



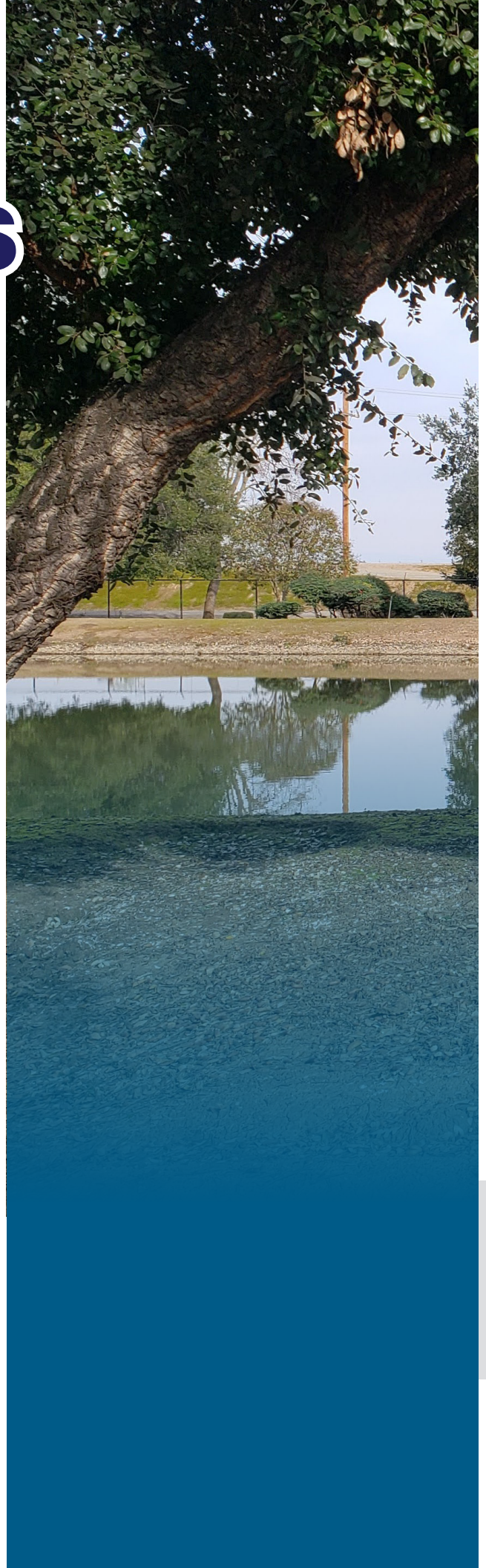
Strategic Plan

2023

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Strategic plan facilitation by:



Charting a Course Toward a Sustainable Water Future

A Message from the Directors

The Stockton East Water District (District) was created to ensure proper management of our groundwater basin and provide supplemental surface water supplies. When our mission was established in 1948, the then Stockton & East San Joaquin Water Conservation District had to rely on big ideas, regional collaboration, and unwavering fortitude to achieve the overarching goal. Through visionary foresight and tireless progression towards the District's mission, prior constituents, directors, and staff have contributed more to the groundwater basin than any other local conservation agency.

In 2014, the District was presented with a new challenge to our mission and accomplishment thereof – the Sustainable Groundwater Management Act (SGMA). The SGMA requires the District to accomplish the mission of sustainable groundwater basin management by 2040. Achievement of the District's mission and SGMA requirement was further complicated in 2019 by approval of Bay-Delta Plan Amendments, which have the potential to reduce availability of necessary surface water supplies that previous generations of District Boards worked arduously to secure. Current threats to the District's water supplies warranted realignment of constituents, directors, and staff through a strategic plan process to ensure everyone was flowing in the same direction.

The Strategic Plan was developed through an engaging and collaborative process that included vision and feedback from the District's talented employees, management team, Board of Directors, and valued constituents: domestic well owners, agricultural customers, and the urban contractors. The Board of Directors appreciates the time and thoughtful input of all those involved. The resulting Strategic Plan provides valuable guidance for the District's path forward, maintaining focus on the most important strategic areas, such as our employees, while refining objectives for new strategic areas such as water supply reliability.



Richard Atkins

President, Stockton East Water District Board of Directors

I look forward to working with staff to turn our new vision into a reality. The path forward will be full of new challenges, but nothing is beyond our reach and I am certain the District's talented team is up for the challenge. The Board and I are ready to support staff and constituent efforts to make implementation of this Strategic Plan a success.



Justin Hopkins

General Manager, Stockton East Water District



Strategic Planning Process

The Stockton East Water District (District) initiated a strategic planning process in 2023, using a process designed to ensure:

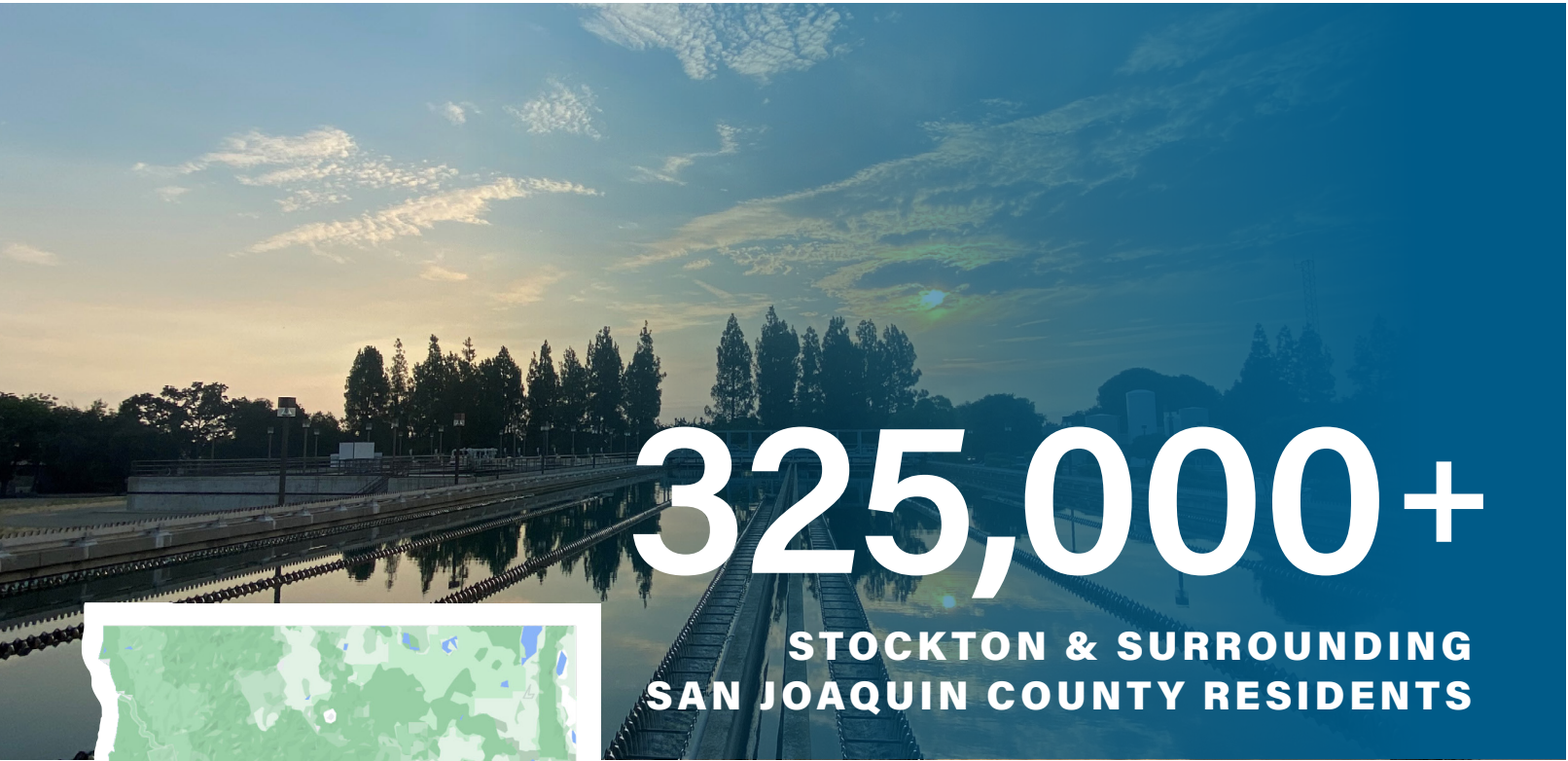
- + A shared vision of the outcomes that the District sought to create. Organizations driven by clear purposes and shared values have a greater capacity to succeed than those that are not.
- + A collective understanding of the available resources, the operating context, and the principles upon which desired outcomes and strategies are based.
- + Acceptance of the direction and urgency of the strategic plan, which will be integrated into the way the District is operated on a day-to-day basis.



To achieve these conditions for success, the District's strategic planning process involved input from a broad group of internal and external stakeholders. Major elements of the engagement process included:

- + Interviews and work sessions with the District's Board of Directors
- + Interviews and work sessions with the General Manager and leadership team
- + A survey distributed to all District employees
- + Interviews with key stakeholders and a survey of the District's agricultural customers

Input was used to develop the utility's six strategic outcome areas, as well as the associated strategies for implementation over the next five years.

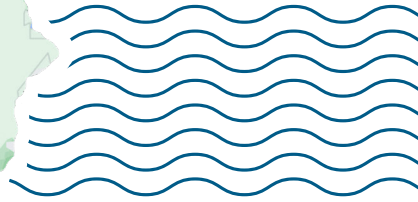


325,000+

STOCKTON & SURROUNDING SAN JOAQUIN COUNTY RESIDENTS

Community Profile

The District serves urban and agricultural customers in and around Stockton, California. By providing surface water for agricultural irrigation, the District supports San Joaquin County's agricultural industry, which is the area's leading economic activity. The District also supplies wholesale treated drinking water, which is provided for Stockton area retail customers by the California Water Service Company, the City of Stockton, and San Joaquin County.





2,100+

AGRICULTURAL CUSTOMERS

With a population of almost 325,000 people, the City of Stockton is the 11th largest in California and the 58th largest in the United States. Founded in 1849 as part of the California Gold Rush, Stockton is located on the San Joaquin River and served as an important inland seaport for ocean-going vessels and supply stop for prospectors. Thousands of miles of waterways in and around Stockton make up the California Delta, which sees approximately half of the total river flows in the state. The County seat for San Joaquin County, Stockton was the most diverse city in the United States in 2020, according to U.S. News and World Report. The City's median household income is \$63,916,

compared to \$84,097 in the State of California, according to the U.S. Census Bureau.

In addition to providing drinking water for the City of Stockton and San Joaquin County, the District has approximately 250 agricultural surface water, 1,900 agricultural groundwater, and 6,000 domestic well accounts. San Joaquin County, with 920,000 acres of agriculturally productive land, is California's 7th-largest agricultural producer, generating approximately \$3 billion for the region in 2020. Top crops and agricultural products include almonds, milk, grapes, walnuts, and cherries. Approximately 4,000 farms are located in San Joaquin County, with an average size of 202 acres.

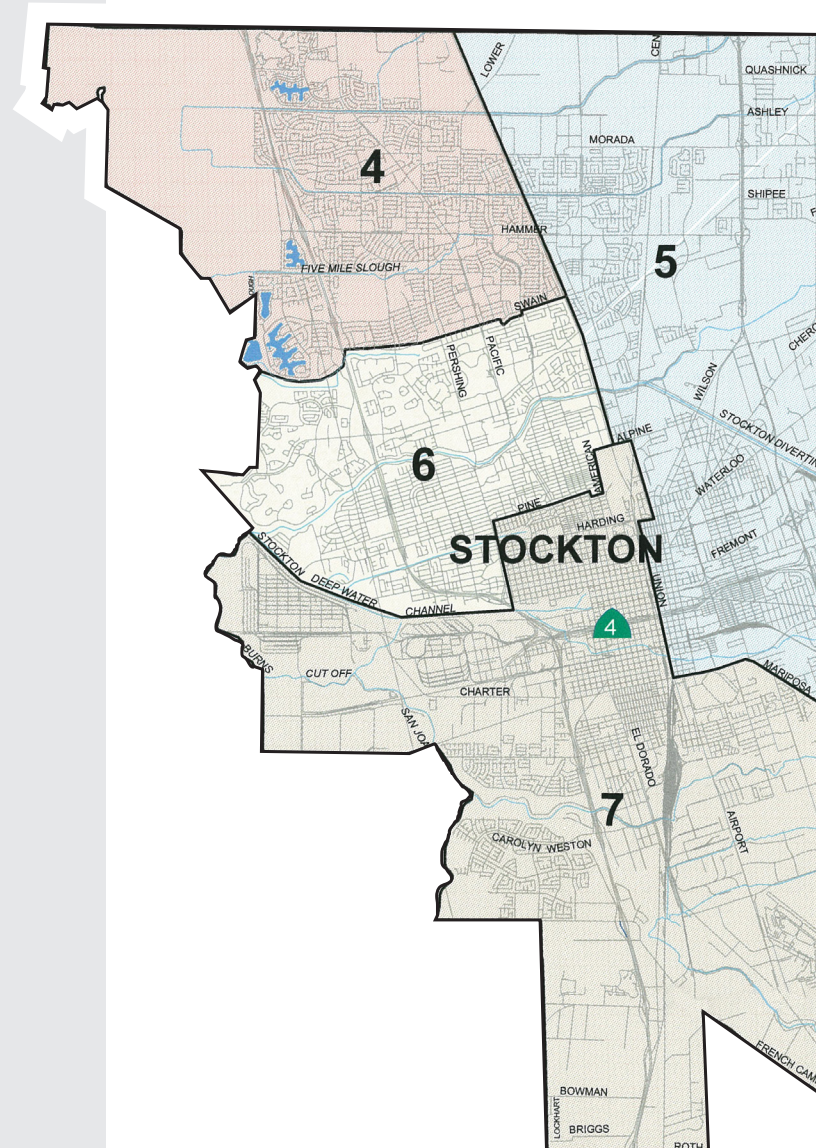


About the District

The District was formed in 1948 under the 1931 Water Conservation Act of the State of California, and was originally organized as the Stockton and East San Joaquin Water Conservation District, an independent political subdivision of the state government.

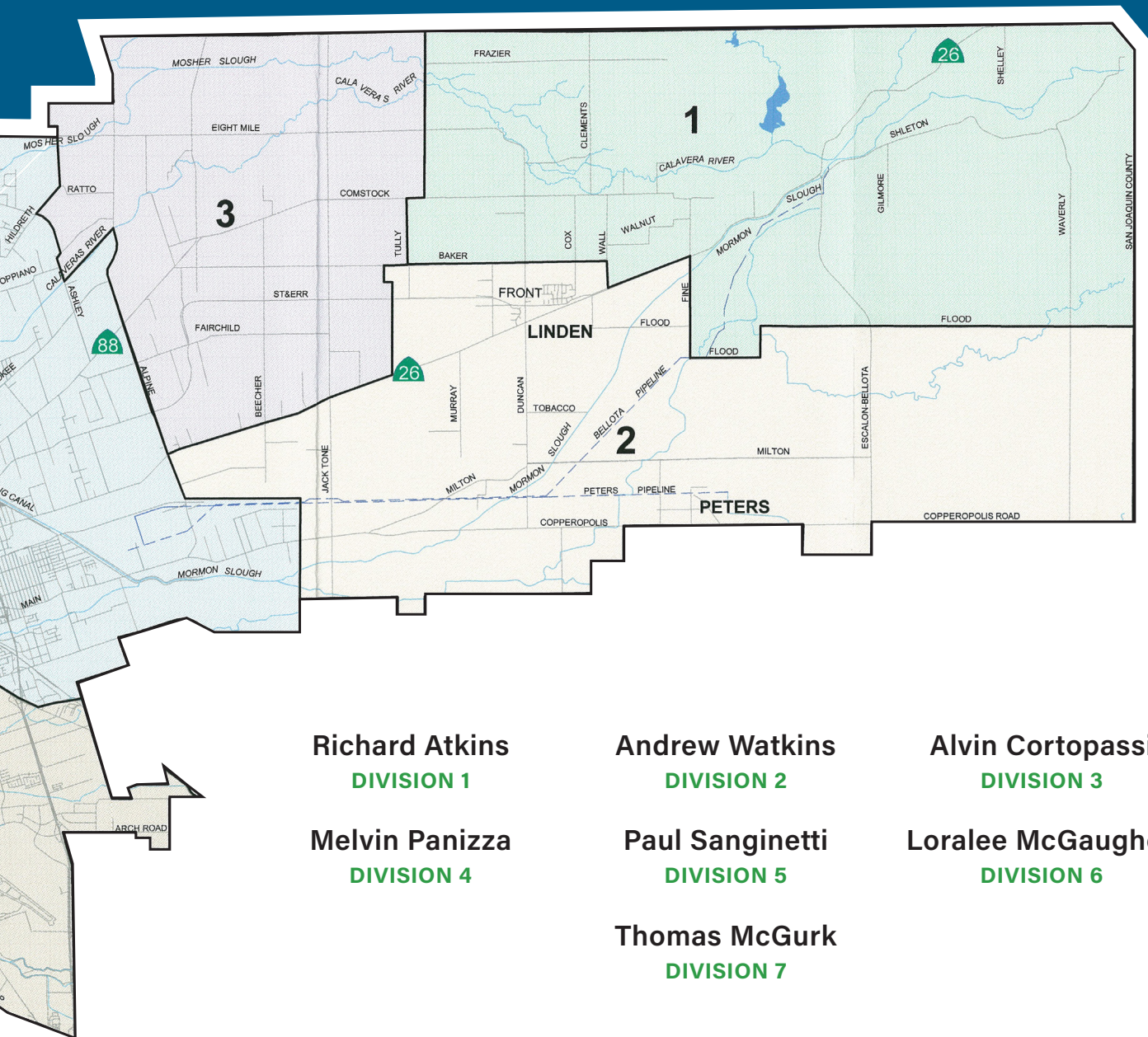
The District was responsible for acquiring a supplemental water supply and developing water use practices that would secure a balance between the District's surface water and its customer's groundwater supplies. From 1948 to 1963, the District focused its efforts on water resource planning by evaluating groundwater conditions and determining requirements for supplemental water. These intensive efforts by the District and other local agencies resulted in the construction of New Hogan Dam in 1964.

In 1971, District boundaries were expanded to include the entire Stockton urban area, and plans were initiated for a 30 million gallon per day (MGD) drinking water treatment plant. The plant has since been upgraded to 65 MGD, in recognition of increased demand from urban customers. After further expansion to encompass additional agricultural users, the District's service area now includes more than 143,000 acres.



District Governance

From a governance perspective, the District is divided into seven divisions, each of which is represented by an elected Director. Though each division's candidate for Director must reside within that division, every voter in the District's service area is eligible to vote on any and all contests, so Directors are elected by division but voted on at-large.



Creating a Vision for the Future

On March 14 2023, the District’s Board of Directors and leadership team met to articulate a strategic direction for the organization. The resulting framework includes the District’s vision, updated mission, and strategic outcome areas, thereby setting the course for future activities.

In looking to the future, each Director was asked to share what they believe to be true about the future of the District. Responses are captured in the following graphic.

THEMES...

STAY FOCUSED on OUR GOALS
THERE IS a LOT HAPPENING in WATER in the STATE

GOOD STAFF and PEOPLE
OPERATIONALLY WE are in GOOD SHAPE
NEED to BE PROACTIVE to ACQUIRE WATER
WE OWN SOME WATER

WE NEED to COMMUNICATE OUR NEEDS...

STOCKTON is GROWING...
GETTING PEOPLE to UNDERSTAND the FUTURE
WE ARE DOING WELL!

THIS I BELIEVE

WORK with OUR PARTNERS to USE MORE SURFACE WATER

BUILD to BEING REGIONAL LEADERS

DELIVERING on our MISSION
BEING a DIRECTOR is MEANINGFUL to ME
IT TAKES a TEAM

WE ARE MOVING AHEAD
and OUR ISSUE is MONEY
EXPAND WHAT we HAVE...
IT COSTS MONEY to COMPLY, WE NEED FUNDING

GOOD STAFF and MANAGEMENT
as a BOARD, OUR MAIN FOCUS:
BE FORWARD LOOKING and IMAGINATIVE and TAKE SOME RISKS

Strategic Framework



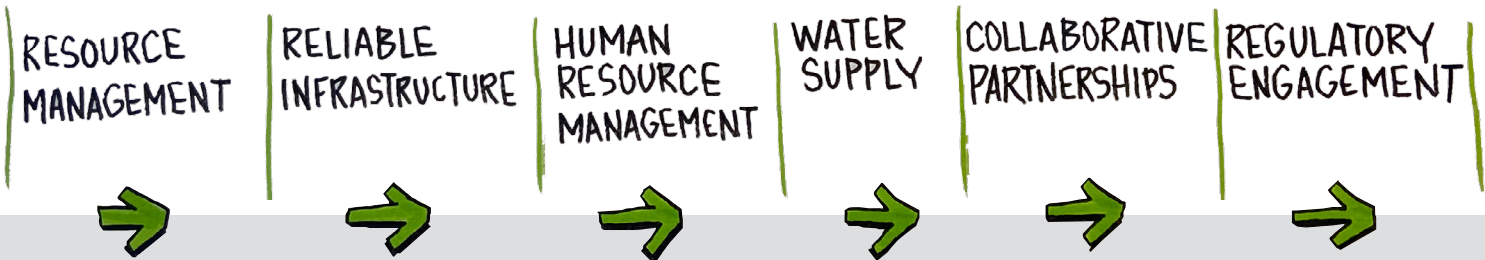
VISION

to be A REGIONAL LEADER and RELIABLE PARTNER *by* IMPLEMENTING INNOVATIVE SOLUTIONS for our AGRICULTURAL & URBAN CUSTOMERS, SECURING EXISTING and ADDITIONAL WATER RESOURCES, and ACHIEVING GROUNDWATER BASIN SUSTAINABILITY

MISSION

STOCKTON EAST WATER DISTRICT ENSURES SUSTAINABLE GROUNDWATER, HIGH-QUALITY DRINKING WATER, and SUPPLEMENTAL SURFACE WATER for AGRICULTURAL USE

OUTCOME AREAS



Strategic Outcomes

Resource Management

Facilitating successful financing and grants for high-value projects through execution of thoughtful policies, long-term plans, and reasonable rates.

Strategies:

- + Review, update, and streamline District policies
- + Conduct long-term financial planning, to include grants, rate setting, and financing strategies
- + Review and optimize diversification of District investments

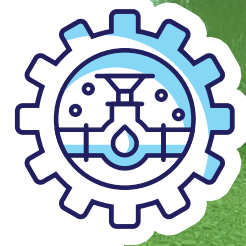


Reliable Infrastructure

Implementing plans to fully address aging infrastructure, promote technology enhancements, and provide reliable water supply for customers.

Strategies:

- + Develop and implement Master Plans for water supply, and water treatment
- + Apply efficient and proven technology enhancements to meet the changing needs of our customers and operations
- + Proactively address infrastructure maintenance and rehabilitation through asset management



Human Resources Management

Attracting, developing, and retaining exceptional employees through professional development, employee recognition programs, and competitive compensation packages.

Strategies:

- + Promote a forward-looking and collaborative organizational culture
- + Identify and address knowledge and training gaps and institute incentive programs to support employee development
- + Develop and implement a holistic onboarding process



Water Supply

Ensuring groundwater sustainability by maximizing the use of surface water with agricultural and urban customers and improving drought resiliency.



Strategies:

- + Develop rates, assessments, and policies that encourage and maximize the use of surface water
- + Comply with SGMA through development and implementation of projects, partnerships, and groundwater recharge opportunities in the Basin
- + Increase water supply resiliency, including perfecting existing water rights applications

Regulatory Engagement

Collaborating with local, regional, state, and federal interest groups to enhance the District's ability to monitor, shape, and ultimately meet regulatory requirements.



Strategies:

- + Leverage industry associations and lobbying efforts to better understand and impact regulatory and legislative changes
- + Engage with regulatory agencies to ensure compliance with existing and upcoming regulations
- + Protect the existing water rights that benefit the District

Collaborative Partnerships

Fostering strong relationships through open and transparent communication and pursuit of shared goals.



Strategies:

- + Develop an external organizational identity and outreach program to build awareness of SEWD and the value provided by the District
- + Build regional consensus for high impact water projects
- + Encourage a stronger relationship with Urban Contractors through regular communication and the pursuit of mutually beneficial goals

Implementation & Next Steps

Each of the strategic outcome areas included in this plan contain a series of strategies and projects that will move the District toward achievement of its long-term priorities. However, it is important to note that for the desired results to be achieved, the strategies must be effectively implemented. Therefore, careful attention and focus on strategy implementation is essential for achieving success.



The District's Implementation Process Includes:

Leveraging internal subject matter expertise by continuing to use key staff and Board members that are knowledgeable, energized, and committed to the implementation of the strategies to draft implementation plans for each strategy, including:

- + Tasks and activities necessary for implementation
- + Assigned individuals or groups
- + Due dates and timelines for key tasks
- + Resource requirements

Monitoring and sharing implementation progress with organizational leadership and the Board of Directors

Reviewing and updating implementation tasks on at least an annual basis



+ A delegation of District representatives traveled to Washington DC in March 2023 to engage lawmakers around current and future regulatory requirements (left to right: Consultant Barkett, General Manager Hopkins, Board President Atkins, Representative Josh Harder, Director Watkins, and Director Sanguinetti).



Pictured above are the full Stockton East Water District Board of Directors and 38 of the 48 total employees.



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