



Sausalito-Marín City Sanitary District

Strategic Plan 2020 - 2025

Adopted by Board Action May 4, 2020



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Governing Board of Directors

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Message from the District

On behalf of the Sausalito-Marin City Sanitary District (SMCSD) Board of Directors and its Staff, we are pleased to present the District's 2020-2025 Strategic Plan. This plan represents an update of the 2019 Strategic Plan, reflecting on the existing District business environment while looking toward the future. The adoption of this plan indicates the importance the District, its Board of Directors, and employees place on seeking continuous improvements in every aspect of the District's operations. The 2020 plan will serve as a framework for decision making over a five-year period. The District intends to review and update the plan annually and welcomes comments and feedback from its stakeholders and other interested parties.

Respectfully Submitted,

Jeffrey Kingston
General Manager

1. INTRODUCTION

Strategic Plan 2020 - 2025

Mission / Vision

Providing wastewater collection, conveyance and treatment services for our communities thereby protecting public health, the environment and the Bay.

Core Values

Recognizing that wastewater treatment is a vital component of protecting public health, the environment and the Bay, SMCSD will:

- Meet all regulatory requirements;
- Operate and maintain a safe wastewater treatment and conveyance system;
- Deliver efficient and environmentally sustainable services to our community;
- Manage and protect assets and investments through sound financial policies and business practices;
- Provide a high-quality and safe work place by fostering professional growth, teamwork, and job satisfaction;

- Encourage stakeholder discussion and development of strategies for protecting the Bay and addressing regional wastewater issues; and
- Promote public participation, education and understanding of the services we provide.

Purpose of the Plan

A strategic plan is a top-level planning document the organization uses to set clear direction over all operational aspects of its mission. Upon adoption, it serves as a framework for decision making over a five-year period. It is a disciplined effort to guide fundamental decisions that shape what the District plans to accomplish by selecting a rational course of action. This plan update incorporates an assessment of the District's present state and requires gathering and analyzing information; institutes goal setting; and assists with making decisions for the future. Input was gathered from relevant sources to ensure accuracy and this plan seeks to strengthen and build upon opportunities while addressing areas of concern.

This Plan also identifies actions, activities, and planning efforts that are currently active and needed for continued success in operations and management of the District and provides for an annual review and update process.

Strategic Planning Framework

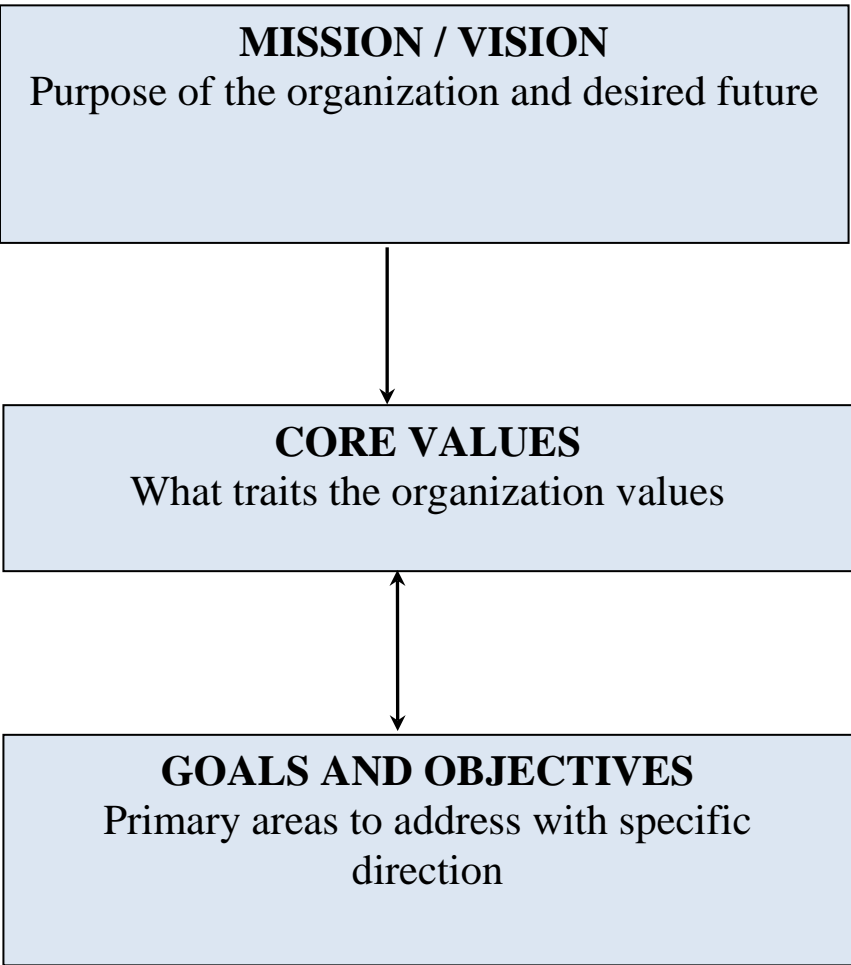
The strategic plan is built as a step-by-step process from a series of components described below.

Mission/Vision Statement: A declaration of an organization's purpose, why the organization exists. Ideally, all activities of the District should be in support of the mission statement. It is a statement that articulates what the organization would like to achieve over the term of the plan.

Core Values: Guides what the organization values when faced with options and alternatives for our future. Values are set by the Board, govern attitudes and behaviors and generally remain constant over time.

Goals and Strategic Objectives: These are the broad, primary management areas of District operations and planning that need to be addressed and are supported by strategic goals to ensure optimum progress. Specific objectives are defined to accomplish the goals.

How the Plan Elements Relate to Each Other



2. DEVELOPING THE PLAN

Strategic Plan 2020-2025

Organizational Environment

DISTRICT OVERVIEW

The Sausalito-Marin City Sanitary District (SMCSD) is governed by an elected five-member Board of Directors and provides wastewater conveyance and treatment service to the City of Sausalito and wastewater collection, conveyance and treatment service to unincorporated areas within the District's boundaries including Marin City. Wastewater conveyance and treatment service is also provided on a contract basis to Tamalpais Community Services District (TCSD) (which includes Muir Woods National Monument) and to the National Park Service (Forts Baker, Barry and Cronkhite, Marine Mammal Center and Cavallo Point Resort). The District operates and maintains a complex infrastructure system, thereby protecting our community's public health, the environment and San Francisco Bay. It serves approximately 10,000 Equivalent Dwelling Units (EDUs) and a population of approximately 18,000.

DISTRICT OPERATIONS

The District operates and maintains a 9.0 million-gallon per day secondary wastewater treatment plant, eleven sewage pump stations, and approximately eleven miles of pipelines. Four of these pump stations are operated and maintained by SMCSD for the City of Sausalito on a contract

basis. The District's treatment plant site which is located in Fort Baker, renewed its property lease agreement with the National Park Service and it continues until 2049. There are thirteen full-time positions currently authorized by the District. In addition, there is an intern program where up to two positions may be funded as temporary part-time (non-benefited).

CAPITAL IMPROVEMENT PROGRAM

The District continues to maintain a 10-year Capital Improvement Program (CIP) which was originally started in FY 2011/12 identifying \$54 million of sewer infrastructure improvements. Following an extensive evaluation of District operations and infrastructure needs, the District adopted a comprehensive financial plan and 5-year sewer rate plan to fund renewal and upgrades for the conveyance system and treatment plant.

In February 2017, the District formed the Marin Public Financing Authority, a Joint Powers Agreement (JPA) with Las Gallinas Sanitary District to issue 2017 Revenue Bonds. The Bonds were issued primarily to finance capital improvements to the District's wastewater treatment plant and other capital improvements to the District's facilities. The District intends to use proceeds of the Bonds to finance other capital improvements included in the District's CIP over the next five fiscal years. The bonds for financing have been sold and awarded in the amount of \$33,630,000 with an annual average debt service of \$2,153,000 until 2042.

Approximate bond funds spent to date is \$27.3 million which is primarily for the Treatment and Wet Weather Flow Upgrade Project (Upgrade Project) design services during construction, construction, construction management and inspection services. The \$6.3 million remaining will fund other planned CIP projects.

Upgrade Project includes needed upgrades and rehabilitation of the District's infrastructure which addresses new discharge regulations, mitigates peak wet weather overflows, and improves treatment plant performance and reliability. The Upgrade Project has increased the plant's secondary treatment capacity from 6.5 MGD to 9.0 MGD (Million Gallons per Day) and increased tertiary treatment capacity from 1.0 MGD to 3.0 MGD firm capacity with a potential of up to 6.0 MGD during high flows. Construction is scheduled to be completed in spring 2020.

The treatment plant and conveyance system upgrade projects will result in an increase in the overall system's capacity, improve reliability and improve water quality being discharged to the Bay. The Upgrade Project includes new screenings and grit removal which serve to improve effluent water quality and protect downstream treatment facilities from grit and debris. A second primary clarifier was added to provide reliability through redundancy and allow for needed maintenance on the existing primary clarifier. Fixed film reactors (FFRs) were refurbished and fitted with new media to support increased flow capacity. The new FFR feed pumps were increased in capacity to support full secondary treatment up to 9.0 MGD. The thirty-year-old effluent sand filters were demolished and replaced with rotating disc filters to improve effluent water quality and to increase tertiary treatment capacity.

A 600,000-gallon equalization tank is now complete and will allow for full secondary treatment during a 10-year storm event. This is accomplished by trimming flow in excess of 9.0 MGD and storing it until flows subside. Such storms can deliver an influent plant flow rate of up to 12.5 MGD. In addition, this tank can be used for daily equalization during dry weather. Equalization allows the plant to minimize daily fluctuations in flow rates which helps to improve effluent water quality.

The District has completed the design of the Coloma and Whiskey Springs Pump Station Improvements Project. Project construction is anticipated to begin in the summer of 2020 with an estimated construction period of 18 months. The new Coloma pump station will have a firm capacity of 4.2 MGD in order to increase system conveyance capacity and mitigate potential sanitary sewer overflows (SSOs) during peak storm events. Peak storm events can deliver flow rates that exceed the hydraulic capacity of the existing gravity interceptor. This project will also improve safety and reliability as the existing pump station controls are aging and the existing wet wells require confined entry for maintenance. The construction cost estimate for the combined pump station is \$4.5 million. The City of Sausalito has contributed \$1.5 million to the District to fund the City's Whiskey Springs pump station portion of the project.

The District has also completed the design of the Generator Reliability Improvements Project. This project will replace all aged generators in the District's service territory including City of Sausalito pump stations operated by the District. Maintenance requirements for existing generators have increased and repair parts are becoming more difficult to obtain. In addition, PG&E "Power Safety Power Shutoff" (PSPS) events may require continuous operation of generators for prolonged periods. Project construction is anticipated to begin in the summer of 2020 with an estimated construction period of 12 months. While construction requirements are limited, there are substantial lead times for generator procurement. This project will increase reliability of the collection system and the treatment plant by improving the reliability of emergency power. The construction cost estimate is \$1.5 million.

The District has completed a pre-design report for the rehabilitation of the treatment plant's existing clarifier and digester. The existing clarifier has been in continuous operation since 1953 and requires a complete replacement of its collector mechanism and improvements to odor control. The existing digester requires modest structural repairs and cleaning as it has been operated without a headworks to remove grit and screenings. Completion of this project will finalize the incorporation of redundancy to every phase of treatment. Redundancy increases reliability and capacity, and allows for cleaning and maintenance work to be performed without impacting regulatory compliance. The final project design is expected to be completed in the summer of 2020 and constructed during the 2020/21 fiscal year. The construction cost estimate is anticipated to be approximately \$1 million.

The District has also completed an initial pre-design report for construction of the Beach Force Main Rehabilitation Project. This project will provide force main redundancy from the Main Street pump station to support cleaning and maintenance of the force mains and to improve operational reliability. A second pre-design report will be completed in the summer of 2020 in order to evaluate the installation of additional piping and pumps at the Main Street pump station which will be required to re-connect the Beach Force Main. Work has already been completed at the treatment plant through the Upgrade Project to accommodate this new delivery point of primary influent. The District is also supporting the City of Sausalito in relocating 19 connections to the existing Beach Force Main in order to accommodate rehabilitation through

slip lining. Design is expected to be complete by fall of 2020 with construction proceeding in the summer of 2021. The construction cost estimate is anticipated to be approximately \$2 million.

FINANCIAL HIGHLIGHTS

The District continues to improve the functions of accounting and finance. In 2019 the District hired Perrotti & Carrade, an independent public accounting firm, to review its financial management practices. The review resulted in 12 recommendations to improve and streamline financial practices of which 9 recommendations have been implemented. The remaining three recommendations are planned to be completed this year. The District continues to utilize specialized outside resources for financial management support and best practices.

The development of a financial plan and sewer rate study was completed in 2019. The rate study complied with the requirements of the Proposition 218 process and in July 2019 the District adopted an updated 5-year sewer rate plan for fiscal years 2019/20 through 2023/24. The updated rate plan ensures adequate revenue is available to support the District's operations and cash funded capital projects.

In addition to a strong financial plan, the District has a fully funded reserve policy in place. The District's financial outlook is validated by a financial rating of AA+ from Standard & Poor. Our reserve policy articulates a rationale for maintaining its very strong financial position. We continue to be in compliance with the 2013 Public Employees' Pension Reform Act (PEPRA) required employee pension cost-sharing. Also, the District has funded a California Employers Retirement Benefit Trust (CERBT) Fund addressing the unfunded post-employment retirement medical benefit.

Annually CalPERS provides a report characterizing the pension long-term liability assisting the District to understand and plan for it. Currently, staff is researching the option of a trust fund allowing employers to prefund future pension costs. This fund, known as the California Employers Pension Prefunding Trust (CEPPT), is administered by CalPERS and is identified as a Section 115 trust under the Internal Revenue Code. Similar to California Employers' Retiree

Benefit Trust (CERBT) in which the District already participates, this fund allows employers flexibility to determine the amount of investment contribution and risk tolerance.

The Audit for year ending June 30, 2019 was successfully completed in a transparent manner with the auditor reporting no findings and no modifications. For a complete copy of the 2019 Audit please visit our website www.smcsd.net.

Challenges and Opportunities

The District continues to contend with many significant future operational, capital and regulatory challenges. These challenges will require advanced planning of external and internal factors to ensure the organization is prepared. Some of the known and anticipated challenges and opportunities are the following:

Environmental Regulations – The regulations governing District operations related to water quality, air and solid waste disposal continue to evolve. Of particular significance are regulations on the elimination of treatment blending caused by peak wet weather flows, prevention of sanitary sewer overflows, landfill diversion of biosolids and constraints on effluent nutrient levels. These challenges will drive our capital planning and investment in our future facilities. The District renewed its five-year National Pollutant Discharge Elimination System (NPDES) permit on August 1, 2018. The new permit contains changes to sampling frequencies and additional descriptions of our improved Upgrade Project but is otherwise similar to our previous permit. The Regional Water Quality Control Board adopted the Nutrient Watershed Permit on May 8, 2019. The purpose of this permit is to track and evaluate treatment plant performance from all NPDES dischargers so that it will help in future decision making. This new order will now require the District to modify its existing monitoring protocol by eliminating influent nutrient sampling and reducing some effluent parameters. There are no nutrient limits in this order as there is not yet sufficient basis to determine impairments to the Bay.

Consolidation - Currently, the District operates and maintains the City of Sausalito's four pump stations on a contract basis and now the City is evaluating consolidating sewer operations. Phase I

of the sewer consolidation feasibility study has begun and explores costs, feasibility, timelines and many other factors. Should Phase I of the study be favorable for consolidation, Phase II will proceed and includes developing an operational plan (“how”) outlining the future approach and resources for the operations, maintenance and capital improvements of the City’s Sewer System. Many factors considered in this consolidation include financial, staffing, asset acquisition, capital improvement, equipment, easements and access to sewer lines.

Maintain Reliable Service – Our conveyance system and treatment plant continually require investment in infrastructure, equipment maintenance/replacement and process upgrades. The efficient and effective execution of our Capital Improvement Program remains critical in addressing current and future regulatory pressures. Completion of the Upgrade Project and closeout of the construction contract is a major milestone for the District in addressing capacity, reliability and maintenance improvements for the treatment plant. Upon completion the District will rehabilitate the existing clarifier which will complete the incorporation of redundancy to every phase of treatment. Redundancy increases reliability and allows for cleaning and maintenance work to be performed without impacting regulatory compliance. The next challenges we face are primarily focused on the collection and conveyance systems with the most critical projects already in design. These projects include but are not limited to the incorporation of force main redundancy from the Main Street pump station to support cleaning and maintenance of the force mains and to improve operational reliability; construction of the Coloma pump station to improve reliability and to increase conveyance capacity in preparation for climate change; and improvements to emergency power at all pump stations to ensure reliability of the entire conveyance system during peak storms and/or potential PG&E PSPS events. Additional challenges include reducing community impacts from odors, reducing system infiltration from both District and private infrastructures and continuously improving site access and safety.

Operational Impacts of Upgraded Plant – The integration of a new headworks facility, enhanced biological capacity and improved tertiary treatment with our existing facility will result in improved effluent quality. The optimization of these processes and the understanding of their combined benefits and limitations will take some time to realize.

The upgraded plant will require changes to existing operational decision making due to the increased number of options and redundancies now available to Operations and Maintenance (O&M) Staff. Flow strategies for dry and wet weather may result in changes to maintenance schedules and the management system. Additional sample testing during this initial phase will also increase the demand on the District's laboratory. The enhanced flexibility of the upgraded plant positions the District for future regulatory challenges and climate change.

Communication/Technology– Opportunities and challenges always exist to keep our community, constituents and stakeholders informed regarding the District's decision-making process, plans and operations. District information, activities and projects are published on our website www.smcsd.net. A website upgrade is underway to a new user-friendly platform to provide additional transparency and accessibility. We also generate both a printed and electronic newsletter published and distributed to the community which are also posted electronically on our website. The District participates in a regional approach to community education and outreach by working with a consortium of 6 wastewater treatment plants in Marin. The District also conducts tours of the plant and the system to various stakeholders and community groups in order to educate and inform the public about our mission.

Our mission requires the plant to operate 24/7 during normal and challenging weather conditions and emergencies both in attended and unattended modes. The District's treatment plant and conveyance system achieves its performance and reliability standards through the use of current technology and automation which allows for timely access to relevant data for operations, planning and decision making. The continuous upgrade and adoptions of new technology includes a control system with up-to-date servers with capacity; high speed internet connections and reliable Wi-Fi coverage throughout the Plant, upgraded Ethernet capable radio communications, cloud-based computing and storage; smart phone and tablet technology; and state of the art sensors/controllers.

Workforce – The District annually reviews its organization structure making changes necessary to assure proper staffing levels reflecting the changing environment of our wastewater agency. We have filled positions with qualified leadership and management personnel to ensure competent and certified staff effectively operate our system. Our work schedules have been adjusted to ensure staffing levels are optimized while maintaining a work/life balance for staff. Once the upgrade project is complete and the plant is online, staffing levels will be reviewed and adjusted if necessary which may include resuming the intern program. The District’s pay and benefits; safety culture; and certification program continue to support a healthy workplace environment

System Infiltration and Inflow– Continued public and private investment to repair both sewer lines and private laterals are necessary to reduce system infiltration and inflow (I&I). A major challenge to I&I includes salt water intrusion from high tides that affect the treatment plant processes, unnecessary pumping and increased maintenance costs.

Emergency Operational Response – Essential District systems and equipment are electronically monitored at all times by operations and maintenance staff to ensure effective 24/7 systems operation and response to issues occurring within the system to include on-call contractor support. These issues can range from mechanical equipment failures, wet weather impacts, blockages in the collection system and potential sanitary system overflows (SSOs). In the event of an area-wide emergency, the District will respond by assessing and repairing damages to its own system first. If available resources and staffing permits, the District responds and provides mutual aid to local agencies following mutual aid agreements. Severe storms, PSPSs and government imposed pandemic controls will continue to challenge our capabilities.

3. THE STRATEGIC PLAN

Strategic Plan 2020-2025

Goals and Strategic Objectives

The following goals and objectives have been established to identify what the organization needs to accomplish in the fulfillment of the stated District Mission and Values:

Goal 1 Protect Public Health and Environment

Objective 1.1: Lift the 2007 EPA Treatment Plant Order and 2008 EPA Collections System Order.

Objective 1.2: Identify and reduce infiltration and inflow into the District's conveyance system.

Objective 1.3: Optimize the new plant processes to enhance water quality discharged into the Bay.

Objective 1.4: Prepare to respond to more severe storms of longer duration due to climate change, PSPSs, and government-imposed pandemic controls.

Goal 2 Sustain Regulatory Compliance

Objective 2.1: Continuously adhere to the District's NPDES Permit.

Objective 2.2: Optimize the performance of the upgraded treatment plant.

Objective 2.3: Continue to utilize and improve for District's asset management system.

Objective 2.4: Ensure the District's laboratory maintains current certifications and technological standards.

Goal 3 Continue to Improve and Renew Collection, Conveyance and Treatment Infrastructure

Objective 3.1: Establish a 3-Year Operations and Maintenance Plan.

Objective 3.2: Deliver the 10-Year Capital Improvement Program to properly maintain the reliability of the wastewater collections and treatment system.

Objective 3.3: Implement the Capital Improvement Program efficiently by delivering projects on time and within budget based upon the specified scope of work.

Objective 3.4: Understand potential impacts to collection, conveyance and treatment system from possible new developments in the Marinship, Fort Baker Authority and Marin City areas.

Objective 3.5: Improve O&M staff facilities, Plant site access, security and lighting.

Goal 4 Support Personnel and Organization

Objective 4.1: Continue making training and certification of all District staff a high priority.

Objective 4.2: Focus on maintaining an efficient organization that is multi-disciplinary, highly skilled and well-trained.

Objective 4.3: Promote safety, collaboration and professional development.

Objective 4.4: Maintain competitive staff compensation and benefits.

Goal 5 Continue to Improve Financial Stability and Fund Reserves

Objective 5.1: Ensure adequate funding for Capital Projects.

Objective 5.2: Continue to properly fund the Operations and Maintenance functions.

Objective 5.3: Plan for CalPERS long-term liabilities.

Objective 5.4: Study the feasibility of consolidating with the City of Sausalito or implement new services agreement

Goal 6 Responsible Administrative Management

Objective 6.1: Engage constructively and proactively to create a collaborative and inclusive work environment.

Objective 6.2: Recognize and celebrate exceptional employee achievements and performance.

Objective 6.3: Provide opportunity and support for staff growth and advancement through mentoring and professional development opportunities.

Objective 6.4: Address technology and systems to improve plant operations, business practices and sharing of information.

Objective 6.5: Update and maintain policies and procedures for all staff to fully understand benefits, opportunities and expectations.

Goal 7 Enhance Internal and External Communication

Objective 7.1: Continue to engage District staff for input on decisions, activities and initiatives in order to benefit from their knowledge of operations and potential consequences.

Objective 7.2: Keep our communities informed and provide opportunities for participation in District initiatives and projects.

Objective 7.3: Maintain a transparent and accessible website where information is compliant, current and informative for our communities.

Objective 7.4: Promote public awareness of industry issues and trends related to regulatory compliance.

Common Acronyms

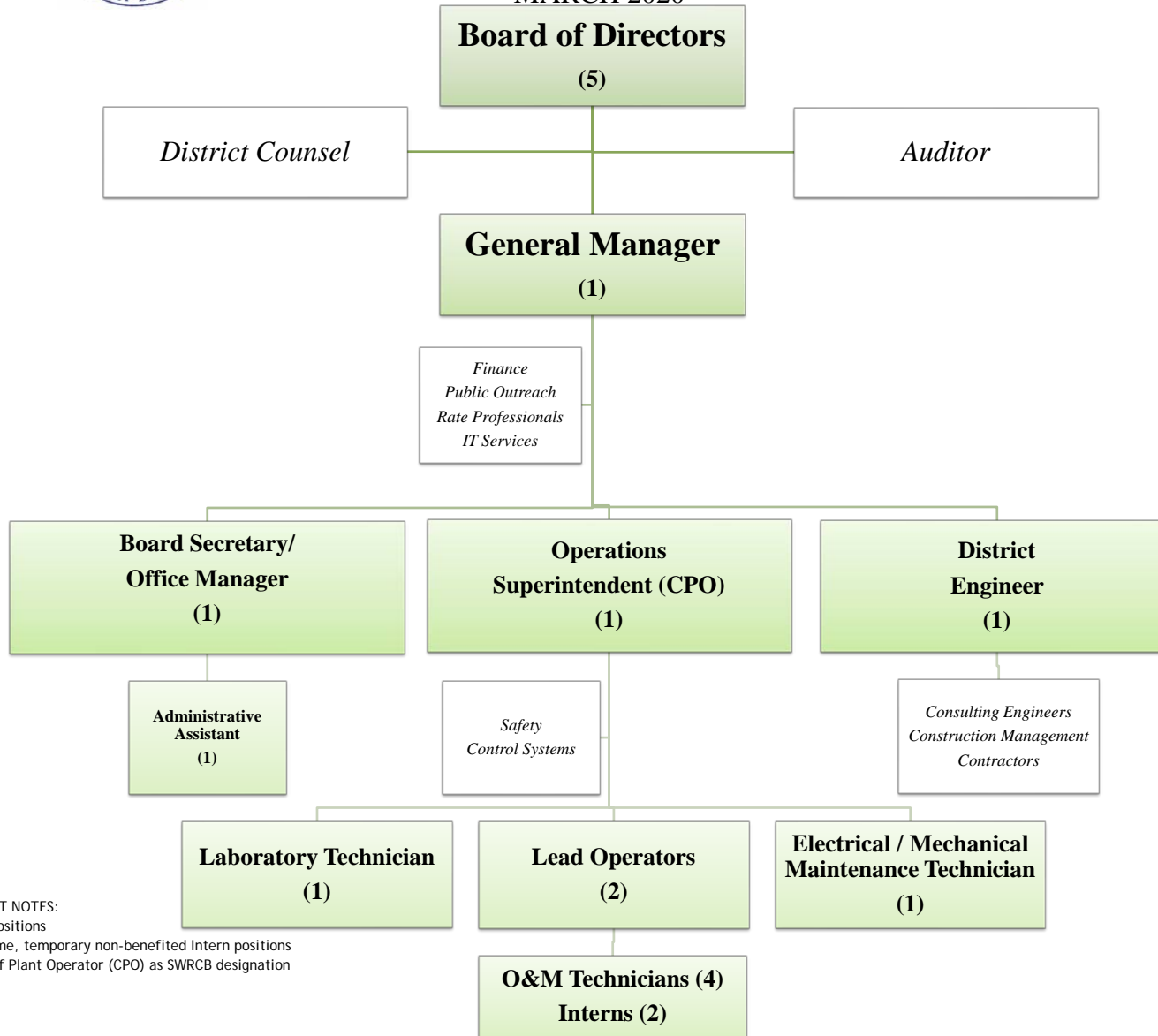
CalPERS	California Public Employee's Retirement System
CEPPT	California Employers Pension Prefunding Trust
CERBT	California Employers Retirement Benefit Trust
CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit
FFR	Fixed Film Reactor
I&I	Inflow & Infiltration
JPA	Joint Powers Authority
MGD	Million Gallons per Day
NPDES	National Pollutant Discharge Elimination System
NPS	National Park Service
O&M	Operations & Maintenance
PEPRA	Public Employees' Pension Reform Act
PSPS	Public Safety Power Shutoff
SMCSD	Sausalito-Marin City Sanitary District
SSO	Sanitary Sewer Overflow
TCSD	Tamalpais Community Services District



SAUSALITO-MARIN CITY SANITARY DISTRICT

ORGANIZATIONAL CHART

MARCH 2020



ORG CHART NOTES:

- * 13 FTE Positions
- * 2 Part time, temporary non-benefited Intern positions
- * The Chief Plant Operator (CPO) as SWRCB designation