Introduction

Welcome to Rancho California Water District’s (District) Strategic Plan. The District is a local, independent “Special District,” organized on August 16, 1965, under California Water District Law, Division 13 of the California Water Code to provide designated water services. The District’s seven-member Board of Directors (Board) is directly elected by the voters. The District’s responsible fiscal management and planning provide the financial means to ensure reliable water and wastewater system operations.

This Strategic Plan is a blueprint for how the District will respond to current challenges and make the best of future opportunities for the benefit of our customers. It reaffirms our vision, mission, and guiding principles as a special purpose public agency dedicated to high-quality water, wastewater, and recycled water service. It establishes approaches for the preservation of our precious resources for future generations, utilizing the principles of sustainability and prudent fiscal practices. It also outlines the specific strategies and measurable objectives we will pursue.

The plan was developed through a collaborative process with management and staff and approved by the Board of Directors on December 8, 2016.

The plan succinctly defines five guiding principles/commitments for the District related to: Reliability, Quality, Stewardship, Sustainability, and Customer and Community. Our Board actions will consistently support these commitments and we will track our progress against this plan, revisiting the plan regularly to adjust as conditions warrant.
The Strategic Planning Process

A strategic planning process has been in place for a number of years. The plan is reviewed periodically to ensure the significant water resource, financial, and other challenges are considered in the District’s strategies and objectives.

In recent years, the District has shifted from a high growth community where facility expansion dominated the activities to a slower growth environment where the need to maintain and optimize existing assets predominates. Within this context, there are several important initiatives for the District in the coming years. These initiatives include enhancing the water supply portfolio, continuing to encourage water use efficiency, making organizational enhancements to improve efficiency and manage costs, and optimizing the Vail Lake assets. Each of these is briefly discussed below.

1. Enhance the RCWD water supply portfolio

Significant changes affecting water supply have occurred in the last decade, including expanded state requirements for conservation, climate change considerations, rate structure changes, rising imported water costs, the Governor’s California Water Action Plan, and Vail property acquisition. Enhancing water supply reliability to continue to support economic development and the quality of life of the region will remain an important priority for the District. In addition, the District overlies a productive groundwater basin, the expanded use of which would add significant water reliability to the service area. This will require the rehabilitation of old wells and drilling of new wells.

Opportunities also exist to expand recycled water use. Optimal use of the groundwater basin and recycled water may require a brine management strategy. Additionally, the water quality of the groundwater basin must be protected in order to realize the full economic benefit of potential increased use of this critical local resource.

2. Water Use Efficiency

Current and future droughts will challenge the District on the water supply, finance, and public outreach fronts. The 2016 Governor’s Executive Order “builds on temporary statewide emergency water restrictions to establish longer-term water conservation measures, including permanent monthly water use reporting, new permanent water use standards in California communities, and bans on clearly wasteful practices such as hosing off sidewalks,
 driveways, and other hardscapes.” The Executive Order is consistent with the 2014 California Water Action Plan, which furthers implementation of California’s Climate Change Scoping Plan for reducing greenhouse gas emissions.

The order underscores the importance of continued implementation of the District’s Water Shortage Contingency Plan, the Water Use Efficiency Program, and the Drought Communications Plan.

3. Implement Organizational Enhancements

Transferring institutional knowledge to ensure that appropriate skill sets are retained and enhanced as the baby boomers retire is a challenge facing all water utilities. The skills the District needs to be successful in the future are also changing. Ensuring the District develops and retains these skills in a competitive job market will be critical. There is also a need to develop and implement improved employee communication to enhance workforce knowledge and engagement.

It is important for the District to continue to be effective and efficient stewards of the public resources entrusted to it. This initiative emphasizes the need to proactively examine opportunities to improve services and efficiency, recognizing the District's growing emphasis on operations and maintenance. Refinement and tracking of metrics to ensure accountability will be continued and optimized.

4. Vail Property Integration

The District’s recent acquisition of the Vail property presents a variety of opportunities and challenges. Completion of planning for the Vail property will help guide the District in optimizing the water resource and economic benefits of this important District asset.

District Vision

The Vision statement represents the aspiration of the District as follows:

“Rancho California Water District is an innovative, responsive, and prudent steward of the water and water recycling service responsibility entrusted to it.”
District Mission

The District has established the following mission statement to guide decision making on behalf of the customers and communities we serve:

“The mission of the Rancho California Water District is to deliver reliable, high-quality water and reclamation services to its customers and communities in a prudent and sustainable manner.”

Values

The District’s core organizational values are as follows:

Serving Our Customers with Vision, Confidence, and PRIDE!

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<tbody>
<tr>
<td>Professionalism</td>
<td>Responsibility</td>
<td>Integrity &amp; Ethics</td>
<td>Dedication</td>
<td>Equality &amp; Fairness</td>
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We are committed to our responsibilities to serve our customers and have a passion for creative and collaborative solutions. We take on big challenges and pride ourselves on seeing them through. We value recognizing our efforts and sharing our successes. We hold ourselves accountable to our customers, communities, stakeholders, and employees by honoring our commitments, providing results, and striving for the highest quality.

The goal of this effort is not simply to state our organizational values, but to develop a shared culture where these values drive our actions – towards our fellow employees, our customers, and our community.
Guiding Principles

These five principles represent the commitment statements for the District: **reliability, quality, stewardship, sustainability,** and **customer and community.** The District is committed to these principles to achieve our vision and mission.

<table>
<thead>
<tr>
<th><strong>Reliability</strong></th>
<th>The District will provide a level of water reliability that ensures customers’ water needs are met.</th>
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<tr>
<td><strong>Quality</strong></td>
<td>The District will provide safe water and high-quality services to its customers.</td>
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<td><strong>Stewardship</strong></td>
<td>The District will exercise good stewardship of financial and operating assets through use of sound, cost-effective business judgment.</td>
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<tr>
<td><strong>Sustainability</strong></td>
<td>The District will address, adopt, and implement policies that support the social, economic, and environmental values of the service area.</td>
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<tr>
<td><strong>Customer and Community</strong></td>
<td>The District will inform and engage its customers and community leaders as it pursues reliable, high quality, and sustainable water supply.</td>
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Strategy 1 – Develop appropriate water resource mix to meet the water reliability needs of the community we serve

Objective 1: Update and implement the District's Water Resource Management Strategy, monitor current resources and economic trends, and update the strategy, as required

Objective 2: Track opportunities for water transfers and exchanges

Objective 3: Maintain resource-planning tools and models to support water resource planning

Objective 4: Modify capital program to reflect updated water supply portfolio

Objective 5: Work jointly with Riverside County Flood Control to assess the potential for storm water capture to augment local water supply

Objective 6: Improve implementation of the Cooperative Water Resources Management Agreement with Camp Pendleton

Strategy 2 – Optimize the use of recycled water in the service area

Objective 1: Develop the Recycled Water Resource Plan, including a brine management strategy, as required

Objective 2: Process onsite recycled water conversions

Objective 3: Coordinate recycled service opportunities with area agencies

Objective 4: Research and pursue opportunities to obtain access to additional recycled water where it aligns with the Recycled Water Resource Plan

Strategy 3 – Develop and implement a comprehensive groundwater management strategy

Objective 1: Monitor implementation of Riverside County’s Local Agency Management Plan

Objective 2: Conduct additional basin modeling, as needed

Objective 3: Continue to implement groundwater conjunctive use project

Objective 4: Continue development and implementation of the asset management plan and land acquisition plans for rehabilitating/replacing wells

Guiding Principle 1: Reliability

The District will provide a level of water reliability that ensures customers’ water needs are met.
Strategy 4 – Engage on statewide water policy issues

Objective 1: Track and engage on regulations and legislation that affects the District
Objective 2: Engage on statewide conservation requirements
Objective 3: Track and engage on Metropolitan Water District of Southern California (MWD) fixed treatment charges
Objective 4: Track and engage on state policies regarding water rates

Strategy 5 – Respond to anticipated near-term water shortages through rate structure modification, conservation assistance, customer service, and outreach

Objective 1: Monitor and modify the Water Shortage Contingency Plan, as required
Objective 2: Continue local messaging and outreach in anticipation of water supply constraints
Objective 3: Review and modify, as appropriate, the agricultural and commercial rate structure to manage demands and improve cost recovery
Objective 4: Review and modify, as appropriate, the recycled water rate to improve cost recovery and optimize recycled water use

Guiding Principle 2: Quality

The District will provide safe water and high-quality services to its customers.

Strategy 1 – Provide safe drinking water to our customers by ensuring all current and anticipated drinking water regulations are met or surpassed

Objective 1: Meet all standards 100 percent of the time

Strategy 2 – Anticipate and comply with regulatory and environmental changes

Objective 1: Continue to meet regulatory requirements water/wastewater/environmental/security
Objective 2: Evaluate impact of potential changes in water quality regulations on District well production and cost of operations
Objective 3: Track regulation development and engage where appropriate

Strategy 3 – Address planning for long-term salinity management/nutrient management

Objective 1: Implement the Salt Nutrient Management Plan with regional partners
**Guiding Principle 3: Stewardship**
The District will exercise good stewardship of financial and operating assets through use of sound, cost-effective business judgment.

### Strategy 1 – Plan and prepare for catastrophic emergencies

<table>
<thead>
<tr>
<th>Objective</th>
<th>Details</th>
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<tbody>
<tr>
<td>1</td>
<td>Conduct annual joint agency emergency response drill</td>
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<td>2</td>
<td>Conduct annual NIMSCAST. Report RCWD compliance with the National Incident Management System</td>
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<td>3</td>
<td>Conduct RCWD Emergency Operations Plan training &amp;/or exercise annually and implement lessons learned</td>
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<td>4</td>
<td>Assess business resumption capability</td>
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### Strategy 2 – Research and analyze beneficial outside service agreements

<table>
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<th>Objective</th>
<th>Details</th>
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<tbody>
<tr>
<td>1</td>
<td>Evaluate potential service agreement for Western Municipal Water District (WMWD) retail service area (Murrieta)</td>
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<td>2</td>
<td>Evaluate providing sewer collection maintenance services to adjacent areas</td>
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### Strategy 3 – Optimize real estate management (acquisition and use)

<table>
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<th>Objective</th>
<th>Details</th>
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<tr>
<td>1</td>
<td>Assess real estate holdings and identify surplus properties (if any) for disposal and redeployment of capital proceeds</td>
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### Strategy 4 – Maximize outside funding opportunities

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<th>Objective</th>
<th>Details</th>
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<tbody>
<tr>
<td>1</td>
<td>Complete Proposition 1 Integrated Regional Water Management and other state/local grants</td>
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<tr>
<td>2</td>
<td>Track and report grant opportunities/wins</td>
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<tr>
<td>3</td>
<td>Track and pursue federal funding opportunities</td>
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<td>4</td>
<td>Assess funding opportunities for Vail Dam rehabilitation project</td>
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### Strategy 5 – Maintain, implement, and enhance the long-range financial plan

<table>
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<tr>
<th>Objective</th>
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<tbody>
<tr>
<td>1</td>
<td>Annually develop a 5-year Capital Improvement Plan</td>
</tr>
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<td>2</td>
<td>Coordinate with Eastern Municipal Water District (EMWD) and WMWD on MWD rate issues</td>
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<td>3</td>
<td>Update the Cash Reserve Policy and achieve cash reserve and revenue levels</td>
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<td>4</td>
<td>Review budget-based tiered rate model and cost allocations to tiers</td>
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<tr>
<td>5</td>
<td>Prepare an annual update to the Long-Range Financial Plan</td>
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<tr>
<td>6</td>
<td>Annually update financial policies</td>
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<tr>
<td>7</td>
<td>Conduct an annual credit rating review process</td>
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<td>8</td>
<td>Maintain a minimum of AA+/Aa1 rating</td>
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Objective 9: Assess and develop strategy for long-term financial sustainability of the Santa Rosa Division

**Strategy 6 – Implement long-term plan for wastewater treatment**

Objective 1: Work with the Joint Powers Authority (JPA) to initiate and complete rehabilitation of the Santa Rosa Water Reclamation Facility (SRWRF)
Objective 2: Obtain financing for the Santa Rosa Regional Resources Authority
Objective 3: Administer the JPA

**Strategy 7 – Pursue maintenance on existing facilities that meet or exceed industry norms**

Objective 1: Continue development and implementation of the Asset Management Plan (AMP)
Objective 2: Improve communication of the AMP, including timelines for implementation
Objective 3: Utilize and enhance a Computerized Maintenance Management System (CMMS)
Objective 4: Evaluate “level of service” maintenance standards
Objective 5: Evaluate and optimize maintenance workflow practices
Objective 6: Complete condition assessment of key District assets
Objective 7: Rehabilitate wells to restore system capacity
Objective 8: Report water losses per state requirements and develop and implement plan to reduce water losses

**Strategy 8 – Improve organizational effectiveness**

Objective 1: Further use of organizational performance measurement/management (including Effective Utility Management [EUM])
Objective 2: Implement remaining Track 3 items of Enterprise Resource Planning (ERP) – Document Management and Performance Management
Objective 3: Develop a dashboard tool to better communicate activities to the Board and staff
Objective 4: Refresh and implement Geographic Information System (GIS) Master Plan
Objective 5: Examine vacancies to determine optimum staffing levels
Objective 6: Conduct post technology implementation audits to determine value provided
Objective 7: Track and evaluate overtime trends and reduce
Objective 8: Improve internal communications to enhance staff awareness and engagement in strategic planning and other District issues
Objective 9: Continue to set and communicate performance metrics to all employees
Objective 10: Provide appropriate education & safety-related training for all employees
Objective 11: Review District website for additional customer functionality opportunities
Objective 12: Update the Information Technology Master Plan
Objective 13: More fully leverage MyWaterTracker website and the consumption data
Objective 14: Explore opportunities to gain purchasing efficiencies
Objective 15: Explore development of a formal innovation program

**Strategy 9 – Promote an open and professional work environment**

Objective 1: Reinforce partnerships with the bargaining units to promote a spirit of cooperation, respect, and trust
Objective 2: Promote the District value statement – “PRIDE”
Objective 3: Proactively address appropriate policy and process changes
Objective 4: Proactively and collaboratively address grievances
Objective 5: Provide cooperative cross-functional problem-solving opportunities
Objective 6: Complete new contract negotiations
Objective 7: Review and update Standard Operating Procedures

**Strategy 10 – Attract, retain, and develop quality staff**

Objective 1: Maintain appropriate compensation & benefits package
Objective 2: Optimize human resources of the organization through involvement & empowerment
Objective 3: Conduct annual performance management and evaluation
Objective 4: Complete and implement a succession plan (including cross-training, mentoring plan, employee training programs, etc.)
Objective 5: Track attrition and causes
Objective 6: Review and update job descriptions
The District will address, adopt, and implement policies that support the social, economic, and environmental values of the service area.

**Strategy 1 – Implement effective water use efficiency (conservation) plan that meets or exceeds voluntary best management practices and/or legislative requirements**

Objective 1: Complete 2020 Urban Water Management Plan/Agricultural Water Plan
Objective 2: Provide customer information and assistance – water use efficiency evaluations
Objective 3: Target Demonstration Efforts – Partner with local Homeowners’ Associations to promote and encourage sound water use through efficient irrigation and plant materials
Objective 4: Implement Crop Swap Program
Objective 5: Conduct research projects to demonstrate new irrigation efficiency techniques and technologies
Objective 6: Implement water use efficiency programs for all customer classes
Objective 7: Comply with current and new state-mandated water use reductions
Objective 8: Provide customer information and assistance – workshops and information

**Strategy 2 – Optimize the Vail Lake properties asset**

Objective 1: Conduct a land use economic analysis
Objective 2: Prepare a plan for Vail property optimization
Objective 3: Evaluate development of a riparian mitigation land bank
Objective 4: Discuss Vail Lake water resource development opportunities with stakeholders

**Strategy 3 – Optimize partnerships with neighboring public agencies**

Objective 1: Partner with EMWD, WMWD, and MWD (and others) to offer conservation programs to District customers
Objective 2: Work with Cities of Temecula and Murrieta and County of Riverside to pursue sustainability initiatives where practical
Objective 3: Work with local school boards to communicate key water messages
Objective 4: Work with local water agencies, Association of California Water Agencies, California Association of Sanitation Agencies, and others to track and comment on state legislative proposals that may impact the District and its customers
**Strategy 4 – Optimize energy efficiencies, including the economically appropriate use of renewable power**

Objective 1: Evaluate and implement energy-efficient systems

Objective 2: Evaluate and implement alternative energy opportunities

Objective 3: Utilize new Supervisory Control and Data Acquisition (SCADA) system to achieve greater energy optimization

Objective 4: Monitor changes in energy regulations and rates

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**Guiding Principle 5: Customer and Community**

The District will inform and engage its customers and community leaders as it pursues reliable, high quality, and sustainable water supply.

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**Strategy 1 – Communicate with and engage our community on water matters of importance to the region**

Objective 1: Continue to provide informative articles in water bill mailer, social media, newsletter, newspaper, & other avenues

Objective 2: Conduct targeted outreach to customers who may be impacted by RCWD construction projects

Objective 3: Communicate strategic progress to stakeholders

Objective 4: Brief key stakeholders on water supply challenges (including the California Water Fix) & need for their support for solutions in Sacramento

Objective 5: Brief chambers of commerce & other local business groups on water supply challenges and issues

Objective 6: Brief editorial boards of local newspapers on current water supply challenges

Objective 7: Assess opportunities to increase customer awareness of imported water supply conditions

Objective 8: Meet educational water efficiency Best Management Practices (BMP) through school educational programs

Objective 9: Meet and brief city councils to leverage televised broadcasts to convey water issue information
**Strategy 2 – Provide prompt responses and cost-effective customer service**

Objective 1: Track customer service response performance

Objective 2: Conduct benchmarking to measure comparative performance

**Strategy 3 – Minimize complaints on quality, reliability, billing, and customer service**

Objective 1: Track and analyze customer complaints

Objective 2: Incorporate the findings into revised customer service policies/standards

**Strategy 4 – Provide staff support for the Board of Directors**

Objective 1: Prepare adequate and timely information to support sound policy decisions by the Board

Objective 2: Conduct a Board strategic workshop to improve board/staff interactions/policy deliberations

Objective 3: Evaluate establishing a secure Board portal for document access

Objective 4: Conduct Director tours of facilities

Objective 5: Improve new Director “on-boarding” process

Objective 6: Develop a scorecard to convey key progress to the Board
In order to track our progress towards the Strategic Objectives, management maintains a Strategic Business Plan Scorecard that includes targeted activities, priority level, a brief description of the objective or activity, current status, responsible lead or manager, and performance metric. In addition, performance measurement indicators have been developed to make judgments about the effectiveness and efficiency of our operations as well as to drive improvements, which successfully translate our strategies into action. A measurement system services many vital purposes, including focusing attention on key issues, clarifying expectations, facilitating decision-making, and, most importantly, learning and improving.