

# Board Workshop Handout

## SWOT Analysis – Strategic Planning Session

Forestville Water District

### Purpose of This Strategic Planning Exercise

- Establish a shared understanding of the District’s current environment
- Identify strategic risks, challenges, and opportunities
- Inform priorities, goals, and long-term investment decisions

Definitions:

- Strengths & Weaknesses: Internal factors within District control
- Opportunities & Threats: External forces the District must respond to

### Strengths – Internal Capabilities

Discussion focus: What do we do well today that we should protect or build upon?

- Integrated operation of both water and wastewater systems
- Local governance and strong accountability to the community
- Experienced operations and administrative staff with deep institutional knowledge
- Eligibility for state and federal funding as a public agency and a designated disadvantaged community
- Clear commitment to public health, environmental stewardship, and service
- Stable customer base providing predictable demand and predictable revenue

Board reflection questions:

- Which strengths most differentiate the District?
- Which are most critical to long-term reliability and resilience?
- Where should future investments protect or enhance these strengths?

### Weaknesses – Internal Constraints

Discussion focus: Where are we vulnerable or stretched today?

- Aging water and sewer infrastructure requiring significant capital reinvestment

- Limited financial reserves due to a small rate base
- Staffing capacity limitations, succession risk and organizational culture challenges (morale)
- Inadequate training on key operational and administrative processes
- Deferred maintenance across multiple asset categories
- Heavy administrative and regulatory workload for a small organization
- Rate sensitivity and affordability concerns limiting financial flexibility

Board reflection questions:

- Which weaknesses pose the greatest risk if not addressed?
- Which issues have been deferred the longest?
- Which can realistically be improved in the next 3–5 years?

### **Opportunities – External Conditions We Can Leverage**

Discussion focus: What opportunities exist to strengthen service, sustainability, or efficiency?

- State and federal grants and low-interest financing for water and wastewater projects
- Regional partnerships and shared services with neighboring agencies (sub-regionalization and broad regionalization)
- State and County advocacy and relationships
- Water recycling and reuse expansion programs to improve supply resilience
- Technology, automation, and asset management improvements
- Community education and engagement around conservation and long-term planning
- Multi-benefit projects integrating water, wastewater, and climate resilience objectives

Board reflection questions:

- Which opportunities best align with the District’s mission and capacity?
- Which opportunities may diminish if action is delayed?
- Where could partnerships reduce cost or risk?

### **Threats – External Risks and Pressures**

Discussion focus: What external factors could disrupt service, finances, or public trust?

- Climate change impacts: drought, extreme weather, and wildfire risk
- Increasing water quality and wastewater regulatory requirements
- Escalating construction, labor, and energy costs
- Environmental or system failures affecting water or wastewater service
- Community resistance to rate increases

Board reflection questions:

- Which threats are most likely versus most severe?

- Where is the District least prepared today?

### **Strategic Implications for the Board**

- Use strengths to pursue high-value opportunities
- Apply strengths to reduce exposure to major threats
- Address weaknesses that limit future flexibility
- Reduce risk where weaknesses and threats intersect

### **Key Strategic Questions for Board Direction**

- What 3–5 issues must this strategic plan address to ensure long-term reliability?
- Which investments are no longer optional?
- What risks are acceptable versus unacceptable?
- How proactive should the District be in communicating challenges and costs to the community?

### **Expected Outcomes from This Board Workshop**

- Clear district-wide strategic priorities
- Direction for capital improvement and financial planning
- Guidance for staff implementation and follow-up
- Alignment between Board, staff, and community expectations

## Example Strategic Initiatives for the District

### 1. Infrastructure Reliability & Asset Management

Goal: Keep water and sewer systems safe, reliable, and compliant.

What this means:

- Prioritize replacement of the highest-risk aging infrastructure
- Reduce deferred maintenance and emergency repairs
- Use phased planning aligned with grants and low-cost funding opportunities
- Address anticipated environmental risks and increasing regulatory requirements
- Plan infrastructure improvements consistent with future consolidation opportunities.

Why it matters:

- Protects public health and the environment
- Reduces system failures and service interruptions
- Improves compliance and funding readiness

### 2. Financial Sustainability & Rate Stability

Goal: Strengthen long-term finances while protecting affordability.

What this means:

- Revise and/or Adopt clear reserve and financial policies
- Plan multi-year, predictable rate adjustments based on CIP needs/operating costs
- Clearly link rates to safety, reliability, and compliance
- Aggressively pursue grant opportunities

Why it matters:

- Avoids rate shock and financial instability
- Builds public understanding and trust
- Supports long-term system reliability

### 3. Healthy Organization & Workforce

Goal: Maintain a skilled, motivated, and resilient organization.

What this means:

- Plan for retirements and prepare for turnover
- Cross-train and document key processes (SOPs)
- Invest in training and employee development
- Support morale through clear roles, balanced workloads, and recognition
- Promote a culture of trust, teamwork, accountability, and safety

Why it matters:

- Reduces operational and compliance risk
- Improves retention and service quality
- Protects institutional knowledge

#### **4. Regional Partnerships & Shared Services**

Goal: Stretch limited resources while maintaining local control.

What this means:

- Share specialized services where feasible
- Coordinate with neighboring agencies and the County
- Collaborate on regional projects

Why it matters:

- Lowers costs and staffing strain
- Expands access to expertise
- Improves emergency and operational resilience

#### **5. Regulatory Readiness & Risk Management**

Goal: Stay ahead of regulations and reduce compliance risk.

What this means:

- Monitor regulatory changes early
- Align capital projects with compliance needs
- Strengthen documentation and reporting
- Maintain strong relationships with regulators

Why it matters:

- Avoids enforcement actions and penalties
- Improves predictability in planning and budgeting
- Protects public trust

#### **6. Water Supply Resilience & Resource Optimization**

Goal: Improve long-term water reliability under climate change.

What this means:

- Explore recycled water and reuse options
- Integrate water and wastewater planning
- Support long-term conservation strategies

Why it matters:

- Reduces vulnerability to drought and wildfire
- Improves supply stability
- Supports environmental stewardship

## **7. Community Engagement & Trust**

Goal: Build understanding and support for long-term decisions.

What this means:

- Communicate clearly about infrastructure needs and costs
- Engage the community early on major decisions
- Use simple, transparent messaging

Why it matters:

- Reduces resistance to rate changes
- Improves transparency
- Strengthens long-term trust

## **8. Board Effectiveness & Good Governance**

Goal: Provide strong, consistent, and strategic leadership.

What this means:

- Clearly understand Board and staff roles
- Focus on long-term planning, finance, and risk
- Use clear policies and ethical decision-making
- Support Board education and self-reflection

Why it matters:

- Leads to better decisions
- Reduces confusion and organizational risk
- Builds staff confidence and public accountability

## Board vs. General Manager Roles

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### Purpose:

To provide a clear, shared understanding of governance and management roles for the Forestville Water District.

### **Board of Directors (Governance Role)**

- Sets policy and direction
- Approves budget and major decisions
- Establishes priorities and goals
- Acts as a body (no individual authority)
- Evaluates the General Manager

### **General Manager (Management Role)**

- Oversees staff and daily operations
- Implements Board direction
- Prepares recommendations and reports
- Manages resources and projects
- Serves as primary point of contact for Board requests

### **Key Agreements**

- The Board governs; the General Manager manages
- Individual Board members do not direct staff
- Direction to staff flows through the General Manager
- The Board acts through formal decisions