



**Montara Water
and Sanitary District**
Serving the Community of Montara and Moss Beach

P.O. Box 370131
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Montara, CA 94037-0131
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Mission Statement: This District will manage and care for the resources with which it is entrusted in an open and ethical manner with active public involvement; provide through local control, reliable, high-quality water, wastewater and solid waste services for the people of Montara and Moss Beach at an equitable price; and ensure the fiscal and environmental vitality of the district for current and future generations

AGENDA

District Board of Directors

8888 Cabrillo Highway
Montara, California 94037

February 19, 2015 at 7:30 p.m.
(Regular Meeting)

CALL TO ORDER

ROLL CALL

PRESIDENT'S STATEMENT

ORAL COMMENTS (Items other than those on the agenda)

PUBLIC HEARING

CONSENT AGENDA

OLD BUSINESS

1. Review and Possible Action Concerning Adoption of Strategic Plan.

NEW BUSINESS

REPORTS

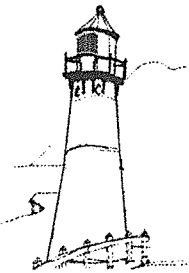
1. Sewer Authority Mid-Coastside Meetings (Harvey)
2. MidCoast Community Council Meeting (Slater-Carter)
3. CSDA Report (Slater-Carter)
4. CCWD, NCCWD Committee Report (Harvey, Huber)
5. Attorney's Report (Schricker)
6. Directors' Reports
7. General Manager's Report (Heldmaier)

FUTURE AGENDAS

ADJOURNMENT

The District has a curfew of 11:00 p.m. for all meetings. The meeting may be extended for one hour by vote of the Board.

NOTE: In accordance with the Government Code, members of the public may address the Board on specific agenda items when that matter is discussed by the Board. Any other items of interest that is within the subject matter jurisdiction of the District may be addressed during the Oral Comments portion of the meeting. Upon request, this agenda will be made available in appropriate alternative formats to persons with a disability. Request for a disability-related modification or an accommodation in order to participate in the public meeting should be made at (650) 728-3545. Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available in the District Clerk's office during normal business hours. Such documents may also be available on the District's web site (www.mwsd.montara.org) subject to staff's ability to post the documents before the meeting.



MONTARA WATER AND SANITARY DISTRICT AGENDA

For Meeting Of: **February 19, 2015**

TO: BOARD OF DIRECTORS

FROM: Clemens Heldmaier, General Manager

**SUBJECT: Review and Possible Action Concerning District
Strategic Plan.**

In 2014 the District went through a strategic planning process that now should come to conclusion. The consultant produced a draft plan that will be presented at the meeting and discussed by the full Board. Also discussed should be a revised mission statement that is part of the strategic plan.

RECOMMENDATION:

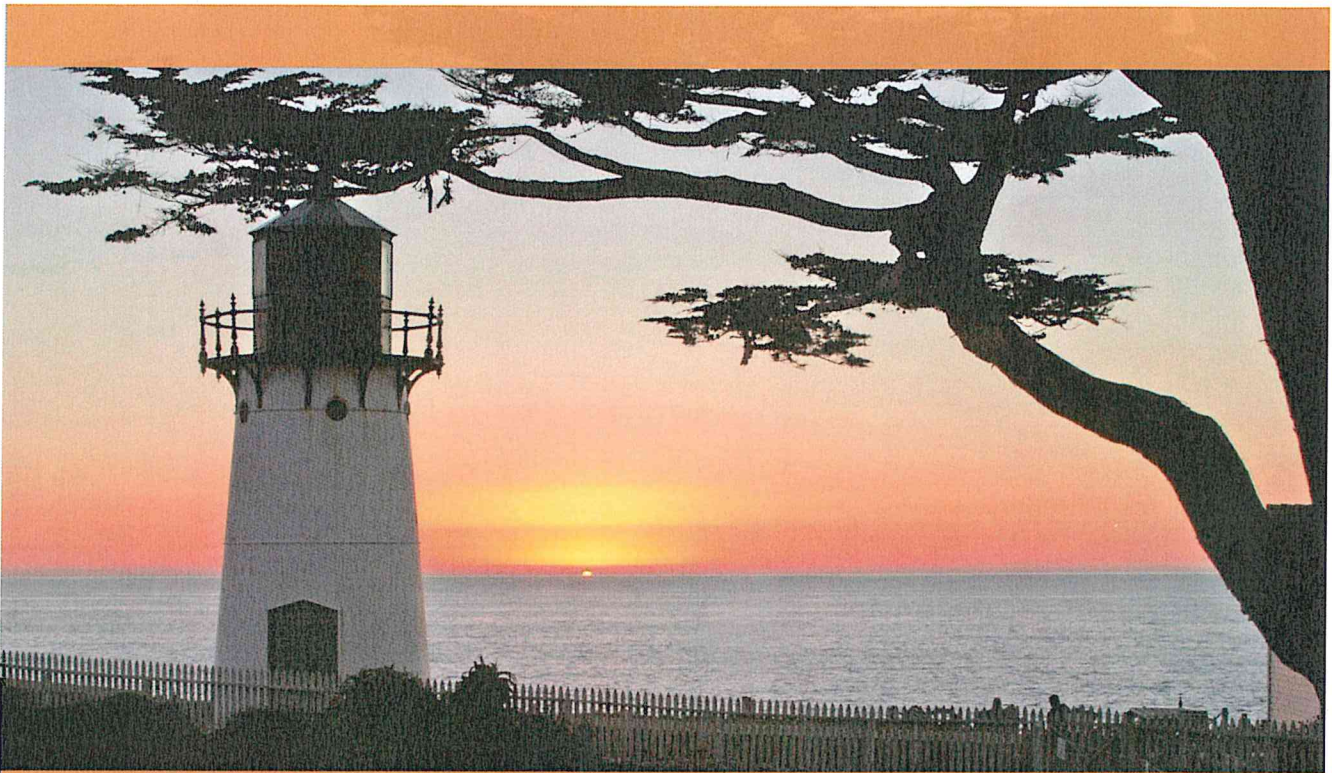
Receive the presentation from Martin Rauch, discuss potential changes to the plan and adopt the strategic plan.

Attachments



**Montara Water
and Sanitary District**

2015 STRATEGIC PLAN



Prepared by: Rauch Communication Consultants Inc.

DIRECTORS

Scott Boyd, President
Jim Harvey, President pro tem
Kathryn Slater-Carter, Treasurer
Dwight Wilson, Secretary
Bill Huber, Director

GENERAL MANAGER

Clemens Heldmaier

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PARTICIPANTS:

BOARD OF DIRECTORS

Scott Boyd, President, SAM representative
Jim Harvey, President pro tem, SAM representative
Kathryn Slater-Carter, Treasurer, SAM alternate
Dwight Wilson, Secretary
Bill Huber, Director

DISTRICT MANAGEMENT STAFF

Clemens Heldmaier, General Manager

CONSULTANT

Martin Rauch, Managing Consultant

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Vision for the Future

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Strategic Goals and Objectives

4. Work Plan

5. Expectations and Results

Achieving Expectations

Ensuring Results

INTRODUCTION

Purpose of the Plan

Planning is strategic when it helps move an organization forward from its current situation to its desired future.

It is the District's highest level planning document, and represents the Board's direction for the future, and the staff's work plan for implementing it.

It is developed through a step-by-step process that includes recognizing the District's operating environment, strengths and weaknesses of the organization, as well as opportunities and challenges.

It identifies the agency's mission, vision, and values, while providing a framework of goals and objectives that becomes a framework for all decision-making.

The Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives, and includes a work plan developed by the staff to meet those goals and objectives. As such, it is referred to regularly as a guide to District actions during the period covered.

To keep it fresh, it must be updated annually and rolled forward so that there is always a five-year guide to the future.

Strategic Framework

The strategic plan is built from a series of logical components, described below and shown in the graphic on the following page.

Mission. The mission statement explains why the organization exists. It articulates the organization’s essential work in a brief sentence or two.

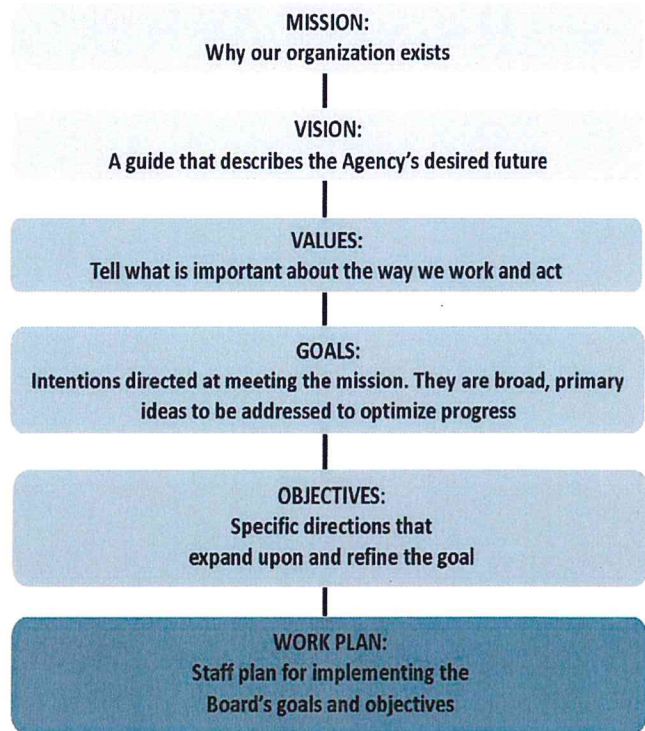
Vision. The vision articulates what the agency will become at a given time in the future. It is the strategic target which, when achieved, is the fulfillment of the agency's mission. As such, it is at the heart of the strategic planning process.

Values provide guidance when an agency is faced with challenging decisions that require tradeoffs, options and alternatives. Values are set by the Board, govern attitudes and behaviors, and generally remain constant over time.

Goals describe broad, primary areas of management, operations and planning that need to be addressed in accomplishing the mission. Goals are not connected to time.

Objectives are more specific directions that expand upon the goals. They are set by the Board. There may be multiple objectives for each goal. Objectives are SMART: Specific, Measurable, Attainable, Related to Goals, Time Certain.

Strategic Work Plan contains measurable, precise timetables and actions to accomplish the mission, goals, and objectives. They are assigned to individuals or departments. There may be multiple tasks for each objective that can be crossed off as finished.



DEVELOPMENT OF THE PLAN

Developing the Plan

The strategic planning process was carried out in the series of steps as outlined below.

Background Research. The consultants began by holding discussions with the General Manager

Confidential Interviews. This was followed by a series of confidential interviews carried out by the consultant. The goal is for the interviewees to candidly express their interests and perspectives on the District's and its priorities.

The interviewees included the entire Board of Directors as well as numerous stakeholders, including leaders of neighboring local governments, customers and others as outlined below.

STAFF: Clemens Heldmaier, GM; and Julian Martinez, Superintendent of Water Operations

BOARD: Scott Boyd, Director; Dwight Wilson, Director; Bill Huber, Director; Jim Harvey, Director; and Kathryn Slater-Carter, Director

OTHER STAKEHOLDERS: David Dickson, Coastside County Water District GM; Gary Warhaftig, Montara Moss Beach Water Improvement Association; Leonard Woren, Granada Sanitary District Director; Peter Grenell, San Mateo County Harbor District; Paul Cole, Assistant Fire Chief; Robert Hopkins, Sewer Authority MidCoast GM; and Don Horsley, San Mateo County Supervisor;

CUSTOMERS: Lou Wall, Ex Director, Customer; Susan Hayward, Customer; Bill Kehoe, Customer; Michael Gasser, Customer; and Lisa Ketcham, Pillar Pointe Mobile Home Community

Two Board Planning Workshops. The Board of Directors and senior management staff participated in two strategic planning workshops. At these workshops, the group reviewed the results of the interviews, undertook a number of exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. Ultimately a plan was developed from this work that included an updated mission statement, vision, values, and strategic goals and objectives.

Community Meeting. On July 24, 2014 the District held a community meeting to obtain public input on the public planning process. The meeting was held at Cypress Meadows and about 70 members of the community participated. There was a very active exchange and sharing of ideas facilitated and recorded by Martin Rauch with support of District staff. Topics of discussion included:

- How should we prioritize investments?
- What improvements would you like to see in our services?
- What challenges and opportunities should we focus on?
- What is your long-range vision for the District and community?
- And more...

Staff Work Plan. Once the policy level portions of the plan were completed in the Board workshops, the entire management team worked with the consultant to develop a detailed staff work plan designed to meet the mission of the District and strategic goals and objectives.

Rating the District Today

Before considering where the District wants to go in the future, it is important to understand where it is today. The group worked together to identify and rate a number of key features of the District as summarized below.

Each participant in the workshop was asked to rate various aspects of the District based on its performance as it stands today. Each participant selected aspects of the District to rate, graded them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The results were averaged and summarized.

BELOW ARE THE CATEGORIES AND RATINGS PROVIDED BY THE PARTICIPANTS	
Avg. 8.6 9, 9, 8	Administration. Good job replacing mains and tanks compared to the past when the system was held together by rubber bands. While it is generally good, could do better.
Avg. 8+ 9, 8	Operations. Our small size makes us vulnerable due to a thin staff and limited backup for personnel.
Avg. 9.5 9.5	Progress. We have made a lot of progress on infrastructure: water system, SSOs, pipe cleaning, financing of sewer system. We also have good representatives on SAM.
Avg. 8+	Sewer. We need to continue working to reduce SSOs
Avg. 8+	Water Quality. We have made tremendous improvement in water quality.
Avg. 7	Board Governance. There is opportunity for improvement here.
Avg. 6.6+ 6, 6, 7, 7, 7, 7	Rates and Finance. We developed a well-designed tiered rate. But rate structure should be looked at again. The District generally has good controls, but there is room for improvement. District has a deficit and there is a need to address that.
Avg. 6	Watershed Protection. There are no immediate concerns, but we need to remain proactive to protect the groundwater and prevent degradation.
Avg. 5.2 2, 4, 5, 5,7, 8	Customer Service, Stakeholder Support and Customer Relations. The District generally has positive support, needs to communicate more. Board can help. The perception of customers on wells is out of sync with reality. We need to explain better. District has good customer service and is close to customers. District needs to reach out more. Our public is unaware of the constraints we operate under and our achievements.
Avg. 5 5, 5	Intergovernmental Relations. There have been improvements, but it remains a difficult area. This is an area where both staff and board can work on and make improvements
Avg. 5 5, 5	Staff to Board Communication. There is room for improvement in the Manager’s communication to the Board
Avg. 5 5	Maturity. The District has matured in many ways administratively, in terms of engineering and finance, etc. But there is more work to do
Avg. 4 6, 2	Emergency Planning. Need to updated emergency planning, documentation and procedures. Need to develop plans for coordinating with others in emergencies.

Challenges and Opportunities Facing the District

Below is a list of key issues and challenges identified in the process that are expected to face the District in the future. Each participant was asked to predict what issues the District would confront in the future. That list follows:

RATE STRUCTURE AND CHARGES

- Our rates are stable but on the high side and need to be raised
- There will be a challenge to balance the needs of our customers and keeping costs affordable.
- The tiered system is not meeting needs and needs to be evaluated and reconsidered.
- Consider new financial options such as using property taxes 100% for water to help pay off the debt.
- Providing adequate reserves

WATER SUPPLY

- Maintaining our sources of water and water independence
- Increasing the water supply is critical both in the hills and at the airport

PRIVATE WELLS

- Need to deal with wells drawing on the aquifer
- Well conversions. If people understood the costs, quality, testing, they may be happy to hook up.
- Need to clarify our policies. We don't force people to connect, but it is better for the groundwater aquifer, better for many landowners in the long-run and better for District revenue if they do.
- Need to improve how we work with the County to ensure seamless permits.

MAINTAINING LOCAL GOVERNANCE AND RELATIONSHIPS WITH OTHERS.

- There are always pressures from outside to do this or that and it is distracting. Need to square away relationships so our status is accepted and we have positive relationships

WATER QUALITY

- Dealing with water quality issues at the airport.

PARTICIPATION IN SAM

- Changeover of SAM representatives and staff causes a challenge with maintaining a historical view and continuity.
- Changeovers also provide an opportunity to develop relationships with new people.,
- Ever rising regulations increases costs and complexity.

STAFFING

- Having a small staff makes it difficult to have adequate breadth of expertise and depth to schedule efficiently and provide backup

DROUGHT AND CLIMATE CHANGE

- Our water supply independence is a good thing. Hetch-Hetchy crosses major faults.
- But we have to ensure groundwater is maintained for future
- Need conservation strategy
- Needs plan for managing wells

OUTREACH

- We have made progress but need to communicate more with the public
- We have work to do to build positive public understanding
- If we could provide funding, the hospital and school could probably reduce use more.

CONSIDER BEING A CSD

- There are a range of possibilities: internet income, solar power to reduce costs, develop recycled water, etc.

COMMUNITY SUSTAINABILITY

- There are limited resources.
- Ensuring growth is managed by land use authorities (County). Districts position is that it should provide services to approve growth and not be dragged into land use.

Priority Issues

The group was asked to identify the five most important issues that MSWD must resolve in the coming years. The results are shown below. Priorities are important since in practice it is not possible to accomplish everything at once and that there are limits on time, money and personnel resources.

HIGHEST PRIORITY ISSUES	
Avg. 1 1, 1, 1	Water Rate Structure and Rates. Need adequate rates to cover expenses, encourage well connections, and resolve the deficit.
Avg. 1.5 1, 2	Finances, Rates and Economic Health. Determine if we can encourage voluntary connections and help improve income and reserves.
Avg. 2 1, 2, 3	Well Connections. The sooner the District can resolve well connection issues the better. Bringing in Pillar Ridge and new well conversions lowers costs for all. Need to integrate new customers well.
Avg. 2 1, 3	Infrastructure Planning based on a long-term replacement model. Since we provide a service from source to release, we should be able to undertake long-term, informed planning based on lifecycle costs.
Avg. 2.5 2, 2, 3, 3	Developing and maintain the sources and quality of water. Need to improve our portfolio of water sources (more varied wells), improve redundancy, maintain the watershed
Avg. 2 2	Community Sustainability Plans. What are our long-term demographics. Be prepared for growth or decline, changes in income, age, needed services, etc.
Avg. 2.7 1, 3, 4	Communication: Need to develop a marketing and public relations plan. Public needs to understand what we are doing and we need to hear from them.
Avg. 3.3 3, 4, 4, 4, 4, 5	Effective Intergovernmental Relationships. Establishing our primacy for carrying out our mission. Develop better, more positive intergovernmental relationships with others.
Avg. 4 4	Smarter Wastewater Treatment. The current system works, but could it be better or lower cost? What are best long term options for upgrades or changes that provide lowest lifecycle cost.
Avg. 5 5, 5	Internal Operations and Administration. Do we need to develop a needs assessment, evaluate staffing, internships, training for staff.
Avg. 5.5 5, 6	Regional and Local Emergency Plans. The long sewage?? Pipe to Half Moon Bay is at risk. Recycling? (5, 6)

The Strategic Plan

Mission

A good mission statement should accurately explain why your organization exists and what it hopes to achieve in the future. It articulates the organization's essential work. The Board drafted and approved the following mission statement:

The District will manage and care for the resources with which it is entrusted in an open and ethical manner with active public involvement through local control, reliable, high-quality water, wastewater and solid waste services for the people of Montara and Moss Beach at an equitable price; and ensure the fiscal and environmental vitality of the district for current and future generations.

Scott combined two together. Two on website.

Represent and serve the community of Montara, Moss Beach and Pillar Ridge with quality water, sanitary and solid waste services that are cost-effective and environmentally sensitive. Be open to meeting other community needs desired by our customers.

Vision for the Future

A critical responsibility of the Board of Directors is to identify a vision for the District's future and then set goals and objectives to achieve it. This is the heart of the governance role and starts with creations of a vision statement. The following vision statement was developed:

The Vision for the Montara Water and Sanitary District Board of Directors is:

*Trusted and proven to cost-effectively provide our customers with the services they need while serving **as one of the pillars** of the community.*

Values

VALUES are what we consider important—what we believe is right and wrong. The Board is responsible for identifying values and being the guardian of values. Effective organizations identify and develop a clear, concise and shared meaning of values/beliefs, priorities, and direction so that every employee understands and can contribute in the right way. If defined, disseminated and followed, values will impact every aspect of the organization.

The following values emerged from the workshop discussion.

The values can be written as simple statements or posed as questions to help make difficult decisions.

Value Statements:

Represent and serve our community
To provide quality services
To be trusted by the community
To be responsive to the community and its changing needs
To be open and available to the public we serve
To use customer funds cost-effectively over time

Values Posed as Questions

Will it enable the District to better represent and serve the communities of Montara, Moss Beach and Pillar Ridge?
Will it enhance customers' trust in the District?
Will it result in better responsiveness to the community and its changing needs?
Will it make the District more open and available to the public we serve?
Will it be cost-effective over time?
Will it maintain or improve quality of services?

Strategic Goals and Objectives

The goals and objectives are presented on the following pages. They, along with the mission, vision and values represent the core strategic direction provided in this plan.

GOAL 1. WATER SUPPLY PLANNING AND SOURCE WATER PROTECTION

Protect, maintain and develop existing and new water sources for best quality, cost and productivity, while ensuring the permanent sustainability of the District’s water supply and quality.

#	Objectives
1.1	The District will proactively protect and improve water quality and supply, where needed.
1.2	The District will ensure permanent water independence.
1.3	The District will incorporate phenomena such as seawater rise and weather extremes, and any other identified challenges in its planning and implementation of water programs.
1.4	Develop a well conversion program that will promote voluntary conversions and the necessary incentives and communication tools to make it happen. --> To Goal 3??

GOAL 2. COMMUNICATION

Actively communicate with all stakeholders in a clear, factual, timely, two-way manner to foster understanding and alignment between the District and those it serves and works with.

#	Objectives
2.1	Staff will develop core messages and obtain board approval for them.
2.2	Staff will design and implement communication that is consistent with Board-approved messaging.
2.3	Staff will consider and select among all outreach tools for cost-effectiveness and practicality (e.g. open houses, newsletters, press, social media, radio interviews, etc.)
2.4	Staff will develop and follow an outreach plan and budget.

GOAL 3. RATES AND FINANCE

Use the longest possible outlook for planning revenue needs, finances and rates. Base planning and decisions on a long-term, proactive understanding of finances, capital facility planning and operational and regulatory needs.

#	Objectives
3.1	Costs will be allocated through rates that are fair by class and customer; and will be developed after evaluating all reasonable options beyond tiers, including how well connection options will influence rates.
3.2	Adopt and update new Rates by FY 2015/16
3.3	Rates will be sustainable, steady, defensible, understandable and fair.
3.4	Use the longest reasonable outlook for planning infrastructure replacement needs, while recognizing that infrastructure planning is in flux.
3.5	Enable effective Board and public oversight of finances through effective and understandable financial reporting.
3.6	Develop a well conversion program that will promote voluntary conversions and the necessary incentives and communication tools to make it happen.

GOAL 4. GOVERNMENTAL RELATIONS

Promote collaborative relationships and partnerships

#	Objectives
4.1	Enhance board and staff relationships with other agencies (board work plan).
4.2	Enhance dialog with other agencies about collaborative opportunities for local parks, etc.

GOAL 5. ADDITIONAL SERVICES

Be open to providing additional services that are needed and desired within our service area.

#	Objectives
5.1	Be responsive to community desires for new services and take a leadership role in considering whether to provide additional services.
5.2	Examine each opportunity on a case-by-case basis. Evaluate and make clear any impact on quality, availability or cost of existing services.
5.3	Seek to provide services collaboratively when mutually beneficial partnerships can be found.

GOAL 6. OPERATIONS AND ADMINISTRATION

Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves over time.

#	Objectives
6.1	Develop and implement a plan for retaining institutional knowledge.
6.2	Develop, follow and appropriately update procedures for Administration, Human Resources, and Management.
6.3	Emergency planning should be appropriately updated with documented procedures and methods in place for coordinating with others.

GOAL 7. BUILD AND MAINTAIN FACILITIES THAT ARE RELIABLE, ENVIRONMENTAL AND EFFICIENT

Plan, provide for and maintain District facilities and other physical assets to achieve long-term, reliable, environmentally sound, and efficient District operations.

#	Objectives
7.1	Manage the wastewater system with the objective of zero spills and zero permit violations.
7.2	Asset Management - Consider lifecycle costs in all facility construction, upgrades, maintenance and management decisions and activities. Continue with water and focus attention on sewer.
7.3	Creatively seek opportunities to maintain or improve quality while lowering costs.

GOAL 8. GOVERNANCE

The Board will govern lawfully, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and general manager roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

#	Objectives
8.1	The Board will invest in itself and its members' training and governance capacity.
8.2	Continued Board development is to include orientation of new board members, and periodic consideration of Board governance effectiveness, including enhancing communication between Board members and between the Board and general manager

Work Plan

The following pages contain the staff work plan, a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors. The work plan is organized in a table format with the following features:

Priorities:

There are two kinds of priorities assumed in this work plan: 1) Importance; and 2) Time. It is possible for a priority to be critical in importance but not due for a long Time. Conversely a priority may have low importance but be due promptly. The 1-3 numbering system incorporates a bit of both. The timing column indicates due dates. The numbering system is as follows:

1. Critical project that must be accomplished on Time..
2. Important project that can be delayed if needed to complete a #1 priority project.
3. Desirable project that can be delayed or cancelled to complete a #1 or #2 priority project.

Key to Abbreviations

These abbreviations refer to who is named as responsible for a given action under the column titled LEAD:

EXCEL WORK PLAN WILL FOLLOW HERE

Expectations and Results

Achieving Expectations

[TBD]

Ensuring Results

[Placeholder]

Develop Performance Measures

[Placeholder]

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**Montara Water
and Sanitary District**
Serving the Community of Montara and Moss Beach



Montara Water and Sanitary District
2015 STRATEGIC PLAN

Prepared by:



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