

March 19, 2021

AGENDA ITEM 3: STRATEGIC PLAN PRIORITIZATION

BACKGROUND:

The purpose of the Special Board Meeting is to consider and affirm the proposed Strategic Plan priorities from staff and to provide input on components of the Fiscal Year 2021-22 budget. Staff is preparing the budget and will be presenting it to the Executive Committee on April 28th for consideration and to the Board of Directors on May 6th for consideration and approval.

Due to the COVID-19 crisis, expenses are trending below budget because certain activities have been curtailed such as travel, in person board meetings, etc. Staff estimates perhaps up to \$75,000 in FY21 savings. This is a preliminary estimate. These savings have been rolled forward to FY22 to be applied to planned expenditure increases in staffing expenses in order to keep member dues at or near to a zero percent increase. The related budget requests listed in the Strategic Plan objectives and sub-objectives below have not been incorporated into preliminary FY22 budget.

Attached to this staff report is a matrix of the Strategic Plan objectives and sub-objectives. The matrix includes several columns as follows:

- Status: this indicates how the sub-objective is progressing with a colored circle or dot. A green dot suggests it is progressing well, yellow suggests it is lagging, red suggests it is not proceeding and gray means it is an objective that is being deferred.
- Member Volunteer Labor: This column indicates if there is an expectation of volunteer labor from member agencies.
- Core or Subscription: This column indicates if a sub-objective is a core program or subscription program.
- **Proposed Priority: This is the staff proposed priority that the Board of Directors will affirm or modify during the Special Board Meeting.**
- Consultant or Other Resources: This column indicates if consulting services will be needed to execute the sub-objective.
- Timing of Major Initiatives: Some sub-objectives result in the production of an item (Example: producing an environmental document for the Water Bank.) Other sub-objectives are continuously performed, referred to as “evergreen” for the purpose of prioritization (Example: legislative advocacy). The column will include information on the timing of certain items.

It should be noted that the Strategic Plan is a five-year plan, and it will take time to complete all of the objectives.

Planning Goal, Objective A, Sub-objectives 2 to 5: Relating to the Water Bank Development

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These sub-objectives relate to the development of the Water Bank. RWA staff are focusing on the completion of the North American Subbasin Groundwater Sustainability Plan (GSP) and will be for the next few months. This temporary prioritization of labor will mean some sub-objectives will not receive as much attention, including the water bank. However, staff will continue to make incremental progress on the water bank while the GSP is being prepared.

Planning Goal, Objective D, Sub-objective 1: Evaluate RWA staffing, operations, and financing models for opportunities to improve long-term organizational sustainability.

During the November 12, 2020 Board meeting, staff presented on items that would increase the effectiveness of the organization. These items included:

- Staffing
- Fee Structure
- Organizational Efficiency

The Fee Structure was addressed at the March 12th Board Meeting when the Board approved a new dues structure.

During the November 2020 Board Meeting, staff indicated that the organization could potentially gain efficiencies through a review of existing policies and procedures. Feedback from the Executive Committee was to examine RWA policies and processes by hiring a consultant. Staff would like feedback on this idea, and if so, what is the appropriate timing. Should it occur in FY 21-22 or a subsequent year? It is uncertain how much this would cost, but perhaps could be on the order of \$20,000 to \$30,000.

Implementation Goal, Objective A, sub-objective 3: Support programs that benefit from economies of scale in the areas of research, studies, planning, implementation, purchasing and resource sharing (e.g. Regional Aquifer Storage and Recovery (ASR) Information Study, Meter Asset Management and Chemical Purchasing Program).

There appears to be interest in a purchasing program to pool the members purchasing power and negotiate lower prices for goods and services. An ad hoc committee was formed last year and identified three areas where member agencies should consider jointly purchasing: service line materials, fire hydrants and water meter appurtenances.

In addition to providing support to the purchasing program above, a temporary staff person would be helpful with a number of administrative items that need to be addressed including records management, instituting filing protocols, and implementing new software systems for board agenda and packet assembly among other items.

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Staff would like feedback from the Board on the potential for hiring a temporary staffer to assist in moving these programs forward. Feedback would also be helpful as to whether this should be a core or subscription program or perhaps both.

The costs for a temporary staff person would be about \$58,000 per year if the individual worked half time. It is possible that the costs may be split with other programs that could utilize more staffing resources such as the meter collaborative, but more discussion on this is needed.

Communication Goals

The RWA Board authorized greater spending on communication last year. The FY 20-21 budget included \$90,000 for the communications consultant activities and this has improved the RWA Public Affairs Program significantly. Better communication between the organization and its members has occurred. We have improved information sharing. External communications have improved significantly as well. This is very important as we need to communicate our needs to external groups such as members and staff of the Legislature and Congress, regulators, State and Federal administration officials and other significant stakeholders. We are making significant strides in developing alliances with others, such as NGOs and other influencers.

While the communication program is increasingly successful, the budget is tight. For example, we recently lacked the funds to increase the awareness of an article on the "Supershed" by paying for increased placement on social media. We had to rely on the generosity of a member agency to pay for the placement. Likewise, we had to rely on the generosity of a member agency to help pay for focus group testing.

Staff recommends the communication consultant budget be increased to \$110,000 for fiscal year 2022.

Discussion: Jim Peifer, Executive Director

Action: Affirm the Strategic Plan Priorities for Fiscal Year 2021-22

Attachments:

Strategic Plan Matrix