



Agenda Date: 4/4/2018  
Agenda Placement: 8A

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors  
**FROM:** Jeff Tucker - Director of Administrative Services/CFO  
NS-Administration  
**REPORT BY:** Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000  
**SUBJECT:** Accept the Annual Performance Measurement Report

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### **RECOMMENDATION**

Accept the annual Performance Measurement Report for 2017.

### **EXECUTIVE SUMMARY**

NapaSan staff has prepared the eighth annual report on the its Key Performance Indicators. The report is structured around the Effective Utility Management (EUM) framework for evaluating water and wastewater utilities. EUM was developed cooperatively with the US EPA, Water Environment Federation, American Water Works Association, American Public Works Association, National Association of Clean Water Agencies, other professional associations, and professional utility managers from the water and wastewater sectors. NapaSan staff has evaluated EUM and believes that it is applicable and highly relevant to the Napa Sanitation District.

EUM has identified ten attributes of effectively managed water sector utilities. It is intended that focusing on these ten attributes will help utilities maintain a balanced focus on all important areas of water and wastewater utility management. The performance measurement report has been divided into those ten attributes:

1. Product Quality
2. Customer Service
3. Employee and Leadership Development
4. Operational Optimization
5. Financial Viability
6. Infrastructure Stability
7. Operational Resiliency
8. Community Sustainability
9. Water Resource Adequacy

## 10. Stakeholder Understanding & Support

For each of the ten attributes, there are a number of quantitative and some qualitative measures that show how the NapaSan is performing.

### **Significant changes from the prior year's report include:**

- | **Sanitary Sewer Overflows** - The 2017 rating for both the number and volume of SSOs was rated as unsatisfactory, as the results exceeded the state and regional averages and were significantly higher than in previous years. The SSOs were associated with inflow and infiltration (I&I), an area where NapaSan has recently expanded its efforts and resources to replace at least 2% of sewer assets annually, focusing on areas of I&I. (pages 19 and 20)
- | **Recycled Water Quality** - This is a relatively new metric in the Product Quality attribute section, and evaluates how well NapaSan is doing in meeting water quality requirements for recycled water. The rating improved from "watch" to "satisfactory" as a result of lower chloride levels directly related to staff actions in addressing I&I in areas with high saline groundwater. (page 22)
- | **Operating Ratio** - *This measure has shown significant improvement this past year, directly related to the sewer service charge increased approved by the Board in March 2016. The rating has improved from "unsatisfactory" for both the year and the trend in last year's report to "satisfactory" in 2017 and "watch" for the trend.* (page 47)
- | **Sewer Main Line Cleaning** - *This measure improved in 2017, coming very close to meeting the 40% goal for cleaning the system.* (page 60)
- | **Lower Sewer Lateral Renewal and Replacement** - *This is a measure of the rehabilitation work completed by NapaSan staff. In 2016, the staff missed the stated goal due to a number of staff vacancies. In 2017, the Collection System staff was able to meet the established goal. This improved the rating from "unsatisfactory" to "satisfactory."* (page 63)
- | **Experience Modification Rate** - *The "XMOD" rate in 2017 rose above 100 for the first time in over 10 years, due to incidents in prior years. The rating for 2017 is "unacceptable" for this reason. However, it is expected to drop to historically low levels next year as the prior incidents "roll out of" the calculation methodology.* (page 73)

### **Other areas of particular interest:**

- | **Electricity Self-Generation** - Self-generation of electricity has increased with the solar array coming on line in March 2017. The percentage is expected to increase further with a complete year of solar generation in 2018, along with increased use of the cogeneration engine. (page 39)
- | **Chemistry Consumption** - There has been a noticeable decrease in the amount of chemistry used per million gallons treated, particularly polymer usage. This results in lower operating costs for ratepayers. (page 41)
- | **Sewer Main Renewal and Replacement** - For 2017, there was an established goal of replacing 1.3% of sewer system piping. That goal was surpassed with a result of over 2% replacement. (page 62)

Overall, most of the indicators are positive and show NapaSan is performing optimally. Out of 63 Key Performance Indicators, 86% were rating "satisfactory" with 8% rated "watch" and 5% rated as "unsatisfactory." One metric does not have adequate data for evaluation.

At the beginning of the report, there is an executive summary and a summary of measures and ratings. This is followed by more detailed descriptions, analysis and charts for each of the specific measures.

**FISCAL IMPACT**

Is there a Fiscal Impact?            No

**ENVIRONMENTAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

- A . Presentation
- B . 2017 Performance Measurement Report

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker