

State of the District

| | | 2023 | 2024 |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|
| 1. PRE-EXISTING ORGANIZATIONAL ISSUES | | | |
| a. | UNFINISHED/UNRESOLVED REPORTING REQUIREMENTS/ISSUES | | |
| | i. Grand Jury Report/Responses | Incomplete | Completed |
| | ii. Unclosed Prior Fiscal Years | | |
| | 20-21 | Incomplete | Completed |
| | 21-22 | Incomplete | ReBuilt; in Process |
| | 22-23 | Incomplete | ReBuilt; in Process |
| | 23-24 | n/a | ReBuilt; in Process |
| | iii. Overdue Annual Financial Audits | | |
| | 20-21 | Incomplete | Completed |
| | 21-22 | Incomplete | ReBuilt; in Process |
| | 22-23 | Incomplete | ReBuilt; in Process |
| | 23-24 | n/a | ReBuilt; in Process |
| | iv. Overdue State Controller's Office Financial Transactions (FTR) Report (originally due in January 2023) | Incomplete | Completed, fully compliant |
| | v. Overdue State Controller's Office Government Compensation Report (originally due April 2023) | Incomplete | Completed, fully compliant |
| | vi. Overdue GASB 75 Reporting (2021) | Incomplete | Completed, fully compliant |
| | vii. Non Compliant PERS Hire (Retired Annuitant appointment; violation expanded on 9/29/23) | Incomplete | Successfully Resolved 1/7/24 |
| b. | POOR CUSTOMER SERVICE/COMMUNICATION | | |
| | i. Unhappy Customers: Billing Issues | Daily: 10-12 complaints | Monthly: 10-12 complaints |
| | ii. Unhappy Customers: smelly ponds/ditches | Basin 5 aerators not functioning; Chesbro V-Ditch not being cleaned | Quarterly Ditch Cleaning reinstated; Aerators restored to running |
| | iii. Unhappy Customers: rate increases and general lack of trust | Denied; low trust | Approved; better trust |
| | iv. Unhappy Customers: PRA requests | Over 100 | 16 in 2024 |
| | v. Unhappy Customers: Not being heard - Murieta Gardens' cameras, slow/insufficient response to | District non-responsive | <i>subjective:</i> District more responsive |
| | vi. No ability to communicate directly with customers other than through monthly bill/ <i>Pipeline</i> | Customer contact info incomplete | <i>More customer emails collected; still an issue</i> |
| | vii. Flawed systems: tedious/error-prone manual check entries | Time-consuming manual process | 2/24 Automatic check scanning implemented |
| | viii. Staff's Lack of Training and desk manuals for processes and procedures | Untrained Admin Staff; little documentation | Trained, policies and procedures in writing |

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| | ix. Staff's lack of customer service basics: de-escalation, courtesy, approaches for resolution | Untrained Admin Staff; little experience | Trainings held, Expectations established; Better outcomes |
| | x. Staff's uncertainty with the new UB system | Untrained Admin Staff | BetterTrained |
| | c. STAFF LIMITATIONS AND INSTABILITY | | |
| | i. Revolving Door - difficulty retaining staff | High Turnover | Fully Staffed except for new patrol officer position |
| | ii. General Morale Issues: Concern and worry among security staff regarding their future given budget reductions; anxiety among the rest of the staff regarding prior office culture. | Low Morale, Distrustful, Worried | Varies by unit: Ops: process, equipment and mgmt. needs identified; new strong leadership in place; Admin: Significantly Improved; processes and mgmt highly reliable; Security: job security a concern due to 2% cap, but new plan underway that is reassuring |
| | iii. Insufficient Training and Direction/Clarity regarding roles | Untrained Admin Staff | Admin Staff Much BetterTrained |
| | iv. Limited supervisory experience/ understanding of necessity of addressing behavior/performance issues directly. Result: loss of highly skilled female water operator due to poor behavior of another ee. Weak Management in Operations' staff; Poor responses to hostile work environment created for District's only female employee; Inadequate documentation re behavior/performance issues; | Gaps | Strong management team in place |
| | v. Poor recordkeeping in general | Gaps | clearer shared drive; rebuilding historic development connection fee data |
| | vi. Payroll Management Issues: | | |
| | * No supporting documentation or reconciliations of payments to benefits providers (insurers, deferred compensation investments, CalPERS, etc. | Gaps | Strong Paper Trail and Reconciliations |
| | * Late or inaccurate submissions to PERS resulting in \$400 fines for corrections | Late Fees | Timely submissions to PERS |
| | * Paying Union dues for terminated employees or employees no longer in the union; | Mispayments | Strong union tracking system |
| | * Incorrect designations of employee payments as pensionable (overtime, etc.) | Incorrect Designations | Correct Designations |
| | * Incorrect calculations of Leave Credits | Misapplication of Rates | Accurate Leave Credits |

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| d. LEARNING CURVES | | | | | |
| | i. Getting familiar with underlying contracts/FSAs/MOU and OPEB obligations | | | Lots of new information | Very Familiar with legal agreements |
| | ii. Meeting Water Leaders: RWA/Sloughhouse | | | Lots of new contacts | Strong relationships with water leaders |
| | iii. Learning about District and CA surface/groundwater resources and risks | | | Complex, new information | Complex, gaining understanding |
| | iv. Getting up to speed on the IWMP history, scope, and community concerns | | | Complex, new information | Complex, gaining understanding |
| 2. PROGRESS and NEW INITIATIVES | | | | | |
| a. Addressing Unfinished/Unresolved Requirements/Issues | | | | | |
| | See items 1 (a) (i) through 1 (a) (vi) above | | | Incomplete | Complete/ReBuilt/In Process |
| b. Improving Customer Service | | | | | |
| | i. Transitioning to new billing website | | | Underway | Complete |
| | ii. Transitioning customers to automated ACH payment of their bills; | | | Limited acceptance | Limited acceptance |
| | iii. Launching new credit card service | | | Incomplete | Complete |
| | iv. Held training sessions for customers and staff | | | Sparsely Attended | Sparsely Attended |
| | v. Evaluated and redesigned Customer billing statements (October 2023) | | | Completed | n/a |
| | vi. Established the Message from the GM article in the Pipeline | | | Monthly | Monthly |
| | vii. Meeting community leaders to understand their concerns/build rapport (RMA, Kiwanis, SummerFest organizers, Murieta Gardens Board, Postmaster, etc. | | | Ongoing | Ongoing |
| | ix. Developing email communication capacity | | | Limited acceptance | Limited acceptance |
| c. Improving Staff Capacity | | | | | |
| | i. Building Trust and rapport with staff | | | In Process | Strong |
| | ii. Developing a team approach | | | In Process | Strong |
| | iii. Evaluating staffing | | | In Process | Strong |
| | iv. Bringing on Payroll/HR Professionals (RA, Part-Time staff) | | | In Process | Strong |
| | v. Setting Expectations | | | In Process | Strong |
| | vi. Modeling professional behavior | | | In Process | Strong |
| | vii. Reorganized Administration Leadership and recruited for New Director of Finance and Administration (Mark Matulich starts on 10/30/23) | | | In Process | Strong |

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| | | vii. Updating/Improving Data Management through centralized databases for PRA Requests, Contracts, Invoices, Checks, Assets, Employees, Leave Credits, Financial resources/investments, Customer account info: emails/cell phones/communication logs, customer rates, chart of accounts, APNs, Easements, Deeds of Trust, etc. | In Process | Strong |
| | | iv. Strengthening Overall Financial Position | | |
| | | *Streamlining financial info to facilitate better recordkeeping and reconciliations | Ongoing | Ongoing |
| | | * Ensuring smart use of financial resources; Removing unnecessary items of expense | Ongoing | Ongoing |
| | | * Improving internal control by requiring separation of duties (Requestor/Approver not same employee) | Ongoing | Ongoing |
| | | * Consolidating positions (Director of Admin and Accounting Manager positions) | Ongoing | Ongoing |
| | | * Reinitiating Financial Reporting at a high level and working toward a more granular (fund/enterprise-based level of financial reporting) | Gaps | Monthly close procedures and Quarterly Reporting In place |
| | | * Identifying and eliminating unused and outdated but costly monthly software products | Many unused products identified | Several unused products eliminated (Global Search, working on comprehensive financial system) |
| | | * Finding Cheaper Options for telephone and internet services | AT&T contract for analog lines and internet | AT&T contract for analog lines and internet |
| | | Applying Document Retention Policies rather than paying for additional storage | Mini Modular Storage removed | New Record Retention Policy in place |
| | | Evaluating better and more cost-effective IT service options | Gaps | IT Manager hired; building a stronger network |
| | | v. Addressing Physical Plant Issues | | |
| | | * Security | Replaced metal keys with electronic | Replaced metal keys with electronic |
| | | * ADA Compliance | Gaps | Provided wheelchair accessible customer service counter |
| | | * Work Spaces (clean, well-lit, functional) | Gaps | Refreshed Reception/ Customer Service Center; added secure storage and functional works surfaces |

| SWOT Analysis - 2023 | | | | | | SWOT Analysis - 2024 | | | | | |
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| <p>•Strengths – Sustainable water delivery and usage model, strong operational knowledge among water staff, good cooperation among RMA and RMCC</p> | | | | | | <p>STRENGTHS: Capable staff (GM, Director of Finance and Administration, Director of Operations, Chief Plant Officer, Board Secretary, Security team); Positive Attitudes; Progress on Audits, closure of lawsuits, Greater Stability</p> | | | | | |
| <p>•Weaknesses--Poor reputation among community re billing, communication, weed abatement and stagnant ponds; Manual check collection/data entry is slow/prone to user error; High administrative costs leading to diminished resources for direct services</p> | | | | | | <p>WEAKNESSES: Limited financial reserves, aging infrastructure</p> | | | | | |
| <p>•Opportunities--Expanding communication capacity by gathering emails/cell phones of customers; Install check scanner to speed up process/reduce errors; Encouraging residents to transition to automatic electronic billing; Encouraging residents to use the new billing portal to see their bills and payments; Reduce admin costs; and re-evaluate admin cost distribution;</p> | | | | | | <p>OPPORTUNITIES: Establish/implement fiscal processes and procedures and regain a sound footing; evaluate and implement a comprehensive financial management system; Improve Physical Plant: Address Hazardous Chem Farm tanks/use of hazardous materials; Review and Strategically cut unnecessary software/external systems</p> | | | | | |
| <p>•Threats-- Unclear financial picture due to lag in audits; Lack of clarity regarding future infrastructure needs/costs and impact on rates; Increasing chemical and electricity costs</p> | | | | | | <p>THREATS: Future infrastructure replacement costs; Increasing chemical and electricity costs;</p> | | | | | |

The Future - 2023

The organization is becoming **more stable** and the emergence of issues stemming from prior omissions and errors is slowing down.

Significant work remains, but strong team members are excited to make positive changes and bring the organization forward.

I foresee a **strong transformation** within the next six months as our audit work moves toward being current, our internal processes and procedures become formalized, our data management gets established, and our communication improves.

The Future-2024

The organization is becoming **more stable** and the emergence of issues stemming from prior omissions and errors is slowing down.

Significant work remains, but strong team members continue to make positive changes to advance the mission of the organization.

I foresee a **completely transformed organization by Fall of 2025** as our audit work comes current, a new ERP is in place, and staff works to optimize recycled water usage.

Streamlined Strategic Plan for Rancho Murieta Community Services District

District Mission (proposed revamp for greater clarity)

The mission of Rancho Murieta Community Services District is to enhance the quality of life of the members of the Rancho Murieta community.

The District treats and delivers safe drinking water, prevents flooding through effective drainage, manages wastewater, removes solid waste, and provides security.

District Vision (new)

Maintain the unique qualities of life in Rancho Murieta while planning for long term infrastructure replacements, climate change impacts, and improved self-sufficiency and sustainability.

Internal Goals

- I1. Increase overall Sustainability through self-generated power and increased water storage;
- I2. Develop an asset management plan to prioritize critical infrastructure replacement;
- I3. Become current with financial reporting and annual audits; and
- I4. Eliminate billing delays, omissions, and errors

External Goals

- E1. Strengthen overall community safety and security through increased use of technology, community awareness and coordination;
- E2. Improve District's reputation for excellence and integrity in the community;
- E3. Transition all customers to automated bill payment.

Strategic Planning provides:

Direction/Measurable Goals that guide day-to-day decisions and provide a framework for evaluating progress and making needed course corrections.

Operational Efficiency by providing the basis for all management decisions, reducing the potential for wasted resources, missteps, and inefficiencies.

Future Focus by helping to forecast potential opportunities and threats.

And enables:

Improved Decision Making by aligning decisions with the District's mission, vision, and strategic objectives thereby ensuring that all actions and initiatives are driving the District towards its defined goals.

Better Resource Management by allocating resources and prioritizing District efforts, focusing on the activities that will have the most significant impact on achieving the District's strategic goals.

Increased Operational Efficiency by providing a roadmap for all activities thereby reducing ambiguity, promoting alignment, and ensuring that all efforts are coordinated and pointed in the same direction.

Streamlining the creation, management, and tracking of a strategic plan will allow the District to focus more on execution and less on administration, ultimately leading to more effective strategy implementation and better results