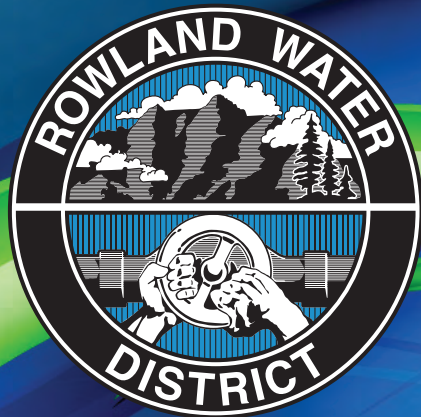


ROWLAND WATER DISTRICT STRATEGIC PLAN

EFFECTIVE ACTION FOR
SUSTAINABLE PROGRESS

Third Edition



NOVEMBER 2018

FROM PLANNING TO PERFORMANCE

In 2012, Rowland Water's Board of Directors began an extensive strategic process from the inside out. An overarching vision was identified and goals were established designed to address the challenges facing the water industry and Rowland's service area in particular. Since then, "Effective Action for Sustainable Progress" has realized dozens of accomplishments through the hard work of Rowland Water's dedicated team of professionals.

2013-2015 ACCOMPLISHMENTS

- » Secured more than 5000 acre-feet of alternative water supply sources
- » Implemented district-wide technological advances
- » Improved lobby, board room and overall customer experience
- » Advanced place as regional leader and best in class organization

2015-2018 ACCOMPLISHMENTS

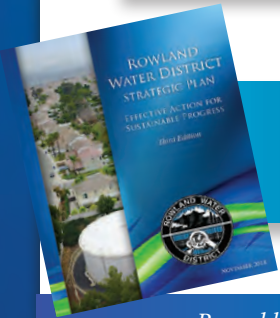
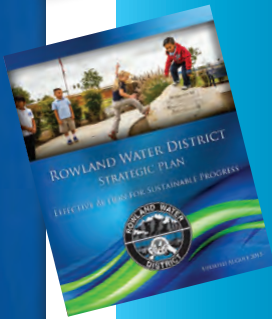
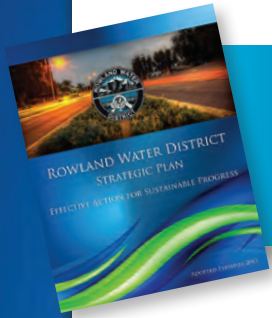
- » Developed various new alternative water supply sources and recycled water programs
- » Progressed water meter reading through Automated Meter Infrastructure investment
- » Achieved industry recognition for outstanding outreach programs
- » Adopted five-year Capital Improvement Program and capacity fee schedule
- » Upgraded reservoir management strategies, asset analysis and inventory control
- » Practiced ongoing development and training of staff and Board of Directors
- » Obtained boost in credit rating to AA- from A+

GOING FORWARD

As we continually monitor our progress, we are proud to present this third edition of our strategic plan along with a commitment for future growth and achievement.

Bound by our core values - Accountability, Communication and Teamwork - we are committed to providing the highest level of service to our customers.

DEDICATED ♦ RELIABLE ♦ OUTSTANDING ♦ PROFESSIONAL
S E R V I C E



Meeting challenges through preparation and resolve

As recent events have shown us, what we hold most dear can be taken from us in an instant. The devastating wildfires of 2018 that have decimated thousands of acres have also claimed lives, destroyed countless homes and businesses, and significantly depleted one of the Golden State's most precious natural resources: water. Water districts across the state will remain in crisis mode for some time, and how we respond to the tough challenges of today will undoubtedly affect our tomorrows and those of future generations. While we can't predict the future, we can certainly plan for the consequences of what it may bring.

California's water districts have been tasked with crafting unique strategies in recent years to effectively deal with the after effects of ongoing severe drought conditions. I am proud to say that Rowland Water District has been at the forefront of this fight to conserve and protect an ample supply of fresh, clean water for our customers.

Rowland Water delivers water to about 58,000 people in the cities of Industry and West Covina, as well as in the unincorporated areas of Hacienda Heights, La Puente, and Rowland Heights. We rely mostly on imported drinking water supplies from the Colorado River and from Northern California, which are delivered by our wholesalers, Metropolitan Water District of Southern California and Three Valleys Municipal Water District.

Our strategic plan provides the District with a benchmark so that we can adapt to the ever-changing needs of our customers, while addressing ongoing water availability concerns. These concerns have become the new normal here in the Golden State, and we take this into account each and every time we make a decision that involves YOUR water.

As the Rowland Water District Board of Directors prepared this most recent Strategic Plan, they returned their focus to the key areas that drive daily decision-making. In this document, the Board of Directors identifies its strategies to move the district forward and prioritizes the initiatives that will help the organization achieve its goals.

The third edition of "Effective Action for Sustainable Progress" is a fair and accurate representation of our core values: accountability, communication, and teamwork.

We thank you for your business and your trust, and we look forward to continuing to serve you, your families and your businesses as we move forward with our latest blueprint for success.



Tom Coleman
General Manager



COMMUNICATION

VALUE

Maintaining exceptional standards through transparency, accountability and an open dialogue with customers

- Conduct comprehensive customer satisfaction survey
- Share benefit of regional water supply management with customers
- Advance video projects highlighting planning and customer involvement
- Expand native California landscape exhibition
- Finalize AMI technology upgrade
- Implement real-time billing system
- Increase local and regional sponsorships
- Advance online technologies including district app and utility dashboards



Delivering direct customer benefit in all that we do

- Prioritize value of water messaging in video projects
- Invest in and illustrate employee development
- Pursue cutting edge technology and cost-efficient equipment
- Share regional partnership benefits with customers
- Enhance website tools and customer options



ORGANIZATIONAL DEVELOPMENT

Prioritizing an ongoing investment in our staff and Board of Directors

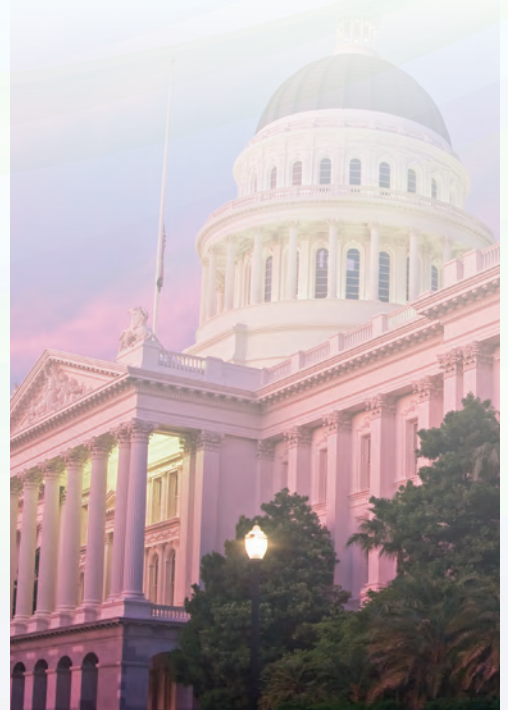
- Conduct comparative industry salary surveys every three years
- Develop district-wide succession plan
- Expand district internship program
- Increase support of regional water industry events
- Pursue expansion of board development and training



WATER SUPPLY DIVERSITY

Becoming a drought-proof water provider

- Continue relentless pursuit of new local water supplies
- Focus on specific portfolio development
- Initiate additional key regional relationships
- Expand role in statewide governance and legislation
- Participate in shared activities including lobbyist partnerships with other agencies



SYSTEM RELIABILITY

Insisting that each component of the system contributes to the long-term reliability of the overall operation

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- Develop system forecasting and agency analysis tools
- Maximize new Puente Basin Water Agency water supply options including City of La Verne Six Basins Project and City of Pomona Reservoir 5 Project
- Update hydraulic models for potable and recycled water
- Analyze system reliability through growth projections and changes in customer profiles
- Secure water contract for valve maintenance program
- Continue leadership role in Emergency Coordination Programs through the Public Water Agencies Group (PWAG)



CAPITAL INVESTMENT

Developing long-term planning strategies that advance the service performance of the District

- Institute proactive mainline replacement program
- Implement strategic meter change-out program
- Expand monitoring of security and operations through new radio mesh network
- Continue investments in water quality RCS systems
- Advance use of AMI system for better accountability of water use and billing



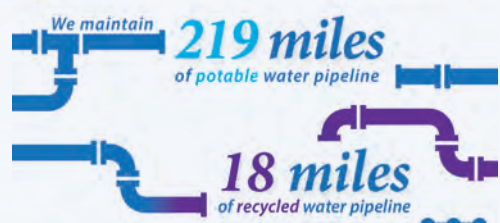
FINANCIAL STEWARDSHIP

Providing prudent stewardship of all financial decisions that affect the District and its customers

- Update rate model
- Apply sensible financial planning policies and practical investment strategies
- Diversify investments to include more corporate bonds
- Prepare mid-cycle rate review model based on internal and external conditions
- Continued review of finance department policies and procedures that reflect the values of the organization



DISTRICT AT A GLANCE



BOARD OF DIRECTORS



TERESA P. RIOS
Division 1



ANTHONY J. LIMA
Division 2



JOHN E. BELLAH
Division 3



ROBERT W. LEWIS
Division 4



SZU PEI LU-YANG
Division 5

DISTRICT SERVICE AREA

