



# Napa Sanitation District

Quarterly Report of Priority Goals  
for  
FY 2016/17 Quarter 1

July 1, 2016 – September 30, 2016

# Table of Contents

## Quarterly Priority Goal Tracking

Overview & Recommendations

Priority Goal Tracking Summary

## Quarterly Financial Report

Overview & Recommendations

Revenues

Operating Fund Expenditure Summary

Capital Program Expenditure Summary

# Quarterly Priority Goal Tracking Overview and Recommendations

## Overview

In May 2015, the Board adopted its current Strategic Plan, identifying the District's goals and objectives for the next four years. Implementation of the Board's priorities are underway and on track.

The following projects are complete:

- 1A – Implement Treatment Plant Master Plan critical projects
- 1C – Determine target for renewal and replacement of sewer assets
- 1F – Amend the Collection System Master Plan
- 2B – Conduct study of plan check/inspection fees and methodology options for calculating and assessing capacity charges, and make recommendations for improvement
- 2C – Conduct a Sewer Service Charge fee study prior to the next Proposition 218 hearing
- 2D – Develop financing plan for Browns Valley Road sewer project and implement as appropriate
- 3B – Negotiate a new 5-year NPDES permit
- 4C – Implement Employee Master Plan recommendations
- 5B – Create a communications plan to address NSD outreach and public information needs
- 6A – Implement capital projects in partnership with local agencies for the distribution of recycled water

The following projects are on the “watch” list:

- 3A - Partner with winery industry to research and develop a mutually beneficial alternative to treating winery waste.  
*Deadline: June 30, 2017. District staff has worked with NVV to develop a survey of its members. However, in the last quarter, staff was told by NVV that they no longer are willing to send out the survey, and that they would be more comfortable if NSD researched and outreached on its own directly with wineries that haul waste.*
- 6B - Participate with local partners on long-term opportunities for water reuse.  
*Deadline: December 2017. The NBWRA has put the NEPA EIR/EIS on hold for 6 months, pending an effort to outreach and find potentially new partners and projects for inclusion in the Phase 2 study. It is likely that the NEPA study and Record of Decision will not be completed until June 2018.*

There are currently no projects on the “delayed” list.

## Recommendations

Progress is being made on all objectives. For the two projects on the “watch” list, staff is evaluating the actions of partners to determine whether a course correction or update with the Board is necessary. There are no recommended actions for the Board at this time.

**2015 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

		Complete	On Track	Watch	Delayed	Status:
1A	Implement Treatment Plant Master Plan critical projects, including pond aeration, RW equalization and filters and DAF clarifier, and replacement of the influent pump station	✓				Complete.
1B	Complete cost/benefit analysis of wet weather inflow/infiltration		✓			Project is proceeding. The evaluation period has been extended to collection additional information.
1C	Determine target for renewal and replacement of sewer assets	✓				Complete.
1D	Develop an asset management program		✓			Project is proceeding.
1E	Design and construct the Browns Valley Road Interceptor and any associated capacity enhancements at the West Napa Pump Station		✓			Project is proceeding.
1F	Amend the Collection System Master Plan	✓				Complete.
1G	Study whether to implement a Private Lateral Program		✓			The second pilot project for private laterals construction is complete. Additional pilot projects are scheduled in future fiscal years.
2A	Develop non-rate, revenue-generating opportunities that fit within the District's mission, either on its own or through private/public investment		✓			Solar project construction is complete, but pending Interconnection with PGE. Completion now expected in Spring 2017. Real Energy on hold. Updates on land lease negotiations provided in closed session.
2B	Conduct study of plan check/inspection fees and methodology options for calculating and assessing capacity charges, and make recommendations for improvement	✓				Complete.
2C	Conduct a Sewer Service Charge fee study prior to the next Proposition 218 hearing	✓				Complete.
2D	Develop financing plan for Browns Valley Road sewer project and implement as appropriate	✓				Complete.

**2015 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

		Complete	On Track	Watch	Delayed	Status:
3A	Partner with winery industry to research and develop a mutually beneficial alternative to treating winery waste			✓		NVV no longer wants to partner on a survey of its members. Will need to discuss next steps with Board.
3B	Negotiate a new 5-year NPDES permit	✓				Complete. Adoption by RWQCB in July 2016.
4A	Promote NSD as progressive, professional organization to foster a reputation regionally and state-wide as a great place to work.		✓			Continue to partner with BAYWORK, CWEA and others to showcase NSD.
4B	Conduct employee survey in Fall 2017		✓			Will begin in Summer 2017.
4C	Implement Employee Master Plan recommendations	✓				Final Board action to implement completed on August 3, 2016.
4D	Participate in programs to develop qualified and trained operators		✓			Ongoing.
5A	Be proactive in developing partnerships with local businesses and other public agencies to achieve common goals		✓			Ongoing.
5B	Create a communications plan to address NSD outreach and public information needs	✓				Board approved Communications Plan in August 2016.
6A	Implement capital projects in partnership with local agencies for the distribution of recycled water	✓				Complete.
6B	Participate with local partners on long-term opportunities for water reuse			✓		NBWRA Phase 2 Feasibility Study includes additional RW projects. NEPA currently on hold. Project may not be completed until June 2018.
6C	Study and develop pathway to become energy independent. Begin by setting targets for the percentage of self-generated energy.		✓			Ongoing. CEPT pilot project in Fall and Winter 2016. Targets to be set after pilot and solar project are online.

# **Fiscal Year 2016/17**

## **First Quarter Financial Report**

---

### **Overview**

Significant revenues received this first quarter have been as anticipated. Sewer service charges are typically low in the first quarter. Capacity charges are high due to payments for the Meritage Commons expansion, Meadows expansion, and tenant improvements by CIA at Copia. Grant revenue tracked to match the spending on grant-funded capital projects. Lease revenue was as expected, with no delinquent payments.

Recycled water revenues for the first quarter of the year came in slightly lower than expectations. Hauler fees revenues met budgeted expectations. Investment interest revenue met its target according to budget, with the investment return rate reaching its highest point in the last three years.

Salaries and benefit expenses were lower than budgeted for the quarter, due primarily to five position vacancies. Two of the vacancies in the Collection System were filled toward the end of the quarter, with two more vacancies in Collections and one in Engineering currently being recruited.

Services and supplies spending for the quarter were higher than budgeted. Debt payments were made as expected.

About 9.2% of the Capital Improvement Plan for the year was completed in the first quarter. The IPS project, MST recycled water project, LCWD recycled water project, and Recycled Water Pump Station N/S Split project are complete.

### **Recommendations**

There are no recommendations to adjust the FY 2016/17 budget.

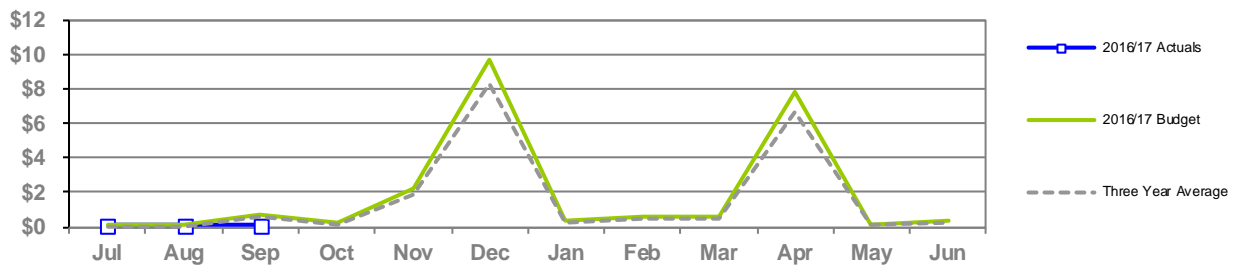
## Part 1 - Revenue Summary – All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual YTD % of Budget	YE Projection % of Budget
Sewer Service Charges	22,514,000	22,513,999	247,540	22,000,000	1.1%	97.7%
Capacity Charges	5,512,000	5,512,000	2,732,730	5,512,000	49.6%	100.0%
Hauling Fees	172,000	172,000	43,231	172,000	25.1%	100.0%
Permit Review Fees	184,500	184,500	41,147	160,000	22.3%	86.7%
Land Lease	719,000	719,000	329,563	719,000	45.8%	100.0%
Recycled Water Sales	958,000	958,000	398,822	700,000	41.6%	73.1%
Investment Interest	109,000	109,000	29,081	109,000	26.7%	100.0%
Grant Revenue	2,250,000	2,250,000	734,651	2,250,000	32.7%	100.0%
Miscellaneous Revenue	69,000	69,000	5,617	69,000	8.1%	100.0%
Sale of Assets	0	0	1,196	10,000	N/A	N/A
Proceeds from Bonds	4,550,000	4,550,000	0	4,550,000	0.0%	100.0%
Interfund Transfer In	14,412,000	14,412,000	5,398,390	14,412,000	37.5%	100.0%
<b>Total</b>	<b>\$51,449,500</b>	<b>\$51,449,499</b>	<b>\$9,961,968</b>	<b>\$50,663,000</b>	<b>19.4%</b>	<b>98.5%</b>

### Revenue Analysis

#### Sewer Service Charges by Month

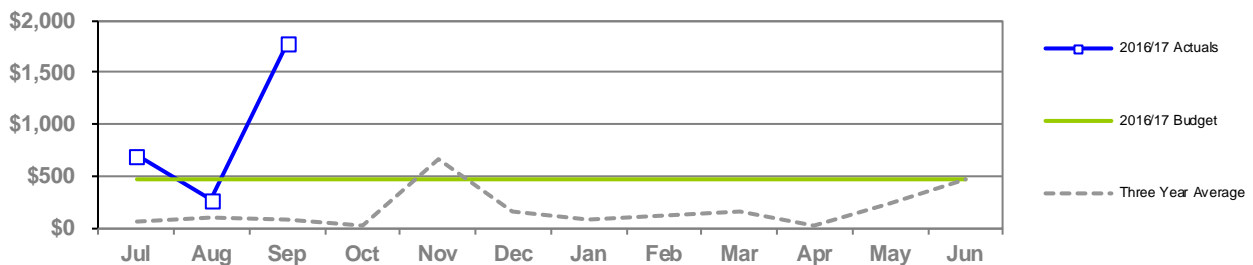
shown in millions



Sewer service charges, the largest revenue source for the District, are collected from property taxes predominantly in December and April, with direct billing of some customers throughout the year. The amount collected for the first quarter was a little lower than expected. The annual sewer service charges direct billings are typically recorded in September; however, this year they were done in October to more closely align with the timing of the property tax bills. It will be reflected in the second quarter revenues.

#### Capacity Charges by Month

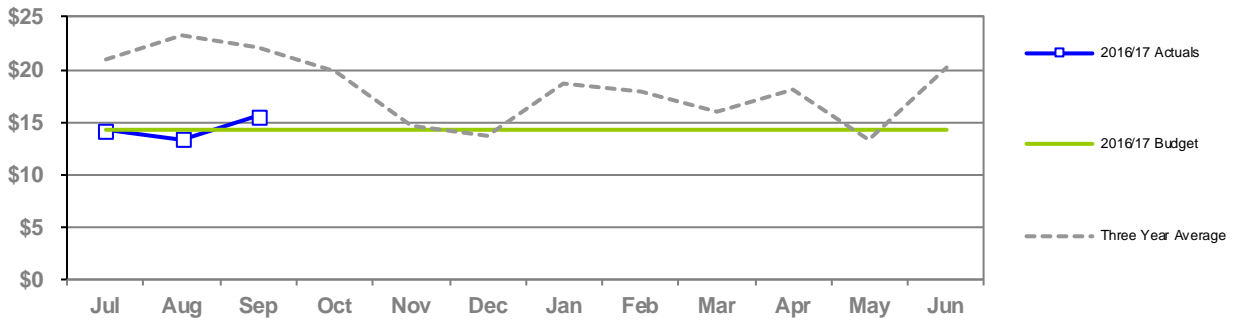
shown in thousands



Capacity charge revenues collected was significantly higher in the first quarter due to significant payments for expansion at The Meadows (\$677,605), tenant improvements at Copia by CIA (\$237,444) and the expansion of Meritage Commons (\$1,060,575). These payments will help keep the District on track to meet budget projections. As this revenue source constitutes a significant portion of the District's revenue for capital projects, it is being watched closely.

### Hauling Fees by Month

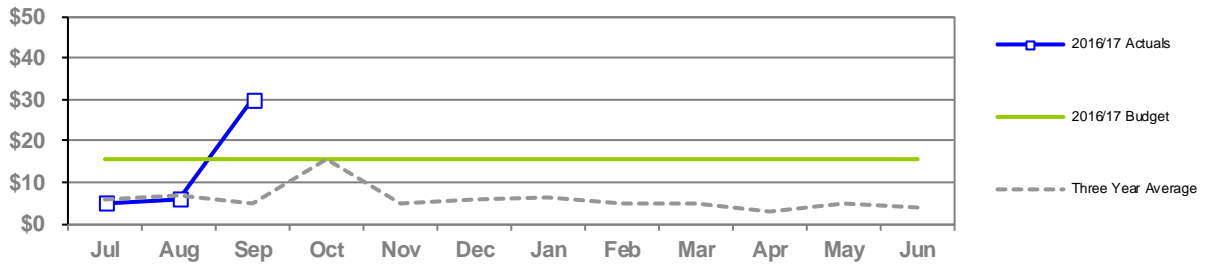
shown in thousands



Septage and FOG hauler revenues came in close to expected budget.

### Plan Review Fees by Month

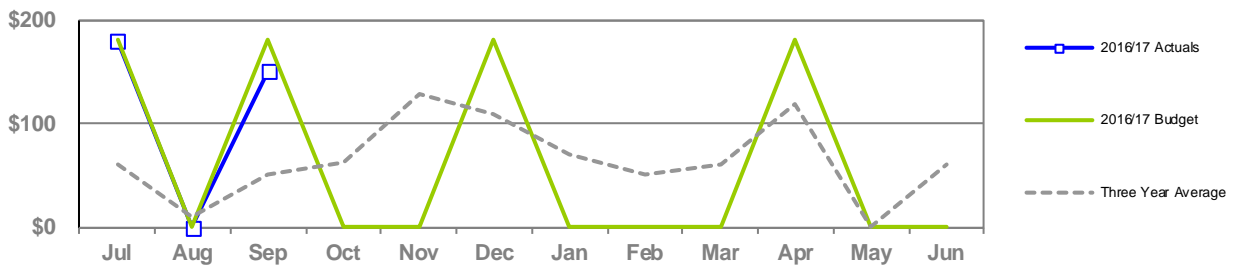
shown in thousands



Plan review fees were lower than expectations for the first two months, then higher in September. Overall for the quarter, revenues were almost at budgeted levels. The total revenues in this category are relatively small given the entire revenue picture for the District, but it is useful to watch this number and an indicator of future development in the community.

### Land Lease Revenue by Month

shown in thousands

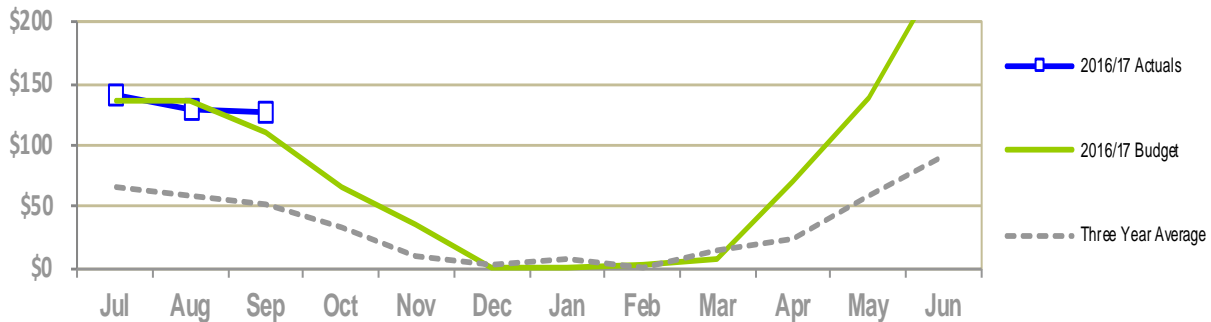


Lease payments are now being accrued according to contract terms, which make payments due quarterly, represented by the four large spikes on the graph for expected budget. Lease revenue is recorded when earned. All lease payments are up to date, with no delinquencies.



### Recycled Water Revenue by Month

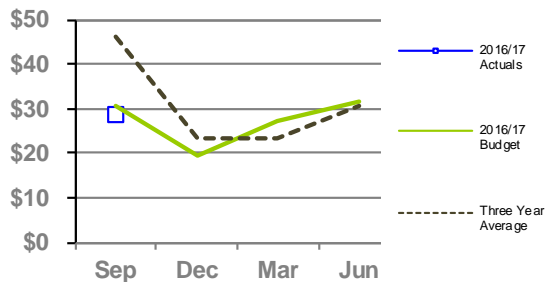
shown in thousands



Recycled water revenue came in a little lower than quarterly expectations. Starting in January 2017, an increase in new recycled water rates equal to local CPI will go into effect.

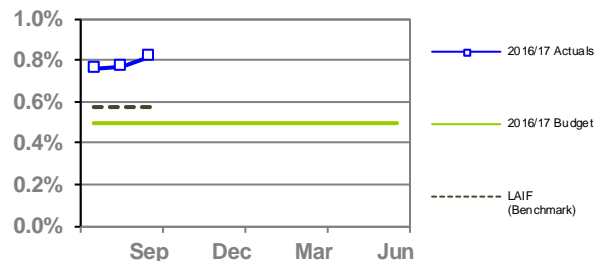
### Investment Interest Earnings by Quarter

shown in thousands



### Investment Interest Rate by Month

earnings rate



Interest earnings for the first quarter are as expected. The budgeted interest earnings for FY 2016/17 reflects lower cash on hand compared to the 3-year average due to spending down reserves on major projects in the last two years. The interest earnings rate increased from 0.76% in July to 0.82% in September. Long term, the rates are anticipated to increase as investments mature and are reinvested in higher rate securities.

The Local Agency Investment Fund (LAIF) rate is provided in the Investment Interest Rate by Month chart as a benchmark to evaluate District earnings from investments with the County's investment pool.

## Part 2 - Operating Expenditures Summary

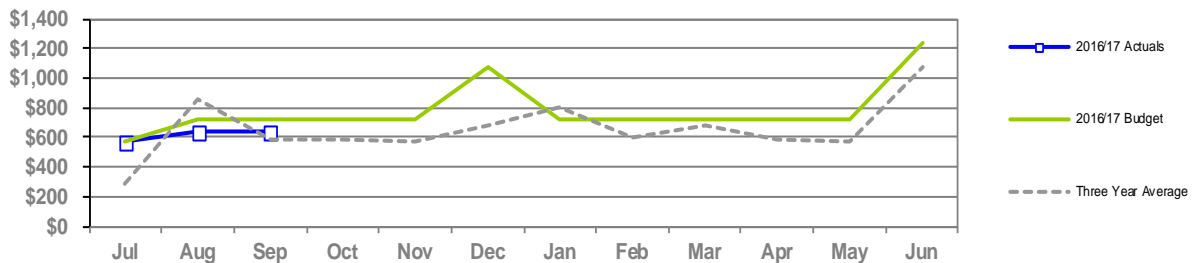
### All Departments, All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual % of Budget	Year End % of Budget
Salaries and Benefits	9,382,370	9,382,370	1,841,648	8,295,470	19.6%	88.4%
Services and Supplies	5,568,310	6,046,110	989,730	6,025,692	16.4%	99.7%
Other Charges	28,250	28,250	0	28,250	0.0%	100.0%
Debt Payments	4,773,050	4,773,050	3,685,914	4,773,050	77.2%	100.0%
Interfund Transfers Out	8,900,000	8,900,000	2,225,000	8,900,000	25.0%	100.0%
<b>Operating Expenditures</b>	<b>\$28,651,980</b>	<b>\$29,129,780</b>	<b>\$8,742,293</b>	<b>\$28,022,462</b>	<b>30.0%</b>	<b>96.2%</b>

### Operating Fund Expenditure Analysis

#### Salaries & Benefits

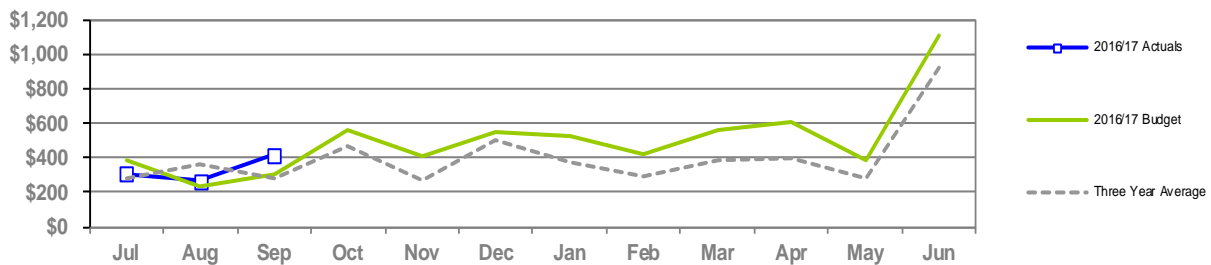
shown in thousands



Salaries and benefits for the year were lower than budgeted, with savings coming from five position vacancies.

#### Services & Supplies

shown in thousands



The pattern of services and supplies spending tracked expectations for the quarter, with expenses higher than budgeted.

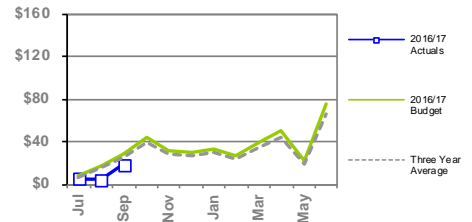
Services and supplies expense details for various departments are provided on the following pages.

## Services & Supplies (continued)

shown in thousands

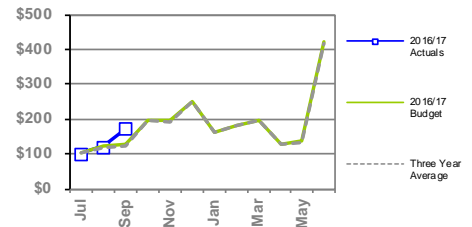
### Collection System Maintenance

Collection System maintenance expenses were lower than expected for the quarter. Lower than expected expenses in the first three months were due to weather, as rains limited the amount of repair projects that could be done.



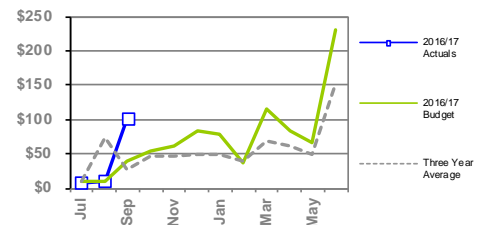
### Treatment Plant Operations

Expense patterns for the treatment plant were consistent with budgeted expectations and the three year trend. Month-to-month expenses vary based on chemical shipments, predominantly.



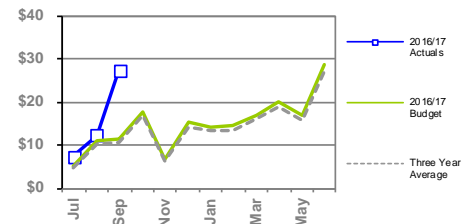
### Treatment Plant Maintenance

Services and supply expenses tracked according to expectations for the first quarter of the year, with the spike in September due to the cost of installing actuators on aeration basin influent flow gates and replacing the lighting ballast of various buildings in the Plant.



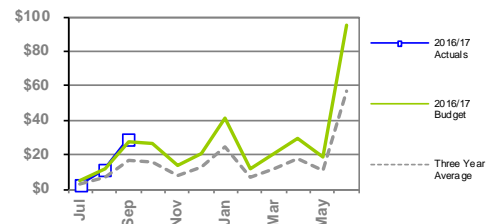
### Treatment Plant Laboratory

Expenses in this department tend to be a bit volatile, as expenses occur sporadically. There has been higher than anticipated spending on consumables related to extra testing related to chlorides. The spike in September was due to the purchase of samplers.



### Water & Biosolids Reclamation

Expenses for the quarter were consistent with prior years, and in line with budgeted expectations.

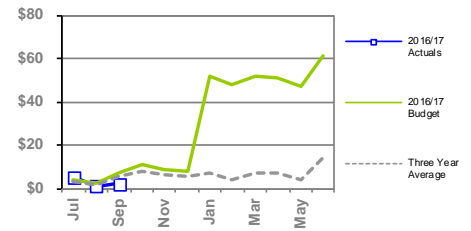


## Services & Supplies (continued)

shown in thousands

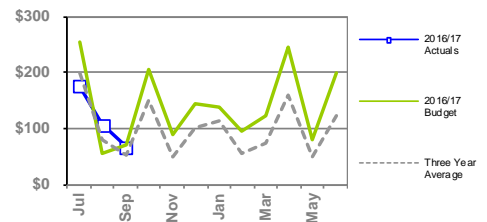
### Engineering

Much of this department's discretionary budget is in engineering consulting services. The Department's expenses for the quarter were as expected, with the exception of increase that was expected as part of the implementation of the asset management program. The start of implementation has been delayed until the second quarter.



### Board of Directors, GM Office, Administration, Safety and Training, Fleet, and Pollution Prevention

Expense patterns for administrative departments were consistent with budgeted expectations and the three year trend.



### Property Taxes

The first payment of property taxes for Somky and Jamison Canyon properties will be paid in December, and the second payments will be made in April.

### Debt Payments

Principal and interest payments for the 2009B Fixed Rate COP and 2012A COPs are due in August and February. Debt service payments were made according to schedule.

State Revolving Fund loan principal and interest will be paid in December, also according to schedule.

## Part 3 - Capital Program Expenditure Summary

<u>Project No.</u>	<u>Project Title</u>	<u>Prior Year Actuals</u>	<u>FY 16/17</u>		<u>Variance</u>	<u>% of Budget</u>
			<u>Adj. Budget</u>	<u>FY 16/17 Actuals</u>		
<b><u>Collection System</u></b>						
13701	Main Line Sewer Repairs	444,201	88,700	0	88,700	0.0%
13702	Manhole Raising	810,056	198,900	3,254	195,646	1.6%
13703	Lateral Replacements	620,287	72,000	11,438	60,562	15.9%
13704	Cleanouts Installation	461,391	87,000	8,870	78,130	10.2%
13705	I&I Reduction Program	451,374	200,000	1,544	198,456	0.8%
14703	Browns Valley Rd & First Street	1,525,131	3,613,800	48,208	3,565,592	1.3%
15703	Sarco Creek P/L Rplcmnt – CalTRANS	136,610	1,015,750	82,685	933,065	8.1%
15721	ACP CIPP Lining Project #1	299,492	330,000	264,261	65,739	80.1%
16701	Basin L - I&I Reduction Project 5	1,290,370	909,600	632,057	277,543	69.5%
16718	NN Siphon Vault Cover Replacement	46,018	5,000	1	4,999	0.0%
16723	Milliken Creek Sewer Repair	0	150,000	50	149,950	0.0%
17702	Upper Lateral Rehab - Basin L (Pilot #2)	0	5,000	0	5,000	0.0%
17703	Manhole Rehab - Nipak	0	90,000	50	89,950	0.1%
17704	Infltrtn Rehab - SSMH/PL (CI-)	0	100,000	11,225	88,775	11.2%
17705	Soscol Ave (8th to Oil Co Rd)	0	500,000	0	500,000	0.0%
17707	66-inch Trunk CCTV Inspection	0	150,000	0	150,000	0.0%
17708	Basin G - I&I Reduction #1	0	2,380,000	0	2,380,000	0.0%
17734	Homewood/Westwood I/I Reduction	0	200,000	0	200,000	0.0%
<b><u>Collection System-Equipment</u></b>						
17709	Eel Replacement 1	0	5,500	0	0	0.0%
17710	Vehicle 510 - Water Truck	0	189,800	0	0	0.0%
<b><u>Lift Stations</u></b>						
17711	West Napa PS - Rehab	0	1,750,000	0	1,750,000	0.0%
<b><u>Treatment</u></b>						
16708	Algae to Digester with Thermal Study	9,510	50,450	2,712	47,738	5.4%
17712	Headworks/Primary - Odor Ctrl	0	25,000	0	25,000	0.0%
<b><u>Treatment - Equipment</u></b>						
13741	Secondary PS Pump Rebuild (3)	27,794	44,700	0	44,700	0.0%
13743	Residual Analyzers (Deox) Replacement	21,976	20,000	0	20,000	0.0%
14720	Belt Press Polymer Skid Replacement	14,299	55,700	47,643	8,057	85.5%
15711	Rotork Actuator Replacement	86,861	52,750	6,200	46,550	11.8%
15712	Rehabilitate Pond 1 Storage Structure	0	30,000	0	30,000	0.0%
15713	Aeration Basin Instrumentation & Ctrl	175,870	1,574,000	241,588	1,332,412	15.3%
16713	Buried Metallic Piping (eval/rehab)	0	41,800	0	41,800	0.0%
16714	High Voltage System Repairs	0	50,000	0	50,000	0.0%
16715	Cogen Bottom End Overhaul	0	225,000	0	225,000	0.0%
17713	Secondary PS VFD Rplcmnt (3)	0	53,600	0	53,600	0.0%
17714	WWTP MP - 3W Sys Imprvmnts	0	60,000	0	60,000	0.0%
17715	Turbidimeters (7) Tertiary Rplcmnts	0	23,000	0	23,000	0.0%
17716	FOG - Strain Press	0	200,000	0	200,000	0.0%

<u>Project No.</u>	<u>Project Title</u>	<u>Prior Year Actuals</u>	<u>FY 16/17</u>		<u>Variance</u>	<u>% of Budget</u>
			<u>Adj. Budget</u>	<u>Actuals</u>		
17717	Odor Control VFD	0	51,700	0	51,700	0.0%
17718	LED Pole/Arm Mounted Fixtures	0	128,100	53	128,047	0.0%
17719	Smples 4700 - Pretreatment	0	6,700	0	6,700	0.0%
17720	Smples 4700 - Pretreatment	0	7,500	0	7,500	0.0%
17721	Chlorophyll A Analyzer - Pond Water	0	6,200	0	6,200	0.0%
17722	Stationary Gas Detector Rplcmnt Ph 2	0	175,000	0	175,000	0.0%
17723	Rotork Actuator Rplcmnt	0	88,700	0	88,700	0.0%
17725	Sump #3 Modification	0	10,000	0	10,000	0.0%
<b><u>Treatment - Structures</u></b>						
13724	IPS Expansion	19,357,555	38,700	1	38,699	0.0%
17726	Headworks Equipment Rehab/ Rplcmnt	0	110,000	0	110,000	0.0%
17727	Roof Replacement - Digester 2nd Floor	0	125,000	0	125,000	0.0%
17728	Roof Replacement - AB/Blower Building	0	40,000	0	40,000	0.0%
17729	DAF Access Opening	0	20,000	0	20,000	0.0%
<b><u>SCADA</u></b>						
<b><u>Recycling - District</u></b>						
15717	Isolation Valve – Kirkland Line (Devlin Rd)	580	63,600	442	63,158	0.7%
16716	Line Recycled Water Reservoir	63,364	301,600	42,211	259,389	14.0%
17730	Jameson Solids Pad Dump Bay	0	0	0	0	
17731	Jameson Office Trailer Rplcmnt	0	25,000	0	25,000	0.0%
17732	Vehicle 710 - 8830 Tractor	0	170,000	0	170,000	0.0%
17733	Vehicle 172 - Ford F150	0	33,000	0	33,000	0.0%
<b><u>Recycling - Expansion</u></b>						
13727	North Bay Water Reuse Project	1,997,272	845,000	283,881	561,119	33.6%
14726	MST Pipeline Construction	13,075,073	500,000	2,512	497,488	0.5%
14727	Split N/S Lines, surge protection	2,749,479	50,000	3,218	46,782	6.4%
15718	LCWD Recycled Water P/L Construction	10,063,331	500,000	7,073	492,927	1.4%
16722	MST RW Pipeline Extension	673	1,199,300	9,588	1,189,712	0.8%
<b><u>Other</u></b>						
13729	Development Technical Support	1,326,594	231,800	55,507	176,293	23.9%
16717	Admin/Eng Bldg Acoustic Improvements	0	10,000	0	10,000	0.0%
			19,283,950	1,766,272	17,517,678	9.2%

### **Capital Project Highlights for the First Quarter**

- 14703 Browns Valley Trunk** – Design continued during the first quarter. Construction is expected to start during FY 17/18.
- 15703 Sarco Creek Pipeline Replacement** – Construction continued during the first quarter. Installation is expected to be completed during the second quarter.
- 15713 AB Diffuser Replacement Project** – Construction continued during the first quarter. Installation is expected to be completed during the second quarter.

- 15721 ACP Lining Project No. 1** – Phase 1 of the project was completed last fiscal year. Phase 2 of the project continued during the first quarter. Construction is expected to be completed during the second quarter.
- 16701 Basin L I&I Reduction Project 5** –Construction continued during the first quarter. Construction is expected to be completed during the second quarter.
- 16716 Line Recycled Water Reservoirs** – Design continued during the first quarter. Installation is expected to occur in FY 17/18.
- 16722 MST Recycled Water Expansion Project** – Design started during the first quarter. Construction is expected to occur during Summer 2017.
- 17705 Soscol-Sousa Trunk Sewer Rehab** – Design started during the first quarter. Construction is expected to occur during the fourth quarter.
- 17708 2017 Sewer System Rehabilitation** – Design started during the first quarter. Construction is expected to occur during Summer 2017.
- 17716 FOG Strain Press** – Procurement started during the first quarter. Installation is expected to occur during the third quarter.
- 17726 Headworks Equipment Rehab/Replacement** – Design started during the first quarter. Installation is expected to occur next fiscal year.

# **APPENDIX**

## **A. Explanation of Color Codes (1 page)**

## **B. Excerpt from NSD Strategic Plan: Priority Goals (6 pages)**

**Goal 1: Infrastructure Reliability**

**Goal 2: Financial Stability**

**Goal 3: Operational Capability**

**Goal 4: Employee Development**

**Goal 5: Community Outreach and Communication**

**Goal 6: Resource Recovery**



## EXPLANATION OF COLORS FOR TRACKING STATUS

	Green	Yellow	Red
<b>General</b>	<ul style="list-style-type: none"> <li>• Anticipates meeting Goal</li> </ul>	<ul style="list-style-type: none"> <li>• Watch. Potential problem areas ahead.</li> <li>• Without some intervention, would likely turn to RED. (can't be YELLOW without potential for going to RED.)</li> <li>• As of assessment date, Goal still likely to be met.</li> </ul>	<ul style="list-style-type: none"> <li>• High probability of not meeting Goal without increase in scope, schedule or budget</li> <li>• Action Plan should be prepared to meet Goal, or if not possible, Goal should be modified or dropped.</li> </ul>
<b>Scope</b>	<ul style="list-style-type: none"> <li>• Scope will be completed essentially as promised and approved by the Board.</li> <li>• No key scope component will be missed</li> </ul>	<ul style="list-style-type: none"> <li>• Scope may be modified as further work continues, and may include revisions to key scope components.</li> <li>• Scope revisions may trigger significant changes in schedule or budget</li> </ul>	<ul style="list-style-type: none"> <li>• High probability of not meeting key scope component.</li> <li>• Additional scope, accompanied by schedule and/or budget modifications, necessary to meet overall Goal.</li> <li>• Additional scope that significantly affects the community, regardless of its schedule or budget impact, is necessary to meet overall Goal.</li> </ul>
<b>Schedule</b>	<ul style="list-style-type: none"> <li>• Schedule essentially on track</li> <li>• Intermediate milestones that do not affect either overall schedule or intermediate commitment dates may be adjusted.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for schedule delay, but not necessarily impact on scope or budget</li> </ul>	<ul style="list-style-type: none"> <li>• Goal will not meet schedule.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• Budget on or under projections</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for budget impact , but not necessarily impact on scope or schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Goal will not meet budget.</li> </ul>

## FROM NSD 2015 STRATEGIC PLAN

### **V. NSD Goals and Objectives**

The NSD Strategic Plan is organized according to six major goal areas:

Goal One: Infrastructure Reliability

Goal Two: Financial Stability

Goal Three: Operational Capability

Goal Four: Employee Development

Goal Five: Community Outreach and Communications

Goal Six: Resource Recovery

The goal areas represent Board members' overall top priorities. Within each goal area, Board members identified their top priority projects and programs which are summarized on the following pages.

## **GOAL ONE: INFRASTRUCTURE RELIABILITY**

*Build, maintain and operate a cost-effective and reliable wastewater treatment system for the NSD service area.*

Systematic replacement of NSD's aging infrastructure is priority number one. A long term capital facilities plan is needed, drawing on accurate information about current facility conditions and projections of future service area needs: five, ten or more years from now. **NSD must ensure that treatment capacity will be in place to address current and projected future needs.**

The NSD Board established the following key objectives:

### **1A. Implement Wastewater Treatment Plant Master Plan critical projects:**

- **Pond Aeration**
- **RW Filters, Secondary Equalization and DAF Clarifier**
- **Influent Pump Station**

Complete by December 31, 2015

### **1B. Wet Weather Inflow/Infiltration Cost/Benefit analysis**

Complete by December 31, 2015

### **1C. Determine target for renewal and replacement of sewer assets**

NSD is averaging the replacement of 0.8% of its sewer assets annually, which equates to a 125 year replacement cycle. A target should be agreed upon for renewal and replacement, to set a standard/goal for the District and to build that target into rate setting.

Complete by June 30, 2016

### **1D. Develop an Asset Management program**

Asset Management will help the District to be proactive in addressing the management of its collection system, plant and recycled water infrastructure. It will result in better prioritization of projects and reduced costs by predicting the most cost effective timing for asset maintenance, renewal and replacement.

Complete by June 30, 2020

**1E. Design and construct the Browns Valley Road Interceptor and any associated capacity enhancements at the West Napa Pump Station**

This is a significant project in the 10-year Capital Improvement Plan.

Complete by December 31, 2019

**1F. Amend the Collection System Master Plan**

The current Collection System Master Plan was completed in 2007. Once the Wet Weather I&I Study has been completed, the Master Plan should be updated to incorporate the findings of the study.

Complete by June 30, 2017

**1G. Study whether to implement a Private Lateral Program**

Study the benefits to the District of developing a private lateral program for the reduction of I & I. Begin with the development and implementation of pilot projects.

Complete by December 31, 2017

## **GOAL TWO: FINANCIAL STABILITY**

*Ensure adequate fiscal resources to fulfill NSD's mission.*

The NSD Board has a fiduciary responsibility to ensure that adequate financial resources are in place to operate the District and carry out its mission.

The NSD Board established the following key objectives:

**2A. Develop non-rate, revenue-generating or expense minimizing opportunities that fit within the District's mission, either on its own or through private/public partnership.**

Ongoing

**2B. Conduct study of plan check/inspection fees and methodology options for calculating and assessing capacity charges, and make recommendation for improvement.**

Complete by September 30, 2015

**2C. Conduct a Sewer Service Charge fee study prior to the next Proposition 218 hearing**

Complete by March 31, 2016

**2D. Develop financing plan for Browns Valley Road sewer project and implement as appropriate**

Hire financial advisor and bond counsel, develop bond structure and Preliminary Official Statement (POS), seek rating from Standard & Poor's, and sell bonds estimated at around \$17 million.

Complete by December 31, 2016

**GOAL THREE:                    OPERATIONAL CAPABILITY**

*Implement and maintain effective operational practices.*

The NSD Board wants to operate a District at or above best practices, utilizing proven technology. Customers, ratepayers and internal staff all deserve high quality service.

The NSD Board established the following key objectives:

**3A. Partner with winery industry to research and develop a mutually beneficial alternative to treating winery waste**

Complete by June 30, 2017

**3B. Negotiate a new 5-year NPDES permit**

Every 5 years the District must negotiate a new NPDES Permit with the Regional Board.

Complete by December 31, 2016

## **GOAL FOUR: EMPLOYEE DEVELOPMENT**

*Maintain a dynamic and skilled workforce through employee engagement, professional development and opportunities for advancement*

The NSD Board wants to create a positive and respectful working environment that encourages all employees to do the best job possible for the ratepayers of the District.

The NSD Board established the following key objectives:

### **4A. Promote NSD as progressive, professional organization to foster a reputation regionally and state-wide as a great place to work**

Encourage staff to give presentations at professional organization trainings and conferences, assume leadership positions in professional organizations; form associations to research and develop Best Practices, engage in interagency exchanges of staff or trainings that showcase innovative approaches, etc.

Ongoing

### **4B. Conduct Employee Survey in Fall 2017**

Develop a pattern of surveying employees every three years.

Complete by February 28, 2018

### **4C. Implement Employee Master Plan recommendations**

Develop implementation plan, timeline, and develop budget per Board direction.

Complete by December 31, 2016

### **4D. Participate in Programs to Develop Qualified and Trained Operators**

Maintain an active role in BAYWORK, offer internship opportunities and scholarships, and include information about the Operator Profession in plant tours and public events.

Ongoing

## GOAL FIVE: COMMUNITY OUTREACH AND COMMUNICATION

*Provide ratepayers with the information they need to understand NSD mission, operations, finances and rate structures.*

The NSD Board wants to ensure that NSD operates in a transparent manner and serves as a resource to all ratepayers of the service area.

The NSD Board established the following key objectives:

**5A. Be proactive in developing partnerships with local businesses and other public agencies to achieve efficiencies and common goals. Focus on accomplishments.**

Ongoing

**5B. Create a communications plan to address NSD outreach and public information needs.**

It is important to communicate with ratepayers on an on-going basis regarding the District's aging infrastructure and what it takes to maintain system reliability.

The Communications Plan would identify the specific messages and audiences for those messages, and develop specific methods and strategies for delivery of those messages. Include NSD employee suggestions and Board ideas where feasible.

Complete by June 30, 2016



## **GOAL SIX: RESOURCE RECOVERY**

*Implement policies and technologies to recover resources from wastewater for beneficial reuse.*

The NSD Board wants to recover resources for reuse when economically viable and a market exists for their beneficial reuse. NSD must also use the resources available to ensure a reliable energy supply during emergency conditions as well as during normal times.

The NSD Board established the following key objectives:

### **6A. Implement capital projects in partnership with local agencies for the distribution of recycled water.**

Complete by June 30, 2016

### **6B. Participate with local partners on long-term opportunities for water reuse**

Determine whether to proceed with NBWRA to develop storage projects for recycled water using District ponds or other locations. Work with local partners to find or develop storage options. Calculate the anticipated impacts to rate payers for various storage and recovery options.

Complete by December 31, 2017

### **6C. Study and develop pathway to become energy independent. Begin by setting targets for the percentage of self-generated energy**

For example, explore the recovery of algae for potential energy source, , explore replacement or expansion of the Cogen system, look into capturing waste heat for use in electricity generation, expand solar, etc.

Ongoing