



NapaSan

Quarterly Report of Priority Goals
for
FY 2019/20 Quarter 1

July 1, 2019 – September 30, 2019

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	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	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	On Track
4B	Employee survey	On Track
4C	MOU negotiations	On Track
4D	Succession planning through supervisory/management training	On Track

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	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
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.

All the objectives in the current Strategic Plan are "On Track." None of them are considered delayed or being watched for potential slips in deliverable dates.

Updates to specific objectives are provided on the following pages.

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 (in construction) is planned to rehabilitate 2.3%. The 2020 project (in design) is planned to rehabilitate 2.0%. All projects exceed the goal of 1.3%.
1B	Continue to Implement an Asset Management program		✓			Phase 1 of the Asset Management Plan continued in Quarter 1.
1C	Design and construct the Browns Valley Road Interceptor and any associated capacity enhancements at the West Napa Pump Station		✓			Loan approval from the SWRCB is expected to in December 2019. Pipeline and pump station projects are expected to start construction in Spring 2020.
1D	Update the Collection System Master Plan, Treatment Plant Master Plan and SCADA Master Plan		✓			The SCADA Master Plan is expected to be completed in Quarter 3. The Collection System Master Plan is expected to be completed during Quarter 4. The Treatment Plant Master Plan is scheduled for FY20/21.
1E	Study whether to implement a Private Lateral Program		✓			Pilot project #4 was bid during Quarter 1 and will be constructed during Quarter 2. Post-construction flow monitoring will occur during Quarter 3.
2A	Update NapaSan/s sewer service charge rate study in anticipation of the Prop 218 hearing and rate setting process in spring 2021		✓			This project is expected to begin in early summer of 2020.
2B	Continue efforts to develop non-rate/non-fee revenues through the development of land leases		✓			Ongoing. Hartle Court property was declared surplus, with marketing of the property expected to begin in 2020.
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.		✓			Analysis ongoing. Update will be provided to the Board in December 2019.
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 in Quarter 1. BayCAN is a regional group of public agencies to collaborate on climate change mitigation and adaptation. Staff participated in the kickoff meeting of the Drought Contingency Plan during Quarter 1.
3E	Continue to study the effects of accepting and treating winery waste through alternative methods		✓			Staff will provide 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		✓			Operators-in-Training program is ongoing. New Equipment Maintenance interns, Lab intern, and Engineering interns completed summer assignments. Continue to work with BAYWORK to develop regional internship and apprenticeship programs.
4B	Conduct Employee Surveys, as appropriate		✓			Staff will check in with the Board in Summer 2020 on whether a survey next year is desired.
4C	Prepare for and begin MOU Negotiations		✓			Negotiations to begin in November 2019.
4D	Address succession planning through supervisory/management training and an internal mentorship program		✓			Ongoing. Update to the Board expected in June 2020.

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 created and sent the Fall Pipeline newsletter. NapaSan held the annual Open House celebration in September and facilitated the second Citizens Academy. Staff continued to utilize Facebook to publicize NapaSan's messages and program to the community and grew the Facebook audience again 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 via mailings, emails, and website updates. Staff also worked with the City to perform outreach regarding smoke testing set to take place in October.
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 plan community education events. Staff worked with Baywork and the City of Napa to hold a teacher externship in July. Staff also continued to participate in the Countywide Public Information Officers group as well as the regional Bay Area Pollution Prevention Group.
5D	Build and maintain relationships with community leaders, elected officials and stakeholders.		✓			Staff invited individuals running for office to join the NapaSan Citizens Academy to learn about NapaSan programs.
6A	Evaluate current recycled water allocation policy		✓			Discussion with the Board will occur in Quarter 4.
6B	Implement capital projects in partnership with local agencies for the distribution of recycled water		✓			Construction of the truck fill station was completed during Quarter 1.
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. NBWRA's TAC to meet and discuss future role of organization in early 2020.

2019 Strategic Objectives:

Complete
On Track
Watch
Delayed

Status:

		Complete	On Track	Watch	Delayed	Status:
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		✓			Staff is evaluation alternatives, which will be presented to the Board for consideration in early Summer 2020.
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 effort to start in FY20/21.
7B	Stay current on proposed state and federal legislation that could positively or negatively impact NapaSan’s current or future operations.		✓			Ongoing.

Fiscal Year 2019/20

First Quarter Financial Report

Overview

Significant revenues received the first quarter have come in close to expectations. Sewer service charge receipts match budgeted forecast. Capacity charges were higher than budgeted expectations, due to large payments received in August. Hauler fees have matched expectations for the first quarter. Intergovernmental revenue from Napa County is from completion of the Coombsville Road Recycled Water Truck Fill Station project in the first quarter.

The Somky lease payments for the quarter were invoiced; however, it is not expected that the lease will make these payments.

Recycled water revenues were just slightly lower than expected for the quarter. New connections continue to be made in the MST and LCWD areas.

Investment interest revenue beat expectations for the quarter. The Federal Funds rate is expected to decrease in the short term and stabilize for 2020, depending on the world economic impacts on the US economy, among other factors. The budgeted expectations match with the rates currently expected from the County's investment pool.

Salaries and benefit expenses were both in line with budget for the quarter. Some vacancies are expected at the end of the calendar year that will impact salary and benefit projections in the second half of the fiscal year.

Services and supplies spending was in line with budgeted expectations for the quarter. There were no unusual or unexpected expenses in the first quarter.

About 11.5% of the Capital Improvement Plan was completed in the first quarter, with an additional 10% encumbered but not yet spent. Two significant projects in the year's plan have not yet begun construction - the Browns Valley Trunk and West Napa Pump Station projects. These two projects represent about 32% of the total CIP. These projects are expected to be bid in the third quarter, with construction beginning in the fourth quarter of the fiscal year.

Recommendations

There are no recommendations to adjust the FY 2019/20 operating or capital budget at this time.

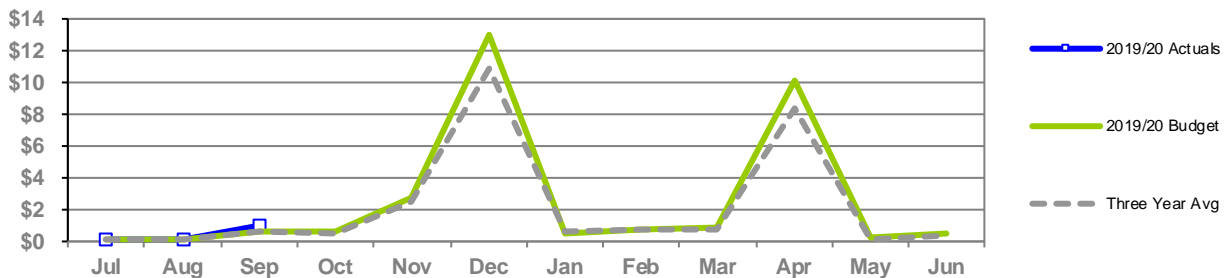
Part 1 - Revenue Summary – All Funds

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual YTD % of Budget	YE Projection % of Budget
Sewer Service Charges	29,866,000	29,866,000	1,201,021	29,866,000	4.0%	100.0%
Capacity Charges	5,178,000	5,178,000	1,374,977	5,178,000	26.6%	100.0%
Hauling Fees	191,000	191,000	48,554	191,000	25.4%	100.0%
Permit Review Fees	102,500	102,500	41,843	102,500	40.8%	100.0%
Land Lease	126,000	126,000	365,815	126,000	290.3%	100.0%
Recycled Water Sales	1,064,000	1,064,000	553,165	1,000,000	52.0%	94.0%
Investment Interest	452,000	452,000	132,643	500,000	29.3%	110.6%
Intergovernmental Revenue	0	0	224,852	224,852	#DIV/0!	#DIV/0!
Miscellaneous Revenue	55,000	55,000	9,790	40,000	17.8%	72.7%
Sale of Assets	25,000	25,000	1,104	25,000	4.4%	100.0%
Proceeds from Bonds/Loans	15,416,600	15,416,600	0	15,416,600	0.0%	100.0%
Interfund Transfer In	14,078,000	14,078,000	1,725,896	14,078,000	12.3%	100.0%
Total	\$66,554,100	\$66,554,100	\$5,679,660	\$66,747,952	8.5%	100.3%

Revenue Analysis

Sewer Service Charges by Month

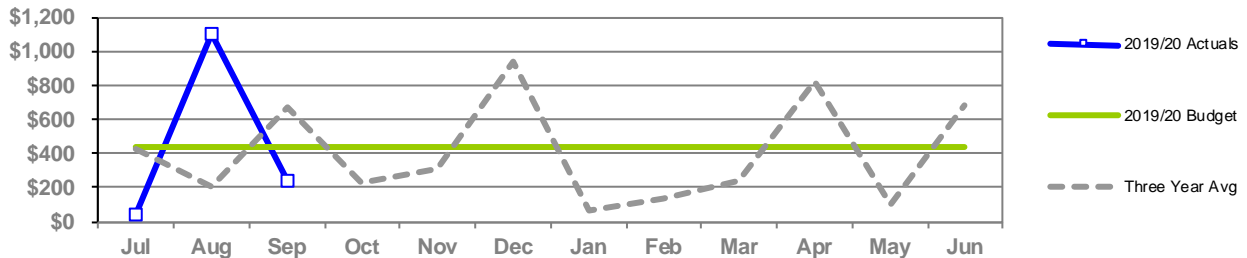
shown in millions



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 first quarter was as expected, within the normal fluctuations due to changes in annual usage by commercial and industrial customers.

Capacity Charges by Month

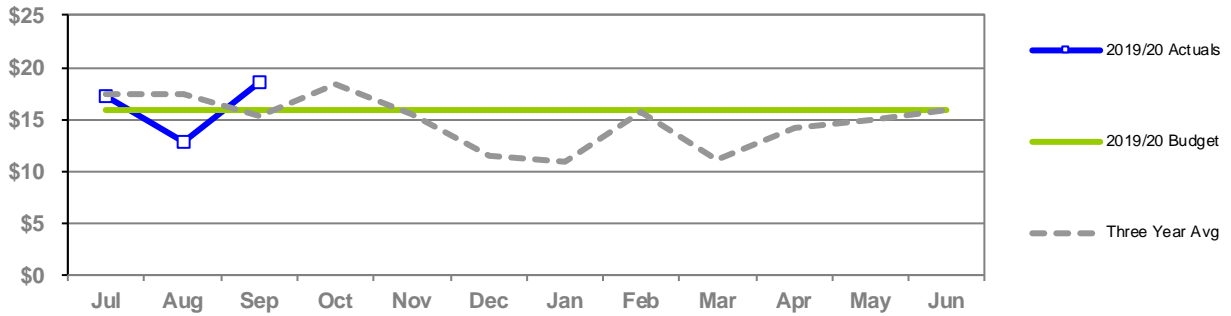
shown in thousands



Capacity charge collections in the quarter were higher than the straight-line monthly budget assumption. This is due to two large payments in capacity charges, one for the Stoddard Apartment project and one for the Stanley Ranch development project, both in August.

Hauling Fees by Month

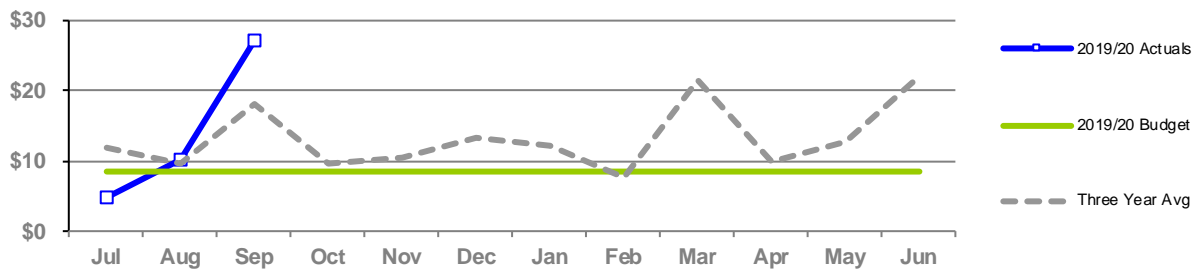
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Hauling fees are target and met budgeted expectations for the first quarter.

Plan Review Fees by Month

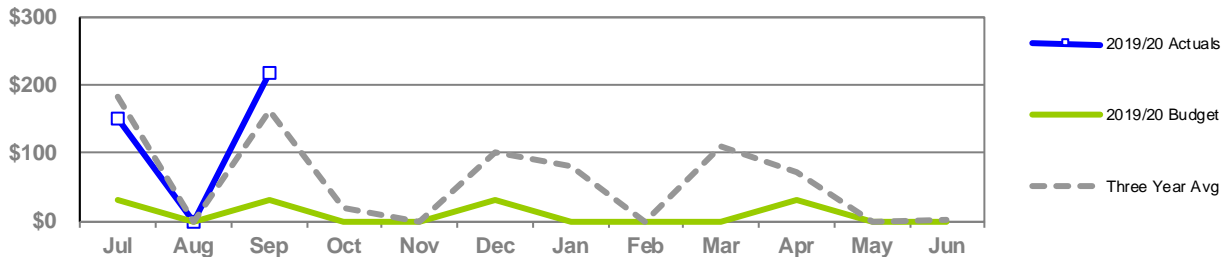
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Plan review fees have tracked higher than expected for the first quarter. This is due to three larger than usual payments in September. It is expected that development review fees will return to the budget projections in future months.

Land Lease Revenue by Month

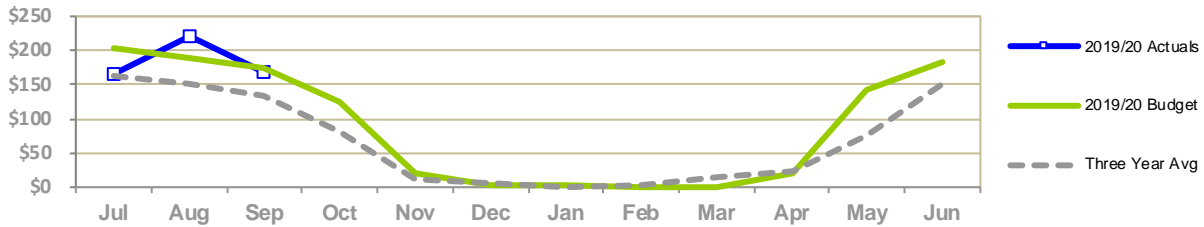
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Lease payments are accrued according to contract terms, which make payments due quarterly, represented by the four spikes on the graph (July, Sept., Dec. and March/April). Lease payments were invoiced per contract. However, it is expected that the Somky lease payments will not be made, and will be removed from receivables and revenue at the end of the fiscal year.

Recycled Water Revenue by Month

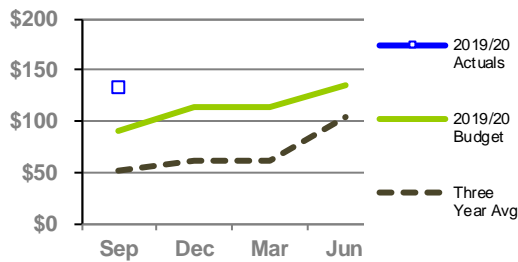
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Recycled water revenue has come slightly below budget expectations for the first quarter. October and November are expected to come in at the same level as budgeted assumptions.

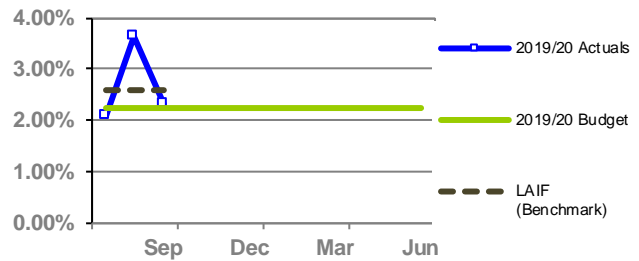
Investment Interest Earnings by Quarter

shown in thousands



Investment Interest Rate by Month

earnings rate



Interest earnings for the quarter were higher than expectations because of higher than budgeted interest rates and higher than normal cash on hand. This calendar year, the interest earnings rate has slowly been moving upward as investments in lower yielding instruments are replaced by ones with higher yields. However, the lowering of the overnight rates by the Federal Reserve Bank recently, and the anticipation stabilization of the Fed rate to limit growth in this revenue stream.

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 first quarter, the County’s investment pool earnings have been about even with the LAIF rate, with a one-time realization of significant earnings in August that is not expected to occur again in the fiscal year.

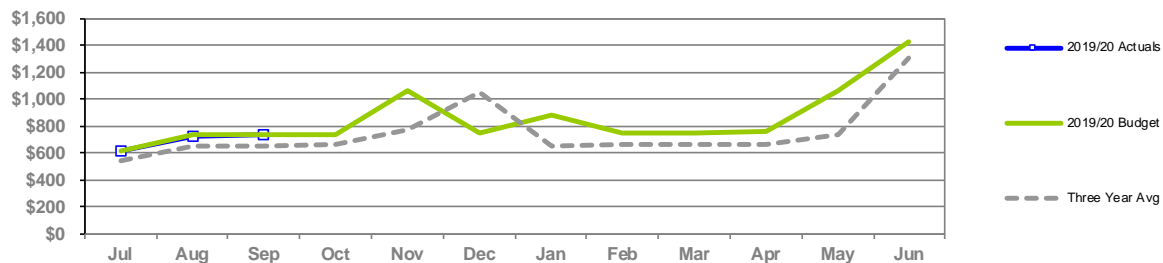
Part 2 - Operating Expenditures Summary All Departments

Item	Adopted Budget	Adjusted Budget	Actual YTD	Year End Projection	Actual % of Budget	Year End % of Budget
Salaries and Benefits	10,258,600	10,258,600	2,081,511	10,050,000	20.3%	98.0%
Services and Supplies	6,066,800	6,281,650	1,194,447	6,200,000	19.0%	98.7%
Other Charges	41,800	41,800	0	41,800	0.0%	100.0%
Debt Payments	4,593,900	4,593,900	3,673,488	4,593,900	80.0%	100.0%
Transfer from Ops to Capital	16,150,000	16,150,000	1,725,896	16,150,000	10.7%	100.0%
Operating Expenditures	\$37,111,100	\$37,325,950	\$8,675,341	\$37,035,700	23.2%	99.2%

Operating Fund Expenditure Analysis

Salaries & Benefits

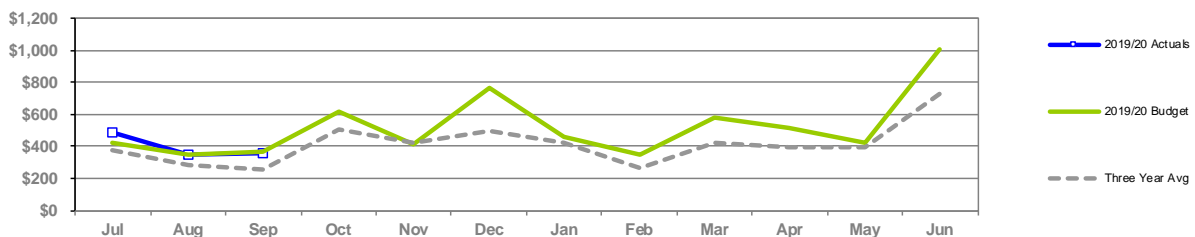
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Salaries and benefits for the quarter were in line with budgeted expectations. Some vacancies are anticipated at the end of the calendar year that will contribute to salary savings in the upcoming third quarter. The anticipated increase in November is due to November having three paydays in the month. May also will have three paydays in the month this fiscal year.

Services & Supplies

shown in thousands



The services and supplies expenditures for the quarter were in line with budgeted expectations and historical patterns.

Property Taxes and Debt Payments

The first payment of property taxes/assessments for Somky and Jamison Canyon properties were paid in December. The second payments were 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 19/20 Adj. Budget	FY 19/20 Actuals	Variance	% of Budget
<u>Collection System</u>						
13701	Main Line Sewer Repairs	528,049	60,000	2,519	57,481	4.2%
13702	Manhole Raising/Rehabilitation	1,514,410	332,600	4,892	327,708	1.5%
13703	Lateral Replacements	904,306	110,000	61,152	48,848	55.6%
13704	Cleanouts Installation	685,711	107,000	19,635	87,365	18.4%
13705	I&I Reduction Program	761,657	221,700	10,940	210,760	4.9%
14703	Browns Valley Rd & First Street	2,653,206	7,000,000	2,265	6,997,735	0.0%
17704	Infltrtn Rehab - SSMH/PL (CI-)	34,471	25,500	0	25,500	0.0%
18701	I&I Smoke Testing	65,175	150,000	1,812	148,188	1.2%
18702	Coll Sys Asset Management Software	181,449	443,550	74,796	368,754	16.9%
18703	Upper Lateral Rehabilitation - Basin L #3	1,789	169,500	17,047	152,453	10.1%
18706	Sewer System I&I 2019	2,003,692	3,851,950	2,119,462	1,732,488	55.0%
19701	66-inch Trunk Rehabilitation	215,856	4,450,000	6,041	4,443,959	0.1%
19703	Sewer System I&I 2020	10,153	3,179,400	26,286	3,153,114	0.8%
19727	Collection System Master Plan	367,649	1,703,550	97,025	1,606,525	5.7%
20701	Upper Lateral Rehab-Pilot #5	0	5,000	50	4,950	1.0%
20702	Manhole Rehabilitation-Nipak-Basin H	0	250,000	2,015	247,985	0.8%
20703	2021 Collection System Rehab	0	20,000	0	20,000	0.0%
<u>Collection System-Equipment</u>						
20704	Locatable Mini-Camera Replacement	0	11,700	9,382	2,318	80.2%
20705	Eel Replacement	0	6,100	5,688	412	93.2%
<u>Lift Stations</u>						
17711	West Napa PS - Rehab	904,796	5,500,000	125,429	5,374,571	2.3%
19705	Stonecrest PS Pump Rebuild	4,894	40,100	15,266	24,834	38.1%
<u>Treatment - Projects</u>						
13745	Pond 1 Dredge	88,198	2,337,150	13,136	2,324,014	0.6%
18736	Treatment Plant Project 2018	3,175,142	15,000	139	14,861	0.9%
18740	Treatment Plant Project 2019	602,292	1,272,700	532,037	740,663	41.8%
19717	Pond Transfer Structure 2 to 3	346,838	259,700	12,800	246,900	4.9%
20706	WWTP Master Plan	0	5,000	0	5,000	0.0%
20707	Pond Levee Repair	0	100,000	0	100,000	0.0%
20708	Treatment Plant Project 2020	0	1,500,000	6,430	1,493,570	0.4%
<u>Treatment - Equipment</u>						
13735	Dual Fuel Boiler Burner	37,802	121,550	0	121,550	0.0%
15707	DAFT Overflow Pumps (2)	0	11,900	0	11,900	0.0%
15711	Rotork Actuator Replacement	220,667	7,600	0	7,600	0.0%
16712	Primary Clarifier Mech/Struct Rehab	91,459	966,300	35,528	930,772	3.7%
17715	Turbidimeters (7) Tertiary Rplcmnts	26,980	16,000	0	16,000	0.0%
17726	Headworks Equipment Rehab/Replacment	1,619,017	1,667,600	863,668	803,932	51.8%
18711	3W Strainer	58,853	24,350	0	24,350	0.0%
18715	Muffle Furnace - Replacement	0	5,000	0	5,000	0.0%
18716	Rotork Actuator Replacement	104,012	6,400	0	6,400	0.0%

Project No.	Project Title	Prior Year Actuals	FY 19/20 Adj. Budget	FY 19/20 Actuals	Variance	% of Budget
18719	Filter Flow Control-Rotork Valves	36,668	9,900	0	9,900	0.0%
18720	Neuros Blowers Rebuild	0	64,300	0	64,300	0.0%
18722	FOG Station Water Heater	0	25,000	0	25,000	0.0%
19706	3W System Improvements Phase 2	4,394	295,600	110	295,490	0.0%
19708	Rotork Actuator Replacement	0	95,000	0	95,000	0.0%
19709	Polymer Tank Replacement	0	10,000	0	10,000	0.0%
19710	12kV Redundant Line	854	119,150	72	119,078	0.1%
19712	Utility Generator Power Transition	0	35,000	0	35,000	0.0%
19713	Cogen Hot Water to FOG Pad	0	50,000	0	50,000	0.0%
19715	ARV Replacement	29,299	31,100	0	31,100	0.0%
20709	AB Caustic Pumps & Enclosures	0	85,700	8,996	76,704	10.5%
20710	Septage Pump & Motor Replacement	0	28,700	0	28,700	0.0%
20711	Marsh-to-Pond PS Upgrade	0	88,700	0	88,700	0.0%
20712	Grit Pump Rebuild	0	60,000	0	60,000	0.0%
20713	Elevator Control Update	0	400,000	0	400,000	0.0%
20714	Flare Rebuild	0	50,000	0	50,000	0.0%
20715	Concrete Pipe Chase Covers	0	80,000	0	80,000	0.0%
20716	Plant Door Replacement PH1	0	22,200	0	22,200	0.0%
20717	Vehicle 163 - Ford F-150	0	33,300	0	33,300	0.0%
20718	Vehicle 162 - Ford F-250 Diesel	0	43,600	0	43,600	0.0%
20719	Vehicle 206 - Forklift TH103	0	103,100	0	103,100	0.0%
Lab Equipment						
20720	Sampler 4700 Replacement	0	20,000	0	20,000	0.0%
SCADA						
18729	SCADA MP Proj 1 Network Monitoring	3,834	46,200	0	46,200	0.0%
19718	SCADE MP Phase 5 Security Study	161,756	88,250	28,272	59,978	32.0%
Recycling - Projects						
13727	North Bay Water Reuse Project	2,605,047	150,000	0	150,000	0.0%
18730	Jameson 24" Flow Meter Rehab	0	6,200	0	6,200	0.0%
18731	Coombsville Truck Fill Station	333,336	444,400	290,184	154,216	65.3%
19719	24" Valve Replacement-Kirkland Line	0	5,000	0	5,000	0.0%
19720	Jameson PS VFD	0	68,900	0	68,900	0.0%
20721	Kirkland RW Pipeline Rehabilitation	0	60,000	1,020	58,980	1.7%
Recycling - Equipment						
20722	Badger Meter Replacement	0	80,000	0	80,000	0.0%
20723	CT-5 Composter (Ag-Bag)	0	29,700	0	29,700	0.0%
Other						
13729	Development Technical Support	2,239,729	337,000	89,508	247,492	26.6%
19723	AV System Replacement - Conf Rooms	0	20,000	0	20,000	0.0%
19725	Vehicle 011 CSET Trailer Replacement	17,669	7,100	3,800	3,300	53.5%
			39,047,000	4,487,402	34,559,598	11.5%

Capital Project Highlights for the First Quarter

- 13745 Pond 1 Dredge** – Design continued during the Quarter 1. Bidding is expected to occur in Quarter 2 with construction starting in Spring 2020.
- 14703 Browns Valley Trunk & West Napa Pump Station** – Funding approval is expected in December 2019. Construction is planned for 2020 and 2021.
- 17726 Headworks Equipment Rehab/Replacement** – Installation continued during Quarter 2.
- 18703 Upper Lateral Rehab Pilot #4** – Bidding occurred during Quarter 1. Construction will occur in Oct-Nov 2019.
- 18706 2019 Collection System Rehabilitation** – Construction continued during Quarter 1. Construction completion is expected by Winter 2019/20.
- 18731 MST Recycled Water Truck Fill Station** – Construction was completed in Quarter 1.
- 18740 2019 Treatment Plant Improvements** – Construction continued during the Quarter 1. Construction completion is expected by Winter 2019/20.
- 19701 66-inch Trunk Main** – Preliminary design of a rehabilitation project continued during the Quarter 1.
- 19703 2020 Collection System Rehabilitation** – Project design continued during Quarter 1. Construction is planned for summer 2020.
- 19712 Primary Clarifier Rehabilitation** – Project design continued during Quarter 1. Construction is planned for summer 2020.
- 19718 SCADA Master Plan** – Evaluation continued during the Quarter 1. The study is expected to be completed by Winter 2019/20.
- 19727 Collection System Master Plan** – The evaluation continued during Quarter 1. The project is expected to be completed by April 2020.

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
General	<ul style="list-style-type: none"> • Anticipates meeting Goal 	<ul style="list-style-type: none"> • Watch. Potential problem areas ahead. • Without some intervention, would likely turn to RED. (can't be YELLOW without potential for going to RED.) • As of assessment date, Goal still likely to be met. 	<ul style="list-style-type: none"> • High probability of not meeting Goal without increase in scope, schedule or budget • Action Plan should be prepared to meet Goal, or if not possible, Goal should be modified or dropped.
Scope	<ul style="list-style-type: none"> • Scope will be completed essentially as promised and approved by the Board. • No key scope component will be missed 	<ul style="list-style-type: none"> • Scope may be modified as further work continues, and may include revisions to key scope components. • Scope revisions may trigger significant changes in schedule or budget 	<ul style="list-style-type: none"> • High probability of not meeting key scope component. • Additional scope, accompanied by schedule and/or budget modifications, necessary to meet overall Goal. • Additional scope that significantly affects the community, regardless of its schedule or budget impact, is necessary to meet overall Goal.
Schedule	<ul style="list-style-type: none"> • Schedule essentially on track • Intermediate milestones that do not affect either overall schedule or intermediate commitment dates may be adjusted. 	<ul style="list-style-type: none"> • Potential for schedule delay, but not necessarily impact on scope or budget 	<ul style="list-style-type: none"> • Goal will not meet schedule.
Budget	<ul style="list-style-type: none"> • Budget on or under projections 	<ul style="list-style-type: none"> • Potential for budget impact , but not necessarily impact on scope or schedule 	<ul style="list-style-type: none"> • Goal will not meet budget.

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.