

Staff Report

TO: Board of Directors
FROM: Jennifer Hanson, General Manager
DATE: October 9, 2024
SUBJECT: NID Strategic Plan Update and Planning For 2025

ADMINISTRATION

RECOMMENDATION:

Provide input on implementation of Board Strategic Priorities for 2025.

BACKGROUND:

On April 12, 2023, the board adopted a new Strategic Plan. The Strategic Plan identifies the actions for the next five years that have been deemed necessary to reliably meet the District's mission now and into the future. Prior to consideration of the Annual Budget, the Board should complete a review of the Strategic Plan and specifically the identified strategic priorities to inform the development of the Annual Budget for the next calendar year. Additionally, the Board will review the progress in completing the identified Strategic Priorities. Since the Strategic Plan was just adopted in April of 2023, many goals and objectives have been initiated but not completed.

The current Strategic Priorities are identified below:

1. Long-Term Infrastructure and Water Supply Reliability NID will plan and invest in infrastructure and water supply reliability to maintain and improve service levels and revenue.
2. Employee Engagement NID will prioritize and invest in our employees to attract and retain top talent and increase employee engagement.
3. Watershed Stewardship and Resiliency NID will protect and improve the quality and health of our watersheds and enhance our water supply.
4. Financial Sustainability NID will develop a sustainable financial model that manages and obtains funds necessary to ensure the long-term delivery of water.

5. Technology & Innovation Investments NID will integrate technology and data collection to increase efficiency, knowledge, and system security to decrease costs and increase production.

For each Strategic Priority an associated set of Goals and Objectives were also identified that assist the District with meeting each strategic priority. The attached spreadsheet identifies each Strategic Priorities goals, objectives and progress made to date. Additionally, any proposed changes to the stated goals or objectives are identified in the attached matrix.

The primary purpose of presenting this item is to receive input from the Board on staff's proposed workplan that informs the development of the Annual Budget for the next year.

BUDGETARY IMPACT:

Budgetary impacts are identified in the attached strategic goal matrix.

Attachments (1)

- Strategic Goal Implementation Matrix

Strategic Priority 1 - Long-Term Infrastructure and Water supply and Reliability
NID will plan and invest in infrastructure and water supply reliability to maintain and improve service levels and revenue.

Goal and Objectives	Progress	Budget Alignment	Proposed change
Goal 1: By end of FY 2025 Develop a five-year Treated Water Master Plan			
Evaluate regulations, consolidation, and replacement requirements for all treatment plants by end of 2023.	Initiated. Will go into the beginning of 2025. 5-Year CIP for Treated Water Plants Complete.	Budget will address through staffing. No additional resources needed.	Move end date to Q2 2025.
Develop repair and replacement plan for distribution system by end of 2024.	Initiated. 5-year CIP complete. Need to complete longer range CIP planning.	Budget for consultant resources will be included in 2025 Annual Budget.	Move end date to Q4 2025.
Identify annual revenue requirements to implement the Plan by end of 2025.	Initiated. 5-year CIP complete and rate process started. Need to complete longer range CIP planning.	Resources for Rate Study included in 2025 Annual Budget.	None
Include revenue requirements in rates on an ongoing basis.	Initiated.	Resources for Rate Study included in 2025 Annual Budget.	None
Goal 2: By end FY 2025, develop an updated Raw Water Master Plan			
Identify and plan for water supply reliability needs based on Plan for Water by end of 2024.	PFW complete. Will incorporate outcomes into Raw Water Master Plan. Initiated.	Budget for consultant resources will be included in 2025 Annual Budget.	None
Identify raw water measurement and monitoring tools and locations throughout the canal system by FY 2024.	Identifying two locations per year for automation. Remaining locations to be identified during development of Raw Water Master Plan.	Funding for automation of two locations includes in proposed budget.	End Date Change to end of 2025.
Develop metric analysis for canal improvement prioritization by canal by the end of 2024.	Not started.	Budget for staff resources included in 2025 Annual Budget.	End Date Change to end of 2025.
Identify 10-year project priorities by end of 2024.	5-year plan developed. Need to work on 10-year plan during raw water master plan.	Budget for staff resources included in 2025 Annual Budget.	End Date Change to end of 2025.
Update Raw Water Master Plan by end of 2025.	Initiated.	Funding included in 2025 Annual Budget	None
Develop implementation plan and revenue requirements for rates on an ongoing basis	Internal staff work Initiated. Public process for rates will be initiated in early 2025.	Funding included in 2025 Annual Budget	None
Goal 3: By end FY 2025, develop a Hydroelectric Master Plan			
South Yuba Canal Repair and Replacement Plan by end of 2024	Initiated. Focusing currently on 8.5 mile slide area and including systematic replacement of wooden trusses in 5-year CIP.	Budget for staff resources included in 2025 Annual Budget	Change to End of 2025
Update FERC Implementation Plan by end of 2025	Initiated. A review of 4E conditions is underway.	Resources for will be required for 2025 Annual Budget.	None
Dams/Plants/Canals Capital Requirements by end of 2024.	Initiated. 5-year CIP complete. Need to complete longer range CIP planning.	Budget for staff resources included in 2025 Annual Budget	Change to End of 2025
Develop Hydro Master Plan by end of 2025.	Not started.	Resources for will be required for 2025 Annual Budget.	Change end date to 2026.

Strategic Priority 2 - Employee Engagement
NID will prioritize and invest in our employees to attract and retain top talent and increase employee engagement.

Goal and Objectives	Progress	Budget Alignment	Proposed change
Goal 1: Every five years, review and update District job descriptions and classifications		Staff resources included in 2024 Budget.	None
First update of job descriptions and classifications due by end of 2024.	Not started.		
Develop internal promotion pathways for each job family by end of 2024	Started. Requires Meet and Confer with Union. Union coordination to be completed in 2025.	Staff resources included in 2025 Budget.	Modify completion date to 2025.
Develop 5-year staffing plan for each department by end of 2024.	Started. Should be completed in 2024.	None required for 2025.	None
	Started. Completion dependent of previous item being completed.	Staff resources included in 2024 Budget.	Modify completion date to 2025.
Goal 2: End FY 2026, develop Succession Plan			None
Based on five-year staffing plan, develop training program, and identify expenditures needs for implementation by end of 2025.	Not started.	Resources included in 2025 Annual Budget.	None
Develop formal succession plan by end of 2026.	Initiated.	Resources included in 2025 Annual Budget.	None
Investigate mentor program by end of 2023.	Initiated.	Staff resources included in 2024 Budget.	Modify completion date to 2025.
Goal 3: Increase Employee Engagement			
Complete survey one time per year starting 2023	2 surveys completed in 2024.	Ongoing staff resource commitment.	None
Develop employee engagement event calendar starting 2023.	Complete.	Ongoing staff resource commitment.	None
Revamp years of service recognition program by end of 2024.	In progress, being addressed through LIT.	Ongoing staff resource commitment.	None
Enhance employee recognition program by end of 2024.	In progress, being addressed through LIT.	Ongoing staff resource commitment.	None

Strategic Priority 3 - Watershed Stewardship and Resiliency
NID will protect and improve the quality and health of our watersheds and enhance our water supply

Objectives	Progress	Budget Alignment	Proposed change
Goal 1: Complete two watershed projects each year, addressing: improved forest health, decreased wildfire risk, and/or improved watershed or habitat health			
Identify criteria to prioritize treatment or enhancement areas by end of 2023.	In Progress	Needed staff resources included in annual budget	End date change to 2nd Quarter 2025.
	In Progress: English Meadow Restoration NEPA 3000 ac. Planning Upper Yuba Headwater 350ac thinning		
Develop list of project areas by end of 2024.	River Fire Remediation	Staff resources included in 2025 Budget.	None
Evaluate by prioritization criteria by end of 2025	In Progress	Staff resources included in 2025 Budget.	None
Goal 2: By end of 2024, develop districtwide Watershed/Forest Management Plan			
Prepare districtwide Watershed/Forest Management Plan by end of 2024.	In Progress	Staff resources included in 2025 Budget.	Change end date to Q4 2025.
Identify resources for implementation in 2025.	In Progress	Resources for will be required for 2025 Annual Budget.	None
	In progress - Grant Funding / District In-Kind and Match Funding depending on grant source	Resources for will be required for 2025 Annual Budget.	None
Identify funding requirements in 2025.			
Goal 3: Beginning in 2023, increase watershed and forest health awareness through two community education events per year			
	In progress - Ongoing Participation in Quarterly County Community Wildfire Events	Staff resources to be included on an ongoing basis in Annual Budget	None
Identify potential opportunities in the first quarter of each year on an ongoing basis.			
Goal 4: Beginning in 2023, write a minimum of two grant opportunities per year			
	In progress. Grant proposal submitted for coordination with USFS, SNC, WCB.	Staff resources to be included on an ongoing basis in Annual Budget	None
Participate in regional collaboration grant funding opportunities involving forest resiliency and watershed stewardship project implementation on an ongoing basis			
Identify potential grant opportunities in the first quarter of every year on an ongoing basis.	In progress	Staff resources to be included on an ongoing basis in Annual Budget	None
Select a minimum of two opportunities each year on an ongoing basis.	In progress	Staff resources to be included on an ongoing basis in Annual Budget	None
		Staff resources and consultant resources to be included on an ongoing basis in Annual Budget	
Prepare and submit grant applications on an ongoing basis.	In progress	Annual Budget	None

Strategic Priority 4 - Financial Sustainability

NID will develop a sustainable financial model that manages and obtains funds necessary to ensure the long-term delivery of water

Objectives	Progress	Budget Alignment	Proposed change
Goal 1: By end FY 2025, increase to recreation revenue			
Complete analysis by end of fourth quarter 2023 for full cost recovery rates that will be used as information only.	Complete	Staff resources included in 2024 Budget.	None
Present to Board reasonable five-year fee-based recovery plan by second quarter of 2024.	Complete	Staff resources included in 2024 Budget.	None
Present to Board prior to annual fee schedule update in fourth quarter of 2024	Complete	Staff resources included in 2024 Budget.	None
Goal 2: By end FY 2024, identify strategies for increasing non-rate payer revenue to fund projects (e.g., Grants, Hydro, Water Transfers)			
Complete research by end of 2023 for potential opportunities by department	In progress.	Staff resources included in 2024 Budget.	Change to ongoing.
Present a non-rate payer revenue plan to the Board findings by end of 2024.	Not started.	Staff resources included in 2024 Budget.	Change to end Q4 2025.
Goal 3: By end FY 2025, develop five-year Financial Plan, update annually			
Complete Fund 10 (water) and Fund 15 (water capital improvement) financial plan in 2023.	In progress.	Staff resources included in Annual Budget	Change to end Q4 2025.
Complete Fund 30 (recreation) and Fund 35 (recreation capital improvement) financial plan in 2024	In progress.	Staff resources included in Annual Budget	Change to end Q4 2025.
Complete Fund 50 (hydroelectric) and Plan 55 (hydro capital improvement) financial plan in 2025	In progress.	Staff resources included in Annual Budget	Change to end Q4 2025.
Goal 4: By end FY 2023, complete Prop. 218 process for five years of adequate rate increases to cover O&M costs			
Issue consultant contract in first quarter of 2023.	Complete	Resources were included in 2023 Annual Budget	None
Complete analysis third quarter of 2023	In progress	Resources included in 2025 Annual Budget.	Change to end Q4 2025.
Complete full rate study and public outreach by fourth quarter of 2023.	In progress	Resources included in 2025 Annual Budget.	Change to end Q4 2025.
Implement new rates in 2024.	Not started.	Resources included in 2025 Annual Budget.	None
Goal 5: By end FY 2024, develop a sustainable program to pay off CAL PERS UAL and OPEB Liabilities			
Complete new OPEB Actuarial Study in second quarter of 2023.	Complete	Resources were included in 2023 Annual Budget	End date change to fourth quarter 2024.
Obtain actuarial study for PERS UAL third quarter of 2023.	Complete	Resources were included in 2023 Annual Budget	End date change to fourth quarter 2024.
Present findings to Board fourth quarter of 2023	Complete	Resources were included in 2023 Annual Budget	None
Develop long-term plan to pay off by end of 2024.	Initiated.	Resources to be included in 2024 Annual Budget	Change to end Q2 2025.

Strategic Priority 5 - Technology and Innovation Investments

NID will integrate technology and data collection to increase efficiency, knowledge, and system security to decrease costs and increase productivity

Objectives	Progress	Budget Alignment	Proposed change
Goal 1: By end FY 2023, develop district-wide IT/OT Master Plan			
Issue an RFP for consultant to analyze current systems, outline steps to implement a master plan considering IT/OT protocols including cyber security, data integration, network oversight and SCADA development by end of 2023.	Complete	Resources included in 2025 Annual Budget.	None.
Complete systems analysis and recommendations by end of 2024.	On schedule.	Resources included in 2025 Annual Budget.	None.
Present findings to Board first quarter of 2025.	Not started.	Resources need to be included in 2025 Annual Budget.	None.
Begin implementation of plan in of 2025.	Not started.	Resources need to be included in 2025 Annual Budget.	None.
Goal 2: By end FY 2026, implement CMMS and ERP Systems			
Complete upgrade to cloud-based central square by second quarter of 2023.	Complete	Resources were included in 2023 Annual Budget	None.
Initiate Tyler upgrade third quarter of 2024.	Initiated.	Resources included in 2025 Annual Budget.	None.
Complete Tyler transition by third quarter of 2025.	Started	Resources need to be included in 2024 and 2025 Annual Budget.	Move end date to January 1, 2026 to align with fiscal year.
Evaluate options for CMMS by third quarter of 2023.	Complete.	Will utilized Tyler's CMMS.	None.
Develop CMMS implementation strategy first quarter of 2024.	Not started.	Resources included in 2025 Annual Budget.	Move to end of 2026.
Implement new CMMS during 2025.	Not started.	Resources included in 2025 Annual Budget.	Move to end of 2026.