



# NapaSan

Quarterly Report of Priority Goals  
for  
FY 2020/21 Quarter 3

July 1, 2020 – March 31, 2021

## Strategic Plan “Status At A Glance”

Goal 1: Infrastructure Reliability		
1A	Replace and rehabilitate at least 2% of sewers annually	On Track
1B	Asset Management program	On Track
1C	Browns Valley Road Trunk and West Napa Pump Station	On Track
1D	Collection System, Treatment Plant, and SCADA Master Plans	On Track
1E	Private Lateral Program	On Track
Goal 2: Financial Stability		
2A	Sewer service charge rate study	Complete
2B	Non-rate/non-fee based revenues / land leases	On Track
Goal 3: Operational Optimization		
3A	Work with partners for efficiencies and cost savings	On Track
3B	Reduce energy and chemistry consumption	On Track
3C	Resiliency, disaster mitigation and disaster recovery planning	On Track
3D	Impacts of sea/river level rise, prolonged drought and increased storm intensity	On Track
3E	Study effects of accepting and treating winery waste through alternative methods	On Track
Goal 4: Employee Development		
4A	Employee engagement, internships, and “in training” programs	Delayed
4B	Employee survey	On Track
4C	MOU negotiations	Complete
4D	Succession planning through supervisory/management training	Delayed

Goal 5: Community Outreach and Communication		
5A	Promote understanding of NapaSan services, rates and key messages	On Track
5B	Communicate with stakeholders on current programs, accomplishments, and projects	On Track
5C	Collaborate with other local agencies and groups to meet common goals	On Track
5B	Build & maintain relationships w/ community leaders, elected officials, stakeholders	On Track
Goal 6: Resource Recovery		
6A	Evaluate current recycled water allocation policy	On Track
6B	Implement recycled water capital projects	Complete
6C	Engage local and regional partners on long-term opportunities for water reuse	On Track
6D	Develop partnership on feasibility study of “purified water” potable reuse program	On Track
6E	Evaluate energy self-generation	On Track
6F	Improve recycled water quality	On Track
Goal 7: Regulatory Compliance		
7A	Negotiate new NPDES permit	On Track
7B	Stay current on state and federal legislation	On Track

# **Quarterly Priority Goal Tracking Overview and Recommendations**

## **Overview**

In May 2019, the Board adopted its current Strategic Plan, identifying NapaSan's goals and objectives for the next four years. Implementation of the Board's priorities are underway and on track.

Objective 2A (Sewer service charge rate study) was completed in this quarter. The Prop 218 public hearing was held on March 31.

Objectives 4A (Employee engagement, internships, and "in training" programs) and 4D (Succession planning through supervisory/management training) are delayed due to COVID-19. In-person training, internships, and mentoring are postponed until these activities are safe. Staff continues to virtually participate in professional organizations (BACWA, BAYWORK) including presentations at online conferences.

Updates to specific objectives are provided on the following pages.

A strategic planning workshop to reevaluate and update the current Strategic Plan was held in April 2021. The 2021 Strategic Plan was approved by the Board on May 5, 2021. The next quarterly report (for Quarter 4) will include the updated list of goals and objectives.

## **Recommendations**

There are no recommended actions for the Board at this time.

**2019 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

1A	Strive to replace and rehabilitate at least 2% of sewers annually, and preferably higher, with a focus on reducing Inflow & Infiltration		✓			The 2017 collection system project rehabilitated 2.2% of the system. The 2018 project rehabilitated 2.5%. The 2019 project rehabilitated 2.3%. The 2020 project (in construction) is planned to rehabilitate 2.0%. The 2021 project (in construction) is planned to rehabilitate 1.6%. In 2021, 1.3 miles (0.4%) of the 66-inch trunk main will be rehabilitated bringing the 2021 total to 2.0%.
1B	Continue to Implement an Asset Management program		✓			Implementation of the asset management activities continued in Quarter 3.
1C	Design and construct the Browns Valley Road Interceptor and any associated capacity enhancements at the West Napa Pump Station		✓			Construction continued in Quarter 3.
1D	Update the Collection System Master Plan, Treatment Plant Master Plan and SCADA Master Plan		✓			The SCADA Master Plan was completed last fiscal year. The Collection System Master Plan was completed in Quarter 3. The Treatment Plant Master Plan continued during Quarter 3.
1E	Study whether to implement a Private Lateral Program		✓			Pilot project #4 was completed last fiscal year. Post-construction flow monitoring has been rescheduled for Winter 21/22 due to lack of rainfall needed for flow monitoring.
2A	Update NapaSan/s sewer service charge rate study in anticipation of the Prop 218 hearing and rate setting process in spring 2021	✓				The public hearing was held in Quarter 3.
2B	Continue efforts to develop non-rate/non-fee revenues through the development of land leases		✓			Ongoing.
3A	Continue to work with local partners on projects or programs that result in efficiencies and cost savings for our ratepayers and the populations we serve		✓			Ongoing.

**2019 Strategic Objectives:**

		Complete	On Track	Watch	Delayed	Status:
3B	Evaluate and recommend ways to reduce energy and chemistry consumption in treatment process and collection system.		✓			Ongoing.
3C	Enhance NapaSan's plans and training associated with resiliency, disaster mitigation and disaster recovery		✓			Plan for SCADA backup part of current SCADA master planning effort. Emergency communications equipment has been installed.
3D	Evaluate and plan for the potential impacts of sea/river level rise, prolonged drought and increased winter storm intensity to NapaSan's current and future operations		✓			NapaSan joined BayCAN last fiscal year. BayCAN is a regional group of public agencies to collaborate on climate change mitigation and adaptation. The Treatment Plan Master Plan includes a sea-level rise vulnerability assessment. Staff is participating in the Drought Contingency Plan with other Napa County water agencies.
3E	Continue to study the effects of accepting and treating winery waste through alternative methods		✓			Staff provided an update to the Board during Quarter 2.
4A	Promote NapaSan as progressive, professional workplace through engagement and the development and promotion of internships and "in training" programs				✓	Most of this effort has been delayed due to COVID-19 including internships and in-person training programs. Staff continues to virtually participate in professional organizations.
4B	Conduct Employee Surveys, as appropriate		✓			The next employee survey is scheduled for Fall 2022.
4C	Prepare for and begin MOU Negotiations	✓				Negotiations for all labor contracts were completed in November 2020.
4D	Address succession planning through supervisory/management training and an internal mentorship program				✓	Work on this effort has been delayed due to COVID-19.

**2019 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

5A	Inform and engage the community and stakeholders to increase and promote understanding of NapaSan's services, rates, and key messages		✓			Staff continued to utilize Facebook, Constant Contact, and the direct text and email features of our website to publicize NapaSan's messages and programs to the community. Our Facebook audience continued to grow this quarter. Staff began writing and designing the Spring 2021 Pipeline newsletter. Staff also worked with our consultant, Katz and Associates, to perform Prop 218 related outreach, including creation of a rates webpage, two Prop 218 letters, a rate brochure, and presentations for public and business/community group meetings.
5B	Proactively communicating with the public, stakeholders and the press regarding current programs, accomplishments, projects, and news		✓			Staff continued to provide construction project updates regarding the Browns Valley Trunk and Summer 2021 Sewer Rehabilitation Projects via mailings, emails, texts and website updates. Staff also worked with the City, County, and other local agencies to share important messages via email, social media and e-newsletters. Staff created a bill insert regarding what not to flush for the April NRWS bill.
5C	Collaborate with other local agencies and groups to meet common goals.		✓			Staff continues to work with the Environmental Education Coalition of Napa County to provide educational resources to the community during the pandemic and to plan the 2021 Earth Day event. Staff also continued to work with Baywork and the Bay Area Pollution Prevention Group. Staff also worked with City and County agencies as part of the Napa Countywide Water Conservation Group to plan and sponsor the Water conservation video contest.

**2019 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

5D	Build and maintain relationships with community leaders, elected officials and stakeholders.		✓			Staff continues to work and collaborate with other local agencies and will continue scheduling presentations and tours for community leaders and stakeholders as soon as it is safe to do so.
6A	Evaluate current recycled water allocation policy		✓			A presentation was provided to the Board in Quarter 3.
6B	Implement capital projects in partnership with local agencies for the distribution of recycled water	✓				All scheduled work is complete.
6C	Participate with local partners on long-term opportunities for water reuse, including the Phase II project with NBWRA		✓			Federal approval of NBWRA Phase 2 EIR/EIS is delayed until a federal grant award is approved.
6D	Develop a partnership with cities of Napa and American Canyon, if possible, to complete a preliminary feasibility study for developing a “purified water” potable reuse program		✓			Discussions will occur as part of the Drought Contingency Plan.
6E	Evaluate energy self-generation with the primary goal of decreasing overall energy costs and reliance on the energy grid, and recommend policy options for consideration		✓			Ongoing.
6F	Improve recycled water quality to increase appeal and acceptability of recycled water to current and future users		✓			Ongoing.
7A	Negotiate a new National Pollutant Discharge Elimination System (NPDES) permit with the Regional Water Quality Control Board		✓			Application efforts for the new permit continued during Quarter 3.
7B	Stay current on proposed state and federal legislation that could positively or negatively impact NapaSan’s current or future operations.		✓			Ongoing.



# **Fiscal Year 2020/21**

## **Third Quarter Financial Report**

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### **Overview**

While impacts from the COVID-19 pandemic are still seen in the development sector which have resulted in lower than budgeted revenues from these sources, NapaSan's major revenue source, sewer service charges, have had minimal impact. They are expected to come in close to expectations. Capacity charges and permit fees are expected to continue to be lower than budgeted expectations. Hauler fees remain lower than expectations for the third quarter due to a continued decrease in outdoor activities and events.

The Somky lease agreement was terminated in the first quarter. A lease termination fee of \$100,000 was received in the second quarter. Lease revenue for the Somky property was not budgeted in FY 2020/21.

Recycled water revenues continued to be higher than expected in the third quarter, a trend seen since April 2020. The dry winter and spring and hot summer weather contributed to the high demand of recycled water. The forecast is that the revenues will exceed budgeted expectations in the last quarter.

Investment interest revenue in the third quarter were close to expectations. Interest revenue was projected to be low due to the uncertainty and volatility of the market during the beginning of the pandemic. It is expected that the Federal Funds rate will not increase their rates and returns will remain low.

Salaries and benefit expenses were slightly below the budget for the quarter but in line with the three-year average. Two vacancies attributed to expenses being below the budget. Those positions are expected to be filled by the end of the year.

Services and supplies are slightly higher than budgeted expectations for the third quarter but are expected to come in under budget at the end of the year.

About 37.3% of the Capital Improvement Plan was completed in the third quarter, with an additional 38.5% encumbered but not yet spent. Three significant projects in the year's plan have started construction - the Browns Valley Trunk Rehabilitation, West Napa Pump Station Rehabilitation, and the 66-inch Sewer Trunk Rehabilitation projects. These three projects represent about 68% of the total CIP. Construction on these projects will continue into next fiscal year.

### **Recommendations**

There are no recommendations to adjust the FY 2020/21 operating or capital budget at this time.

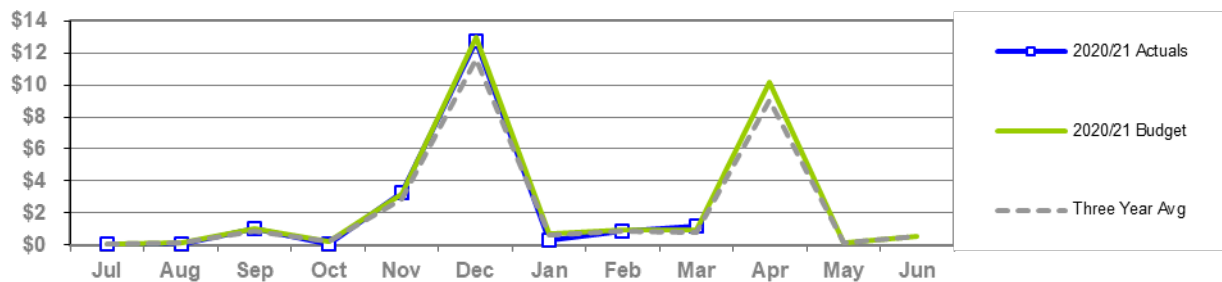
## Part 1 - Revenue Summary – All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual YTD % of Budget	YE Projection % of Budget
Sewer Service Charges	31,112,000	31,112,000	19,656,274	31,112,000	63.2%	100.0%
Capacity Charges	1,992,000	1,992,000	1,177,265	1,992,000	59.1%	100.0%
Hauling Fees	197,000	197,000	126,327	197,000	64.1%	100.0%
Permit Review Fees	123,000	123,000	103,913	123,000	84.5%	100.0%
Land Lease	129,000	129,000	233,091	129,000	180.7%	100.0%
Recycled Water Sales	1,001,000	1,001,000	1,055,884	1,001,000	105.5%	100.0%
Investment Interest	196,000	196,000	192,925	196,000	98.4%	100.0%
Intergovernmental Revenue	0	0	0	0	N/A	N/A
Miscellaneous Revenue	67,000	67,000	101,455	67,000	151.4%	100.0%
Sale of Assets	25,000	25,000	0	25,000	0.0%	100.0%
Proceeds from Bonds/Loans	27,249,900	27,249,900	14,863,606	27,249,900	54.5%	100.0%
Inter/Intrafund Transfers	10,992,000	10,992,000	15,443,027	10,992,000	140.5%	100.0%
<b>Total</b>	<b>\$73,083,900</b>	<b>\$73,083,900</b>	<b>\$52,953,766</b>	<b>\$73,083,900</b>	<b>72.5%</b>	<b>100.0%</b>

## Revenue Analysis

### Sewer Service Charges by Month

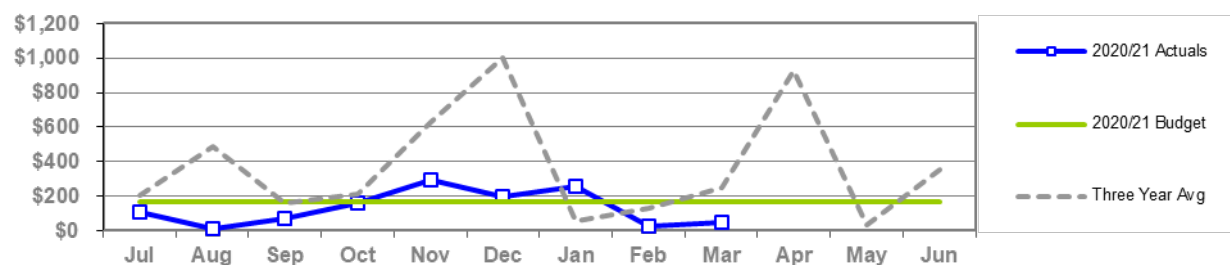
shown in millions



Sewer service charges, the largest revenue source for NapaSan, are collected from property taxes predominantly in December and April, with direct billing of some customers throughout the year. The amount collected for the year to date was slightly lower than FY 2018/19, a year that was not affected by COVID-19, but in line with what was collected during the same period last fiscal year. The impact of COVID-19 was minimal on the collection of sewer service charges.

### Capacity Charges by Month

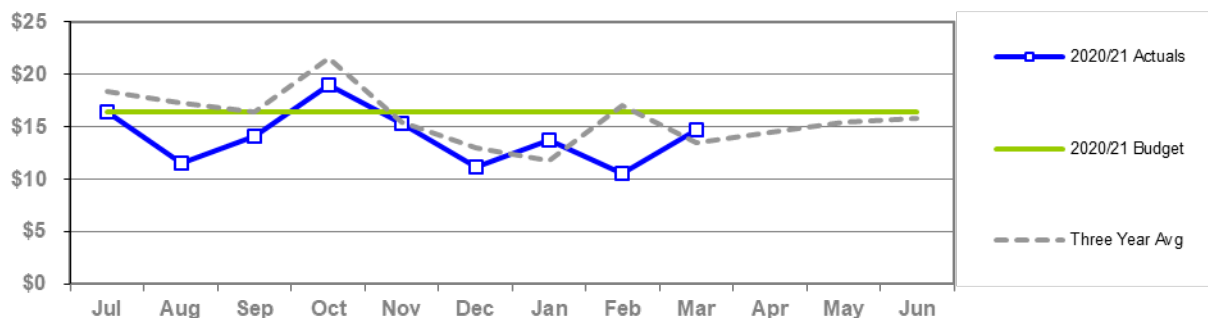
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Capacity charge collections still remain lower than the straight-line monthly budget assumption in the third quarter. Capacity charges are expected to come in slightly lower during the year as projected.

### Hauling Fees by Month

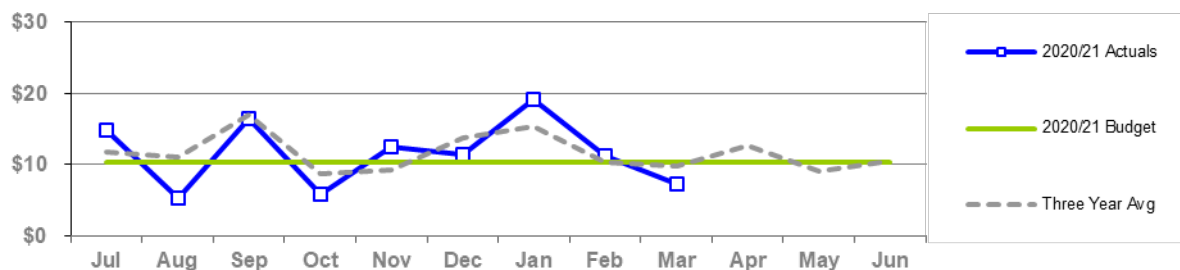
*shown in thousands*



Revenue from hauling fees are still seeing the impact of the pandemic. They are coming in below the three year average and the budget. The decrease in outdoor activities and functions resulted in less revenue from hauling fees in the first three quarters.

### Plan Review Fees by Month

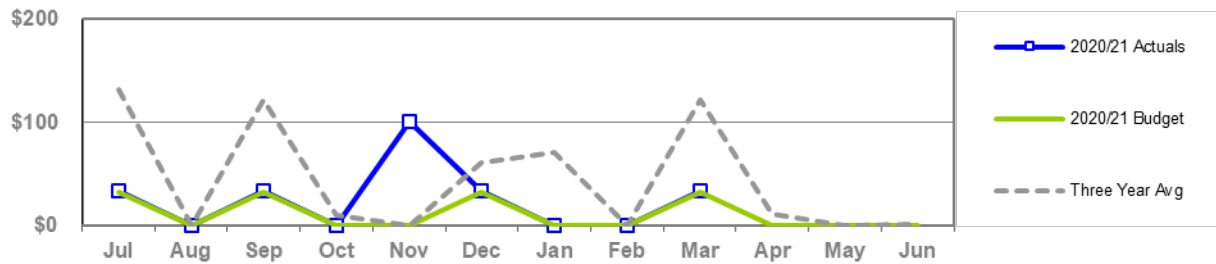
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Plan review fees are still tracking slightly lower than the three-year average for the first three quarters. It is expected to come close to budgeted expectations for the year.

### Land Lease Revenue by Month

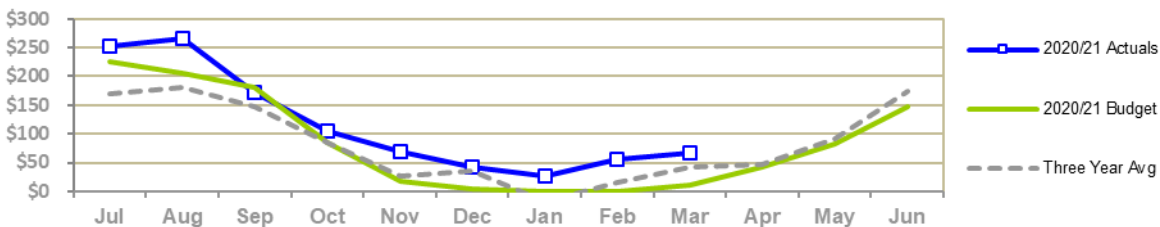
shown in thousands



Lease payments are accrued according to contract terms, which make payments due quarterly, represented by the four spikes on the graph (July, Sept., Dec. and March/April). Lease payments were invoiced per contract. The Somky lease was officially terminated in September 2020 and as a result is below the three year average. The spike in November was a \$100,000 termination fee that was received.

### Recycled Water Revenue by Month

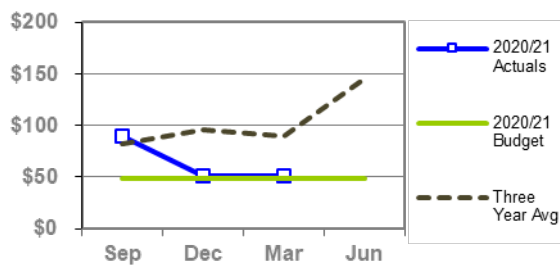
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Recycled water sales have been high since the end of last fiscal year and revenue has come in above budget expectations for the third quarter. High temperatures and lack of rain contributed to the high demand of recycled water. It is expected that revenues will be higher than the budget through the end of the rest of the year.

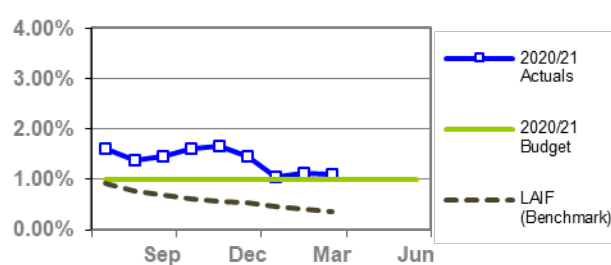
### Investment Interest Earnings by Quarter

shown in thousands



### Investment Interest Rate by Month

earnings rate



Interest earnings for the third quarter were closer to expectations. Interest rates on investments were also closer to the budgeted interest rate.

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. For this third quarter, the County's investment pool earnings have been higher than the LAIF rate.

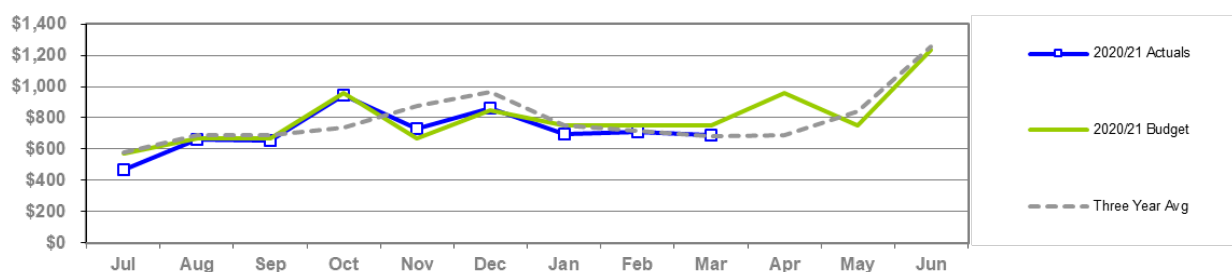
## Part 2 - Operating Expenditures Summary All Departments

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual % of Budget	Year End % of Budget
Salaries and Benefits	9,590,300	9,590,300	6,420,442	9,590,300	66.9%	100.0%
Services and Supplies	6,186,300	6,428,900	3,941,730	6,428,900	61.3%	100.0%
Other Charges	42,400	42,400	17,110	42,400	40.4%	100.0%
Debt Payments	4,588,000	4,588,000	4,585,752	4,588,000	100.0%	100.0%
Inter/Intrafund Transfers	9,000,000	9,000,000	15,443,027	9,000,000	171.6%	100.0%
<b>Operating Expenditures</b>	<b>\$29,407,000</b>	<b>\$29,649,600</b>	<b>\$30,408,062</b>	<b>\$29,649,600</b>	<b>102.6%</b>	<b>100.0%</b>

### Operating Fund Expenditure Analysis

#### Salaries & Benefits

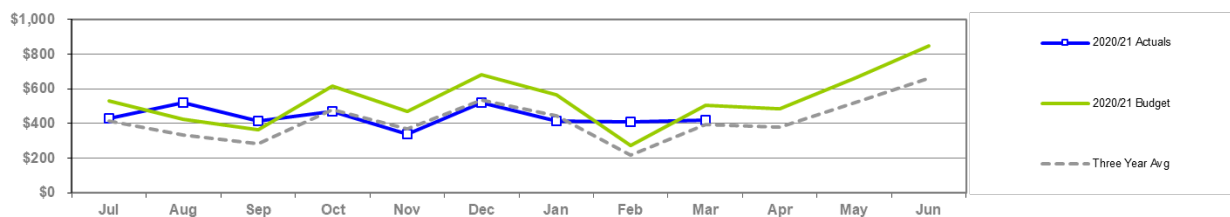
shown in thousands



Salaries and Benefits were slightly lower than budgeted expectations but in line with the three year average in the third quarter. It is expected that Salaries and Benefits will come in at budget by the end of the year.

#### Services & Supplies

shown in thousands



The services and supplies expenditures for the quarter were slightly higher than budgeted expectations but is expected to be lower than budgeted expectations at the end of the year.

#### Property Taxes and Debt Payments

The first payment of property taxes/assessments for Somky and Jamison Canyon properties are paid in December. The second payments will be paid in April. Debt service payments and State Revolving Fund loan principal and interest have been made according to schedule.

## Part 3 - Capital Program Expenditure Summary

Project No.	Project Title	Prior Year Actuals	FY 20/21 Adj. Budget	FY 20/21 Actuals	Variance	% of Budget
<b><u>Collection System</u></b>						
13701	Main Line Sewer Repairs	546,231	62,100	13,245	48,855	21.3%
13702	Manhole Raising/Rehabilitation	1,676,068	250,000	11,856	238,144	4.7%
13703	Lateral Replacements	1,029,414	113,900	91,962	21,938	80.7%
13704	Cleanouts Installation	736,294	98,700	52,325	46,375	53.0%
13705	I&I Reduction Program	772,887	240,500	199	240,301	0.1%
14703	Browns Valley Rd & First Street	3,919,292	19,733,950	13,088,829	6,645,121	66.3%
18702	Coll Sys Asset Management Software	408,430	266,600	133,404	133,196	50.0%
19701	66-inch Trunk Rehabilitation	579,313	15,086,550	228,327	14,858,223	1.5%
19703	Sewer System I&I 2020	859,457	6,191,400	3,535,678	2,655,722	57.1%
19727	Collection System Master Plan	904,509	100,000	8,832	91,168	8.8%
20702	Manhole Rehabilitation-Nipak-Basin H	153,777	250,000	921	249,079	0.4%
20703	2021 Collection System Rehab	3,457	3,426,550	84,239	3,342,311	2.5%
21701	2022 Collection System Rehab	0	20,000	1,205	18,795	6.0%
21718	NN Siphon Gate Replacement	0	25,000	199	24,801	0.8%
<b><u>Collection System-Equipment</u></b>						
21702	Pickup-mounted Camera Sys	0	77,000	75,069	1,931	97.5%
<b><u>Lift Stations</u></b>						
17711	West Napa PS - Rehab	1,858,370	10,046,450	2,977,997	7,068,453	29.6%
19705	Stonecrest PS Pump Rebuild	20,160	24,850	0	24,850	0.0%
21703	River Park Pump Rebuild	0	19,300	0	19,300	0.0%
<b><u>Treatment - Projects</u></b>						
13745	Pond 1 Dredge	481,622	1,943,750	1,853,879	89,871	95.4%
18740	Treatment Plant Project 2019	1,810,182	64,850	792	64,058	1.2%
20706	WWTP Master Plan	9,057	1,236,350	316,646	919,704	25.6%
20707	Pond Levee Repair	90,851	709,150	183,675	525,475	25.9%
20708	Treatment Plant Project 2020	92,401	1,407,600	183,233	1,224,367	13.0%
<b><u>Treatment - Equipment</u></b>						
13735	Dual Fuel Boiler Burner	103,617	55,750	32,907	22,843	59.0%
15707	DAFT Overflow Pumps (2)	0	24,200	0	24,200	0.0%
16712	Primary Clarifier Mech/Struct Rehab	667,575	1,230,200	1,109,018	121,182	90.1%
17726	Headworks Equipment Rehab/Replacment	3,045,916	240,700	18,561	222,139	7.7%
18718	Sec Clarifier Mech/Structural Rehab	50,000	33,200	0	33,200	0.0%
18720	Neuros Blowers Rebuild	0	64,300	0	64,300	0.0%
18722	FOG Station Water Heater	0	25,000	8,413	16,587	33.7%
19708	Rotork Actuator Replacement	19,115	75,900	25,204	50,696	33.2%
19709	Polymer Tank Replacement	0	32,000	0	32,000	0.0%
19710	12kV Redundant Line	36,369	83,650	40,665	42,985	48.6%
19715	ARV Replacement	55,674	4,750	0	4,750	0.0%
20709	AB Caustic Pumps & Enclosures	17,131	68,600	17,347	51,253	25.3%

Project		Prior Year	FY 20/21	FY 20/21		% of
No.	Project Title	Actuals	Adj. Budget	Actuals	Variance	Budget
20710	Septage Pump & Motor Replacement	25,770	4,950	4,746	204	95.9%
20711	Marsh-to-Pond PS Upgrade	1,176	87,550	252	87,298	0.3%
20712	Grit Pump Rebuild	25,757	5,000	4,746	254	94.9%
20713	Elevator Control Update	0	400,000	0	400,000	0.0%
20715	Concrete Pipe Chase Covers	0	80,000	64,084	15,916	80.1%
20716	Plant Door Replacement PH1	0	22,200	11,875	10,325	53.5%
21704	Headworks - Washer Compactor	0	314,400	0	314,400	0.0%
21705	Pipe Threader	0	13,000	12,883	117	99.1%
21706	Rotork Actuator Replacement	0	101,800	7,252	94,548	7.1%
21707	Digester Roof Grating Rplcmnt	0	110,900	0	110,900	0.0%
21708	Head works - Roof Replacement	0	80,300	75,300	5,000	93.8%
21709	Plant Door Replacement - Ph 2	0	23,000	0	23,000	0.0%
21710	Veh 175 - F-150	0	31,000	0	31,000	0.0%
<b>Lab Equipment</b>						
21711	Autoclave Rplcmnt	0	34,400	0	34,400	0.0%
21712	Sampler 4700 Rplcmnt	0	10,400	0	10,400	0.0%
<b>SCADA</b>						
18729	SCADA MP Proj 1 Network Monitoring	3,834	46,200	0	46,200	0.0%
19718	SCADE MP Phase 5 Security Study	198,176	51,850	0	51,850	0.0%
21713	SCADA Network Upgrades	0	225,000	0	225,000	0.0%
21714	Alarm Evaluation & Programming	0	25,000	0	25,000	0.0%
<b>Recycling - Projects</b>						
18731	Coombsville Truck Fill Station	665,656	112,100	83,782	28,318	74.7%
20721	Kirkland RW Pipeline Rehabilitation	57,140	12,900	6,855	6,045	53.1%
<b>Recycling - Equipment</b>						
19722	Vehcile 720/723 Attachments/Implements	25,783	30,700	0	30,700	0.0%
20722	Badger Meter Replacement	0	80,000	35,913	44,087	44.9%
21715	Soscol Recycle Pump #2 Rehab	0	160,700	0	160,700	0.0%
21716	Veh 174 - Ford F-350 SB	0	75,700	1,412	74,288	1.9%
21717	Veh 723 - Water Trailer	0	42,800	5,137	37,663	12.0%
<b>Other</b>						
13729	Development Technical Support	2,518,042	348,800	173,608	175,192	49.8%
19723	AV System Replacement - Conf Rooms	0	40,000	0	40,000	0.0%
			65,903,450	24,582,468	41,320,982	37.3%

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

- 14703 Browns Valley Trunk & West Napa Pump Station** – Construction continued in Quarter 3.
- 16712 Primary Clarifier and DAF Clarifier Rehabilitation Project** – Construction was completed during Quarter 3.
- 19701 66-inch Trunk Main** – Construction started during Quarter 3.
- 19703 2020 Collection System Rehabilitation** – Construction continued during Quarter 3. Construction is expected to be complete in June 2021.
- 19727 Collection System Master Plan** –The project was completed in Quarter 3.
- 20703 2021 Collection System Rehabilitation** – Construction started during Quarter 3.
- 20706 Wastewater Treatment Plant Master Plan** – Continued work on the WWTP Master Plan during Quarter 3.
- 20707 Pond Levee Maintenance Project** – Construction started during Quarter 3.
- 20708 2021 Treatment Plant Improvements** – Construction started during Quarter 3.



## **APPENDIX**

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

### **B. Excerpt from NapaSan Strategic Plan: Priority Goals**

**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**

**Goal 7: Regulatory Compliance**

## 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 NAPASAN 2019 STRATEGIC PLAN UPDATE**

### **V. NapaSan Goals and Objectives**

The NapaSan Strategic Plan is organized according to seven major goal areas:

Goal One: Infrastructure Reliability

Goal Two: Financial Stability

Goal Three: Operational Optimization

Goal Four: Employee Development

Goal Five: Community Outreach and Communications

Goal Six: Resource Recovery

Goal Seven: Regulatory Compliance

The goal areas represent Board members' overall top priorities. Within each goal area, Board members and operational staff identified their top priority strategies and resulting 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 NapaSan service area.*

Systematic replacement of NapaSan'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 in five, ten or more years from now. **NapaSan must ensure that treatment capacity will be in place to address current and projected future business and residential capacity needs.**

The District Board established the following key objectives:

### **1A. Strive to replace and rehabilitate at least 2% of sewers annually, and preferably higher, with a focus on reducing Inflow & Infiltration**

Continue recent achievements to average at least 2.0% replacement or rehabilitation of sewers, focusing on those basins with significant inflow and infiltration of stormwater and groundwater, with the desired goal of a higher replacement rate if possible. Consider condition of pipe, risk analysis, road paving schedules, and salinity of infiltration (for chlorides issue) as additional factors in prioritization.

Timeframe:

Staff will report to the Board at the end of each year's replacement and rehabilitation project on progress toward the 2% goal. Staff will report annually, by September 30, on the I & I flow monitoring results.

### **1B. Continue to Implement an Asset Management program**

Asset Management will help NapaSan 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.

Timeframe:

Present an updated strategy and plan for Board consideration and approval by June 30, 2019. Complete implementation of Phase 1 CMMS software installation by converting existing data to GIS-compatible data, migrating the existing databases into the new system, and testing and auditing the data by June 2020. Update the Board on the status of Asset Management implementation, progress of the program, and confirmation of strategic direction by December 31, 2020.

**1C. Design and construct the Browns Valley Road Interceptor and replacement of the West Napa Pump Station**

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

Timeframe:

Begin construction by May 2020, with completion anticipated in early spring 2022.

**1D. Update the Collection System Master Plan, Treatment Plant Master Plan and SCADA System Master Plan**

The current Collection System Master Plan (CSMP) was completed in 2007. With the completion of several I&I sewer rehabilitation projects and post-construction flow monitoring data, the Master Plan should be updated to incorporate the results. Once the CSMP is complete and projected flow and loading data is understood, the Treatment Plant Master Plan (TPMP) should be updated to align with the CSMP and address both capacity issues and anticipated changes in the regulatory environment.

Concurrently, the master plan for the SCADA system, which allows for automation of treatment plant and pump station activities, should be updated to address any deficiencies in resiliency, reliability and security.

Timeframe:

Complete CSMP by June 30, 2020.

Begin TPMP before August 1, 2020, with completion by June 30, 2022.

Complete SCADA System Master Plan by June 30, 2020.

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

Study the benefits to NapaSan of developing a private lateral program for the reduction of inflow and infiltration (I&I). Complete pilot projects with flow monitoring following in the winter months. Then develop policy options for Board consideration.

Timeframe:

First three pilot projects are completed, with flow monitoring results for the first two. Complete flow monitoring for third pilot by September 30, 2019. Complete fourth and fifth pilot projects in summer 2019 and summer 2020, with flow monitoring completed spring 2021. Develop policy options, including cost analysis and program design options, for Board consideration by December 31, 2021.

## GOAL TWO: FINANCIAL STABILITY

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

The District Board has a fiduciary responsibility to ensure that adequate financial resources are in place to operate NapaSan and carry out its mission, and that those resources are used efficiently.

The District Board established the following key objectives:

### **2A. Update NapaSan's Sewer Service Charge Rate Study in anticipation of the Prop 218 Hearing and Rate Setting Process in Spring 2021.**

The study should update the current model for domestic, commercial and industrial sewer service charges, and make recommendations regarding the rate structure, cost of service and calculated rates based on the current level of service, as articulated in the Ten-Year Financial Plan and Ten-Year Capital Improvement Plan.

The study should have significant and meaningful public outreach and stakeholder input built into the information gathering and policy option development process.

Timeframe:

Present scope of work for the study and associated outreach campaign to the Board by June 30, 2020. Completion of the study and associated outreach prior to the Prop. 218 hearing in March 2021.

### **2B. Continue efforts to develop non-rate/non-fee revenues through the development of land leases.**

NapaSan owns properties that are currently being leased and/or are available for non-district usage for revenue generation. The Board has provided direction to staff on strategies to convert these properties into revenue streams. Staff will implement the direction provided by the Board.

Timeframe:

Ongoing. Discussions with Lands Committee and/or Board of Directors on progress, as appropriate.

## **GOAL THREE: OPERATIONAL OPTIMIZATION**

*Implement and maintain effective and efficient operational practices.*

The District Board wants to operate NapaSan at or above best practices, utilizing proven technology. Customers, ratepayers and internal staff all deserve high quality service through efficient use of our resources.

The District Board established the following key objectives:

### **3A. Continue to work with local partners on projects or programs that result in efficiencies and cost savings for our ratepayers and the populations we serve.**

NapaSan currently outsources administrative services to Napa County, including Accounting (payroll, accounts payable, accounts receivable, general ledger, software maintenance), Human Resources (benefits administration, HRIS), Information Technology (desktop, network, database management, printer servers, website), and Treasury (property assessment collection, cash investment, banking).

NapaSan also successfully partners with the County and with the City of Napa on many different projects and programs. These include coordination of projects with road paving schedules, combined capital projects, combined outreach and educational programs, integrated emergency management, and others.

Direction is to continue to partner in ways that reduce costs, increase efficiencies, or enhance services to the public.

Timeframe:

This is a continuous process improvement goal expected to continue beyond the timeframe of this strategic plan. Staff will report to the Board in the Quarterly Reports on activities and accomplishments under this objective.

### **3B. Evaluate and recommend ways to reduce energy and chemistry consumption in treatment process and collection system.**

Chemistry and energy are the largest “consumables” in the operating budget, making up about 34% of the total Services and Supplies budget and 12% of the overall operating budget.

Timeframe:

This evaluation will be completed by NapaSan staff. Update the Board on efforts made to date and provide options for future reductions by December 31, 2019.

**3C. Enhance NapaSan's plans and training associated with resiliency, disaster mitigation and disaster recovery**

NapaSan should continue to improve the operational resiliency of the system, particularly in the treatment plant. Focus on continuity of service provision during and after emergencies and/or disaster events. This includes integration of these concepts into the SCADA Master Plan (Objective 1D), coordination of NapaSan's emergency communications system with the city and county's emergency management system, participate as an active partner in the County's Hazard Mitigation Plan, and participation in specific trainings on the activation of these plans.

**Timeframe:**

Complete installation of emergency radio system by June 30, 2019. Continue to integrate into County's Hazard Mitigation planning efforts, expected to be completed by September 30, 2019. Develop resiliency plan for SCADA as part of Objective 1D SCADA Master Plan. Ongoing training. Ongoing coordination with Napa County emergency planning team.

**3D. Evaluate and plan for the potential impacts of sea/river level rise, prolonged drought and increased winter storm intensity to NapaSan's current and future operations.**

Increases to the river level could have significant impacts to NapaSan's ability to hold and treat wastewater in its pond system and throughout the treatment plant. Drought and increase storm intensity also can significantly impact the collection system, the treatment plant, and the quality of recycled water.

Staff should engage with regional groups and partners to learn about the specific impacts that NapaSan could experience in the future, learn "best practices" from other agencies addressing the same issues, and participate in plans that can help develop future mitigation strategies.

Activities include partnering with the City of Napa on the Drought Contingency Plan and joining other regional partnerships, as appropriate.

**Timeframe:**

This is a continuous objective expected to continue beyond the timeframe of this strategic plan. Staff will report to the Board on the progress, findings and outcome of the Drought Contingency Plan as appropriate. Join and begin participating in a regional consortium of local governments focused on Bay Area climate change impacts by September 30, 2019. Conduct an evaluation of options for access to the NapaSan treatment plant during flow/high river flow events by December 2021. Evaluate the need for a study to evaluate the river



levees near NapaSan and the impacts of river level rise on the levees by December 2022. Staff will report to the Board on the progress, findings and outcome of the Drought Contingency Plan.

**3E. Continue to study the effects of accepting and treating winery waste through alternative methods.**

NapaSan staff will continue to receive winery waste on a limited basis through alternative methods, such as directly into the day storage tank or digester, to study the impacts to treatment. Successful methods will be evaluated for applicability at a larger scale, while including analysis regarding service costs and the economic market.

**Timeframe:**

This is a continuous objective expected to continue beyond the timeframe of this strategic plan. Updates will be provided to the Board as appropriate by October 31 annually on the status of service need, NapaSan's response to the service need, and the response to the service need provided by others.

## GOAL FOUR: EMPLOYEE DEVELOPMENT

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

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

The District Board established the following key objectives:

### **4A. Promote NapaSan as progressive, professional workplace through engagement and the development and promotion of internships and “in training” programs**

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. Maintain an active role in BAYWORK, offer internship opportunities and scholarships, and promote careers in the water sector at career fairs, direct engagement with local students, during plant tours and at public events.

Timeframe:

Staff will report annually to the Board by June 30 on the status of scholarships, internships and other activities.

### **4B. Conduct Employee Surveys, as appropriate**

The last employee survey was in Fall 2017. Continue the pattern of surveying employees periodically to ensure we are providing successful work environment so employees can come to work each day and give their personal best. Successful customer services starts with a productive and satisfied workforce.

Timeframe:

Have periodic discussions with the Board regarding the timing of the surveys, including whether questions should be included, excluded or modified, as appropriate.

#### **4C. Prepare for and begin MOU Negotiations**

The two labor MOUs and one management association agreement for NapaSan will expire on June 30, 2020.

Timeframe:

The Board already maintains a contract with a labor relations firm to assist in MOU negotiations and other labor relations activities. It is expected that preparation for negotiations will begin in mid-2019, with new MOUs approved by June 30, 2020. Specific direction will be provided by the Board in closed session.

#### **4D. Address succession planning through supervisory/management training and an internal mentorship program**

Develop an appropriate internal management training program to ensure managers/supervisors have the right skills and abilities to lead their team consistent with the core values. Ensure adequate training and opportunities are provided and encouraged for employees to develop the skills and experiences necessary to promote into more responsible positions.

Timeframe:

Hire a consultant to help develop an ongoing program by conducting a gap analysis and recommending the most effective practices to implement. Report to the Board by June 30, 2020 on new practices that have been or will be implemented.

## **GOAL FIVE: COMMUNITY OUTREACH AND COMMUNICATION**

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

The District Board wants to ensure that NapaSan operates in a transparent manner, communicates the value of NapaSan's services, and serves as a resource to all ratepayers.

The District Board established the following key objectives:

### **5A. Inform and engage the community and stakeholders to increase and promote understanding of NapaSan services, rates, and key messages..**

Continue to communicate NapaSan's key education and organizational messages to increase awareness of NapaSan as an agency and gain support for initiatives, programs, and the mission of NapaSan.

Timeframe:

Staff will write and submit a quarterly column to the Napa Register highlighting key messages. Staff will send two issues of the pipeline newsletter annually (one in the fall and one in the spring). Staff will plan and host an annual open house (typically in the fall). Staff will plan and host an annual citizen's academy (typically in the fall). Staff will plan and host a 75th Anniversary event in the fall of 2020.

### **5B. Proactively communicating with the public, stakeholders and the press regarding current programs, accomplishments, projects, and news.**

Anticipate issues and news of interest to the public and develop materials, messages, and delivery mechanisms for connecting with the public and stakeholders. Coordinate communications as appropriate with City, County, and other stakeholder groups to maximize outreach efficacy.

Timeframe:

This is a continuous objective expected to continue beyond the timeframe of this strategic plan.

**5C. Collaborate with other local agencies and groups to meet common goals.**

Look for opportunities to work with other local agencies to achieve common goals. Enhance existing communications channels, leverage existing networks, and enhance partnerships with other local agencies, schools, industry organizations, businesses, community groups, and environmental organizations to reach and serve more of the community.

Timeframe:

Plan, sponsor, and participate in the annual Earth Day event in downtown Napa (typically in April). Aid in planning the Napa County Science Fair annually (typically in May).

**5D. Build and maintain relationships with community leaders, elected officials and stakeholders.**

Engage local and regional community leaders, elected officials, and stakeholders to aid in the distribution of NapaSan's messaging to the wider community, build participation in key programs and initiatives, and increase overall awareness of NapaSan. Plan regular meetings and tour events for community leaders and officials to learn more about NapaSan as an agency.

Timeframe:

This is a continuous objective expected to continue beyond the timeframe of this strategic plan. Staff will report to the Board twice annually (in June and November) on community outreach and communication activities and planned future events.

## **GOAL SIX: RESOURCE RECOVERY**

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

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

The District Board established the following key objectives:

### **6A. Evaluate current recycled water allocation policy.**

Determine whether there is a need to change the prioritization, and if there is additional or unused capacity that should be reallocated. Staff will prepare information for the Board to have meaningful conversations and provide direction to staff regarding the end-use of recycled water that may be available now and in the future.

Timeframe:

Evaluate recycled water usage against existing policy and updates will be provided to the Board annually.

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

Continue partnership with Napa County and others to install a recycled water truck fill station along Coombsville Road and other projects as appropriate.

Timeframe:

Construct recycled water truck fill station by December 31, 2019.

### **6C. Participate with local and regional partners on long-term opportunities for water reuse, including the Phase II project with NBWRA**

Phase II EIR/EIS study for recycled water projects as part of NBWRA has been adopted by the Board. Staff will plan to implement projects along associated timeline and as grant funding becomes available.

Timeframe:

The Record of Decision (ROD) for the EIR/EIS Study is dependent on associated project funding and the review/approval of a federal waiver to EIR/EIS requirements. Staff will update the Board as appropriate regarding the ROD and waiver approvals, and on the success of grant applications.

- 6D. Develop a partnership with cities of Napa and American Canyon, if possible, to complete a preliminary feasibility study for developing a “purified water” potable reuse program.**

NapaSan staff will engage with staff from Cities of Napa and American Canyon to determine if there is interest in exploring “purified water” potable reuse.

Timeframe:

Outreach to cities on exploring this concept by December 31, 2019. Develop next steps of engagement if there is mutual interest.

- 6E. Evaluate energy self-generation with the primary goal of decreasing overall energy costs and reliance on the energy grid, and recommend policy options for consideration.**

Explore the expansion of the FOG receiving and the internal combustion combined heat and power (Cogen) system, linear electromagnetic induction, fuel cell, expanded solar, or other ideas to increase NapaSan’s generation of electrical power, as long as there is both immediate and long-term cost savings.

Timeframe:

Initial framework of alternatives will be provided to the Board for consideration by June 30, 2020.

- 6F. Improve recycled water quality to increase appeal and acceptability of recycled water to current and future users.**

All of NapaSan’s recycled water is treated to meet the highest recycled water tertiary treatment water quality standards in Title 22. However, those standards allow for chloride levels that could be detrimental to sensitive grape species. NapaSan has been working to reduce the amount of chlorides in recycled water through the reduction of salt water I & I into sewer pipes and through altered water treatment management. Staff will continue to emphasize salt water I & I projects, management practices, and pollution prevention efforts to reduce chlorides to acceptable levels.

Staff may partner in a pilot study for ultrafiltration/reverse osmosis to determine whether these technologies can cost effectively improve water quality.

Timeframe:

Complete the rehabilitation of the 66-inch trunk main from Kaiser Road to IPS and evaluate the impacts on chlorides by December 31, 2021. Report regularly on chloride testing results through weekly website updates during the irrigation season and periodic reports to the Board.

## **GOAL SEVEN:        REGULATORY COMPLIANCE**

*Implement policies, best practices and capital investments to ensure compliance with all federal, state and local regulatory requirements.*

The District Board wants the District to comply with all existing and future regulatory requirements. This includes its NPDES permit, SWRCB and RWQCB general orders, BAAQMD permits, Cal/OSHA standards, and other federal, state and local laws.

The District Board established the following key objectives:

### **7A. Negotiate a new National Pollutant Discharge Elimination System (NPDES) permit with the Regional Water Quality Control Board (RWQCB)**

NapaSan must renew its NPDES every 5 years. The current permit expires in August 2021.

Timeframe:

Submit required application materials to RWQCB in late-fall 2020, in advance of the August 2021 expiration of the current permit.

### **7B. Stay current on proposed state and federal legislation that could positively or negatively impact NapaSan's current or future operations.**

NapaSan staff should actively engage with federal, state and regional associations to remain aware of potential changes in the regulatory environment, and respond when appropriate with suggestions to improve regulations. This will be done through active participation in CASA, CSDA, BACWA, CWEA, NACWA, WaterReuse and other appropriate organizations.

Timeframe:

Ongoing. General Manager or Legal Counsel will periodically update the Board on pending legislation and regulations that could impact NapaSan.