is to identify the Key Areas of interest. Once the Key Areas have been identified, then Goals, Objectives, Strategies, and Performance Measures are developed using the following guidelines:

- Key Areas
- Goals
- Objectives
- Strategies
- Performance Measures

Goals:

- General statements about what you need to accomplish to meet your purpose and address major issues facing the District.
- Tend to be more broad in nature

Objectives:

- A statement of general activities defining how you are going to reach the goal
- Are narrow, precise, tangible, and must be able to be validated
- Once an objective is fully implemented or is routine, then objective becomes an “accomplishment”

Strategies:

- Identify a specific action plan(s) to required to implement the objective
- How the action will accomplish the objective
- How and when it will be measured and completed
- Clearly defined and worded, starts with an “action” word (i.e. develop, establish, reduce, and implement)

Performance Measures:

- Needs to be measureable, and reportable
- Needs to include timelines
- Needs to be monitored and communicated

The Strategic Business Plan Workgroup (“Workgroup”) discussed the six (6) Key Areas, what they mean to staff, the short and long-term needs, the challenges, and what staff would like to see changed or improved. From these discussions, the Workgroup identified the following summary of issues:

Staff

Employees are the cornerstone of the District’s operations. However, they can also be one of the most challenging parts of an organization. Staffing requirements can change and the District must continuously assess and adjust its staffing structure. The District must also train and prepare its employees, promote a clear exchange of ideas, and uphold a system of accountability,

Finance

It is critical that the District employs sound financial planning as it provides water and wastewater services, services that need to be here today and twenty years from now. As the cost of doing business continues to go up, it is important that the District recover operating, maintenance and replacement costs while at the same time being a good steward of the ratepayer’s money.

Customer Service / Customer Relations

Customer service is not only the service provided by the District to its customers, but also the service provided within the District. Good customer service is earned and is a critical component of the overall quality of service provided to our customers, while bad or inconsistent customer service hurts our relationship with our customers and makes our job more difficult.

Operations / Engineering

The Utilities Department is responsible for the operations and planning of the District’s water and wastewater systems in four geographically distinct service areas. The distance between facilities creates both operational and communication issues, and the different disciplines of Engineering and Operations contributes to the necessity to better understand each other’s needs and requirements.

Regional Planning & Stewardship

Regional Planning/Stewardship is a management strategy that develops a close nexus between water-land use activities and the efficient construction and operation of infrastructure to meet the current and future water supply needs of urban, agriculture, and the environment in the County.

IT / Technology

Due to the nature of the District’s 24/7 water and wastewater operations and the role IT/Technology plays in ensuring that these operations are uninterrupted, it is critical that system resources are reliable, perform with minimal down time, and meet the needs of its users.

The Workgroup then identified following goals that will help address the Key Area issues:

Key Area	Goal I	Goal II	Goal III	Goal IV
Staff	Staffing Needs / Requirements	Accountability	Education	Communication
Finance	Sustainability	Transparency	Governance	Reliability
Operations / Engineering	Efficiency / Cost Effectiveness	Reliability	Safety	Accountability
Customer Service / Relations	Consistency	Training	Information Management	Outreach
Regional Planning / Stewardship	Water Rights	Collaboration	Water / Land Use Management	Resource Management
IT / Technology	Training	Information Management	High Availability	Planning

After determining the goals, the Workgroup focused on formulating objectives, or activities, that define how the District is going to reach the goals. The following sixty-nine (69) objectives were identified:

Staff:

GOAL	OBJ.	DESCRIPTION
Staffing Needs/ Requirements	1	Conduct Staffing Needs and Workload Assessment
	2	Align Staffing Structure with Workload Requirements
	3	Develop Internal Succession Strategy
Accountability	1	Update the Performance Evaluation Program
	2	Consistent Application of Accountability
	3	Create Management and Supervisor Development Program
Education	1	Develop New Employee Training Program
	2	Identify Cross-Training Opportunities and Requirements
	3	Define and Adhere to Education Development Program
Communication	1	Create an Environment that Promotes an Open, Honest, Respectful Exchange of Ideas without Fear of Retribution
	2	Provide Timely and Accurate Information Updates to All District Employees
	3	Communicate Clear Expectations to Employees of What is Required

Finance:

GOAL	OBJ.	DESCRIPTION
Sustainability	1	Report on District’s Long-Term Service Viability
	2	Identify Funding and Cost Savings Opportunities
	3	Develop Long-Term Financial Plan
Transparency	1	Evaluate and Update Financial Reporting
	2	Develop District Fiscal and Budget Education Program
	3	Develop Employee Financial Resource Center
Governance	1	Review and Update Budget and Fiscal Policies
	2	Create Grant Administration Procedures
	3	Develop Debt Management Strategy
Integrity	1	Promote District-Wide Fiscal Responsibility
	2	Evaluate Financial and Billing System
	3	Assess and Update Water and Wastewater Billing Process

Customer Service / Customer Relations:

GOAL	OBJ.	DESCRIPTION
Consistency	1	Provide Equitable Treatment to all Customers
	2	Assess and Update Current District Policies and Procedures
	3	Consistent Application of District Policies and Procedures
Training	1	Develop a District-wide Customer Service Training Program
	2	Develop Effective Communication Guidelines
Information Management	1	Create Process to Ensure Efficient Flow of Information
	2	Confirm Consistency and Accuracy of Data Used and Distributed
Outreach	1	Create Program to Improve Customer Relations
	2	Improve Access to District Information

Operations and Engineering:

GOAL	OBJ.	DESCRIPTION
Efficiency and Cost Effectiveness	1	Improve the Preventative Maintenance Program
	2	Identify Revenue Sources and Opportunities
	3	Evaluate Current Standard Operating Procedures (SOP) to Identify Cost Reduction Opportunities
Reliability	1	Develop a Regular and Coordinated Evaluation of Project Planning and Prioritization
	2	Evaluate, Update and Continuously Test Contingency Plans
	3	Establish a Cross-Training and Communication Strategy
Safety	1	Update and Enforce the Safety Training Program
	2	Identify and Mitigate Potential Safety and Risk Issues
Accountability	1	Develop an Interdepartmental Project Review and Approval Process
	2	Adhere to and Enforce Water and Wastewater Compliance Program
	3	Adhere to and Enforce District construction Standards
	4	Create a Process that Ensures Timely Resolution of Non-Compliant Service Connections

Regional Planning / Stewardship:

GOAL	OBJ.	DESCRIPTION
Water Rights	1	Develop Cost-Effective Water Storage Strategies to Meet Future Water Supply Needs
	2	Identify and Develop an Ecosystem Benefits Program
Collaboration	1	Develop District’s Integrated Regional Water Management Programs
	2	Engage State Programs Affecting District Water Rights
	3	Develop Infrastructure Cost Sharing and Funding Partnerships
Water/Land Use Management	1	Update Water Master Plans
	2	Update Wastewater Master Plans
	3	Identify and Develop Irrigated Agricultural Interests in County
Resource Management	1	Update and Implement Water Conservation Plan
	2	Develop Programs to Protect Source Water Quality
	3	Develop Watershed Management/Stewardship Programs
	4	Update Recycled Water Strategies

Information Technology / Technology:

GOAL	OBJ.	DESCRIPTION
Training	1	Update Troubleshooting and Maintenance Standard Operating Procedures (SOP's)
	2	Update the District-Wide Systems Training Program
	3	Develop Employee Software and Equipment Training Program
Information Management	1	Improve Access to and Use of Data
	2	Develop Document Storage and Retention Guidelines and Processes
	3	Determine Shape and Use of GIS and Mapping System
	4	Develop a District Intra-net Website
High Availability	1	Evaluate and Improve Backup and Contingency Plans
	2	Provide Staff with Uniform Programs, Infrastructure and Data to Perform their Jobs
	3	Maintain and Enhance System Resources and Performance Reliability
Planning	1	Manage District's Short-Term Technology Needs
	2	Prepare for District's Future Technology Needs and Requirements

After identifying the objectives, the District's Strategic Business Plan workgroup reviewed and ranked the objectives by Key Area. The rankings were then scored within each respective Key Area, with the objectives divided into four progressive levels of importance (I, II, III, and IV). The rankings from each Key Area were then combined into like groups (i.e. I's II's, etc), which were then themselves divided into four progressive levels of importance with approximately four (4) objectives in each level.

The intent of this exercise was to prioritize the objectives and create a five year project schedule for the sixty-nine (69) objectives, or projects, based on their level rankings, and priorities within those rankings. The highest priority projects are to be completed first, with approximately sixteen (16) projects started each fiscal year (July through June), or four (4) per quarter. Once the draft project schedule was completed, the rankings were reviewed and revised, and the rankings were adjusted based on the following criteria:

- Current key projects moved to top of list
- Reflect Board's priorities
- Meet requirements of special tasks or needs
- Accommodate long term projects
- Account for employee and department workloads
- Ensure projects equitably distributed among the Key Areas
- Schedule "sequential" projects appropriately

The revised schedule was presented to and adopted by the Board of Directors on August 10, 2011. It is important to note that the Five-Year Strategic Business Plan is a living document. The plan is designed to be flexible and responsive to changes in the District's ongoing business needs, which can include outside influences or state and federal legislation. The General Manager has the authority to modify the

project schedule as required, and will report any schedule changes to the Board of Directors. The SBP workgroup will monitor each project’s progress and submit a quarterly project status report to the Board. The workgroup will also prepare a year-end project summary that includes an evaluation of the projects, and the project review and implementation process. The summary will be submitted to the Board.

Each objective was assigned an identifier based on its Key Area and Goal. For example, the Key Area “Staff” with the Goal of “Staffing Needs” would have the identifier “ST / N.” The identifier is further delineated by the objective number within that goal, such as “ST / N-1,” the first objective of the Goal “Staffing Needs”. The following TABLE lists the Area and Goal identifiers for the six Key Areas:

Key Area	Goal	Identifier
Staff	Staffing Needs / Requirements	ST / N
Staff	Accountability	ST / A
Staff	Education	ST / E
Staff	Communication	ST / C
Finance	Sustainability	FN / S
Finance	Transparency	FN / T
Finance	Governance	FN / G
Finance	Reliability	FN / R
Operations / Engineering	Efficiency / Cost Effectiveness	OP / E
Operations / Engineering	Reliability	OP / R
Operations / Engineering	Safety	OP / S
Operations / Engineering	Accountability	OP / A
Customer Service / Relations	Consistency	CS / C
Customer Service / Relations	Training	CS / T
Customer Service / Relations	Information Management	CS / I
Customer Service / Relations	Outreach	CS / O
Regional Planning / Stewardship	Water Rights	RP / W
Regional Planning / Stewardship	Collaboration	RP / C
Regional Planning / Stewardship	Water / Land Use Management	RP / U
Regional Planning / Stewardship	Resource Management	RP / R
IT / Technology	Training	IT / T
IT / Technology	Information Management	IT / I
IT / Technology	High Availability	IT / A
IT / Technology	Planning	IT / P

The following is a list of the objectives/projects for the first year of the Strategic Business Plan (FY 2011-12). The list includes the proposed project start date, the project identifier, and the project description. The start dates divided by fiscal year and quarter, and are estimates. The start dates can change based on needs and available resources; however they may not reflect the actual end date as some projects may take several months to complete and implement.

Start Date	Area/Goal-Objective	Description
Jul - Sep	RP / C-2	Engage State Programs Affecting District Water Rights
	FN / S-1	Report on District's Long-Term Service Viability
	IT / P-1	Manage District's Short-Term Technology Needs
	RP / U-3	Identify and Develop Irrigated Agricultural Interests in County
Oct - Dec	ST / N-1	Conduct Staffing Needs and Workload Assessment
	CS / C-3	Consistent Application of District Policies and Procedures
	OP / A-2	Adhere to and Enforce Water and Wastewater Compliance Program
	FN / S-3	Develop Long-Term Financial Plan
Jan - Mar	ST / N-2	Align Staffing Structure with Workload Requirements
	OP / A-1	Develop an Interdepartmental Project Review and Approval Process
	CS / I-2	Confirm Consistency and Accuracy of Data Used and Distributed
	RP / R-1	Update and Implement Water Conservation Plan
Apr - Jun	CS / C-2	Assess and Update Current District Policies and Procedures
	OP / A-3	Adhere to and Enforce District Construction Standards
	ST / A-2	Consistent Application of Accountability
	IT / I-4	Develop a District Intra-net Website

The following list identifies the objectives/projects scheduled for the second year of the Strategic Business Plan (FY 2012-13). The project start dates can change based on needs and available resources; however the listed date may not reflect the actual end date as some projects may take several months to complete and implement.

Start Date	Area/Goal-Objective	Description
Jul - Sep	FN / S-2	Identify Revenue and/or Cost Savings Opportunities
	CS / C-1	Provide Equitable Treatment to all Customers
	RP / U-1	Update Water Master Plans
	RP / C-1	Develop District's Integrated Regional Water Management Programs
Oct - Dec	IT / T-1	Update Troubleshooting and Maintenance Standard Operating Procedures (SOP's)
	FN / I-1	Promote District-Wide Fiscal Responsibility
	ST / C-3	Communicate Clear Expectations to Employees of What is Required of Them
	OP / S-2	Identify and Mitigate Potential Safety and Risk Issues
Jan - Mar	FN / T-1	Evaluate and Update Financial Reporting
	IT / A-3	Maintain and Enhance System Resources and Performance Reliability
	OP / E-1	Improve the Preventative Maintenance Program
	ST / N-3	Develop Internal Succession Strategy
Apr - Jun	IT / A-2	Provide Staff with Uniform Programs, Infrastructure and Data to Perform their Jobs
	RP / W-1	Develop Cost-Effective Water Storage Strategies to Meet Future Water Supply Needs
	ST / A-1	Develop Performance Evaluation Program
	CS / O-1	Create Program to Improve Customer Relations

The following list identifies the objectives/projects scheduled for the third year of the Strategic Business Plan (FY 2013-14). The project start dates can change based on needs and available resources; however the listed date may not reflect the actual end date as some projects may take several months to complete and implement.

Start Date	Area/Goal-Objective	Description
Jul - Sep	RP / R-4	Update Recycled Water Strategies
	OP / R-1	Develop a Regular and Coordinated Evaluation of Project Planning and Prioritization
	CS / T-1	Develop a District-Wide Customer Service Training Program
	IT / I-1	Improve Access to and Use of Data
Oct - Dec	ST / A-3	Create Management and Supervisor Development Program
	OP / A-4	Create a Process that Ensures Timely Resolution of Non-Compliant Service Connections
	RP / U-2	Update Wastewater Master Plans
	IT / I-2	Develop Document Storage and Retention Guidelines and Processes
Jan - Mar	CS / T-2	Develop Effective Communication Guidelines
	ST / C-2	Provide Timely and Accurate Information Updates to All District Employees
	RP / C-3	Develop Infrastructure Cost Sharing and Funding Partnerships
	IT / I-3	Determine Shape and Use of GIS and Mapping System
Apr - Jun	IT / T-2	Update the District-Wide Systems Training Program
	ST / C-1	Create an Environment that Promotes an Open, Honest, Respectful Exchange of Ideas without Fear of Retribution
	OP / S-1	Update and Enforce the Safety Training Program
	FN / G-3	Develop Debt Management Strategy

The following list identifies the objectives/projects scheduled for the fourth and fifth years of the Strategic Business Plan (FY 2014-15 and FY 2015-16).

Start Date	Area/Goal-Objective	Description
Jul - Sep	IT / T-3	Develop Employee Software and Equipment Training Program
	ST / E-1	Develop New Employee Training Program
	OP / E-2	Identify Revenue Sources and Opportunities
Oct - Dec	RP / R-3	Develop Watershed Management and Stewardship Programs
	FN / G-1	Review and Update Budget and Fiscal Policies
	IT / A-1	Evaluate and Improve Backup and Contingency Plans
	CS / I-1	Create Process to Ensure Efficient Flow of Information
Jan - Mar	FN / T-2	Develop District Fiscal and Budget Education Program
	CS / O-2	Improve Access to District Information
	OP / R-2	Evaluate, Update and Continuously Test Contingency Plans
	IT / P-2	Prepare for District's Future Technology Needs and Requirements
Apr - Jun	FN / G-2	Create Grant Administration Procedures
	OP / E-3	Evaluate Current SOP's to Identify Cost Reduction Opportunities
	FN / I-2	Evaluate Financial and Billing System
Year Five, FY 2015-16		
Jul - Sep	FN / T-3	Develop Employee Financial Resource Center
	RP / R-2	Monitor and Develop Programs to Protect Source Water Quality
	ST / E-2	Identify Cross-Training Opportunities and Requirements
Oct - Dec	RP / W-2	Identify and Develop an Ecosystem Benefits Program
	OP / R-3	Establish a Cross-Training and Communication Strategy
	FN / I-3	Assess and Update Water and Wastewater Billing Process
Jan - Mar	ST / E-3	Define and Adhere to Education Development Program

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