



# NapaSan

Quarterly Report of Priority Goals  
for  
FY 2020/21 Quarter 4

July 1, 2020 – June 30, 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	Treatment Plant Master Plan	On Track
1E	Private Lateral Program	On Track
1F	66-inch Truck Main Rehabilitation	On Track
Goal 2: Financial Stability		
2A	Sewer service charge rate study	On Track
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	Resiliency, disaster mitigation and disaster recovery planning	On Track
3C	Impacts of sea/river level rise, prolonged drought and increased storm intensity	On Track
3D	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	On Track
4B	Employee survey	On Track
4C	MOU negotiations	On Track
4D	Succession planning through supervisory/management training	On Track

<b>Goal 5: Community Outreach and Communication</b>		
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
<b>Goal 6: Resource Recovery</b>		
6A	Evaluate current recycled water allocation policy	On Track
6B	Renew recycled water user agreements	On Track
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
<b>Goal 7: Regulatory Compliance</b>		
7A	Negotiate new NPDES permit	On Track
7B	Stay current on state and federal legislation	On Track
7C	Compliance with permits and reporting requirements	On Track

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

## **Overview**

In May 2021, 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.

Schedules for all objectives in the Board's plan are on track.

Updates to specific objectives are provided on the following pages.

## **Recommendations**

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

**2021 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 4.
1C	Construct the Browns Valley and the West Napa Pump Station projects		✓			Construction continued in Quarter 4.
1D	Update the Treatment Plant Master Plan		✓			The Treatment Plant Master Plan continued during Quarter 4.
1E	Study whether to implement a Private Lateral Program		✓			Flow monitoring is scheduled for Winter 21/22 for a recently constructed pilot project and to evaluate future pilot project locations.
1F	Rehabilitate the 66-inch trunk main		✓			Construction of the downstream portion of the pipeline continued during Quarter 4.
2A	Update NapaSan/s sewer service charge rate study in anticipation of the Prop 218 hearing and rate setting process in spring 2026		✓			The rate study is scheduled to start in 2024.
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.
3B	Enhance NapaSan’s plans and training associated with resiliency, disaster mitigation and disaster recovery		✓			SCADA backup is part of current SCADA project. Ongoing.

**2021 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

		Complete	On Track	Watch	Delayed	Status:
3C	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 is a member of BayCAN which 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. NapaSan’s climate change planning will start in July 2021.
3D	Continue to study the effects of accepting and treating winery waste through alternative methods		✓			Staff will provided an update to the Board in October 2021.
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		✓			Ongoing.

**2021 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.
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.
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. Staff also continued to work with Baywork and the Bay Area Pollution Prevention Group.
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 will be provided to the Board in Spring 2022.
6B	Renew recycled water user agreements		✓			Ongoing. User agreements expire in December 2022.
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 occurring as part of the Drought Contingency Plan.

**2021 Strategic Objectives:**

Complete  
On Track  
Watch  
Delayed

**Status:**

		Complete	On Track	Watch	Delayed	Status:
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 4.
7B	Stay current on proposed state and federal legislation that could positively or negatively impact NapaSan's current or future operations		✓			Ongoing.
7C	Compliance with permits and reporting requirements.		✓			Ongoing.



# **Fiscal Year 2020/21**

## **Fourth Quarter Financial Report**

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### **Overview**

After fifteen months of grappling with the impacts from the COVID-19 pandemic, receipt of NapaSan's major revenue source, sewer service charges, was still within less than 2%. Capacity charges and permit fees were expected to be lower than previous years. Anticipated development projects were delayed but are expected to proceed in the new fiscal year. Activity from FOG and septic hauling remained lower than expectations for the fiscal year 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 sales have hit an all-time high, continuing a trend seen since April 2020. The current drought conditions Napa is experiencing contributed to the high demand of recycled water.

Investment interest revenue in the fourth 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. As forecasted, the Federal Funds rate did not increase and returns remained low. It is expected that this trend will continue into next fiscal year.

Salaries and benefit expenses were slightly below both the budget and the three-year average. Vacancies in Administration, Maintenance and Collections attributed to a decrease in expenses.

Services and supplies spending was lower than budget for the quarter and for the fiscal year.

About 59.0% of the Capital Improvement Plan was completed in the fourth quarter. 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 is expected to be completed next fiscal year.

### **Recommendations**

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

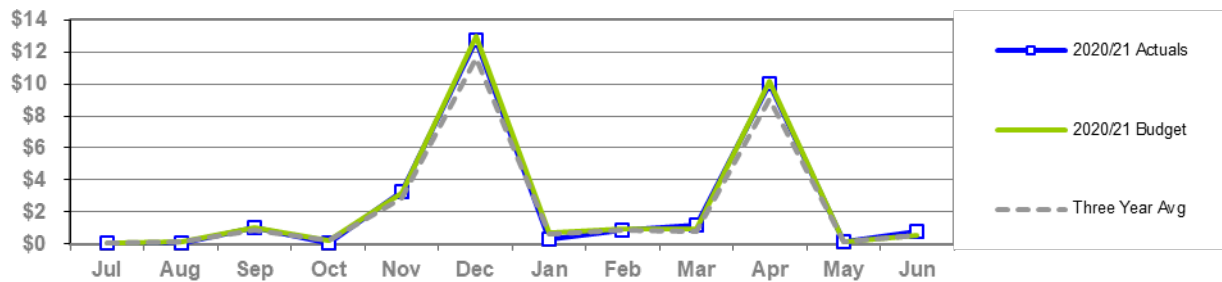
## Part 1 - Revenue Summary – All Funds

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	30,588,743	30,588,743	98.3%	98.3%
Capacity Charges	1,992,000	1,992,000	1,324,411	1,324,411	66.5%	66.5%
Hauling Fees	197,000	197,000	162,144	162,144	82.3%	82.3%
Permit Review Fees	123,000	123,000	125,011	125,011	101.6%	101.6%
Land Lease	129,000	129,000	233,091	233,091	180.7%	180.7%
Recycled Water Sales	1,001,000	1,001,000	1,864,744	1,864,744	186.3%	186.3%
Investment Interest	196,000	196,000	250,185	250,185	127.6%	127.6%
Intergovernmental Revenue	0	0	88,382	88,382	N/A	N/A
Miscellaneous Revenue	67,000	67,000	124,379	124,379	185.6%	185.6%
Sale of Assets	25,000	25,000	308,666	308,666	1234.7%	1234.7%
Proceeds from Bonds/Loans	27,249,900	27,249,900	20,772,474	20,772,474	76.2%	76.2%
Inter/Intrafund Transfers	10,992,000	10,992,000	15,586,611	15,586,611	141.8%	141.8%
<b>Total</b>	<b>\$73,083,900</b>	<b>\$73,083,900</b>	<b>\$71,428,841</b>	<b>\$71,428,841</b>	<b>97.7%</b>	<b>97.7%</b>

### Revenue Analysis

#### Sewer Service Charges by Month

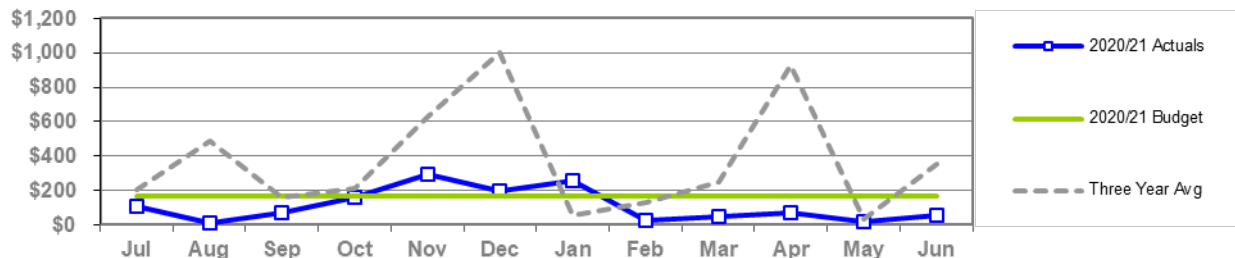
shown in millions



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 percentage collected for the year was slightly lower than FY 2018/19, a year that was not affected by COVID-19, but in line with what was collected last fiscal year. The impact of COVID-19 was minimal on the collection of sewer service charges.

#### Capacity Charges by Month

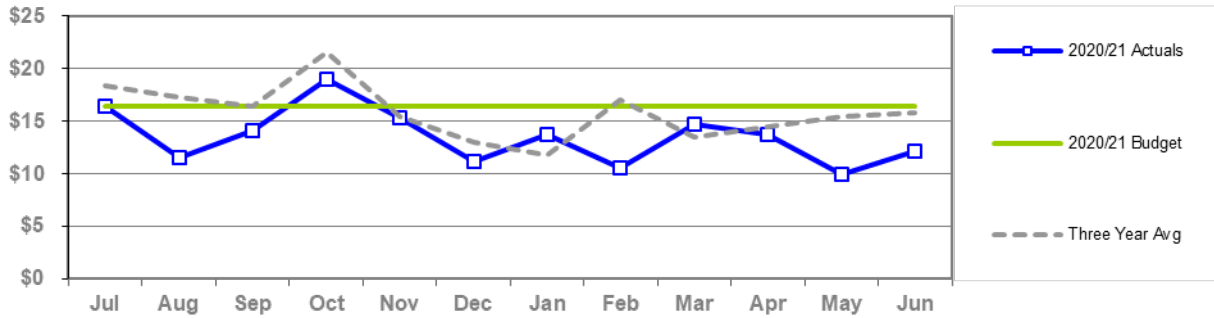
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Capacity charge collections for the year were lower than the straight-line monthly budget assumption. Anticipated capacity charges were not received at the end of the year but are expected in the first quarter of the next year.

**Hauling Fees by Month**

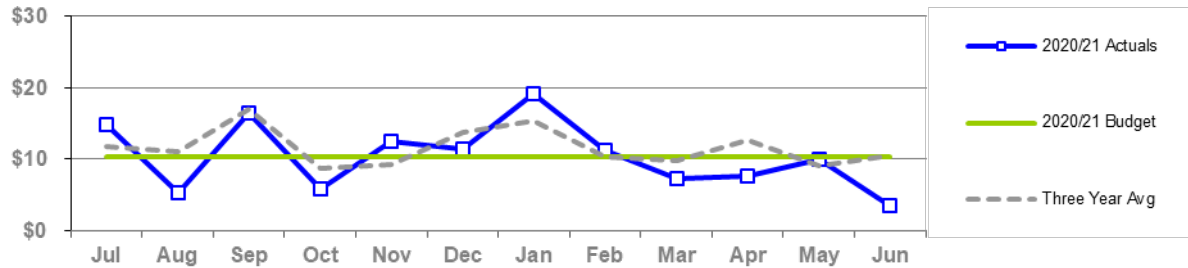
*shown in thousands*



Revenue from hauling fees have been significantly affected by the pandemic. They have come in below the three-year average and the budget. The decrease in outdoor activities and functions resulted in less revenue from hauling fees for the year.

**Plan Review Fees by Month**

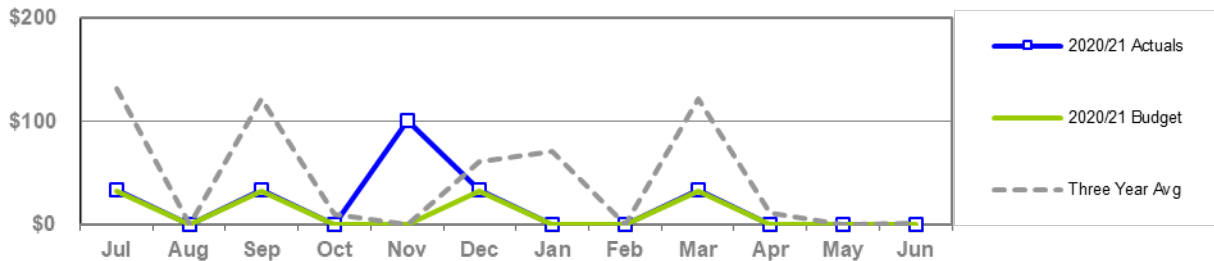
*shown in thousands*



Plan review fees tracked slightly lower than the three-year average for a good part of the year. This is an indication of slightly slower than expected development review activity.

**Land Lease Revenue by Month**

*shown in thousands*

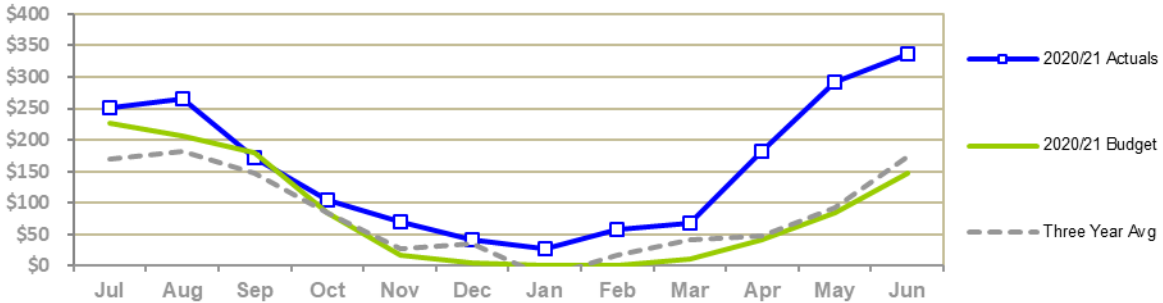


Lease payments are accrued according to contract terms, which make payments due quarterly, represented by the four spikes on the graph (July, Sept., Dec. and March/April). Lease payments were invoiced per contract.

The Somky lease was officially terminated in September 2020 and as a result this year's lease revenue is below the three year average. The spike in November was a \$100,000 termination fee that was received.

**Recycled Water Revenue by Month**

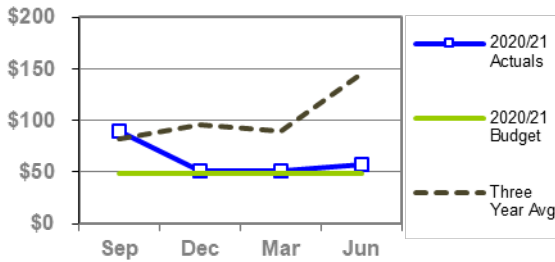
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Recycled water sales have been high since the end of last fiscal year and revenue has exceeded budget expectations for the year. High temperatures and lack of rain contributed to the high demand of recycled water.

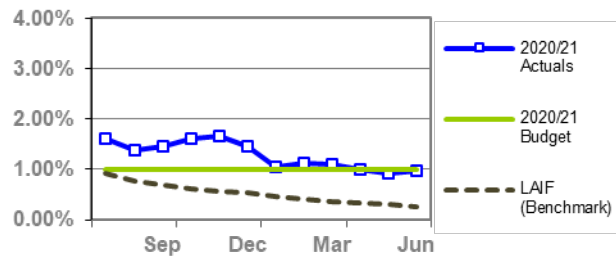
**Investment Interest Earnings by Quarter**

*shown in thousands*



**Investment Interest Rate by Month**

*earnings rate*



Interest earnings for the fiscal year were closer to expectations towards the end of the year. This is a result of the continued low investment rate of return and a spenddown of cash for the Browns Valley Sewer Trunk Rehabilitation and West Napa Pump Station Rehabilitation projects. Interest rates dipped slightly below the 1% rate that was budgeted but ended the year in line with budgeted 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.

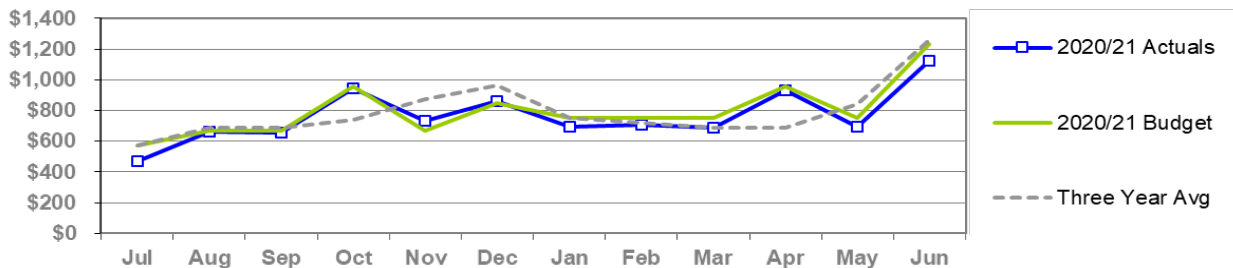
## Part 2 - Operating Expenditures Summary All Departments

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	9,167,368	9,590,300	95.6%	100.0%
Services and Supplies	6,186,300	6,428,900	5,647,876	6,428,900	87.9%	100.0%
Other Charges	42,400	42,400	35,549	42,400	83.8%	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	15,586,611	9,000,000	173.2%	100.0%
<b>Operating Expenditures</b>	<b>\$29,407,000</b>	<b>\$29,649,600</b>	<b>\$35,023,156</b>	<b>\$29,649,600</b>	<b>118.1%</b>	<b>100.0%</b>

### Operating Fund Expenditure Analysis

#### Salaries & Benefits

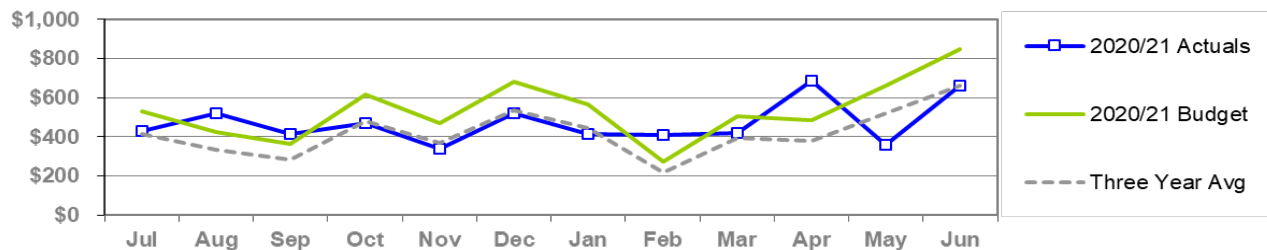
shown in thousands



Salaries and Benefits were lower than budgeted expectations, with one vacancy in Administration, one in Plant Maintenance and two in Collections. April had three paydays in the month this fiscal year. Whereas the last two years, May had three paydays.

#### Services & Supplies

shown in thousands



The services and supplies expenditures for the year were lower than budgeted expectations but in line with historical patterns.

#### 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	13,862	48,238	22.3%
13702	Manhole Raising/Rehabilitation	1,676,068	250,000	142,822	107,178	57.1%
13703	Lateral Replacements	1,029,414	113,900	94,551	19,349	83.0%
13704	Cleanouts Installation	736,294	98,700	68,702	29,998	69.6%
13705	I&I Reduction Program	772,887	240,500	4,573	235,927	1.9%
14703	Browns Valley Rd & First Street	3,919,292	19,733,950	17,592,040	2,141,910	89.1%
18702	Coll Sys Asset Management Software	408,430	266,600	221,066	45,534	82.9%
19701	66-inch Trunk Rehabilitation	579,313	15,086,550	2,851,597	12,234,953	18.9%
19703	Sewer System I&I 2020	859,457	6,191,400	4,279,999	1,911,401	69.1%
19727	Collection System Master Plan	904,509	100,000	53,423	46,577	53.4%
20702	Manhole Rehabilitation-Nipak-Basin H	153,777	250,000	28,045	221,955	11.2%
20703	2021 Collection System Rehab	3,457	3,426,550	2,419,379	1,007,171	70.6%
21701	2022 Collection System Rehab	0	20,000	5,078	14,922	25.4%
21718	NN Siphon Gate Replacement	0	25,000	15,908	9,092	63.6%
<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	5,663,037	4,383,413	56.4%
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	657,866	578,484	53.2%
20707	Pond Levee Repair	90,851	709,150	581,656	127,494	82.0%
20708	Treatment Plant Project 2020	92,401	1,407,600	209,691	1,197,909	14.9%
<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	1,146,386	83,814	93.2%
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	22,642	2,358	90.6%
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%

<b>Project</b>	<b>Prior Year</b>	<b>FY 20/21</b>	<b>FY 20/21</b>		<b>% of</b>	
<b>No.</b>	<b>Project Title</b>	<b>Actuals</b>	<b>Adj. Budget</b>	<b>Actuals</b>	<b>Variance</b>	<b>Budget</b>
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	30,200	24,110	6,090	79.8%
21704	Headworks - Washer Compactor	0	314,400	160,261	154,139	51.0%
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	15,000	0	15,000	0.0%
21710	Veh 175 - F-150	0	31,000	28,918	2,082	93.3%
<b>Lab Equipment</b>						
21711	Autoclave Rplcmnt	0	34,400	14,295	20,105	41.6%
21712	Sampler 4700 Rplcmnt	0	10,400	7,833	2,567	75.3%
<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	85,519	26,581	76.3%
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	5,889	24,811	19.2%
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	1,564	74,136	2.1%
21717	Veh 723 - Water Trailer	0	42,800	12,554	30,246	29.3%
<b>Other</b>						
13729	Development Technical Support	2,518,042	348,800	225,907	122,893	64.8%
19723	AV System Replacement - Conf Rooms	0	40,000	0	40,000	0.0%
			65,903,450	38,915,627	26,987,823	59.0%

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

- 14703 Browns Valley Trunk & West Napa Pump Station** – Construction continued in Quarter 4.
- 19701 66-inch Trunk Main** – Construction continued during Quarter 4.
- 19703 2020 Collection System Rehabilitation** – Construction continued during Quarter 4. Construction is expected to be complete in Fall 2021.
- 20703 2021 Collection System Rehabilitation** – Construction continued during Quarter 4.
- 20706 Wastewater Treatment Plant Master Plan** – Continued work on the WWTP Master Plan during Quarter 4.
- 20707 Pond Levee Maintenance Project** – Construction continued during Quarter 4.
- 20708 2021 Treatment Plant Improvements** – Construction continued during Quarter 4.
- 21701 2022 Collection System Rehabilitation** – Staff started design during Quarter 4.



## **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 2021 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 30th of each year, on the I & I flow monitoring results.

**1B. Continue to Implement the 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:

Annually update the Board on the status of Asset Management implementation, progress of the program, and confirmation of strategic direction by August 31 of each year.

### **1C. Complete construction of the Browns Valley Trunk and West Napa Pump Station projects**

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

Timeframe:

Construction completion anticipated in December 2021.

### **1D. Update the Treatment Plant Master Plan**

The Treatment Plant Master Plan (TPMP) analysis started in 2020 and will be updated to align with the recently completed Collection System Master Plan and address both capacity issues and anticipated changes in the regulatory environment.

Timeframe:

Complete TPMP by March 31, 2022.

### **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 four pilot projects are completed, with flow monitoring results for the first three. Complete flow monitoring for fourth pilot by September 30, 2022. Complete fifth and sixth pilot projects in summer 2022 and summer 2023, with flow monitoring completed spring 2024. Develop policy options, including cost analysis and program design options, for Board consideration by December 31, 2024.

## 1F. Rehabilitation of the 66-inch Trunk Main

This is a significant project in the 10-year Capital Improvement Program. Construction of the first phase of the project (Kaiser Road to IPS) is expected to be completed in 2021. Staff will continue to evaluate the condition of existing pipe within the second phase of the project (Imola Ave to Kaiser Road) and schedule design and construction when needed. The second phase is outside the timeline of this four-year Strategic Plan.

Timeframe:

Complete construction of the first phase of the project (Kaiser Road to IPS) 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 2026.**

The study should evaluate the current model for 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 December 31, 2024. Completion of the study and associated outreach prior to the Prop. 218 hearing in March 2026.

### **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 community 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. 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 implementation of SCADA projects, coordination of NapaSan’s emergency communications system with the city and county’s emergency management



system, participation as an active partner in the County's Hazard Mitigation Plan, and participation in specific trainings on the activation of these plans.

Timeframe:

Ongoing training. Ongoing coordination with Napa County emergency planning team.

**3C. Evaluate and study 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 increased storm intensity also can significantly impact the collection system, the treatment plant, and the demand/supply/quality of recycled water.

Activities include partnering with the City of Napa on the Drought Contingency Plan and continuing participation in regional partnerships such as the Bay Area Climate Adaptation Network (BayCAN), as appropriate.

NapaSan should conduct a study to evaluate the impacts of climate change on operations, programs, and facilities.

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. Prepare a climate change plan by June 30, 2022.

**3D. Continue to study the expansion 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. NapaSan staff will continue to monitor the need to accept winery waste beyond current levels.

**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; 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:

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.

### **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:

Conduct the next employee survey in Fall 2022.

#### **4C. Prepare for and begin MOU Negotiations of Year-Two Reopener**

The two labor MOUs and one management association agreement for NapaSan are scheduled for a year-two reopener.

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 of the year-two reopener will begin in early 2022, with revised MOUs approved by June 30, 2022. 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 March 1, 2022 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 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).

**5B. Proactively communicate 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.

Schedule NapaSan Board member tours of the treatment plant and schedule Board member site visits of projects in both the treatment plant and the collection system. Encourage Board member outreach through social media.

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 by March 31 of each year.

### **6B. Renew recycled water user agreements.**

NapaSan issues a recycled water user agreement to each recycled water customer that includes requirements for use, reporting, and cost. The recycled water user agreement template and content was approved by the Board in 2014. All agreements are set to expire on in December 2022.

Timeframe:

Revise recycled water user agreement template and content for Board consideration by June 30, 2022. Reissue recycled water user agreements by December 31, 2022.

**6C. Participate with local and regional partners on long-term opportunities for water reuse.**

Continue participation and coordination with NBWRA, LCWD, MST (Napa County), and the Drought Contingency Plan agencies to plan for recycled water use expansion.

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.

**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 continue to coordinate with Cities of Napa and American Canyon on the Drought Contingency Plans which includes exploring “purified water” potable reuse options. Evaluate public communication and outreach options for a future potential potable reuse project.

Timeframe:

Ongoing. Staff to provide periodic updates to the Board.

**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.**

Chemistry and energy are the largest “consumables” in the operating budget, making up about 31.4% of the total Services and Supplies budget and 12.3% of the overall operating budget. Evaluate and recommend ways to reduce energy and chemistry consumption.

Explore the expansion of high-strength waste 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. Energy projects will be studied as part of the Treatment Plant Master Plan (Goal 1D).

Timeframe:

Staff will provide an update to the Board by September 30, 2022.



**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.

**Timeframe:**

Complete the rehabilitation of the 66-inch trunk main from Kaiser Road to IPS and evaluate the impacts on chlorides by April 30, 2022. 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 NapaSan 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:

New NPDES Permit is expected to be issued by the RWQCB in late-fall 2021. Staff will provide a report to the Board by February 28, 2022 on details of the new NPDES 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.

#### 7C. Continue compliance with permits and reporting requirements.

NapaSan holds permits to operate from the Regional Water Quality Control Board (NPDES permit), the Bay Area Air Quality Management District (BAAQMD), and the Environmental Lab Accreditation Program (ELAP). Additionally, NapaSan must comply with general orders issued by the State of California including the Waste Discharge Requirements for Sanitary Sewer Systems (SSS-WDR) and the Waste Discharge Requirements for Recycled Water Use.

Staff will continue to comply with permit and reporting requirements.

Timeframe:

Ongoing. General Manager will periodically update the Board as needed.