

**SAN JUAN WATER DISTRICT (SJWD) SURVEY
STRATEGIC PLAN 2022
BOARD AND STAFF RESPONSES**

Ellen Cross interviewed all four Board members: Ted Costa, Ken Miller, Dan Rich, Pam Tobin
Surveys are from the following staff: Paul Helliker, Donna Silva, Tony Barela, George Machado, Rob Watson, Lisa Brown,
Greg Turner, Greg Zlotnick, Chris von Collenberg and Teri Grant

1) What do you consider to be the District’s top priority goals for its operations (which include water supply, treatment and distribution, system repair and replacement, customer service, conservation, budgeting and accounting, communications, legislation/regulation/regional collaboration, etc.). Please provide 4-6 goals:		
	BOARD RESPONSES	STAFF RESPONSES
Water Banking / Transfers / Coordinated Efforts	<ul style="list-style-type: none"> • Get out in front legislatively on state/federal will be paramount • Wholesale agencies look to us – we need to outreach to them more proactively • Need other public agency support • Be in concert with other agencies • Active outreach at ACWA for water transfers with interested parties (eg. San Bernardino / Desert Water agencies) • Create a Water Transfer Business Action Priority Plan • Coordinated Efforts (eg. Within in our organization and other organizations that have the same priorities as it pertains to rights, sales etc.) • Outreach: Send a letter of interest to San Diego, Orange County, MET, Bakersfield, and the 400 water districts – put together program to sell our water 	
Communications + Outreach	<ul style="list-style-type: none"> • Need wholesale outreach • Communications- This one probably needs some discussion at our workshop. In retrospect, Prop 218 rate increase last year needed some additional outreach prior to the public hearings. 	

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	<ul style="list-style-type: none"> Put out information in advance of hearings; Roseville was a good example where the City Manager put out globally what they are doing to save money; they conducted a pre-hearing prior to the public hearing for an information session to get people to talk about issues 	
<p>Financials / Budgeting / Accounting</p>	<ul style="list-style-type: none"> Board needs to see financial breakdown on decisions made (Public Involvement) Budgeting and accounting. New accounting system was deployed this last year. Huge improvement. Perhaps this year finalize reporting requirements. The 5 year financial plans were adopted last year and had conservative assumptions for budgeting. We need to continue to look at each line item for revenues and expenses and make sure we stay at or below the budget and not go back to ratepayers beyond what we told them we would do. 	
<p>Staffing / Roles & Responsibilities</p>	<ul style="list-style-type: none"> Need to clarify Roles & Responsibilities to understand staffing needs Overall- Continue to look at activities/ investments/systems that could reduce labor costs. We test all backflows instead of outsourcing. We manually read and input meter data. There are good reasons for why the District does what it does. But we need to revisit this annually SJWD's challenge is that it treats a lot of water; weird hybrid of retail/wholesale; 3 to 4 X to other people and regional infrastructure responsibilities; 30-40 people are very good; well paid; stable organization; not a lot of interest in changing the way things are currently done. We need to leverage technology to reduce labor (eg. 900 	

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	<p>backflow devices in retail; 2 people that test 2-3/day; need to make sure they are working outsource it and have contractors and bill homeowners directly). The problem is SJWD doesn't trust contractors. Every year we revisit; eg. Meter data: most larger agencies have put in Automated Meter Reading that send signal and data goes into server. How do we optimize?</p> <ul style="list-style-type: none"> • Let GM set direction and align with how he manages • AGM, HR Manager, Regulatory Specialist (could be shared half time with other agency) 	
Water Rights + Reliability	<ul style="list-style-type: none"> • Upstream Storage; Aquifer Storage; Increase availability to be self-sufficient; water rights not enough • Threats: Still threatened by drought and will be continue to be challenged; less water from PCWA negotiation; spending \$250k annually weren't using it • Look at Futuristic Plan: Is it possible to take over HydroPlant that El Dorado is walking away from? We need something to help with income base so we don't have to go to rate payers. Need to do more than just selling water. • Restart merger discussions with SSWD. Be active participant/ leader in the development of a regional water bank. • We need to discuss the merger further because although it failed it was complicated and not well vetted. It needs education on benefits. With the drought and water reliability it is a driver when we have lots of surface water and an oversized WTP. Historically we have contracts but each year it's a big ordeal to buy/sell • Protect Conserved Water Rights 	<ul style="list-style-type: none"> • Create opportunities to minimize drought impacts • Include groundwater management. • Ensure reliable water supply through securing and utilizing water supply portfolio: water rights, groundwater banking; water transfers, conserved water transfers; long-term water conservation • Minimize external policy and operations impacts that may impact District's water service and reliability (Folsom Ops, WaterFix, Upstream/Downstream Users, Climate Change, WQCP) • Improve water quality and delivery dependability • Optimize regional and wholesale cooperation to create District and regional reliability through collaboration, water transfers, and regional management and regional project participation • Strategically protect water rights

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		<ul style="list-style-type: none"> • Execute the Water Management & Reliability Study • Provide source protection through water rights, groundwater, and Folsom operations • Create reliability through drought planning; system redundancy and Folsom Ops
<p>Water Supply + Operations</p>	<ul style="list-style-type: none"> • Get USBR to adopt modified flow management standard for Folsom Lake operations... this has been a goal of the District for many years. • Treatment and distribution – Start planned improvements at the WTP. Secure a low interest loan with the state for needed improvements at the WTP. • System repair and replacement- See above. Staff appear to have a good plan for R&R and last year’s rate increase funded it. • The District will need to increase funding of repair and replacement at the WTP in the coming years. • Repair + Replace • Provide water surplus to other water suppliers: increase WTP to 150mgd as we are only using 70mgd. We have water supply to do more; we built cooperative pipeline gravity from Folsom to Placer; need to make it work so we can have water at reasonable amount 	<ul style="list-style-type: none"> • Conduct infrastructure assessment to assess, prioritize + implement rehab/replacement for service reliability • Create an Operations & Maintenance Program that focuses on prioritized and preventative maintenance • Schedule timely implementation of Capital Improvement Program • Regulatory compliance • Safety compliance • Align staffing to support priorities + train for operations and delivery • Deliver high quality water • Program Ranking: <ul style="list-style-type: none"> ○ Retail meter replacement ○ Wholesale meter testing ○ Hinkle & Kokila Reservoir Lining
<p>Customer Service</p>	<ul style="list-style-type: none"> • Customer service – maintain status quo. Heard no complaints - only compliments from customers. 	<ul style="list-style-type: none"> • Ensure fair and equitable rates • Improve consistent access and timely responsiveness • Provide customer outreach, information and education on value of water • Focus on cost reductions and optimizing low cost water delivery • Provide access to inform (eg. Systems Portal)

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		<ul style="list-style-type: none"> • Create long term efficiency program • Optimize transparent communications (eg. Website, Social Media) • Deliver customer service through delivering high quality water and accurate water quality information • Align staffing demands with comprehensive customer solutions (eg: phone/field) • Ensure efficient migration of accounting and financial system
Conservation	<ul style="list-style-type: none"> • Conservation – Do the minimum to meet state mandates. State penalizes water districts for doing more than needed because in the past has required reductions in historical demand. • Protect Conserved Water Rights 	
Organizational Sustainability		<ul style="list-style-type: none"> • Governance that defines vision, policy priorities and direction <ul style="list-style-type: none"> ○ Board to create governance and set and implement consistent policy and direction with financial limits and execution by General Manager ○ Create and implement strong vision and goals developed by leadership • Fiscal sustainability <ul style="list-style-type: none"> ○ Ensure fiscal sustainability and responsibility, and commit to financial plans and rate schedule implementation ○ Create revenue diversity plan to maximize income and maintain reliability ○ Outsource functions that don't require full time equivalents (eg. field service)

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		<ul style="list-style-type: none">○ Create rate stabilization fund○ Operate within budget○ Continued alignment of fixed rates with fixed costs● People + culture as assets<ul style="list-style-type: none">○ Maintain a safe work environment and commitment to compliance○ Hire and retain good quality people and align with goals and objectives (Eg. HR, Regulatory, Safety Compliance, and Field Services Positions)○ Hire appropriate level of staff that fit and maintain the culture○ Recognize customers, board, staff as important assets○ Develop strategic staffing plan and remain committed to plan and staff training○ Maintain culture that includes a collegial environment based on integrity, collaboration and professionalism while maintaining a commitment to work life balance and delivering high standards of communications and responsive to customer service.○ Retain a happy and engaged workforce in order to deliver the most effective consistent service delivery and maintain SJWD as a desirable place to work○ Commit to innovation to deliver efficient and high quality water supply
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2) List the three most significant results/outcomes SJWD should accomplish within the next five years?		
Result 1: Create better relationships and alliances	<ul style="list-style-type: none"> • Wholesale • Customer • Other Agencies: regional; Southern California; RWA • Community: keep them involved so when we need their help on rate increases in diminishes damage control • Water Conservations Volunteers and repurpose them 	
Result 2: Plan for Future Growth with Water Transfers	<ul style="list-style-type: none"> • Renew contracts with the agencies PCWA, Fair Oaks, Citrus Heights, Orange Vale, etc. • Position to be able to sell any of the water for transfers • We have trading partners to move 1500af of water / year that creates revenue and provides benefits to SoCal. 	<ul style="list-style-type: none"> • Successful water transfers
Result 3: Succession Planning		
Result 4: Stay within 5-year financial plan/ rate plan. Do not go back to ratepayers.	<ul style="list-style-type: none"> • Create a sustainable district 	<ul style="list-style-type: none"> • Consistently implement financial plan and have budget stability
Result 5: Merge with SSWD		
Result 6: See an implemented modified Flow Management Standard for Folsom Lake operations		
Result 7: Understand roles and responsibilities of the retail agencies and our oversight of delivery. (eg. we are in charge of water deliver)		
Result 8: Unify underground basins in the region		<ul style="list-style-type: none"> • Implement SGMA using water rights, CVP and contractual rights to the fullest
Result 9: Improved operations		<ul style="list-style-type: none"> • Hinkle /Kokila liners replaced

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		<ul style="list-style-type: none"> • Water supply reliability • Implement our CIP + meet system repair and maintenance goals
Result 10: Improved Organization Structure		<ul style="list-style-type: none"> • Implement strategy direction and internal alignment • Improve policy and governance • Identify and execute staffing plan to achieve O&M goals
3) What are the three most significant challenges or threats SJWD currently faces?		
Challenge 1: Staffing / Administration	<ul style="list-style-type: none"> • Burdened labor costs continue to outpace inflation. Labor costs are a significant component to District budget. • Majority of time we have a constant from staff and although we want to do more, we are limited; managers are doing things they shouldn't be doing; reluctant to increase staff; let's be clear if we add 2 positions for next 2 years what the priorities are 	<ul style="list-style-type: none"> • BOD continuity • Insufficient resources • Lack of governance consistency
Challenge 2: Communication	<ul style="list-style-type: none"> • Rate increases without outreach • Building up relationships are critical 	
Challenge 3: Water Reliability	<ul style="list-style-type: none"> • Drought • Unsuccessful water transfers • Lack of planning 	<ul style="list-style-type: none"> • Reduce water demand and revert to conservation based pricing • Regulations and compliance increasing that affect SJWD delivery • Water availability
Challenge 4: Regulatory / Water Rights	<ul style="list-style-type: none"> • Propose state mandates for indoor water use (50-55 gpcd) and outdoor could reduce water availability to our customers, impose additional costs to us, and reduce revenues. • State of California: Specifically, SWRCB they want to take our water because they feel they know better how to use it than us. 	

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	<ul style="list-style-type: none"> • Restrictions from how much and where we are allowed to use our water • SWRCB dictating to rate payers how much water they are allowed per household • We should coordinate efforts with stakeholders against the threats so we can leverage such as agencies who have water rights in Northern California, and CV to tell the state to get out of our business; they are going in direction that they know best for rate payers; the local agencies know rate payers better than the state • We signed a deal to guarantee our pre-1914 water rights; now they need to honor that. 	
4) What are the top two or three external (regional, state, federal) water issues of most concern to SJWD?		
Top 1 Issue: Working with DWR / USBR to make transfers happen	<p>How to address It</p> <ul style="list-style-type: none"> • Build relationships • Write White Papers • Create procedures to encourage success • Develop a Plan and work the Plan • Work with USBR/DWR to devise together how to resolve regulatory problems • Be proactive not reactive - we are always behind the eight ball; explore how to expedite • Understand how federal changes may impact DWR/USBR regulations 	
Top 2 Issue: Water Reliability	<p>How to address It?</p> <ul style="list-style-type: none"> • Assurances. What are they? Contracts? Policies? Regulations (state/fed); only glad handing; we have water rights but without water the rights provide no guarantees • Need to create a Plan to get control over these externalities that we have little decision making on • We paid \$100 of thousands for Reliability Study and then came back with big SOW for value 	<ul style="list-style-type: none"> • WQCP • Supply to Natomas area (who is going to supply their development?) • Algae blooms in Folsom • Groundwater supply related to McClellan or Aerojet plumes

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	<p>added and costs. Now a Reliability Study is being done for RWA. We should patriate in RWAs as it has huge cost implications; now we do bare bones; We need to determine where our reliability aligns with/or doesn't with the Regional Reliability Study.</p>	
Top 3 Issue: Funding	<p>How to address It?</p> <ul style="list-style-type: none"> • Apply for Federal Monies/Grants for studies on some of the above topics • Discover how the feds can fund additional water storage (eg: Talked to Senator Costa and have volunteer base of people in conservation that do a good job; asked them about how to identify upstream storage – if you went to county tax assessor you could identify all parcels along river that are owned by feds and look at it and petition feds for public good and you will get the land 	
Top 5: Proposed state water conservation requirements	<p>How to address It?</p> <ul style="list-style-type: none"> • SJWD has already started pushing back on proposed legislation. This is likely a good discussion topic for our workshop • We need to secure our water use. Emergency drought is one thing to change water use; permanent limit inside homes is another. Sacramento and ACWA just did changes on their own; it's our water and we should give it to our customers; we may be by ourselves 	
Top 6: Proposed Cal WaterFix and its impact on Folsom Lake	<p>How do we address it?</p> <ul style="list-style-type: none"> • Already started legal paperwork for protesting environmental document. • We need to determine if it is beneficial what ways might it be and if it's detrimental take a stand. 	

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Top 7: Operations of Folsom/Reservoir and storage or non-storage and what they are going to do	How do we address it? <ul style="list-style-type: none"> At all times make SJWD whole and provide water 24/7; they don't always do that the way they operate and release water 	
Top 8: ACWA and RWA not effective andn-sync with SJWD's specific issues	How do we address it? <ul style="list-style-type: none"> Both on WaterFix and conservation not clear if we are all on the same page; ACWA not In sync 	
Top 9: Joint venture with the City of Sacramento on Auburn Dam site		
5) Rank on a scale of 1 to 5 (5 being most positive), how well is SJWD currently performing in the following areas and why		
Operations and Delivery	WHY? Rank 4: <ul style="list-style-type: none"> There is room for improvement for staffing (lack of staff); a lot of the people like Greg do a pretty good job keeping everything going; they go above and beyond; but they could do more if they had time; if we need to spend money we need to spend money Rank 5: <ul style="list-style-type: none"> I am not aware of any problems/ complaints from our retail or wholesale customers on water quality, pressures, outages, etc. Predicated on no failures in delivery; availability; quantity; quality it just doesn't happen on its own; all-encompassing without high caliber treatment; quality and everything with no failures speaks to itself. You don't get results without performers 	<ul style="list-style-type: none"> Rank #4: Excellent with what we have; what compromises is the number of people to get it done; staffing plan to achieve a rating of #5 as well as implement CIP; align resources with level of effort necessary Rank #2: Not able to achieve goals: lots of maintenance deferred. (flushing program every 5 yrs vs 15 yrs; water meters – borrowing to replace defective or broken meters to increase revenues; emphasize proactive vs reactive

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	<ul style="list-style-type: none"> • How would you improve? its adequate at present time; so nothing more to say when we are already doing it; can't make water cleaner; the ultimate would be to have 15 min response time to be on a property which is cost prohibitive. • We have the WTP; 10 employees and we put out the same as Sacramento but they have 3x as many employees 	
<p>Customer Service</p>	<p>WHY? Rank 4.5</p> <ul style="list-style-type: none"> • Our director calls them personally; 10k hooks up; knows everyone; tremendous advantage when you have information; personal touch; if we get bigger may be harder to do <p>Rank 5</p> <ul style="list-style-type: none"> • We hear things and we get letters; even the people that are unhappy with rate increases notice how the field people find leaks and are great ambassadors with nothing negative; Our field crew is great. • If you had money to burn, we should add one more employee to do customer outreach and community spokesperson that could represent us and talk about conservation and public service • I haven't heard any complaints- only compliments - from customers. • Very few if any complaints/criticism to the service that is provided in the office or the field; if anything we get positive customer feedback; speedy responsiveness to customer's leaks, meter accuracy; we address customers concerns in a positive manner and don't push them aside or prioritize over them; they are of equal value to us; we are very transparent. Customer can find anything about us on our website. 	<ul style="list-style-type: none"> • Rank #5: Our sense is because people are implementing; we are using contract folks to pick up slack for customer service; from field conservation to phones not many complaints; training on how to deal with difficult people; understaffed; huge fraud risk due to lack of separation of duties • Rank #3: System conversion for customer to data; fraud risk; distracted from workload due to customer high volumes; just do it regardless of time; balance is tipping on field services compliance

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	<ul style="list-style-type: none"> We have the WTP; 10 employees and we put out the same as Sacramento but they have 3x as many employees; I don't know enough about field operations; we don't get bitches about it 	
<p>SJWDs Water Reliability: Rank #3</p>	<p>WHY? Rank 3:</p> <ul style="list-style-type: none"> There is room for improvement and rely too much on outside sources at beckon call of state board and USBR Not sure we will have reliability in years to come because of state and their actions; we have to work in that arena; big picture not at a customer standpoint when they turn on the spigot; without outside actions it would be a 5 Drought; lake went down; Feds wouldn't guarantee water like they promised; begged for water; we spent \$2.5M to buy water; built a pump back but we haven't acquiesced. Drought showed us we are not great; when the lake goes down everyone is out for themselves How would you improve it: I would build pump storage (33kaf) into off-stream storage and let out a little at a time; provide reliability; drill wells at pump back <p>Rank 5:</p> <ul style="list-style-type: none"> Need to focus more on the externalities and tee up the areas that SJWD is good at; Day to Day Ops in fine shape; no staffing issues; great customer service; expect a lot and get a lot; we have a new GM who is external focused, he is in sync with emerging concerns; this process will help crystalize those better Historically, we've had no problems with water reliability. We've survived the drought. We are 	<ul style="list-style-type: none"> Rank # 1 or 2: How secure are our water rights; Fair Oaks groundwater use only in drought but they are using it all the time Rank #3: <ul style="list-style-type: none"> Based on lack of water security (USBR) on how they operate in a multiyear drought; CVP contract not as robust as it is supplemental and complications on how to manage the water if we need access; improving on cost bases of water (eg. Placer) Inability to be proactive on maintenance and CIP Rank #4: <ul style="list-style-type: none"> What staff is doing is good; we are in the force; we are going to meetings RWA, ACWA without results; Wholesale agencies aren't doing anything. We don't have consolidated voice to fight issues; Small and cannot compete with EBMUD without united regional voice Rank #4 and 5: System and sources: upgrading WTP; pump stations and we are in a good place; solar for back-up power; 14 mgd of capacity from SSWD; Fair Oaks 4000af of groundwater; not quite on emergency supply on Folsom; improve access to water; Folsom is going to

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	active participants on regional water banking efforts and we may try again to merge with other agencies.	forecast-based operations; and climate and snow pack
6) In view of developing the Strategic Plan, please take time to consider any elements of the mission that should be updated		
<p>Our mission, and highest priority to our customers, is to take all necessary actions to ensure the delivery of a reliable water supply of the highest quality at reasonable and equitable costs. As part of accomplishing our mission, we commit to working cooperatively with others on projects of mutual public benefit to achieve the greatest possible efficiency and effectiveness. We further commit to communicate what we are doing, and why we are doing it.</p>	<ul style="list-style-type: none"> • Disinterested in the posters and you can say what they want; if you don't have a plan and don't work the plan little good posters are; we need to live up to our mission • Get rid of all of them and have one Statement: the Bylaws of the Board and all combine all three of those things into one statement: This is our DECLARATION and these are the words we live by...a CONSTITUTION. • We have a small retail customer (Granite Bay); we sell to wholesale customers- ¾ of the water we produce from Folsom Lake that goes to our treatment plant to the pipes and gets sent to wholesale agencies; they have a different view; if you asked them what the mission would be, our customers may not share that view of the world....they created SJWD 50 years ago to build the WTP to distribute their water rights; They CREATED SJWD and their perspective is to give us our water as cheaply as you can and stay out of our business; they have their own plan for reliability; therefore –they don't now want to pay for value added. • I'm reading it and comfortable with what I read if it can be condensed or added I'm fine with that. • Mission is the 5 Directors 	<ul style="list-style-type: none"> • Staff reworked vision, mission and core values for consideration by Board.