

**SANITARY DISTRICT NO. 5
OF MARIN COUNTY**



**STRATEGIC PLAN
MARCH, 2018**

DRAFT

Sanitary District No.5 of Marin County

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1. Introduction, History and Overview

Sanitary District No.5 of Marin County was formed in 1922 primarily as a refuse district. In the 1960's a primary treatment plant was constructed at its current location at 2001 Paradise Drive. In the 1980's the District added on a secondary treatment portion to the plant to comply with new local and federal standards of the clean water act. In the mid 1980's, a smaller, secondary treatment package plant was constructed on the eastern side of the Tiburon peninsula to serve the unincorporated area of Tiburon, known as the Paradise Cove plant. The District was able to get about 30+ years out of both plants before they were due for major upgrades and were upgraded to improve efficiencies and reliability.

In 2005 the City of Belvedere sewage collection system was annexed to the District. When this task was completed, a new sewer rate had to be established for the City of Belvedere residents, as it was treated as a separate zone, per the annexation agreement with Belvedere. During the annexation, the City of Belvedere kept the sewer service revenue portion of the property tax, thus the higher rates in the City of Belvedere currently. Prior to annexation into Sanitary District No.5 of Marin County, an investigation of the entire sewer collection was performed by Harris & Associates to assist the District in determining the condition of the collection system and the required repairs that would be needed in the future. A similar study was also performed for the collection system owned by the District for the Tiburon zone.

In 2009, the smaller Paradise Cove plant was upgraded and enlarged to accommodate a growing population on the eastern Tiburon peninsula. Treatment plant capacity went from 20,000 gallons per day up to 40,000 gallons per day, with a peak flow max of 100,000 gallons per day. In conjunction with the treatment plant upgrades, the Seafirth Estates subdivision constructed 2 pump stations to serve the residents in that area, in order for them (Seafirth Estates) to cease operation of the Seafirth Estates RBC (Rotating Biological Contactor) plant that had reached its useful life. Both pump stations were turned over to the District for ownership and operation after a year of successful operation.

In 2014 the District invested \$12 million dollars to upgrade and enhance the Main Treatment plant, which serves the City of Belvedere and the residents eastward of Gilmartin Drive in the Town of Tiburon. The electrical system of the plant was upgraded with a more reliable up-to-date system, major treatment plant equipment was replaced with newer, more energy-efficient equipment, and additional wet weather storage was configured into the project using the existing facilities.

The District has a total of 24 pump stations in its service area and 153,120 lateral feet (29 miles) of gravity sewer lines that range in size from 6" to 24" and a total of 26,400 lateral feet (5 miles) of pressure force main. The District is governed by a 5-member Board of Directors, while the day-to-day management is the responsibility of the District Manager, and his or her staff of 9 employees. Many Districts have different priorities, goals and challenges that face them day-to-day and in the future. That is why this District seeks to layout its priorities, address its concerns and prioritize its future challenges with the creation of this strategic plan. This planning would also assist future Board Members and District Managers with staying on-course in providing the best, safest, and most reliable collection conveyance and treatment of sewage for the Tiburon/Belvedere peninsula residents. The strategic plan shall reflect the direction, insight, and expertise of the Board Members and its District Staff and shall provide for the overall strategic direction of the District.



1920's era –Tiburon Peninsula- Location of future Waste Water Treatment Plant



1960's era- Tiburon Peninsula – Wastewater Treatment Plant in service- Primary Treatment only



1980's era- Tiburon Peninsula- Secondary Treatment additions to Wastewater Treatment Plant



2014 – Tiburon Peninsula –Main Plant Rehabilitation at Wastewater Treatment Plant



1980's era Unincorporated East Tiburon -Paradise Cove Wastewater Treatment Plant



2010 Unincorporated East Tiburon- Upgraded Paradise Cove Wastewater Treatment Plant

2. Mission Statement and Values

Mission Statement

Sanitary District No.5 of Marin County is a special district dedicated to the protection of public health and the environment through effective and economical collection, conveyance, treatment and disposal of wastewater that meets or exceeds all local, state, and federal regulations.

SD5 Values

Sanitary District No.5 of Marin County Board Members and Staff operate under a set of core values in respect to all District Functions. That set of values include:

- Excellent Customer Service
- Fiscal Responsibility
- Transparency
- Safety
- Effective and Reliable Long Term Service to Customers and Community
- Valued Work Force
- Detailed Analysis, Communication and Decision Making
- Environmental Stewardship

3. Accomplishments

SD5 Accomplishments

A generalized list of recent accomplishments:

- Paradise Cove Treatment Plant upgrade and installation of new discharge pipe and diffuser: treatment plant capacity doubled and treatment efficiency improvement
- Acceptance of the Seafirth Estates subdivision pump stations: allowed for the decommissioning of Seafirth Estates' Rotating Biological Contactor (RBC) treatment plant
- Acceptance of the Paradise Drive Sewer Line Extension (PDSLE) Line Sewer line: allowed sewer service connections for xx homes allowing people to decommission septic systems in the unincorporated area of Tiburon
- Acceptance of Vogt sewer line extension at Paradise Cove
- Major work on the District's Finances and Capital Improvement Program in FY2009/2010: this led to difficult decisions to increase sewer rates for the prolonged safety and compliance of both treatment plants and its collection system. This also started the rehabilitation of the sewage collection system items identified in the Harris Reports and the rehabilitation of the Main Treatment Plant. Prior to 2005, the sewer rates had not been raised in 20+ years
- Made the difficult decisions to cut benefits for new hires, in part of the 2012 Employee Negotiations: this established a lower tier for transferring Classic Members as a result of higher CalPERS pension obligations
- Invested \$12 Million dollars and rehabilitated the Main Treatment Plant: this was a 2-year project, which improved treatment plant efficiencies and reliability
- Updated the Sewer Use Ordinance to include sewer lateral inspection and repair mechanism to reduce I&I from the collection system
- Began funding a California Employee Retirement Benefit Trust (CERBT) for Other Post-Employment Benefits (OPEB) in 2011
- Paid off CalPERS side fund and SD5's unfunded accrued liability, through 2016
- Updated the SD5 Connection Fee Schedule
- Created a Records Retention Policy
- Created new Financial Policy & Procedure Manual
- Updated the SD5 Reserve Policy and created a new CalPERS Reserve Trust in order to fund future CalPERS' inability to obtain target returns in their investment strategies
- Began pump station controls replacement program: 11 of 22 pump stations now have new standardized control panels
- XX Lateral feet of pipe have been replaced/rehabilitated since 2006
- Began a 1-Year Audit Process in 2014 which streamlined processing and integrity of District finances
- Completed the Point Tiburon Sewer Line acquisition (a 30+yr dispute/unresolved item)

4. Current Conditions, Future Challenges & Opportunities

Current Conditions:

The District overall income is around \$6 million dollars. Total operations and maintenance costs, which includes salary, is averaging around \$3 million dollars (not including CalPERS unfunded liabilities) with about a 3% inflation each year. Currently, Capital Expenditures run anywhere between \$1.5 - \$2.5 million dollars yearly including debt service. The Districts net operating/capital income varies between \$500k- \$1 million dollars each year. That is the current overall trend of the District finances as of 2017. Please note that both treatment plants recently were improved so the need for costly capital expenditures at both of these facilities will mostly likely not occur for another 5-10 years.

The current National Pollutant Discharge Elimination System (NPDES) permits, for both facilities, have been in compliance year-in and year-out with our current standard of treatment and configuration of both facilities. Labor, Electricity, and Chemicals are the costliest items for operating and maintaining both facilities. The District has done everything possible to reduce those costs, such as installing automated Supervisory Control and Data Acquisition (SCADA) software for improved reliability and to keep labor costs down, installing new energy-efficient equipment (blowers) to reduce PG&E costs; and performing annual competitive bidding on chemical purchasing contracts to ensure we get the lowest price from the most competitive suppliers.

In 2013, CalPERS enacted new retirement formulas for new-hire employees into the CalPERS' retirement system (Public Employees' Pension Reform Act - PEPPRA), which keeps our employee overhead costs down. Currently the District has 6 employees under the Classic Member formula of 2.7% @ 55 formula, and 3 employees under the PEPPRA formula of 2.0% @ 62. The Board of Directors receive compensation of \$100 for attendance at each Board Meeting; no other benefits are granted to the Board of Directors.

Capital Improvement wise, the Districts main function is to provide high quality collection, conveyance, treatment and disposal of the wastewater in this service area. A main priority currently for the District is the rehabilitation of the districts collection system – an ongoing Capital Improvement Program (CIP) is in place to replace/rehabilitate the collection system based on video reports conducted in 2006 and 2011. Also, the District is currently under way with a project standardizing the control panels at the 24 pump stations, servicing the areas.

Future Challenges and Opportunities:

The District has several challenges in the near and far future. Some of those items include:

Wastewater Treatment System

- Possible nutrient limits in National Pollutant Discharge Elimination System (NPDES) permits - requiring expensive upgrades to facilities
- Possible Toxicity Limits in NPDES permit- requiring expensive upgrades to facilities
- 2nd NPDES Nutrient Watershed Permit- requiring more funding from member agencies
- More stringent requirements from the Bay Area Air Quality Management District (BAAQMD) - requiring expensive upgrades to facilities and pump stations
- Constant increase in electrical costs due to provider raising rates
- Treatment Plant Upgrades (year 2040)
- Opportunities to enhance collaboration with neighboring agencies on larger items like laboratory service and safety training services.

Customer Service

- Improved web site for ease of customer use
- Development of quarterly newsletters for increased awareness of district activities and accomplishments for customers
- Added permits and inspection staff for easier access to customer base

HR and Employee Development

- Create succession plan for employees with achievable training opportunities
- Creation of Management Plan for Board of Director use when needing to replace key Management positions
- Encourage staff to cross train in Operations and Maintenance
- Create Maintenance Supervisor Position to assist in the day to day organization of maintenance and long range planning and responsibility in keeping up to date records- responsible for WDR's for Main Plant and Paradise Cove (LRO Requirement)
- Create Operations Supervisor Position to assist in the day-to-day organization of operations and long range planning (Chief Plant Operator) responsible for Main Plant and Paradise Cove permits (designated operator in charge)

Renewable Energies and Carbon Footprint Reduction

- Investigate all possible paths to carbon footprint reductions
- Install LED's at plant - automation and reduction of use
- Investigate pumping plan development for pumping during off hours.

Organization, Budget and Finance

- Sewer Rate Sustainability
- CalPERS Pension sustainability
- Other Post Employee Benefits (OPEB) sustainability
- Complete scanning project
- Clean up and organize current District administrative database
- Create standards and file storage location, and file storage paths for staff to save work that all staff need access to

Facilities and Operations

- Rebuild the maintenance shop and create 2nd floor for an overall operations/maintenance building. Current office to remain the administration building?
- Review of Emergency Planning: Boat access to treatment plant sites
- Long Term Planning for Treatment Plant Rehabilitation or Relocation?

5. SD5 Goals

The SD5 Strategic Plan is organized according to six major goals:

Goal One: Protecting Public Health and Employee Safety

Goal Two: Infrastructure Reliability

Goal Three: Financial Stability

Goal Four: Operational Capability

Goal Five: Employee Development

Goal Six: Resource Recovery/Energy Sustainability

The Goal areas represent Board members overall top priorities. Within each Goal area, Board Members identified their top priorities and programs which are summarized on the following pages.

Goal One: Protecting Public Health and Employee Safety.

The District's main purpose for existing is for the sole purpose of protecting public health through safe and efficient collection, conveyance, treatment, and disposal of wastewater generated in the District's service area, and to ensure a safe working environment for all staff.

The SD5 Board established the following key objectives:

- Adequate Staffing and Training of Staff: *Staffing requires training on the hazards associated with working in and around wastewater. Proper PPE must be provided in order for the continued safe operation of the District and wellbeing of the staff and adequate staffing levels must be maintained.*
- Strive to eliminate all SSO's -*more pipe bursting, increase response time, have staff be able to respond faster to SSO's during non-working hrs? more training? Etc)*
- Compliance with National Pollutant Discharge Elimination System (NPDES) and Bay Area Air Quality Management Board (BAAQMD) permit requirements –*continued staff training- hiring good qualified personnel etc. etc.*
- Robust safety program -*compliance with Occupational Safety and Health Administration (OSHA) standards, outside consultant help, full time safety person? Contracted neighboring agency safety assistance?)*
- *Good CIP Plan and Proactive with our Maintenance Activities*

Goal Two: Infrastructure Reliability

In order to protect public health, the Districts infrastructure reliability goes a long way in achieving that primary purpose. Good, sound planning and management of the District's facilities must be in order, while preventative maintenance must also be a top priority.

The SD5 Board established the following key objectives:

- Maintaining and evaluating the on-going 10-year Capital Improvement Plan annually
- Maintain a comprehensive CMMS system for tracking and forecasting of future Capital work and to maintain current equipment in service
- Goal is to clean 25% of SD5's sewer line each year
- Emergency Plan for abandoned emergency outfall line at the Main Plant
- Emergency Plan for plant-access during non-access situations (road closures, etc.)

Goal Three: Financial Stability

To maintain a well-operating and functional District, we must be conscious of its financial obligations, by budgeting accurately and managing the operations of the District fittingly in order to maintain financial stability.

The SD5 Board established the following key objectives:

- Ensure sewer rates are adequate for operation of the District
- CalPERS unfunded liabilities (paying off when possible to save on interest)
- Achievable CIP Plan in-line with current level of funding
- Sewer Rate Review (2020-2021)
- Adequate Sewer Reserves in-line with Reserve Policy
- California Employee Retirement Benefit Trust (CERBT) Trust Funding? (better rate of return than having money sit in LAIF)

Goal Four: Operational Capability

Evaluation of operational strategies to ensure satisfactory collection, conveyance and treatment for possible reductions in operational costs.

The SD5 Board established the following key objectives:

- National Pollutant Discharge Elimination System (NPDES) , Occupational Safety and Health Administration (OSHA), and Bay Area Air Quality Management District (BAAQMD) Compliance
- Reduce Inflow and Infiltration (I&I)
- Reclaim Water Program, at least for cleaning sewers
- Maintain good partnership with Sanitary Agency of Southern Marin
- Collaborate, when possible, with Marin Association of Sanitary S group
- Pump Station Communication Master Plan
- Grit Removal System at Paradise Cove Plant

Goal Five: Employee Development

A well trained and hard-working staff leads to operational success, and a safe and fun work environment. In order to maintain that type of culture and work space, employee development plays a key role.

The SD5 Board established the following key objectives:

- Establish Management Plan for Board Use
- Establish Succession Plan for employees
- Maintain Adequate Staffing levels
- Cross training
- Staff Bi-annual Reviews

Goal Six: Resource Recovery and Power Sustainability

With the operation of two wastewater treatment plants, the District collects, treats, and disposes tons of organic matter each year. That organic matter, which is eliminated during the treatment process, requires a lot of energy to remove it. It also generates energy in the form of methane gas, during the treatment process, which is currently used for heating purposes. Other forms of re-use exist and should be explored. The disposal of bio-solids is becoming increasingly difficult with new regulations and the restrictions of landfills. A comprehensive plan for disposal should be a key objective.

The SD5 Board established the following key objectives:

- Bio-Solids Master Plan
- Energy Saving Master Plan
- Seek out Go Green options, as long as its net positive

6. Strategic Plan Review and Monitoring

Board members and staff agree that the strategic plan should be reviewed annually, in conjunction with the budget, making review process. Annual reports shall be prepared by SD5 staff for presentation to the Board Members in order to explore top priorities in more depth, as needed or requested by the Board.