This brief is being provided to inform the board, staff, and public of the details of an agenda item that requires no action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

**Date:** 21 January 2022

**Originator:** General Manager

**Purpose of Brief:** Informational Briefing – Plan for Organizational Development

**Supporting Documents Included: None**

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**Background:**

As an Independent District, GMCSD is now 16 years old. The district originally had to develop policies and procedures and begin performance with little experience and a steep learning curve. While our basic practices and procedures have continued to deliver safe and reliable water and sewer services, they have changed little over the ensuing years.

Generationally, the world we operate in is changing, Technology and communications rely on the availability of data, both internally to monitor infrastructure, and externally to communicate with our customers and stakeholders. As such, the organization cannot remain static.

In 2022, the District will implement a major change to not only our rate structure, but in some instanced the fundamental way we do business. These changes, due to a combination of changing laws, new Government restrictions, and the simple need to increase revenues, demand that the District operate in the most efficient means possible. Our constituents having to pay higher rates on the average, will demand to see corresponding improvements to the services which they receive.

California governs and regulates water and sewer providers by the size of the organization. Most people in the state are served by Urban Water Suppliers, defined as a provider with 3,000 or more connections. A Small Water Supplier is generally defined as 500 to 2,999 connections. A Very Small Water Supplier serves 25 to 500 connections. From a safe and reliable water perspective, all suppliers operate under the same basic Water Board regulations, however as size increases, the regulations increase. Currently, the state does not regulate GMCSD for Ground Water Management, Water Loss Auditing, Conservation Reporting, and other higher lever requirements, but that will change. It is only a matter of time until such regulations flow down to the smaller suppliers. The GMCSD mut be ready.

**Organization Development**

Organization development (OD) is the study and implementation of practices, systems, techniques, and technologies that affect organizational change, with the goal of modifying both performance and culture. OD focuses on aligning organizations with their rapidly changing and complex environments through organizational learning, knowledge management, and transformation of organizational norms and values.

In 2022, the District is due to commission a 5-year update to our Master Plan. For perhaps the first time since the District was established, we have an excellent relationship with the resort owner and the county to fully understand the potential of the community. We have incorporated much of that knowledge in our ongoing rate study and will ensure that the engineers incorporate that information into the Master Plan Update. Armed with the update Master Plan, we will have a much better understanding of the capital requirements required for mid- and long term buildout of the District.

A corollary to the Master Plan, is development of a Strategic Plan to identify objectives, opportunities, and plans to meet those objectives. We have asked our rate study consultant to look at all aspects of District growth to ensure we have the financial capacity to meet our 5-year growth challenges, and a sound basis for the years beyond. It is imperative that we manage our resources, physical and financial, in and efficient and responsible manner. As a Very Small District we will undoubtedly operate for some time to come with a small staff, and organizationally, we do not have much flexibility. But we can look closely at our processes, procedures, and practices to obtain efficiencies in all areas of our operations. The OD process will look at all aspect of District organization and management to identify areas of improvement.

**Plan of Action**

The District is fortunate to have an organic resource with significant OD experience, having helped to transform and turnaround several businesses. As a new Board Member, Gordon Bennie had made some crucial observations and recognizes the challenges addressed above as we implement our new rates. Gordon has offered to assist the General Manager in conducting a top down/bottom up review of our business practices to collaborate with the staff with the goal of improving efficiency and effectiveness. Gordon would work in a volunteer, non-management capacity, in an OD advisor role.

Catherine Hansford, our rate consultant, has also offered to help with the implementation and execution of the new rate structure during the crucial transition period. The GM may also engage with the District’s auditor, Mary Cummins, and the District’s Counsel as we look for ways to enhance our business processes. This services would be on an “as needed” and chargeable basis.