



Agenda Date: 2/20/2019

Agenda Placement: 8C

## Napa Sanitation District Board Agenda Letter

---

**TO:** Honorable Board of Directors

**FROM:** Jeff Tucker - Director of Administrative Services/CFO  
NS-Administration

**REPORT BY:** Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000

**SUBJECT:** Accept the Annual Performance Measurement Report

---

### **RECOMMENDATION**

Accept the annual Performance Measurement Report for 2018.

### **EXECUTIVE SUMMARY**

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

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

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

## 10. Stakeholder Understanding & Support

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

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

- | **Sanitary Sewer Overflows** - The 2018 system performance rating improved from "unsatisfactory" to "satisfactory," as there were significantly fewer overflows than the state and regional averages, with lower than average gallons of overflows. In 2017, the overflows were associated with inflow and infiltration. (pages 19-20)
- | **Total Training Hours** - After several years of internal research, it has been determined that this measure will no longer be proposed as a performance measure. It is unclear from such a measurement how the number of training hours directly equates to the achievement of any specific goals or outcomes, and what an appropriate target would be for NapaSan. Also, it was proving to be an expensive effort to try to track all training received by NapaSan employees.
- | **Operating Ratio** - The long-term trend for this measurement was changed from "watch" to "satisfactory" now that three years of data in a row shows a positive trend in this financial indicator. (page 47)
- | **Vehicle Accident Rate** - The 2018 rating was changed from "watch" to "satisfactory" as there were no vehicles accidents in 2018. However, the long-term trend remained its "watch" rating, as there is still insufficient data over time to evaluate this measure. (page 70)
- | **Insurance Claims** - The number of claims in 2018 were significantly lower than in 2017, resulting in an improved rating to "satisfactory." The long-term trend, however, is still erratic and should continue to be watched. (page 72)
- | **Experience Modification (XMOD) Rate** - The measure for 2018 is significantly lower than the 2017 measure, which justified changing the current year rating from "unsatisfactory" to "satisfactory." (page 73)

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

- | **Electricity Self-Generation** - Self-generation of electricity has increased with the solar array coming on line in March 2017. In 2018, with solar operational all year and the cogeneration engine operational throughout the year, the percentage of electricity self-generation reached an all-time high, of 56%. (page 39)
- | **Chemistry Consumption** - There has been a noticeable decrease in the amount of chemistry used per million gallons treated, particularly polymer usage. This results in lower operating costs for ratepayers. (page 41)
- | **Sewer Main Renewal and Replacement** - For 2018, there was an established goal of replacing 1.3% of sewer system piping. That goal was almost doubled with a result of 2.5% replacement. (page 62)

Overall, most of the indicators are positive and show NapaSan is performing optimally. Out of 62 Key Performance Indicators for 2018, 95% were rating "satisfactory" with 5% rated "watch" and none rated as "unsatisfactory."

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

## **FISCAL IMPACT**

Is there a Fiscal Impact?

No

**ENVIRONMENTAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

A . Presentation

B . 2018 Performance Measurement Report

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker