

<b>DISTRICT PRIORITY 3</b>	<b>Fiscal Management</b>																			
<b>GOAL 1</b>	Maintain rates that are equitable and support necessary operations, debt service, and approved capital projects [On-going]																		Cortner	

<b>INITIATIVE 1</b>	<b>Water &amp; Wastewater Facilities Master Plan</b>																		Gross	
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ACTION STEPS		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
1	Develop RFP for Master Plan update		X	X																															
2	Distribute RFP to consultants			X																															
3	Consultant proposals due			X																															
4	Review consultant proposals			X																															
5	Award consultant contract			X																															
6	Update master plans				X	X	X	X	X	X												X	X				X	X							
7	Obtain facilities programmatic EIR				X	X	X	X	X	X												X	X				X	X							

<b>INITIATIVE 2</b>	<b>Equitable Rates and Financial Stability Program</b>																		Cortner	
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ACTION STEPS		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020				
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4														
1	Prepare and Issue RFP		X	X																		X					X										
2	Award contract			X																			X					X									
3	Conduct public workshops				X	X	X	X															X					X									
4	Update Reserve Fund Policy, establish minimum and maximum for funds				X	X																	X					X									
5	Identify rate components and corresponding costs					X	X																X					X									
6	Develop equitable rate structure at appropriate levels to ensure long-term financial stability						X	X															X					X									
7	Develop a plan and schedule for rate adjustment and periodic reviews from Cost of Service report						X	X															X					X									
8	Adopt rate structure							X																X						X							
9	Implement rate adjustment plan							X	X															X					X								

<b>INITIATIVE 3</b>		<b>Grant and Low Interest Funding</b>																<b>Cortner</b>															
<b>ACTION STEPS</b>		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1	Develop standard (admin costs not to exceed 20% of total grants received)			X																													
2	Identify need for additional personnel or outsourcing to procure and to administer grants			X																													
3	Develop priority projects (lobbyist and/or internal personnel, if decided to take in-house or firm)			X	X			X	X			X	X			X	X			X	X			X	X	X	X	X	X				
4	Identify potential grants and low interest funding and make application*				X	X		X	X			X	X			X	X			X	X			X	X	X	X	X	X				
5	Develop tracking and reporting method			X	X																												
6	Ensure reporting compliance with grant for appropriate federal or state agency			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
7	Status updates					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				

\* Most applications for grants are available during the 3rd and 4th quarters, however application will be made whenever appropriate grant or loan applications become

<b>INITIATIVE 4</b>		<b>Zone and Benefit of Facilities Project</b>																<b>Cortner</b>															
<b>ACTION STEPS</b>		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1	Identify zones				X	X																											
2	Identify facilities for each zone				X	X																											
3	Identify facilities serving single customer					X	X																										
4	Develop cost of facilities					X	X																										
5	Identify appropriate allocation of costs					X	X																										
6	Notify affected customers of any changes					X	X																										
7	Implement change					X	X																										

Note: This schedule assumes that the consultant preparing rate analysis will also handle this. If this is done in house, the schedule will be moved out approximately 1 year.

<b>DISTRICT PRIORITY 3</b>	<b>Fiscal Management</b>																	
<b>GOAL 2</b>	Ensure that all capital projects do not exceed 15% of CIP budget and 20% of planned duration, by Q4 2008																	<b>Gross</b>

<b>INITIATIVE 1</b>	<b>Water &amp; Wastewater Facilities Master Plan</b>																	<b>Gross</b>														
<b>ACTION STEPS</b>	2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1 Develop RFP for Master Plan update		X	X																													
2 Distribute RFP to consultants			X																													
3 Consultant proposals due			X																													
4 Review consultant proposals			X																													
5 Award consultant contract			X																													
6 Update master plans				X	X	X	X	X	X														X	X			X	X				
7 Obtain facilities programmatic EIR				X	X	X	X	X	X														X	X			X	X				

<b>INITIATIVE 2</b>	<b>CIP Project Management Program</b>																	<b>Gross</b>														
<b>ACTION STEPS</b>	2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1 Develop engineering and construction project management standard operating procedures (SOPs)		X	X	X	X																											
2 Develop professional services consultant selection policy		X	X	X	X																											
3 Develop boilerplate construction specifications		X	X	X	X																											
4 Review drafts, incorporate comments and finalize				X	X																											
5 Board approvals (if necessary)					X																											
6 Implement CIP Project Management Program						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
7 Evaluate and report on effectiveness of CIP Project Management Program									X				X				X	X	X	X	X	X	X	X	X	X	X	X	X	X		

<b>DISTRICT PRIORITY 3</b>	<b>Fiscal Management</b>																			
<b>GOAL 3</b>	Ensure that costs are competitive with those of "like districts" or utilities, by Q2 2009																			Cortner

<b>INITIATIVE 1</b>	<b>Competitive Costs Project</b>																			Cortner
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ACTION STEPS		2005				2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
1	Incorporate benchmarking study and operations audit into Facilities Master Plan	X	X																																
2	Develop appropriate benchmarks and identify areas for improvement			X	X	X	X	X	X																										
3	Develop new initiatives for areas for improvement			X	X	X	X	X	X																										
4	Develop standard reporting for benchmarks			X	X	X	X	X																											
5	Monitor and report progress of new initiatives													X			X		X	X	X	X	X	X	X	X	X	X	X	X					

<b>INITIATIVE 2</b>	<b>Risk Management Program</b>																			McGonigle
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ACTION STEPS		2005				2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4												
1	Evaluate the District's existing risk management methods			X	X	X																													
2	Identify potential areas of risk and implement appropriate control measures and insurance		X			X			X			X			X		X	X	X	X	X	X	X	X	X	X	X	X	X	X					
3	Evaluate all risk management plans and documents required by regulatory agencies		X																																
4	Assign individual responsibility for comprehensive risk management program					X																													
5	Establish system to ensure permit/license compliance for all District facilities and operations								X																										
6	Update contract management policies and procedures				X																														
7	Complete comprehensive risk management plan								X																										
8	Evaluate effectiveness of risk management					X		X		X		X		X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X					

# INITIATIVE 3

## Records Management Program

Cortner

ACTION STEPS		2005			2006			2007			2008			2009			2010			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1	Develop information systems security policy			X	X	X																							
1	Ensure all security is consistent with formal policy					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
1	Develop records management and retention policy						X	X																					
2	Assess current records						X	X	X	X																			
3	Develop District-wide filing procedure							X	X	X	X																		
4	Develop single tool to access District planning documents by multiple indexes (Intranet)							X	X	X	X																		
5	Complete "laser fiche document management project"							X	X	X	X																		
7	Train staff on administrative policies and procedures									X	X	X	X																
8	Evaluate effectiveness of records management														X	X	X	X	X	X	X	X	X	X	X	X	X	X	

<b>DISTRICT PRIORITY 3</b>	<b>Fiscal Management</b>	
<b>GOAL 4</b>	Increase workplace efficiencies to reduce costs [On-going]	Shaw

<b>INITIATIVE 1</b>	<b>Overtime Reduction Program</b>	Ardis/ Nelsen
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ACTION STEPS	2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1 Monitor and analyze overtime activity	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
2 Evaluate and recommend all potential shift assignments	X	X	X	X	X																											
3 Implement new shift assignments						X																										
4 Eliminate nuisance or repeat SCADA alarms. Maintain constant communication at all times.								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
5 Evaluate effectiveness of overtime cost reduction and make changes as appropriate								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			

<b>INITIATIVE 2</b>	<b>Materials Cost Reduction</b>		Ardis
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ACTION STEPS	2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4										
1 Bid and purchase all pipe and appurtenances annually at the premium pricing period			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
2 Evaluate utilization of telemetry			X	X	X	X																										
3 Determine value of joint purchasing with other water/wastewater agencies			X	X	X	X																										
4 Review and utilize SB County Central Store for office supplies and other services			X	X	X	X																										
5 Explore additional innovative ways to purchase materials to minimize cost	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
6 Evaluate effectiveness of materials cost reduction	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			

<b>INITIATIVE 3</b>		<b>Risk Management Program</b>																McGonigle																	
<b>ACTION STEPS</b>		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
1	Evaluate the District's existing risk management methods			X	X	X																													
2	Identify potential areas of risk and implement appropriate control measures and insurance			X			X			X			X			X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
3	Evaluate all risk management plans and documents required by regulatory agencies			X																															
4	Update and clarify responsibility for risk management program elements						X																												
5	Establish system to ensure permit/license compliance for all District facilities and operations									X																									
6	Update contract management policies and procedures					X																													
7	Complete comprehensive risk management plan									X																									
8	Evaluate effectiveness of risk management						X		X		X		X		X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

<b>INITIATIVE 4</b>		<b>Infrastructure Asset Management Program</b>																Gross																
<b>ACTION STEPS</b>		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4							
1	Evaluate all existing information management systems			X	X	X	X	X	X	X																								
2	Document all infrastructure assets			X	X	X	X	X	X																									
3	Establish uniform information management systems						X	X	X																									
4	Maintain uniform information management systems									X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

<b>INITIATIVE 5</b>		<b>Inventory and Fixed Asset Management Program</b>																Cortner																
<b>ACTION STEPS</b>		2005		2006				2007				2008				2009				2010				2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4							
1	Audit fixed asset system			X	X																													
2	Update fixed asset system			X	X																													
3	Develop system for routine audits			X	X																													
4	Update fixed asset policy			X	X																													
5	Ensure adequate insurance coverage			X	X		X		X		X		X		X		X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
6	Establish appropriate accounting and reporting systems, in coordination with "Infrastructure Asset Management Program"			X	X	X																												