



# MID-PENINSULA WATER DISTRICT

## ***2017-2018 STRATEGIC PLAN***

*March 23, 2017*

Board of Directors:

Al Stuebing, President  
Dave Warden, Vice President  
Louis Vella, Director  
Betty L. Linvill, Director  
Matt Zucca, Director

Appointed Officials:

Joan Cassman, District Counsel  
Joubin Pakpour, District Engineer  
Jeff Ira, District Treasurer

Executive Staff:

Tammy Rudock, General Manager  
Candy Pina, Board Secretary/Administrative Services Manager  
Rene Ramirez, Operations Manager

## **INTRODUCTION**

The Mid-Peninsula Water District (MPWD) Board of Directors holds its special strategic planning session in January of each year, and this year it was on January 12, 2017. The planning session was facilitated by consultant, Julie Brown, and she started with identification by Directors and staff of the most notable MPWD 2016 accomplishments:

- MPWD Personnel Manual
- Completion of 2016 capital projects
- Rates planning process
- Operational improvements, specifically Alameda de las Pulgas water main replacement and Buckland Tanks
- No major worker's compensation issues—employees seem satisfied, happy and valued
- No significant project over-runs—staff showed expertise, institutional knowledge and managed work exceptionally
- Staff's handling of Certificates of Participation (COP) sale process for the MPWD 5-Year CIP, resulting in significant infrastructure dollars received and an outstanding credit rating (AA by S&P)
- Completion of the hydraulic model process and update, including staff collaboration and agreement on priorities
- Outstanding communications to and with board/management, staff, customers and other stakeholders
- Improved relations with City partners
- Relationships with consultants
- Improved and resourceful website

Action items were identified and discussed by staff and Directors for the 2017 Strategic Plan. Subsequently, given the nature of the action items and timing required to complete them, staff recommended and the Board approved a two-year Strategic Plan for 2017-2018, which is attached. Strategic items are prioritized in 2017 and outlined as action items in 2018. Basic measures for success are identified in Attachment 1.

For 2017, there were no changes for the MPWD Vision and Mission Statements, and Strategic Goals, and only one change to the Director Assignments for 2017 (also attached).

Staff's report dated January 12, 2017, on MPWD 2016 Accomplishments is attached for information at the end of the plan documents.



January 12, 2017

### **MISSION STATEMENT**

The mission of the Mid-Peninsula Water District is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost effective, environmentally sensitive and efficient manner.

### **VISION STATEMENT**

The MPWD strives to be recognized by our ratepayers, the community we serve, and other agencies for our outstanding service and enlightened water conservation programs. We will employ innovative approaches to water and energy sustainability to achieve cutting edge environmental efficiency and a competitive rate structure. We will commit ourselves to provide community information and water education.

### **STRATEGIC GOALS**

1. To effectively manage the water resources, demands and infrastructure for the District.
2. To operate the District at the highest level of service to ratepayers at the lowest expense.
3. To maintain an environment that fosters open and candid communication with the community, ratepayers, staff, and directors.
4. To keep current with water issues and industry best management standards.



## 2017-2018 STRATEGIC PLAN

March 23, 2017

### STRATEGIC ELEMENT #1 – *External Relationships and Customer Service*

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><u>Goal:</u> Maintain effective working relationships with external agencies</p> <p><u>Objectives:</u> <i>Maintain appropriate agency presence in local, regional and state industry organizations and activities</i></p> <p><i>Maintain outreach and project coordination with City of Belmont, City of San Carlos, and the County of San Mateo</i></p>	<p><b>Priority No. 11:</b> Coordinate with Belmont Chamber of Commerce for presentation of annual “State of the District” address.</p>	<p><u>Action Item 1.A.:</u> Coordinate with Belmont Chamber of Commerce for presentation of annual “State of MPWD” address.</p> <p><u>Action Item 1.B.:</u> Develop Coordination Agreement between MPWD and City of Belmont for long-term strategy.</p>
<p><u>Goal:</u> Maintain organizational standards that ensure a high level of service orientation for our ratepayers</p> <p><u>Objective:</u> <i>Provide ratepayers with prompt, professional and courteous service</i></p>	<p><b>Priority No. 10:</b> Update MPWD website, including online bill-pay in conjunction with new Financial Management System. Report on update.</p>	<p><u>Action Item 1.C.:</u> Maintain current, user-friendly and resourceful website.</p>

\*Attachment #1 for Basic Measures of Success

## STRATEGIC ELEMENT #2 – Resource Management

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><b>Goal:</b> Ensure water quality meets desired quality standards</p> <p><i><u>Objective:</u> Water quality standards for SWRCB/Division of Drinking Water are met</i></p>	<p><b>Priority No. 13:</b> Annual CCR by July 1<sup>st</sup>.</p>	<p><b>Action Item 2.A.:</b> Annual CCR by July 1<sup>st</sup>.</p>
<p><b>Goal:</b> Develop long-term resource sustainability through energy and water conservation measures</p> <p><i><u>Objectives:</u> Participate in BAWSCA water supply reliability and water conservation projects</i></p> <p><i>Develop plan for meeting SB7X per capita water demand goals (20% reduction by 2020)</i></p> <p><i>Monitor fuel and energy use to identify opportunities for improvement efficiencies</i></p>	<p><b>Priority No. 6:</b> Achieve SWRCB water conservation regulation program goals and timely compliance with reporting requirements, including annual Water Conservation Report to customers by September 30<sup>th</sup>.</p> <p><b>Priority No. 9:</b> Complete implementation of Sensus Customer Portal.</p>	<p><b>Action Item 2.B.:</b> Comply with DDW/SWRCB regulations: Long-Term Urban Water Conservation Policy – “A California Way of Life”.</p> <p><b>Action Item 2.C.:</b> Annual Water Conservation Report to customers by September 30<sup>th</sup>.</p>

\*Attachment #1 for Basic Measures of Success

### STRATEGIC ELEMENT #3 – Infrastructure Management and Operations

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><b>Goal:</b> Maintain operations and maintenance procedures</p> <p><b>Objective:</b> <i>Develop standard operating procedures in accordance with best management practices as an organized manual</i></p>	<p><b>Priority No. 17:</b> Continue development of O&amp;M Manual.</p>	<p><b>Action Item 3.A.:</b> Continue development of O&amp;M manual.</p> <p><b>Action Item 3.B.:</b> Develop business interruption/resumption procedures to include with Emergency Response Plan.</p>
<p><b>Goal:</b> Maintain long-term capital improvement plan</p> <p><b>Objective:</b> <i>Review MPWD infrastructure modeling for assessment of capital improvement priorities, and assess other fixed assets in accordance with best management practices</i></p>	<p><b>Priority No. 1:</b> 5-Year CIP (2016 COP)</p> <p>A. Construct water main replacements:</p> <ol style="list-style-type: none"> <li>1. Karen Road;</li> <li>2. Mezes Avenue;</li> <li>3. Arthur Avenue;</li> <li>4. South Road; and</li> <li>5. Folger Drive.</li> </ol> <p>B. Construct Hillcrest Regulating Station.</p> <p>C. Engineering design:</p> <ol style="list-style-type: none"> <li>1. Notre Dame Avenue Loop Closure;</li> <li>2. North Road Cross Country/Davey Glen Road Improvements;</li> <li>3. Civic Lane Improvements; and</li> <li>4. Tahoe Drive Area Improvements.</li> </ol> <p>D. Solicit SOQs for engineering design/construction management services for Old County Road WMR, SR 101 Crossing at PAMF Hospital, El Camino Real WMR; and Dekoven Tanks Replacement.</p> <p>E. Solicit proposals from contractors for water main replacement construction services.</p> <p>F. Solicit proposals from consultants for project inspection services.</p> <p>G. Initiate engineering design (2-year process):</p> <ol style="list-style-type: none"> <li>1. Old County Road WMR;</li> <li>2. El Camino WMR; and</li> <li>3. Dekoven Tanks Replacement.</li> </ol> <p><b>Priority No. 2:</b> Coordinate capital improvement projects with Belmont Public Works Department and its Sewer Replacement CIP and create a funding plan.</p> <ol style="list-style-type: none"> <li>A. Francis (CIP #15-51) \$425,000;</li> <li>B. Davey Glenn (CIP# 15-43) \$680,000; and</li> <li>C. Academy (CIP# 15-53) \$270,000.</li> </ol> <p><b>Priority No. 3:</b> Continue AMI meter change-out program.</p>	<p><b>Action Item 3.C.:</b> 5-Year CIP (2016 COP)</p> <p>A. Construct water main replacements:</p> <ol style="list-style-type: none"> <li>1. Notre Dame Avenue Loop Closure;</li> <li>2. North Road Cross Country/Davey Glen Road WMR;</li> <li>3. Civic Lane WMR; and</li> <li>4. Tahoe Drive WMR.</li> </ol> <p>B. Engineering design:</p> <ol style="list-style-type: none"> <li>1. Dekoven Tank Utilization Project;</li> <li>2. Belmont Canyon Road WMR;</li> <li>3. Old County Road WMR; and</li> <li>4. Dekoven Tanks Replacement.</li> </ol> <p>C. Initiate engineering design (2-year process):</p> <ol style="list-style-type: none"> <li>1. El Camino Real WMR.</li> </ol> <p><b>Action Item 3.D.:</b> Continue AMI meter change-out program.</p> <p><b>Action Item 3.E.:</b> Demolish abandoned pump station at 1510 Folger.</p> <p><b>Action Item 3.F.:</b> Initiate rehabilitation projects at MPWD Operations Center at 3 Dairy Lane: Roof, plumbing, security, and flooring.</p>

\*Attachment #1 for Basic Measures of Success

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
	<p><b>Priority No. 4:</b> Complete structural evaluation of abandoned pump station at 1510 Folger.</p> <p><b>Priority No. 5:</b> Complete structural and seismic evaluation of MPWD Operations Center at 3 Dairy Lane.</p>	

\*Attachment #1 for Basic Measures of Success

## STRATEGIC ELEMENT #4 – Human Resources Management

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><u>Goal:</u> Develop and maintain systems and processes for effective workforce management</p> <p><u>Objectives:</u> <i>Develop/maintain effective workforce to meet organizational needs</i></p> <p><u>Maintain:</u></p> <ul style="list-style-type: none"> <li>▪ <i>Appropriate communication channels with employees</i></li> <li>▪ <i>Positive work environment and employee satisfaction</i></li> <li>▪ <i>Organizational human resources policy manual</i></li> </ul>	<p><b>Priority No. 12:</b> Approve updated employee position descriptions and present organizational overview to Board of Directors regarding staff roles and responsibilities.</p>	<p><u>Action Item 4.A.:</u> Review MPWD Personnel Manual for necessary updates/revisions.</p> <p><u>Action Item 4.B.:</u> Update employee performance evaluation tool.</p> <p><u>Action Item 4.C.:</u> Total compensation study due by March 31, 2018.</p> <p><u>Action Item 4.D.:</u> Labor negotiations; letter Agreement with MPWDEA expires September 25, 2018.</p>
<p><u>Goal:</u> Develop and maintain Board of Directors procedures for effective and transparent governance</p> <p><u>Objective:</u> <i>Develop and maintain Board of Directors policies and procedures</i></p>	<p><b>Priority No. 18:</b> Develop bylaws for Board of Directors.</p>	

\*Attachment #1 for Basic Measures of Success



## STRATEGIC ELEMENT #5 – Financial Management

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><u>Goal:</u> Establish and achieve annual budget trends</p> <p><u>Objectives:</u> <i>Complete annual budget process on a timely basis</i></p> <p><i>Monitor financial projections for accurate forecasting</i></p> <p><i>Maintain/monitor schedules of water rates, water capacity charges, and miscellaneous fees</i></p> <p><i>Update, monitor and implement capital plan</i></p>	<p><b>Priority No. 7:</b> Develop quarterly audit report on 2016 COP financial status.</p> <p><b>Priority No. 8:</b> Complete implementation of and transition to Accela/Springbrook Financial Management System (FMS), including new accounting and billing systems, including online bill-pay.</p> <p><b>Priority No. 14:</b> Renew financial auditor’s contract.</p> <p><b>Priority No. 15:</b> Initiate development of MPWD Financial Control Policy Manual, including the following policies: A. Debt management policy, including identification/evaluation of MPWD real properties; B. Reserve policy update (2007); C. Investment policy update (2007); D. Purchasing policy update (2005);</p> <p><b>Priority No. 16:</b> Create and present annual analysis of water rates within the Regional Water System.</p>	<p><u>Action Item 5.A.:</u> Continue quarterly reporting on 2016 COP financial status.</p> <p><u>Action Item 5.B.:</u> Continue development of MPWD Financial Control Policy Manual, including the following policies: A. Accounts payable/receivable policy; B. Billing/Invoicing policy; C. Cash disbursement (check-writing) policy; D. Customer Billing policy; and E. Credit card management policy.</p> <p><u>Action Item 5.C.:</u> Annual analysis of water rates within the Regional Water System.</p> <p><u>Action Item 5.D.:</u> Cost-of-service fees review and update.</p> <p><u>Action Item 5.E.:</u> Review capacity charges and water demand offset fees and consider CPI adjustments.</p> <p><u>Action Item 5.F.:</u> Solicit RFPs for Finance Plan and Rates Study to be completed by December 31, 2019.</p> <p><u>Action Item 5.G.:</u> Develop records/email retention policy.</p>

\*Attachment #1 for Basic Measures of Success



# 2017-2018 STRATEGIC PLAN

March 23, 2017

## ATTACHMENT #1 BASIC MEASURES OF SUCCESS

STRATEGIC ELEMENTS	CORE GOALS	BASIC MEASURES OF SUCCESS
#1 – External Relationships and Customer Service	<p>Maintain effective working relationships with external agencies</p> <p>Maintain organizational standards that ensure a high level of service orientation for our ratepayers</p>	<p>External relationships:</p> <ul style="list-style-type: none"> <li>▪ Attend HIA meetings</li> <li>▪ Attend neighborhood meetings as appropriate</li> <li>▪ Maintain presence at LAFCO meetings</li> <li>▪ Attend local community City Council meetings</li> <li>▪ Attend ACWA JPIA and Region 5 meetings</li> <li>▪ Attend San Mateo CSDA meetings</li> <li>▪ Attend SFPUC meetings</li> <li>▪ Attend BAWSCA meetings</li> <li>▪ Attend Belmont Operational coordination meetings</li> </ul> <p>Conduct at least one community education event with BAWSCA</p> <p>Provide timely and useful customer communications</p> <p>Monitor customer satisfaction via a measurable survey</p> <p>Proactive MPWD advocacy focusing on common constituent message development and community promotion</p>
#2 – Resource Management	<p>Ensure water quality meets desired quality standards</p> <p>Develop long-term resource sustainability through energy and water conservation measures</p>	<ul style="list-style-type: none"> <li>▪ Routine water testing and monitoring should meet SWRCB/Department of Drinking Water standards</li> <li>▪ Prepare and transmit timely CCR</li> <li>▪ Implement feasible water quality inspection recommendations</li> <li>▪ Maintain active involvement in BAWSCA water supply reliability and water conservation project activity</li> <li>▪ Continue water use efficiency messaging to meet regional and statewide water conservation goals</li> <li>▪ Support continued off-peak hour pumping</li> <li>▪ Explore use of solar power as market costs drop</li> </ul>
#3 – Infrastructure Management and Operations	Maintain operations and maintenance procedures	Monitor O&M procedures and revise as appropriate

STRATEGIC ELEMENTS	CORE GOALS	BASIC MEASURES OF SUCCESS
	Maintain long-term capital improvement plan	Continue coordination of CIP with City of Belmont and City of San Carlos
#4 – Human Resources Management	<p>Develop and maintain systems and processes for effective workforce management</p> <p>Develop and maintain Board of Directors procedures for effective and transparent governance</p>	<ul style="list-style-type: none"> <li>▪ Monitor recruitment/retention levers for funding/implementation action</li> <li>▪ Review recruitment /hiring process plans</li> <li>▪ Meet and confer with MPWD Employee Association as applicable</li> <li>▪ Maintain organization chart</li> <li>▪ Create organizational succession plan</li> <li>▪ Plan annual training plan/calendar around available budget funds</li> <li>▪ Regular GM/staff meetings and communications</li> <li>▪ Develop/update and maintain administrative procedures</li> <li>▪ Recognize employee service milestones</li> <li>▪ Celebrate employee accomplishments</li> <li>▪ Monitor staff job satisfaction</li> <li>▪ Review Employee Safety and Loss Prevention Program</li> <li>▪ Fiscal Year safety incident and loss prevention report to Board</li> </ul> <p>Create/maintain/update Board of Directors policies</p> <p>Review Annual Planning Schedule for Board of Directors for updates</p>
#5 – Financial Management	Establish and achieve annual budget trends	<p>Review proposed fiscal year SFPUC water rate charges and consider MPWD water rate adjustment</p> <p>Budget process addressing District priorities completed by June 30</p> <p>Review performance on a monthly basis so that targeted allocation is achieved</p> <p>Comprehensive budget document, including charts/graphs</p> <p>Apply for budget and/or financial transparency certification</p> <p>Incorporate capital plan priorities in annual budget</p> <p>Incorporate modeling into annual budgeting process; use tools to develop scenario that can be used as operating circumstances change</p>



DATE: December 9, 2016

TO: MPWD Board of Directors

FROM: Tammy Rudock  
General Manager

RE: Summary of Significant 2016 MPWD Accomplishments

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## SIGNIFICANT MPWD ACCOMPLISHMENTS IN 2016

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### 1. FINANCE

- A. Updated the Water Financial Plan & Rates Study for FY 2016/2017, for consideration in adoption of planned rate increases effective July 1, 2016, including pass-through of SFPUC's \$0.32 CCF wholesale customer increase. The MPWD's water finance plan and cash flow projections were modified as a result of this review.
- B. Positive Financial Audit for FYE 2015/2016 and solid financial management of the MPWD's resources. Successfully managed the MPWD through another year with declining water commodity revenues as a result of the customer water conservation achievements. Delivered second GM annual report to the Board on September 22, 2016, to summarize the fiscal year-end financial status and narrow down the "big picture" reviewed by the auditor each year.
- C. Received AA rating from S&P after developing a thorough prospectus (Preliminary Official Statement) for the MPWD's \$20 million debt financing package (CIP funding).

### 2. CAPITAL

- A. Published MPWD's *Comprehensive System Analysis and Capital Improvement Program, FY 2016/2017 Update*, including completion of a follow-up "pay-go" analysis. (This document replaced the 2008 BKF Water Distribution Master Plan Update.)
- B. The Board of Directors, staff, and the District Engineer developed the MPWD's 5-Year CIP totaling \$20 million, which was approved on May 26, 2016. Informational summary and FAQs were created and maintained throughout the process and posted to the website.
- C. Authorized and initiated debt financing process for funding the MPWD CIP. Staff and the Municipal Finance team created the MPWD's Preliminary Official Statement.
- D. Completed the sale of COPs (Certificates of Participation) on December 7, 2016, and received nationwide competitive bid proposals from seven (7) prominent investors. The

COPs were awarded to the lowest bidder, Citigroup Global Markets, Inc. It's TIC (True Interest Cost) bid was 3.641519.

- E. Completed analysis of MPWD water storage capacity. (Board received presentation on February 25, 2016).
- F. Completed the following capital projects:
  - i. Alameda de las Pulgas Water Main Replacement capital project, in spite of "last-minute" traffic detour plan revision requested by the City of Belmont;
  - ii. Hallmark tank site seismic evaluation and strategy development report, including updated recommendations;
  - iii. Dekoven tank site seismic evaluation and strategy development report, including recommendation;
  - iv. AMI installation in Zone 1; and
  - v. Purchased and installed replacement printer/copier/scanner.
- G. The following capital projects were initiated and are in progress:
  - i. SCADA replacement project; and
  - ii. Comprehensive Financial Management System replacement.

### **3. ORGANIZATION/OPERATIONS**

- A. Adopted new MPWD Personnel Manual effective September 23, 2016. All employee acknowledgments were signed.
- B. Completed GASB 45 OPEB (Other Post-Employment Benefits) Actuarial Valuation, including the provision for surviving spouse benefits for Tier 1 employees.
- C. Adopted the San Mateo County Hazard Mitigation Plan Update on September 22, 2016.
- D. Updated and managed the MPWD website to keep it resourceful.
- E. Continued communication sessions and safety meetings with staff (twice monthly).
- F. No worker's compensation claims were filed by employees during this rating period.
- G. Managed litigation filed against the MPWD along with liability carriers and defense teams. There was nominal financial exposure (insurance deductible) to the MPWD.
- H. Managed liability and property claims with minimal to no loss to the MPWD.

### **4. WATER CONSERVATION/EFFICIENCY**

- A. Developed and adopted MPWD WELO (Water Efficient Landscaping Ordinance) effective February 1, 2016.
- B. Exceeded the MPWD's 20% water conservation target (achieved -25.4%) mandated by the State Water Resources Control Board for program year ending February 2016, while maintaining customer satisfaction in the delivery of MPWD services. Thereafter, the MPWD's target was a voluntary 10% like the rest of the San Francisco Regional Water System. Through November 30th, customers achieved -23.7% in water savings. There were 23 water waste complaints in 2016 through November 30<sup>th</sup>, which were resolved.
- C. Created and adopted 2015 MPWD Urban Water Management Plan and Water Shortage Contingency Plan effective July 1, 2016.

- D. Participated in numerous community events, including Belmont National Night Out, Belmont Earth Day, San Carlos Earth Day, and Belmont Public Works Day to maintain water efficiency awareness.
- E. Co-sponsored three community education events with BAWSCA at MPWD:
  - i. *Xeriscaping and Hydrozoning* (April 9, 2016);
  - ii. *Soils and Invasive Species* (May 7, 2016); and
  - iii. *Drip Irrigation* (October 22, 2016)

## **5. BOARD OF DIRECTORS**

- A. Created professional report format for adopted MPWD 2016 Strategic Plan and supporting documents.
- B. Developed Annual Planning Schedule for Board of Directors. Approved on April 28, 2016.
- C. Coordinated Board development activity:
  - i. "State of the District Address" delivered on April 27, 2016, followed by open house and reception;
  - ii. Completed Myers-Briggs Type Indicator Assessment, including Communication and Leadership Dynamics session on May 25, 2016; and
  - iii. Consolidated MPWD Board elections with even-numbered statewide elections on September 22, 2016.