



# Napa Sanitation District

Quarterly Report of Priority Goals  
for  
FY 2015/16 Quarter 3

January 1, 2016 – March 31, 2016

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# **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:

- 1C - Determine target for renewal and replacement of sewer assets
- 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

There are currently no projects on the "watch" list.

There are currently no projects on the "delayed" list.

## **Recommendations**

Progress is being made on all objectives, with no projects on the "watch" or "delayed" list. There are no recommended actions by the Board at this time.

**2015 Strategic Objectives:**

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		✓			IPS will be completed in Quarter 4. Other projects are complete.
1B	Complete cost/benefit analysis of wet weather inflow/infiltration		✓			Project is proceeding.
1C	Determine target for renewal and replacement of sewer assets	✓				Targets were set as part of Prop. 218 and Sewer Service Charge rate setting process.
1D	Develop an asset management program		✓			Start dependent on Objective 4C.
1E	Design and construct the Browns Valley Road Interceptor and any associated capacity enhancements at the West Napa Pump Station		✓			Design & Engineering will begin in Quarter 4.
1F	Amend the Collection System Master Plan		✓			This effort was incorporated into the Browns Valley Road Interceptor project's planning/modeling work. Expected to be completed in April 2016.
1G	Study whether to implement a Private Lateral Program		✓			Pilot project for private laterals construction is complete. Flow monitoring during winter 15/16 will determine effectiveness.
2A	Develop non-rate, revenue-generating opportunities that fit within the District's mission, either on its own or through private/public investment		✓			Stationary Storage (Battery) completed in Quarter 3. Solar project to be completed in September 2016. Real Energy on hold.
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. Project will be financed through Clean Water SRF loan.

**2015 Strategic Objectives:**

Complete

On Track

Watch

Delayed

**Status:**

3A	Partner with winery industry to research and develop a mutually beneficial alternative to treating winery waste		✓			Working with NVV to develop survey of members. Survey will be sent out in Quarter 4.
3B	Negotiate a new 5-year NPDES permit		✓			Submitted ROWD on September 30, 2015. On schedule.
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		✓			Evaluating salary/budget impacts. Discussion with Personnel Committee in Quarter 4.
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		✓			Firm selection in January, with Board workshops in May and June 2016.
6A	Implement capital projects in partnership with local agencies for the distribution of recycled water		✓			MST and LCWD projects were substantially complete in December 2015. Pump station upgrade will be complete in May 2016.
6B	Participate with local partners on long-term opportunities for water reuse		✓			NBWRA Phase 2 Feasibility Study includes additional RW storage. Anticipated completion of study in June 2017.
6C	Study and develop pathway to become energy independent. Begin by setting targets for the percentage of self-generated energy.		✓			Ongoing.

# **Fiscal Year 2015/16**

## **Third Quarter Financial Report**

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### **Overview**

Significant revenues received this quarter have been as anticipated. Sewer service charges and capacity charges are both on target. Grant revenue tracked according to budget. Lease revenue was as expected, with no delinquent payments.

Recycled water revenues for the first half of the year came in higher than budget, while third quarter revenues are historically very low. Hauler fees revenues finished the quarter below expectations. Investment interest revenue came in less than budget, with the investment return rate rising to their highest rates in many years, although still low compared to historical standards.

Salaries and benefit expenses were lower than budgeted for the quarter, due primarily to three position vacancies. One of the vacancies was filled toward the end of the third quarter, but another vacancy is expected starting the end of May. The other two positions are not expected to be filled until next fiscal year.

Services and supplies spending is tracking slightly lower than budgeted. Debt payments were made as expected.

About 62% of the Capital Improvement Plan for the year was completed in the first three quarters of the year. The IPS project is substantially complete, and MST recycled water construction is complete, with LCWD recycled water construction substantially complete. The Recycled Water N/S Split project continued during the quarter.

### **Recommendations**

There are no recommendations to adjust the FY 2015/16 budget. Total revenues are expected to come in slightly above budget, while operating expenditures are projected to finish the year below budget.

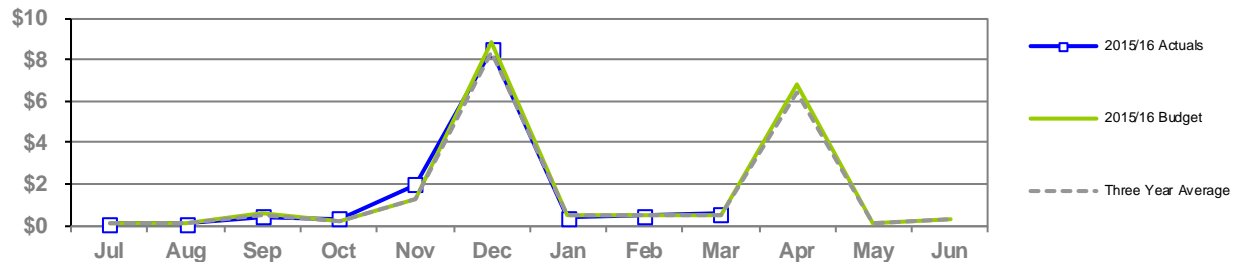
## Part 1 - Revenue Summary – All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual YTD % of Budget	YE Projection % of Budget
Sewer Service Charges	19,534,000	19,534,000	12,723,873	19,850,000	65.1%	101.6%
Capacity Charges	2,998,000	2,998,000	2,832,720	3,100,000	94.5%	103.4%
Hauling Fees	236,000	236,000	135,445	172,000	57.4%	72.9%
Permit Review Fees	95,000	95,000	136,185	180,000	143.4%	189.5%
Land Lease	716,000	716,000	536,441	716,000	74.9%	100.0%
Recycled Water Sales	507,000	507,000	237,595	507,000	46.9%	100.0%
Investment Interest	77,000	77,000	40,884	60,000	53.1%	77.9%
Grant Revenue	21,971,100	21,971,100	13,282,343	14,750,000	60.5%	67.1%
Miscellaneous Revenue	143,000	143,000	48,801	67,000	34.1%	46.9%
Proceeds from Bonds	15,200,000	15,200,000	0	0	0.0%	0.0%
Interfund Transfer In	12,248,000	12,248,000	10,898,000	12,248,000	89.0%	100.0%
<b>Total</b>	<b>\$73,725,100</b>	<b>\$73,725,100</b>	<b>\$40,872,420</b>	<b>\$51,650,750</b>	<b>55.4%</b>	<b>70.1%</b>

### Revenue Analysis

#### Sewer Service Charges by Month

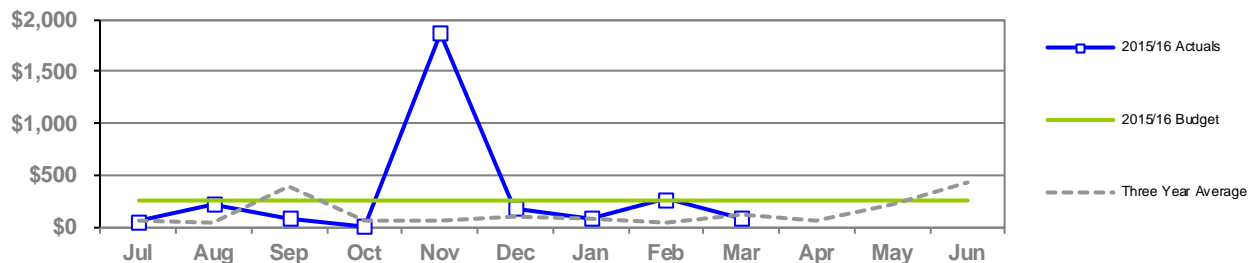
shown in millions



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 was in line with expectations.

#### Capacity Charges by Month

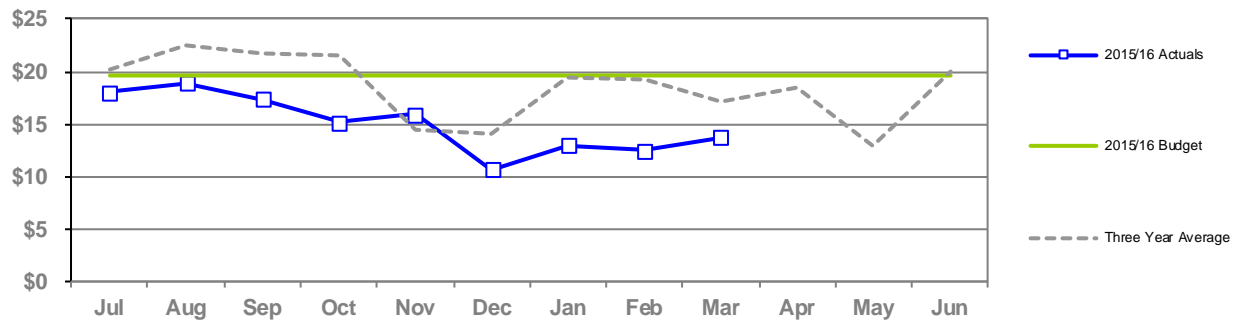
shown in thousands



Capacity charge revenues collected was significantly higher in November because of capacity charges paid by Archer Hotel. With this payment, the District is likely to meet its budgeted 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

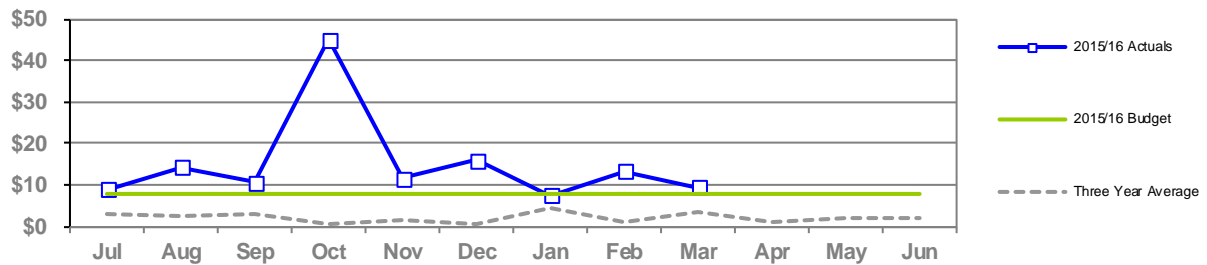
shown in thousands



Septage and FOG hauler revenues came in lower than expectations in the third quarter. This is due to lower than usual deliveries of septage as well as the large FOG haulers meeting thresholds for reduced fees.

## Plan Review Fees by Month

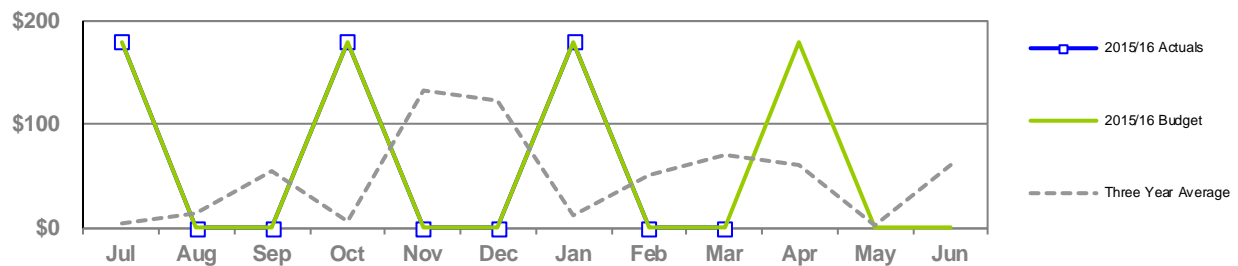
shown in thousands



Plan review fees are above budget expectations for the year. 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. The increase in development fees that went into effect in July have resulted in revenues significantly higher than the three year average.

## Land Lease Revenue by Month

shown in thousands

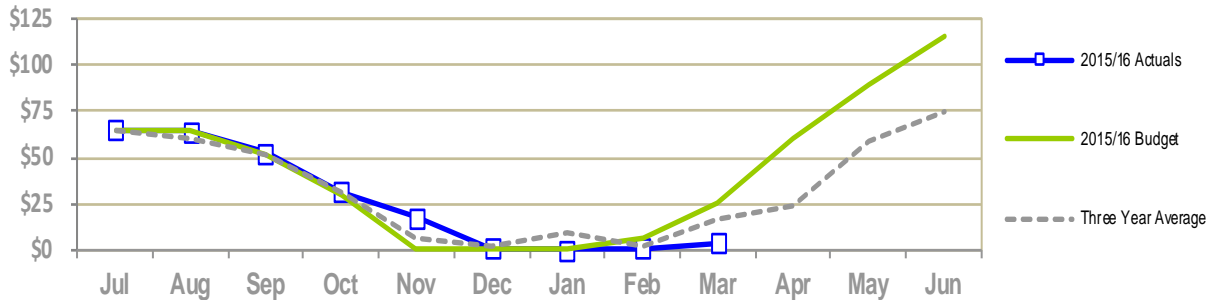


Lease payments are now being accrued according to contract terms, which make payments due quarterly, represented by the four large spikes on the graph. Lease revenue is recorded when earned. All lease payments are up to date, with no delinquencies.



## Recycled Water Revenue by Month

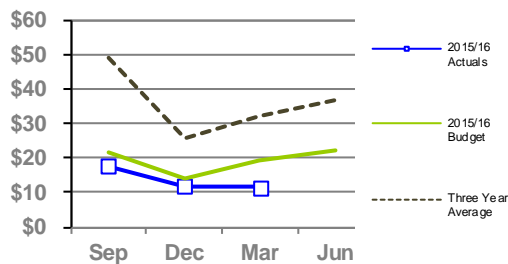
shown in thousands



Recycled water revenue was the same as forecasted for the first quarter and slightly higher for the second quarter. March was a rainy month, resulting in lower recycled water sales compared to budget and historical average. Starting in January 2016, new recycled water rates went into effect.

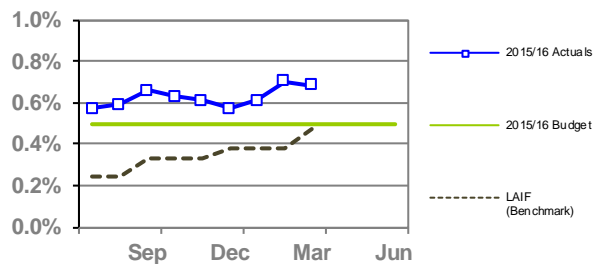
## Investment Interest Earnings by Quarter

shown in thousands



## Investment Interest Rate by Month

earnings rate



Interest earnings for the fiscal year to date are just slightly less than expected. The budgeted interest earnings for FY 2015/16 reflects lower cash on hand as all bond proceeds from the 2012 debt issuance have now been spent. The interest earnings rate increased for the last three months, reaching a high of 0.70%. 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

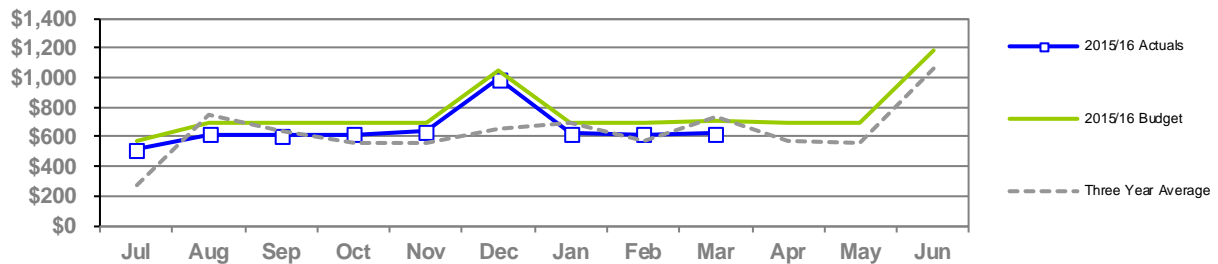
### All Departments, All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual % of Budget	Year End % of Budget
Salaries and Benefits	9,054,200	9,054,200	5,835,530	8,400,000	64.5%	92.8%
Services and Supplies	5,748,200	5,748,200	3,412,885	5,350,000	59.4%	93.1%
Other Charges	28,250	28,250	12,485	28,170	44.2%	99.7%
Debt Payments	4,779,200	4,779,200	4,776,996	4,777,000	100.0%	100.0%
Interfund Transfers Out	7,900,000	7,900,000	7,900,000	7,900,000	100.0%	100.0%
<b>Operating Expenditures</b>	<b>\$27,509,850</b>	<b>\$27,509,850</b>	<b>\$21,937,897</b>	<b>\$26,455,170</b>	<b>79.7%</b>	<b>96.2%</b>

### Operating Fund Expenditure Analysis

#### Salaries & Benefits

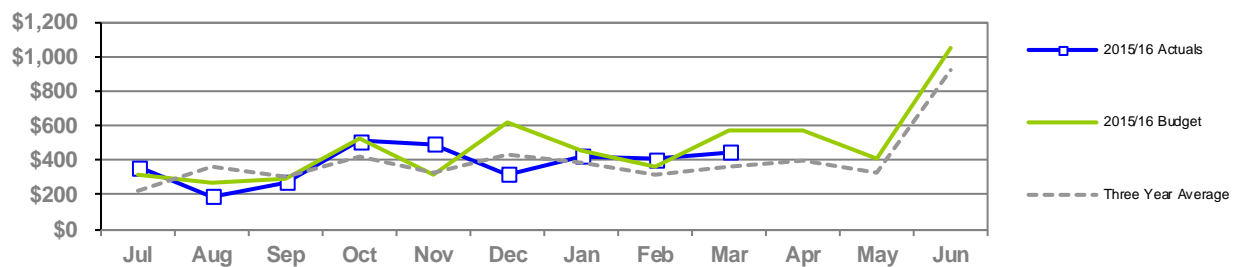
shown in thousands



Salaries and benefits for the first three quarters were lower than budgeted, with savings coming from three position vacancies.

#### Services & Supplies

shown in thousands



Services and supplies spending tracked budgeted expectations, with a projection that expenses will be lower than budgeted.

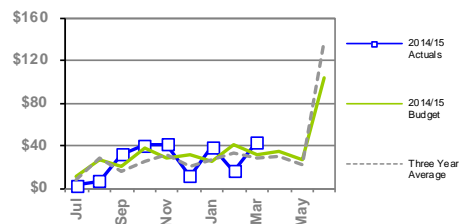
Services and supplies expense details for various departments are provided on the following pages.

## Services & Supplies (continued)

*shown in thousands*

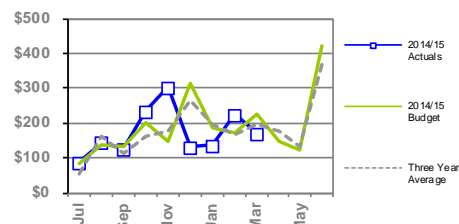
### Collection System Maintenance

Collection System maintenance expenses were consistent and as expected for the first three quarters of the year. Lower than expected expenses in December and February were due to weather, as rains limited the amount of repair projects that could be done.



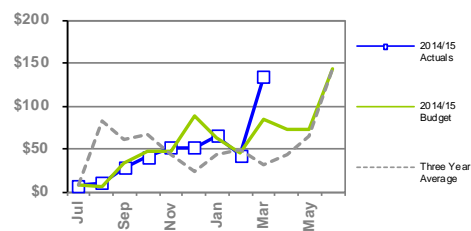
### Treatment Plant Operations

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.



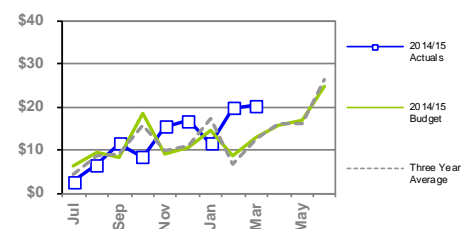
### Treatment Plant Maintenance

Services and supply expenses tracked according to expectations for the first three quarters of the year., with the spike in March due to the final payment for digester paining, roofing at the recycled water pump station, and significant repairs at the Stonecrest Pump Station.



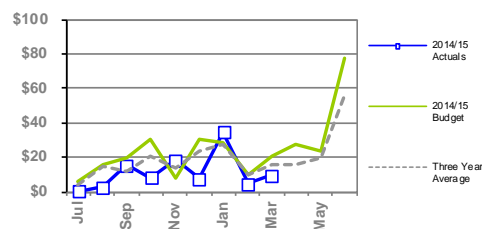
### Treatment Plant Laboratory

Expenses were consistent with historical and expected trends. 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.



### Water & Biosolids Reclamation

Expenses for the first three quarters were consistent with prior years, and slightly lower than budgeted expectations.

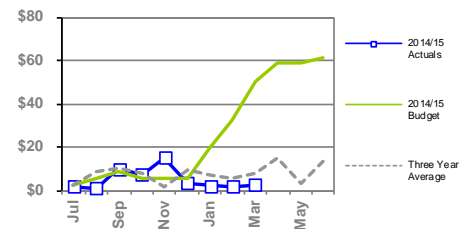


## Services & Supplies (continued)

*shown in thousands*

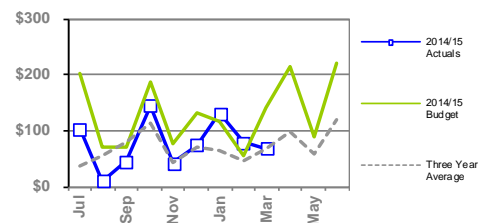
### Engineering

Much of this department's discretionary budget is in engineering consulting services. The Department's expenses for the two quarters were as projected. End of year increases are expected as part of the implementation of the asset management program. The start of implementation was delayed pending the outcome of Proposition 218 hearing and decisions regarding the FY 2016/17 sewer service charges.



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

Expenses were lower than budget. The timing of several consulting contract invoices will impact the spending patterns in this category.



### Property Taxes

The first payment of property taxes for Somky and Jamison Canyon properties were 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 were paid in December, also according to schedule.

## Part 3 - Capital Program Expenditure Summary

Project No.	Project Title	Prior Year Actuals	FY 15/16 Adj. Budget	FY 15/16 Actuals	Variance	% of Budget
<b><u>Collection System</u></b>						
13701	Main Line Sewer Repairs	416,395	84,900	22,750	62,150	26.8%
13702	Manhole Raising	599,767	185,500	131,713	53,787	71.0%
13703	Lateral Replacements	546,087	69,200	48,977	20,223	70.8%
13704	Cleanouts Installation	385,325	76,400	58,997	17,403	77.2%
13705	I&I Reduction Program	371,716	147,000	1,884	145,116	1.3%
14701	Basin L - I&I Reduction Project 4	1,658,106	2,176,600	1,598,353	578,247	73.4%
14703	Browns Valley Rd & First Street	976,492	1,362,450	219,713	1,142,737	16.1%
15701	Upper Lateral Rehabilitation - Basin L	4,157	220,300	101,400	118,900	46.0%
15703	Sarco Creek Pipeline Replacement-CalTF	532	101,850	102,368	(518)	100.5%
15704	Siphon Rehabilitation #1	1,147	5,000	0	5,000	0.0%
15721	ACP CIPP Lining Project #1	2,184	795,300	292,504	502,796	36.8%
16701	Basin L - I&I Reduction Project 5	0	800,000	26,954	773,046	3.4%
16702	Collection System Master Plan Amendme	0	114,000	0	114,000	0.0%
16703	Cleanout Replacement - Basin L (Pilot)	0	10,000	0	10,000	0.0%
16704	Manhole Rehab - Basin L (Pilot)	0	10,000	0	10,000	0.0%
16705	Siphon Rehabilitation #2-S. Terrace	0	5,000	0	5,000	0.0%
16718	NN Siphon Vault Cover Replacement	0	75,000	50	74,950	0.1%
<b><u>Collection System-Equipment</u></b>						
15720	Vehicle 173B - Ford F350	0	57,500	55,119	2,381	95.9%
16706	Locatable Mini-Camera #1 Replacement	0	10,300	0	10,300	0.0%
16720	Mahole Portable Flowmeter	0	15,000	12,387	2,613	82.6%
<b><u>Lift Stations</u></b>						
16707	West Napa-Long Term Planning Study	0	75,000	0	75,000	0.0%
<b><u>Treatment</u></b>						
13713	Pond Aeration	1,314,917	5,000	2,921	2,079	58.4%
13714	RW Phase 1 Expansion	16,363,626	468,000	458,143	9,857	97.9%
16708	Algae to Digester with Thermal Study	0	60,000	765	59,235	1.3%
16709	Carbon/Energy Efficiency Improvements	0	100,000	0	100,000	0.0%
<b><u>Treatment - Equipment</u></b>						
13715	Spare Digester Mixer	212,776	187,150	64,720	122,430	34.6%
13741	Secondary PS Pump Rebuild (3)	0	35,000	27,794	7,206	79.4%
14707	WWTP - Solids Handling Improvements	35,651	72,800	17,971	54,829	24.7%
14718	Main-Stationary Gas Detector Replaceme	31,488	173,450	127,602	45,848	73.6%
14720	Main-Belt Press Polymer Skid Replaceme	0	70,000	0	70,000	0.0%
14723	Vehicle 162 - Ford F-250 Diesel	0	30,000	0	30,000	0.0%
15709	Effluent Overflow Meter	18,194	126,800	58,430	68,370	46.1%
15711	Maint-Rotork Actuator Replacement	86,861	52,750	0	52,750	0.0%
15712	Rehabilitate Pond 1 Storage Structure	0	5,000	0	5,000	0.0%
15713	Aeration Basin Instrumentation & Control	104	175,850	72,541	103,309	41.3%
16710	Sampler 3710FR Replacement	0	6,300	0	6,300	0.0%
16711	Waterbath	0	5,200	0	5,200	0.0%
16712	Primary Clarifier Mech/Struct Rehab	0	43,000	41,000	2,000	95.3%
16713	Buried Metallic Piping (eval/rehab)	0	10,000	0	10,000	0.0%
16714	High Voltage System Repairs	0	30,000	0	30,000	0.0%
16715	Cogen Bottom End Overhaul	0	150,000	0	150,000	0.0%
16719	Tractor Tracks (2)	0	20,000	15,638	4,362	78.2%
16721	Tractor Attachment	0	7,000	5,716	1,284	81.7%

Project No.	Project Title	Prior Year Actuals	FY 15/16 Adj. Budget	FY 15/16 Actuals	Variance	% of Budget
<b><u>Treatment - Structures</u></b>						
13724	IPS Expansion	18,252,177	1,144,100	980,017	164,083	85.7%
<b><u>SCADA</u></b>						
13725	SCADA Server Replacement	69,948	35,050	32,440	2,610	92.6%
<b><u>Recycling - District</u></b>						
15717	Isolation Valve on Kirkland Line (Devlin R	347	14,650	0	14,650	0.0%
16716	Line Recycled Water Reservoir	0	45,000	1,830	43,170	4.1%
<b><u>Recycling - Expansion</u></b>						
13727	North Bay Water Reuse Project	1,515,833	524,550	495,858	28,692	94.5%
14726	MST Pipeline Construction	8,268,497	5,922,050	4,385,483	1,536,567	74.1%
14727	Split N/S Lines, surge protection	563,787	2,397,150	1,831,674	565,476	76.4%
15718	LCWD Recycled Water Pipeline Construc	273,567	14,905,150	9,414,459	5,490,691	63.2%
<b><u>Other</u></b>						
13729	Development Technical Support	1,105,894	220,700	173,217	47,483	78.5%
16717	Admin/Eng Bldg Acoustic Improvements	0	10,000	0	10,000	0.0%
			33,448,000	20,881,388	12,566,612	62.4%

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

- 13724 IPS Expansion** – Construction started in July 2013. The project is substantially complete. Final completion is expected in June 2016.
- 14726 MST RW Construction** – Construction was completed in March 2016.
- 15718 LCWD Pipeline Construction** – The project is substantially complete. Final completion is expected in June 2016.
- 14703 Browns Valley Trunk** – Planning and preliminary design continued during the third quarter. Final design will start in the fourth quarter. Construction is expected to start during FY 16/17.
- 14727 Recycled Water Pump Station N/S Split** – Construction continued during the third quarter. The project is substantially complete and recycled water can be distributed to MST and LCWD. Punch list items will be completed by June 2016.
- 15703 Sarco Creek Pipeline Replacement** – Design continued during the third quarter. Construction is expected to occur next fiscal year.
- 15713 AB Diffuser Replacement Project** – Design continued during the third quarter. Installation is expected to occur next fiscal year.
- 15721 ACP Lining Project No. 1** – Phase 1 of the project was completed during the second quarter. Phase 2 of the project is expected to occur in the fourth quarter.
- 16701 Basin L I&I Reduction Project 5** – Design of the project continued during the third quarter and the construction contract was awarded. Construction is expected to start in April 2016.
- 16716 Line Recycled Water Reservoirs** – Design continued during the third 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