



# Sausalito-Marine City Sanitary District

2016 - 2021

Strategic Plan



## 2016 Strategic Plan

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## 2016 Strategic Plan

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# Message from the General Manager

On behalf of the District and its employees, I am pleased to present the District's 2016-2021 Strategic Plan document. This plan represents an update of the 2015 Strategic Plan reflecting on the existing District business environment while looking toward the future. The adoption of this plan signifies the importance the District, its Board of Directors, and employees place on seeking continuous improvements in every aspect of the District's operations. The 2016 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

## 2016

### Strategic Plan

## Purpose of the Plan

A strategic plan is a top level planning document for the organization 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 produce fundamental decisions that shape what a District plans to accomplish by selecting a rational course of action. This Plan Update incorporates an assessment of the present state of District operations; required gathering and analyzing information; goal setting; and making decisions for the future. Time has been taken to gather input from various sources to add to the veracity of the plans herein. The 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

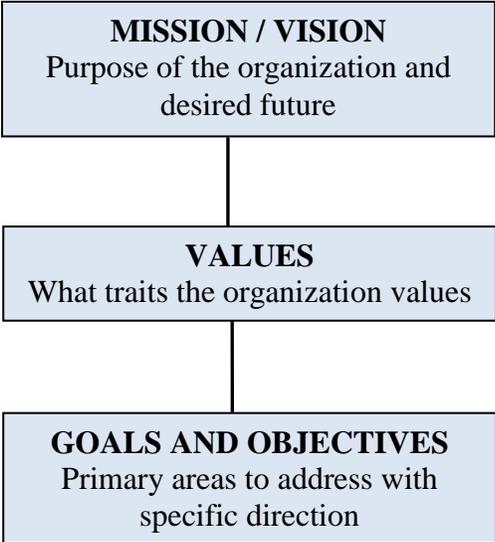
The strategic plan is built as a step-by-step process from a series of components described below.

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. 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



## 2. DEVELOPING THE PLAN 2016 Strategic Plan

### Organizational Environment

#### **DISTRICT OVERVIEW**

The Sausalito-Marin City Sanitary District (SMCSD) is governed by an elected five member Board of Directors and provides wastewater treatment and disposal service to the City of Sausalito and wastewater collection, treatment and disposal service to Marin City and other unincorporated areas within the District's boundaries. Treatment and disposal service is also provided on a contract basis to Tamalpais Community Services District (TCSD) and the National Parks Service (Forts Baker, Barry and Cronkhite and Muir Woods National Monument). Treated wastewater is discharged into the deep waters of the central San Francisco Bay.

#### **DISTRICT OPERATIONS**

The District operates and maintains a 1.8 million-gallon per day secondary wastewater treatment plant, ten (10) sewage pump stations, and approximately ten (10) miles of pipelines. Four (4) of these pump stations are operated and maintained for the City of Sausalito on a contract basis. Thirteen (13) full-time employees are employed to accomplish these operations. In addition, the District has an established intern program. Under the intern program, two positions are funded as temporary part-time (non-benefited).

## **CAPITAL IMPROVEMENT PROGRAM**

In January 2013, the District approved a new 30-year wastewater collection, treatment and disposal service agreement with the Tamalpais Community Services District. The District started the process of securing a new 50-year easement agreement for the treatment plant site from the National Park Service. Following an extensive evaluation of District operations and infrastructure, in 2010 the District adopted a comprehensive financial and 4-year sewer rate plan (FY 2010/11 to FY 2013/14) to provide needed revenue for collection system and treatment plant renewal and upgrades. The work included a 10-year capital improvement plan (CIP) for FY 2011/12 to FY 2020/21 which identified \$54 million of needed sewer infrastructure improvements.

To date, approximately \$11 million of collections and treatment plant CIP improvements have been completed. Of the remaining \$43 million, approximately \$31 million is programmed for the treatment plant and \$12 million for sewer collection conveyance projects. The largest capital project is the Headworks, Primary and Secondary improvements at the treatment plant which are estimated at \$27.45 million. At the conclusion of the current 10-year capital improvement program, new expenditures on capital improvements should drop significantly, while the financing of current projects will span over the next 20 to 30 years.

## **FINANCIAL HIGHLIGHTS**

In 2013, the District completed another extensive financial and sewer rate analysis. Out of this work, the District has adopted a 5-year sewer rate plan (FY 2014/15 to FY 2018/19) to ensure adequate revenue is available to support the District's operations and 10-year CIP.

Key financial highlights for the fiscal year ending June 30, 2015 were as follows:

- Total net position increased by 0.62% which included a decrease in unrestricted net position of 4.09% from adjustments required by the implementation of GASB 68 related to the District's Miscellaneous Pension Plan administered by CalPERS. Total liabilities

increased by 31.1% because the implementation of GASB 68 required the District to record its proportionate share of the CalPERS miscellaneous pension plans' net pension liability at June 30, 2015. The majority of the difference between the increase from the pension liability and the overall increase to total liabilities came from debt service payments made during the year that reduced long-term obligations.

- Current assets increased by 24.3%, mostly from an increase in cash and investments because capital project progress has slowed due to the time it has taken to reach land use and financing agreements with partner agencies. Operating revenue increased by 2.39% because of the adopted sewer service charge rate plan. Total operating expenses were consistent with the prior year, but General Administration included in operating expenses decreased by 20.65% while depreciation expense increased by 5.55%.

## Challenges and Opportunities

The District is expected 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. In addition, there may be opportunities to improve the delivery of wastewater services to District customers. Among the known and anticipated challenges and opportunities are the following:

- **Environmental Regulations** – 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 wastewater flows, prevention of sanitary sewer overflows and potential future constraints on effluent nutrient levels.
- **Partner Agencies** – Our partner agencies are the City of Sausalito, Tamalpais Community Services District and the National Park Services. Opportunity to increase

collaboration with satellite collection agencies and neighboring treatment agencies in furthering the improvement of wastewater services, efficiencies and sharing of resources. This opportunity will require in depth understanding and successful engagement of partner agencies' desire to establish properly funded and staffed service agreements providing integrated wastewater collection and treatment.

- **Infrastructure Improvements** - Aging treatment plant and collection system infrastructure requiring continuing investment in collection, conveyance and treatment facilities. The continued efficient and effective on time execution of our 10-year Capital Improvement Program, now in its fourth-year of implementation, remains critical to reducing the current and future regulatory pressures.
- **Technology** – For the District to operate as a public agency responsible to continually perform critical community services and function 24/7 through challenging climate change and emergency events, the improvement of performance and reliability of the District's treatment plant and operations through better use of technology is a significant challenge and opportunity. This means continually updating to a high speed connectivity, technology infrastructure and tools to improve timely access to relevant data for operations and decision making. This includes new servers, higher speed internet connections, cloud based computing and storage, smart phone and tablet technology and state of the art sensors/controllers in the system.
- **Communication** – Opportunities and challenges always exist to keep our community, constituents and stakeholders informed regarding the District's decision making process, plans and operations. An increase in use of the internet and social media would benefit the District. It is currently capturing the public's attention by generating an electronic newsletter. This allows a more frequent and detailed dissemination of information, facts and figures and their links to areas within the website. The District's website is being improved for transparency and accessibility.

- **Financial Stability** – The District has a financial plan and reserve policy in place, and because of good financial management decisions, is currently in a good financial condition. To maintain stability there will be on-going cost pressures related to infrastructure improvements and the cost of operations requiring proactive consideration to ensure rates reflect the true cost of service.
- **Workforce** – The District has established and benefited from a stable, well trained and capable staff. It has established qualified leadership and management to continue to ensure there are competent and certified staff to effectively operate our facilities. The District’s safety record has been excellent. Employee and District relations have been cooperative and productive. Staffing levels have been kept at optimum levels with outside service contracts used to augment operations to efficiently provide non-core, specialized services.
- **Collection System Infiltration** – Necessary reductions in collection system infiltration and inflow will take both public and private investment to repair both sewer lines and private laterals. The challenge includes salt water intrusion from high tides that affect the plant treatment process, increase pumping and maintenance costs. The District may need to take a more active and larger role, along with partner agencies, in order to address the system infiltration challenge.
- **Emergency Preparation** – District key systems and equipment are electronically monitored at all times by on-call staff for any concerns. The operations staff is trained to respond to plant and collection system issues and emergencies. The District also has mutual aid agreements in place with neighboring agencies. However, a major earthquake, for example, will pose significant challenges with the District’s current operations responsibilities managed by a limited staff.

# 3. THE STRATEGIC PLAN

## 2016

### Strategic Plan

## Mission / Vision

The Sausalito-Marín City Sanitary District provides wastewater collection and treatment services for our communities and protects public health, the environment and the Bay.

## Core Values

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

- Operate and maintain a safe wastewater treatment plant.
- Meet all regulatory requirements.
- Provide a high quality work place by fostering professional growth, teamwork, and job satisfaction;
- Deliver services to our community that are efficient, economical, and environmentally sustainable;
- Use technology to provide accessible and useable information to both our communities and staff;

- Manage and protect assets and investments through sound financial policies and business practices;
- Collaborate with neighboring agencies to achieve efficiencies for the public and to protect the environment;
- 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.

## 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            Maintain Financial Stability and our Reserves**

Objective 1.1: Establish and maintain a sewer rate structure that addresses District needs and is equitable for our customers.

Objective 1.2: Successful implementation of the Tamalpais Community Service District wastewater service contract.

Objective 1.3: Evaluate and take appropriate steps to address long-term liability costs associated with labor and benefits.

Objective 1.4: Develop a debt service finance plan for the Capital Improvements Program.

### **Goal 2            Support Personnel and Organization**

Objective 2.1: Maintain an efficient organizational structure that is multi-disciplinary with highly skilled and well-trained staff.

Objective 2.2: Provide and nurture a culture that promotes safety, collaboration and professional development.

**Goal 3                    Protect Public Health and Environment**

Objective 3.1: Comply with the 2008 EPA collections system Order.

Objective 3.2: Reduce infiltration and inflow into the collection systems from faulty private laterals and salt water intrusion.

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: Consider and evaluate potential environmentally sustainable projects such as recycled water, bio-solids reuse, technology upgrades, methane use, renewable energy and energy efficiency.

**Goal 4                    Responsible Administrative Management**

Objective 4.1: Engage constructively and proactively to create a collaborative and inclusive work environment.

Objective 4.2: Recognize and celebrate exceptional employee achievements and performance.

Objective 4.3: Provide opportunity and support for staff growth and advancement through mentoring and professional development opportunities.

Objective 4.4: Address technology and systems to improve plant operations, business practices and sharing of information.

Objective 4.5: Update and maintain policies and procedures to all staff to fully understand benefits, opportunities and expectations.

**Goal 5                    Improve and Renew Infrastructure**

Objective 5.1: Improve infrastructure to reduce infiltration and inflow into the sewer system.

Objective 5.2: Develop, in coordination with the City of Sausalito, Tamalpais Community Services District and the National Park Service, methods to quantify infrastructure renewal infiltration and inflow reductions over time.

Objective 5.3: Complete projects in the Capital Improvement Program to achieve NPDES permit requirements and commitments.

Objective 5.4: Complete the Beach Force Main Abandonment project in coordination with the City of Sausalito.

Objective 5.5: Identify and incorporate into construction projects environmentally sustainable practices and/or technology when economically feasible.

**Goal 6 Enhance Internal and External Communication**

Objective 6.1: Keep our communities informed of Sewer Rate Studies and provide opportunities for participation.

Objective 6.2: Provide and maintain a District transparent and accessible website where information is current and informative for our communities.

Objective 6.3: Promote public awareness of industry issues and trends related to regulatory compliance.

Objective 6.4: Include District staff to gain input on decisions, activities and initiatives in order to benefit from their knowledge of operations and potential consequences.

**Goal 7 Maintain Regulatory Compliance**

Objective 7.1: Engage in emerging areas of NPDES Permit compliance such as wastewater blending, nutrients in wastewater discharge and source control to keep contaminants out of wastewater such as pharmaceutical drugs and grease.

Objective 7.2: Initiate plans to request the EPA rescind the 2007 treatment plant Compliance Order.

Objective 7.3: Continuously improve the performance of the treatment plant's operation processes and systems.

Objective 7.4: Enhance the capabilities of the asset management maintenance system.

Objective 7.5: Successfully prepare and submit a report to the RWQCB for the renewal of our 2017- 2022 NPDES Permit No. CA0038067.

## **Goal 8**

### **Collaborate with Partner Agencies**

Objective 8.1: Coordinate the District's Sewer Rate Charge Policy with the City of Sausalito and Tamalpais Community Services District.

Objective 8.2: Develop plans with the City of Sausalito, Tamalpais Community Services District and National Park Service infrastructure improvements to reduce infiltration and inflow.

Objective 8.3: Coordinate the 2008 EPA collections system Compliance Order actions with the City of Sausalito, Tamalpais Community Services District and National Park Service.

Objective 8.4: Evaluate private sewer lateral coordination opportunities with the City of Sausalito.

Objective 8.5: Evaluate shared service opportunities with the City of Sausalito, Tamalpais Community Services District and National Park Service.

Objective 8.6: Revise the City of Sausalito sewer collection and conveyance service agreement.

Objective 8.7: Obtain renewal of the National Park Service wastewater facility right-of-way easement agreement.