

SACRAMENTO AREA SEWER DISTRICT



FIVE-YEAR STRATEGIC PLAN

2017–2022

TABLE OF CONTENTS

Contents

Introduction	2
Organizational Overview	3
Key Issues	4
Strategic Plan Development Process	7
Vision, Mission, and Values	9
Organizational Themes	10
Goals and Objectives	13
Implementation	16
Acknowledgements	17

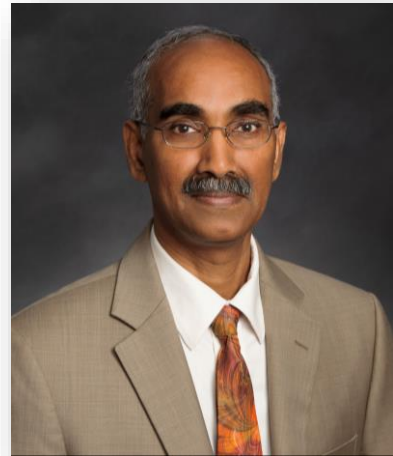
INTRODUCTION

A Message from the District Engineer

I am pleased to present the Five-Year Strategic Plan for the Sacramento Area Sewer District (SASD). This document represents the collaborative work of many individuals across the organization and will serve as our guide as we navigate challenges and opportunities over the next five years.

We have an obligation to protect public health and the environment through quality, cost-effective service to our customers. In addition, as the third largest sewage collection utility in California, we want to be a leader in our business. This plan outlines our vision, mission, values, and specific goals and objectives to accomplish our vision. Detailed work plans, separate from this document, will outline how SASD will implement various efforts to support this five-year plan and measure its success along the way.

With this plan, we will continue to evolve and work toward realizing our vision. I am proud of the work we do, and I look forward to implementing the strategic plan over the next five years.



A handwritten signature in blue ink that reads "Prabhakar Sonawane". The signature is fluid and cursive, with the first name being larger and more prominent.

District Engineer

ORGANIZATIONAL OVERVIEW

SASD is a sewage collection utility serving more than 1.2 million customers in the Sacramento region. Its customers include homes and businesses in the unincorporated area of Sacramento County; the cities of Citrus Heights, Elk Grove, and Rancho Cordova; and portions of the cities of Folsom and Sacramento. SASD owns, operates, and maintains 4,400 miles of pipe and 106 pump stations.



A 10-member Board of Directors governs SASD. The Board is comprised of the five members of the Sacramento County Board of Supervisors and one council member from each of the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento.

KEY ISSUES

LOWER LATERAL OWNERSHIP

SASD is one of the few sewage collection utilities that owns, operates, and maintains a portion of the pipe called the lower lateral. To perform required maintenance and repairs on lower laterals, SASD often requires access to private property—both front and back yards. Of the 4,400 miles of pipe SASD

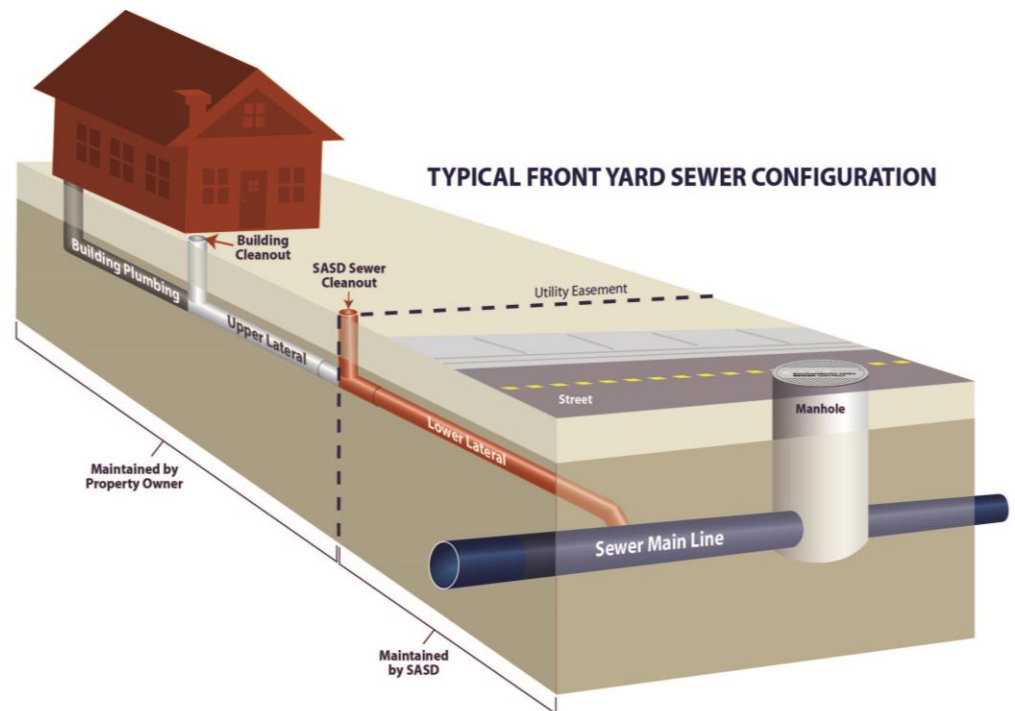
owns, 1,400 miles are lower laterals. This represents 283,000 lower lateral connections.

Due to the quantity owned—along with their size, location, and data gaps that exist—lower laterals pose a significant maintenance challenge. SASD has developed programs and prioritized resources aimed at efficiently and effectively managing the lower lateral assets in an effort to reduce lower lateral sanitary sewer overflows.

CUSTOMER ENGAGEMENT

Keeping customers' needs a top priority is core to SASD's business. In 2015, SASD conducted a comprehensive research effort with our customers, called the Customer Pulse Research Project. The goal was to identify trends in customer expectations that SASD could take action on, ultimately increasing our effectiveness, strengthening relationships with customers, and building a stronger business.

The research was multifaceted and cumulative, each step informing the next. SASD started the process by conducting a benchmarking study, interviewing both similar and



KEY ISSUES

dissimilar utilities. From there, we moved into qualitative focus group research and quantitative phone survey research.

One key finding from the research was that customers have low awareness of SASD. Both focus group and phone survey participants struggled to recall the name of their sewage collection utility. Participants were also unsure who to call in the event of a sewage back-up into their home.

These, and other findings, will help SASD drive business decisions that bolster awareness and that matter to our customers. SASD has already implemented several activities in response to the research findings. Moving forward, the findings from the Customer Pulse will help inform SASD's strategic goals for the next five years, helping us strengthen customer relations and our business overall.

FINANCIAL STABILITY AND AGING INFRASTRUCTURE

Financial stability and sufficient funding levels are critical to SASD's success. SASD is committed to maintaining a financially sound and sustainable sewage collection utility capable of delivering the highest quality service. Due to the steady nature of replacement spending and long life of most of SASD's assets, SASD will continue to build reserves for asset replacements as part of the annual budget approval process.

In order to address aging infrastructure issues, SASD continues to develop asset sustainability strategies, including a comprehensive condition assessment program for main lines, pump stations, force mains, lower laterals, and reinforced concrete pipe. Over the last several years, SASD has increased focus and resources to address lower lateral sanitary sewer overflows. SASD's south area office building and corporation yard are fairly new; however, the north area office building and corporation yard is much older, and as such, we will continue renewal efforts at that location.

REGULATORY ENVIRONMENT AND LEGAL CHALLENGES

Significant changes in the regulatory requirements that govern SASD operations could cause capital and/or operating costs to rise beyond the projected levels.

Legal challenges are an ever-present hazard in the wastewater utility business. In 2012, SASD settled a lawsuit brought by the California Sportfishing Protection Alliance that increased planned operations and maintenance costs. Resources needed to meet the

KEY ISSUES

requirements of the legal settlement have been allocated in annual budgets and are included in future operating cost projections.

Through a focus of enhancing communication and strategic collaboration, SASD can improve its ability to efficiently fulfill regulatory responsibilities, meet customer and other stakeholder expectations, foster partnerships, and provide leadership within and beyond our service area.

SUSTAINABLE WORKFORCE

Public utilities, government agencies, and private industries across the nation are facing an unprecedented number of aging workers, and SASD is no exception. Coupled with national and global economic cycles and ever-increasing regulatory mandates, SASD needs to remain focused on ensuring a sustainable and engaged workforce.

To meet this challenge, SASD continues to provide appropriate job training and encourages employees to participate in professional growth opportunities. SASD emphasizes opportunities for collaboration, innovation, and cross-training, and supports professional certifications in many job classes.

Remaining focused on these efforts has served SASD well to attract and retain competent staff who are skilled, productive, and valued. SASD will continue these efforts—and evaluate new opportunities, as appropriate—to ensure a sustainable workforce.

STRATEGIC PLAN DEVELOPMENT PROCESS

A PARTICIPATORY PROCESS

SASD began development of a Strategic Plan in early 2016 to identify long-term goals with a strategic focus. SASD used Sacramento State's Center for Collaborative Policy (the Center) to help guide the process of developing this five-year plan.

To ensure the Strategic Plan accurately reflects the goals and objectives of the organization as a whole, SASD conducted a series of participatory interviews and workshops to gather input from a broad range of staff and stakeholders. SASD conducted a total of 30 internal interviews with employees across all departments, as well as seven interviews with key external stakeholders.

Through these interviews, several clear themes emerged. The Center facilitated two interactive workshops to update vision and mission statements and to solidify the areas of focus for the next five years. For a complete list of Design Team members, interviewees, and workshop participants, please refer to the Acknowledgments section. The Organizational Values outlined in this Strategic Plan were developed via a separate effort.



STRATEGIC PLAN DEVELOPMENT PROCESS

DEFINING OUR PLAN ELEMENTS

This plan references the following elements:

The **VISION** paints an inspiring picture of what SASD wants to achieve. It is the unifying picture of the future that helps staff understand what they are working to achieve.

The **MISSION** describes the fundamental purpose of SASD's existence. It is what staff do, day in and day out, working together to accomplish the Vision.

VALUES help staff understand who we are, our organizational culture, and how we commit to working with each other, our customers, and stakeholders. They establish the rules we live by when striving to achieve our Mission and Vision.

GOALS identify the important steps for achieving SASD's Vision and meeting its Mission. Each goal has several objectives.

OBJECTIVES are the concrete actions SASD will take to achieve each goal.

BUSINESS INITIATIVES are activities to implement the objectives. Every year, SASD develops distinct business initiatives—activities for which resources are allocated.



VISION, MISSION, AND VALUES

VISION

Setting the bar for essential sewage collection services

MISSION

To protect public health and the environment by efficiently and effectively collecting sewage for our community

ORGANIZATIONAL VALUES

- **Proficiency** – *Skilled and Capable*
- **Resolve** – *Determined to Succeed*
- **Responsibility** – *Accountable and Committed*
- **Environmental Stewardship** – *Protect and Sustain*



ORGANIZATIONAL THEMES

This section identifies the themes that emerged from one-on-one interviews and interactive workshops. The themes are broken down into four categories: strengths, areas for improvement, opportunities, and challenges.

STRENGTHS

QUALITY, COMMITTED STAFF

SASD employs quality, competent, and responsive staff. Employees and stakeholders used the words dedicated, passionate, caring, and hard-working to describe SASD staff. Additionally, staff plan well and are innovative.

CUSTOMER SERVICE COMMITMENT

Employees and stakeholders noted SASD's strong commitment to excellent customer service throughout the organization. Activities to capture and clean sewer spills, repair broken pipes, and restore service to customers were praised. There is a clear and cohesive culture of excellent customer service, solution-oriented problem solving, and a collegial environment.

RAPID EMERGENCY RESPONSE

Staff are proud of SASD's rapid response to sewer system overflows. SASD's quick and coordinated response efforts during emergencies were highlighted.

POSITIVE CULTURE AND MORALE

SASD cares about its employees as evidenced by employee wellness programs, safety, and ergonomics investments. SASD has a positive organizational culture, with job autonomy as a contributing factor.

FINANCIAL STABILITY

SASD is in excellent financial condition and is expected to remain so throughout this five-year strategic planning period. SASD continues to maintain healthy cash reserves for asset replacements, emergencies, and general operating fluctuations. SASD has a AA credit rating.

ORGANIZATIONAL THEMES

AREAS FOR IMPROVEMENT

COMMUNICATION WITH REGULATORS

External stakeholders would like to see SASD increase its communication with regulators. Areas of focus could include the number of sewer system overflows, how maintenance and replacement programs help reduce overflows, and how SASD plans to reduce overflows in the future.

ADMINISTRATIVE SYSTEM CHALLENGES

Several years ago, SASD and the Sacramento Regional County Sanitation District merged administrative functions into one department. Staff indicated that the intended effects of the merger have not yet been fully realized. Administrative integration will need continued attention.

COMMUNICATING FINANCIAL STABILITY AND ASSET SUSTAINABILITY

Ensuring and maintaining a financially sound and sustainable sewage collection system is a top priority for SASD. Staff and stakeholders expressed a desire to understand if—and how—adequate funding is being applied to this priority. Topics to include in such communications are SASD’s comprehensive condition assessment efforts, programs and projects aimed at preventive maintenance, proactive infrastructure replacement, and long-term financial plans.

OPPORTUNITIES

TECHNOLOGY AND INNOVATION

While acknowledging that SASD uses innovative methods in delivering its services, staff sees the need for a continued focus on evaluating and implementing technological innovations as a means to improve business efficiency and offer even better customer service.

REGIONAL COLLABORATIONS AND PARTNERSHIPS

Staff and stakeholders expressed that SASD could better engage with local jurisdictions, public agencies, sewer districts, and regulators. A focus on enhancing communication and strategic collaboration will improve SASD’s ability to efficiently fulfill regulatory

ORGANIZATIONAL THEMES

responsibilities, meet customer and other stakeholder expectations, foster partnerships, and provide leadership within and beyond our service area.

INTERNAL COORDINATION

Staff noted that increasing coordination and communications between sections and working groups often helps SASD identify creative solutions to problems. While staff felt SASD is strong in cross-organizational coordination, increasing these opportunities would further improve efficiency and production.

CHALLENGES

DROUGHT AND CLIMATE CHANGE

California continues to experience one of the worst droughts on record. Lower flows increase the risk of debris stoppages, odor issues, and root intrusion in the collection system. Additionally, heavy storm cycles can lead to pump station power outages and system surcharges. Both too little and too much water in the sewer system create challenges that need to be strategically considered with long-term planning.

INCREASED REGULATIONS

SASD's operation is primarily regulated by the State Water Resources Control Board's Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. Ever-tightening regulatory requirements will affect SASD's activities and service costs. Staff noted that working proactively with regulators could help SASD anticipate upcoming regulations and engage in early discussions prior to implementation.

SUSTAINABLE WORKFORCE

SASD must be able to respond to industry changes with a skilled and adequate workforce. SASD should address succession planning and how the organization will retain institutional knowledge with the recruitment and promotion of staff, ensuring appropriate job classifications, while providing opportunities for employee growth. SASD will expand partnerships with educational institutions to identify internships in various areas of the organization.

GOALS AND OBJECTIVES

Each of the following goals describes results SASD wants to achieve over the next five years. Each goal reflects an important strategic issue for SASD to address and pursue. These goals are in no particular order. SASD will prioritize them through an implementation plan and as part of annual business planning process.

Throughout implementation, SASD will continue to work diligently to meet its day-to-day operational needs, implement projects, and comply with regulations. In order to make the goals and objectives comprehensive, there may be items listed that SASD is “already doing.” Inclusion of a goal or objective means that SASD seeks to sustain, expand, or enhance its efforts on the topic.

GOAL 1: ENHANCE BUSINESS PRACTICES

SASD will look to improve its business practices. It will continue to focus on technology, workforce planning and development, and customer service.

OBJECTIVES

1. Explore and, as appropriate, implement new and innovative technologies for sewer system operations and sewer line maintenance, repair, and rehabilitation.
2. Provide appropriate employee training.
3. Ensure adequate staffing levels.
4. Leverage data management to provide timely and accurate asset and customer information.
5. Ensure consistent understanding, implementation, and application of policies and processes throughout the organization.
6. Foster a culture of exceptional customer service.
7. Resource equipment and tools properly.
8. Analyze service levels and meet or exceed targets.

GOALS AND OBJECTIVES

GOAL 2: MANAGE ASSETS RESPONSIBLY

SASD will continue to use and improve its asset management principles to sustainably manage its assets while meeting its service levels.

OBJECTIVES

1. Enhance condition assessment programs to guide decision making.
2. Proactively manage assets.
3. Ensure adequate oversight of work performed on SASD's behalf by other entities or jurisdictions.
4. Continue to make business decisions utilizing SASD's asset management principles, including risk appetite.

GOAL 3: ENSURE FINANCIAL STABILITY AND SUSTAINABILITY

SASD will manage its financial health to maintain rate stability and financial sustainability in a fiscally responsible and transparent manner.

OBJECTIVES

1. Monitor and manage revenue and expenses.
2. Invest cash reserves prudently and maintain adequate reserves.
3. Communicate financial plans and status.
4. Manage debt effectively.

GOALS AND OBJECTIVES

GOAL 4: BE A WORKPLACE OF CHOICE

SASD will build upon its positive, supportive work environment by proactively promoting workforce training and development, and removing barriers to recruit, retain, and develop a highly skilled, engaged, productive, and valued workforce.

OBJECTIVES

1. Provide a variety of personal and professional development training and growth opportunities for employees.
2. Continue to foster a sense of community to build morale.
3. Ensure appropriate workforce and support.
4. Empower employees, commensurate with their level of responsibility, to make necessary business decisions.
5. Work with Sacramento County to improve the hiring process and other human resource services.
6. Implement effective succession planning.
7. Maintain wellness and safety programs, and enhance employee recognition opportunities.
8. Monitor employee engagement and morale.
9. Collaborate with schools, universities, and other applicable organizations to recruit employees.

GOAL 5: ENHANCE COMMUNICATION AND COLLABORATION

A focus on enhancing communication and strategic collaboration will improve SASD's ability to efficiently fulfill regulatory responsibilities, meet customer and other stakeholder expectations, foster partnerships, and provide leadership within and beyond our service area.

OBJECTIVES

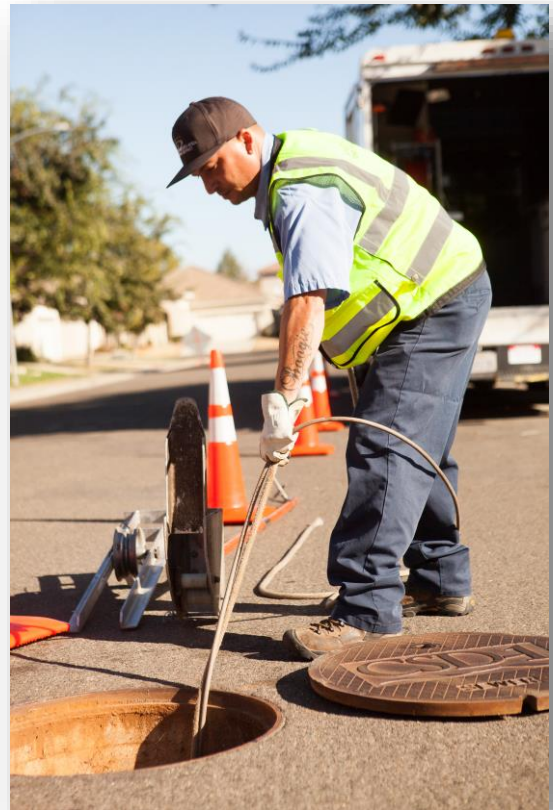
1. Increase internal communication.
2. Create opportunities for employee connectivity.
3. Enhance customer engagement and public relations.
4. Build trusted partnerships and collaborate with regulators, agencies, and other key stakeholders.

IMPLEMENTATION

IMPLEMENTING THE PLAN

This Strategic Plan provides SASD with clear direction on what it needs to do to continue to build on its success over the next five years. This Strategic Plan outlines goals and objectives, and SASD will develop an implementation plan that identifies and prioritizes activities and tasks needed to accomplish the goals and objectives outlined in the Strategic Plan. The development of an implementation plan will precede SASD's annual business planning process so SASD can develop business initiatives to support this Strategic Plan.

As various other plans—such as the business plan, asset management plan, and financial plan—are updated, SASD will ensure alignment between them and this Strategic Plan. During annual business planning, SASD will track progress toward achieving the goals and objectives of the Strategic Plan. SASD will review the Strategic Plan goals and objectives on a one-to two-year cycle to ensure that the plan still reflects the current factors and issues that influence SASD and its work.



ACKNOWLEDGEMENTS

Development of this Strategic Plan involved a broad range of SASD staff, teams, and a consultant. In addition, a number of external stakeholders were interviewed during the research phase. SASD appreciates the honesty, dedication, and creativity that all participants brought to the process.

STEERING COMMITTEE

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Sacramento State’s Center for Collaborative Policy

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- Jeannie Bruins, *SASD Board Member*
- Jit Dua, *Somach Simmons & Dunn*
- Jim Fischer, *State Water Resources Control Board*
- Patrick Kennedy, *SASD Board Member*
- Jim Powers, *SPLM 3rd Party Claims Adjuster*
- Lisa Travis, *District Counsel/County Counsel*
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