

FY 2022-23

STRATEGIC PLAN

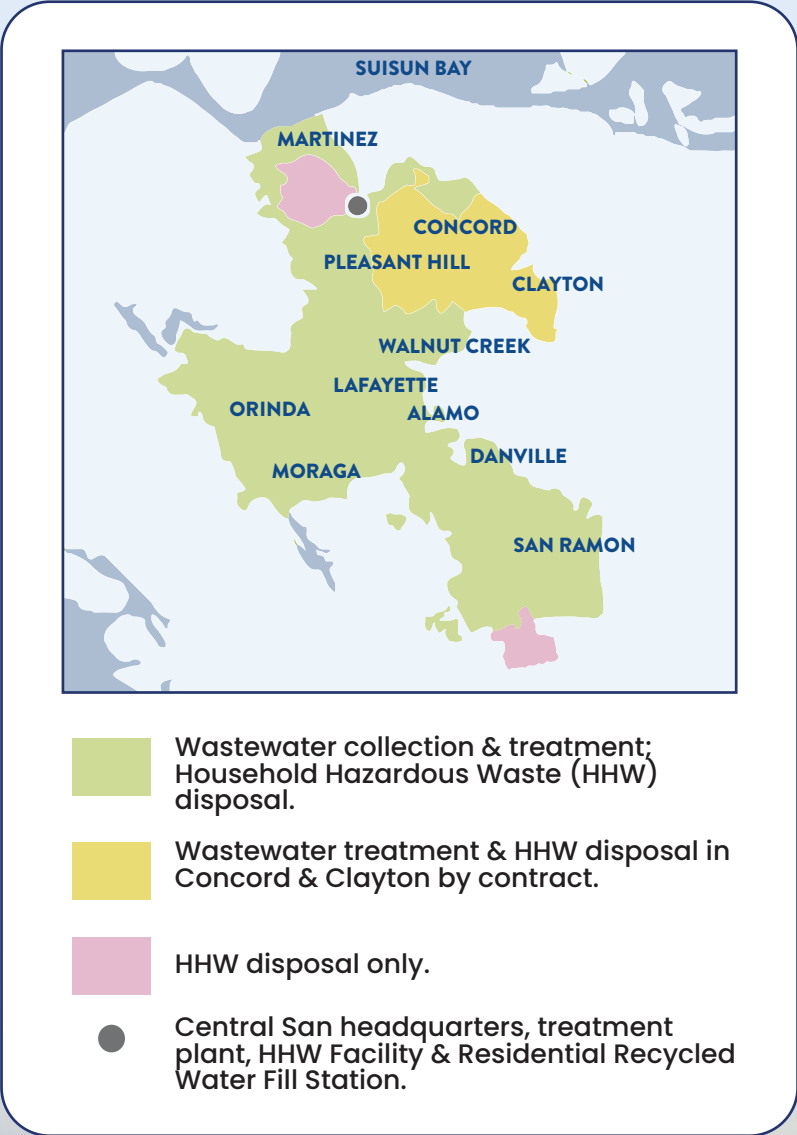
ANNUAL REPORT



CENTRAL SAN OVERVIEW

Established in 1946, Central San is a special district of the State of California. Special districts are local public agencies formed by residents of a community to provide a specific service. We provide wastewater collection, treatment, and disposal services; recycled water production and distribution; and household hazardous waste collection. We maintain more than 1,500 miles of neighborhood sewer pipes and 18 pumping stations to collect and carry wastewater to our regional treatment plant in Martinez.

We serve nearly half a million residents and more than 15,000 businesses within a 146-square-mile service area (service area map pictured). Central San has 294 budgeted full-time employees led by a General Manager, two Deputy General Managers, 13 Division Managers, and one Internal Auditor.



MISSION, VISION, & VALUES

Our Mission

To protect public health and the environment

Our Vision

To be an innovative industry leader in environmental stewardship and sustainability, while delivering exceptional service at responsible rates

Our Values

Our core values guide our daily decisions and how we fulfill our mission, vision, and goals

- **Customer Service**
We are responsive to our customers, and we deliver on our commitment to provide safe, reliable, and cost-efficient services.
- **Employees**
We empower our employees to do their best work.
- **Integrity**
We hold ourselves accountable to a high standard of honesty, reliability, and transparency.
- **Innovation**
We continuously improve and optimize our operations.
- **Environmental Sustainability**
We conduct our business to safeguard and improve our planet.
- **Diversity, Equity, and Inclusion**
We value people of all backgrounds, cultures, and perspectives, and we are committed to the principles of equity and inclusion.



FY 2022-23 STRATEGIC GOALS

GOAL 1: CUSTOMER AND COMMUNITY

Provide exceptional service

GOAL 2: ENVIRONMENTAL STEWARDSHIP

Meet regulatory requirements, promote sustainability, and identify and reduce contributions to climate change

GOAL 3: WORKFORCE DIVERSITY AND DEVELOPMENT

Recruit, educate, empower, and retain a workforce from diverse backgrounds

GOAL 4: GOVERNANCE AND FISCAL RESPONSIBILITY

Uphold integrity, transparency, and wise financial management in an effective governing model

GOAL 5: SAFETY AND SECURITY

Provide a safe, secure, and healthful workplace that foresees and addresses threats

GOAL 6: INFRASTRUCTURE RELIABILITY

Maintain facilities and equipment to be dependable, resilient, and long lasting

GOAL 7: INNOVATION AND AGILITY

Optimize operations for continuous improvement, and remain flexible and adaptable



ACRONYMS

ADUs – Accessory Dwelling Units

AWWA – American Water Works Association

BI – Business Intelligence

CIP – Capital Improvement Program

CO₂e – Carbon Dioxide Equivalent

DEI – Diversity, Equity, and Inclusion

EBMUD – East Bay Municipal Utility District

EAM – Enterprise Asset Management

FEMA – Federal Emergency Management Agency

FY – Fiscal Year

GFOA – Government Finance Officers Association

GHG – Greenhouse Gas

GIS – Geographic Information System

HHW – Household Hazardous Waste

IT – Information Technology

kWh – Kilowatt-Hour

MOU – Memorandum of Understanding

MT – Metric Tons

NACWA – National Association of Clean Water Agencies

NOV – Notice of Violation

O&M – Operations and Maintenance

PTO – Process and Technology Optimization

QA/QC – Quality Assurance/Quality Control

RCA – Reportable Compliance Activity

RV – Recreational Vehicle

SRF – State Revolving Fund

LEGEND (APPLIES TO ALL KEY METRIC TABLES)

Target met	Performance met or exceeded
Work in progress/Stretch goal	Performance fell short of the target, which is a stretch goal because: <ul style="list-style-type: none"> • Current and past performance is not within reach of the target, and/or • Performance is affected by circumstances beyond Central San’s control
Work in progress	Performance fell short, but within reach, of the target

GOAL ONE – CUSTOMER AND COMMUNITY

PROVIDE EXCEPTIONAL CUSTOMER SERVICE

STRATEGIES:

- Deliver High-Quality Customer Service
- Promote Initiatives to Advance Affordable and Equitable Access to Services
- Build Neighborhood and Industry Relationships

MAJOR ACCOMPLISHMENTS:

- 1** Completed a wastewater cost of service study, implemented a new rate category for Accessory Dwelling Units (ADUs), and approved new rates and fees that remain within the Environmental Protection Agency’s affordability criteria
- 2** Opened a free Recreational Vehicle (RV) Waste Disposal Station for customers to safely dispose of their wastewater
- 3** Created Central San Home Guide highlighting information on ADUs, easements, laterals, and more for homeowners and businesses
- 4** Received 11 awards for exceptional state and national leadership in wastewater and specific functional areas



GOAL ONE – CUSTOMER AND COMMUNITY PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Average onsite response time for collection system emergency calls, during working hours	≤30 minutes	19 minutes
Average onsite response time for collection system emergency calls, after hours	≤40 minutes	38 minutes
Average customer service rating for emergency calls	≥3.8 out of 4.0	3.97 out of 4.0
Average customer satisfaction rating on construction projects	≥95%	84.5%*
Average customer satisfaction rating on permit counter interactions	≥95%	92.3%
Sewer Service Charge affordability (Environmental Protection Agency Lowest Quintile Residential Indicator)	<2% (or lower than High Impact)	<2%
Participants in public tours and presentations	≥500	722
Participants in Central San Academy	≥35	20
Awards or recognitions received	≥10	11

* Surveys sent for two projects: North Orinda Phase 8 received average rating of 94%, Walnut Creek Phase 15 received average rating of 75%



GOAL TWO – ENVIRONMENTAL STEWARDSHIP

MEET REGULATORY REQUIREMENTS, PROMOTE SUSTAINABILITY, AND IDENTIFY AND REDUCE CONTRIBUTIONS TO CLIMATE CHANGE AND MITIGATE ITS IMPACTS

STRATEGIES:

- Achieve Compliance in All Regulations
- Educate on Pollution Prevention and Environmental Protection
- Be a Partner in Regional Development of Local Water Supply
- Identify and Advance Sustainability Initiatives, Including Reducing Energy Usage and Emissions

MAJOR ACCOMPLISHMENTS:

- 1 Served 19,531 students through education programs
- 2 Maintained the highest service reliability in the State by reducing sanitary sewer overflows
- 3 Received Peak Performance Award for the 25th consecutive year from National Association of Clean Water Agencies (NACWA)
- 4 Executed a Recycled Water Opportunities Memorandum of Understanding (MOU) with East Bay Municipal Utility District (EBMUD)
- 5 Led a Town Hall with EBMUD and Rossmore to explore options for enhancing recycled water in the region
- 6 Initiated the development of a Fleet Electrification Strategic Plan and presented greenhouse gas emissions inventory/Net Zero alternatives

GOAL TWO – ENVIRONMENTAL STEWARDSHIP PERFORMANCE IN KEY METRICS

Metric	Target	Performance
National Pollutant Discharge Elimination System compliance	0 violations	0 violations
Recycled Water Title 22 compliance	0 violations	0 violations
Title V compliance	0 violations	*
Regulatory Title V work orders completed on time	100%	100%
Anthropogenic GHG emissions	≤25,000 metric tons (MT) CO2e per calendar year	24,025 MT CO2e in calendar year 2022 On track to meet 2023 target
Sanitary sewer overflows	≤1.3 spills per 100 miles of pipeline	1.23 spills per 100 miles of pipeline
Spills to public water	≤1	2
Spills greater than 500 gallons	≤3	4
Sanitary sewer overflows resulting from construction work	0	1
Annual Environmental Compliance inspections and permitting completed on time	100%	100%
Household Hazardous Waste (HHW) management compliance	0 violations	0 violations
Students served by education programs	≥6,000	19,531
Gallons of recycled water distributed to external customers	≥240 million gallons	181.5 million gallons**
Electricity produced by co-generation using natural gas	≥18 million kilowatt hours (kWh) (reported as a rolling average)	22.2 million kWh
Solar power produced at Collection System Operations and HHW Collection Facility	≥220,000 kWh (reported as a rolling average)	285,000 kWh
Solar power produced by a new solar array near the treatment plant campus	≥2.5 million kWh (reported as a rolling average)	***

* 1 Emissions deviation Reportable Compliance Activity (RCA), 1 expected NOV for 4/18/23 Furnace 1 wet scrubber differential pressure
 ** Recycled water usage was lower than normal due to wet and cool weather
 *** Construction of solar array delayed

GOAL THREE – WORKPLACE DIVERSITY & DEVELOPMENT

RECRUIT, EDUCATE, EMPOWER, AND RETAIN A WORKFORCE FROM DIVERSE BACKGROUNDS

STRATEGIES:

- Recruit from a Diverse Pool of Qualified Applicants
- Engage Employees and Conduct Labor Relations in a Transparent, Effective, and Collaborative Environment
- Retain Skilled Workers by Investing in Resources and Opportunities for All Employees to Grow and Thrive
- Foster a Culture of Diversity, Equity, and Inclusion



MAJOR ACCOMPLISHMENTS:

- 1 Launched Diversity, Equity, and Inclusion (DEI) Initiative and completed an organizational assessment including surveys and feedback sessions
- 2 Managed the fourth cycle of the BOOST Mentorship Program, the third Supervisory Academy, and launched the fourth Management Academy
- 3 Launched Women Engineers in Water employee resource group with Contra Costa Water District, Delta Diablo, and Mountain View Sanitary District
- 4 Developed and implemented a Teleworking Policy



GOAL THREE- WORKFORCE DIVERSITY & DEVELOPMENT PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Average time to fill vacancy (from request to hire)	≤60 days	48.8
Turnover rate	≤6.5% (including retirements)	5.4% (including retirements)
Average annual training hours per employee (external and internal training)	≥15	17.7
Completion of performance evaluations	100%	84%
Temporary modified duty provided (Return to Work program)	≥95% of recordable injuries	100%
Internal promotions (excludes entry-level positions)	≥25%	57.9%
Formal grievances processed	0	1
Participation in annual Wellness Expo	+≥10% each year	54 attendees for a 15% increase

GOAL FOUR – GOVERNANCE & FISCAL RESPONSIBILITY

UPHOLD INTEGRITY, TRANSPARENCY, AND WISE FINANCIAL MANAGEMENT IN AN EFFECTIVE GOVERNING MODEL

STRATEGIES:

- Promote and Uphold Ethical Behavior, Openness, and Accessibility
- Encourage and Facilitate Public Participation
- Maintain Financial Stability and Sustainability

MAJOR ACCOMPLISHMENTS:

- 1 Appointed a new Board Member to fill Division 3 vacancy
- 2 Received support from Senators Feinstein and Padilla towards obtaining federal funding for District capital projects
- 3 Secured passage of Assembly Bill 759 to update payment procedures in the Sanitary District Act
- 4 Received Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)
- 5 Renewed California Special District Leadership Foundation Transparency Certificate of Excellence
- 6 Completed annual Benchmarking Study based on the American Water Works Association (AWWA) Utility Benchmarking framework and solicited involvement from 58 agencies

GOAL FOUR – GOVERNANCE & FISCAL RESPONSIBILITY PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Compliance with Public Records Act requests on time	100%	100%
Board meeting videos posted online	100%	100%
Standard and Poor's / Moody's credit ratings	AAA/Aa1	AAA/Aa1
Debt service coverage ratio	≥2.0	7.2
Debt as a percentage of total assets	≤60%	6.4%
Debt financing of prior 10 years' CIP spending	≤60%	16.2%
Debt financing as a percentage of projected 10-year CIP	≤60%	13.9%/26.6%*
Total revenue funded collection system CIP spending in past 10 years	≥100%	100%
Total revenue funded collection system spending in 10-year CIP (projection)	≥100%	100%
O&M reserves	≥41.7% of next year's budget	47.3%
Sewer Construction reserves	≥50% of next year's budget (non-debt financed)	240.9%
Operating expenditures as a percentage of Board-approved operating budget	90-100%	95.7% (using pre-audited figures)
Financial reports disseminated every month (summary) and quarter (full)	100%	100%
Reported material weaknesses or significant deficiencies in internal controls as part of annual financial audit	0	0
Average cost per overflow claim	≤\$25,000	\$9,343
Purchasing requisitions completed within standard processing time	≥80%	85%

* 13.9% based on \$170MM of projected financing; 26.6% including \$155MM of SRF proceeds spent through FY 2032-33

GOAL FIVE – SAFETY & SECURITY

PROVIDE A SAFE, SECURE, AND HEALTHFUL WORKPLACE THAT FORESEES AND ADDRESSES THREATS

STRATEGIES:

- Reduce and Eliminate Risks of Injury or Illness
- Protect Personnel and Assets from Threats and Emergencies
- Understand and Reduce Impacts of Cybersecurity Attacks

MAJOR ACCOMPLISHMENTS:

- 1 Accomplished zero lost workdays in Administration, Engineering, and Plant Operations Divisions
- 2 Completed seismic improvements on the Environmental Laboratory
- 3 Expanded jurisdictional coordination by hosting a K-9 training for local law enforcement
- 4 Built a new Guard Post and Plant Entrance to enhance security and access control
- 5 Created a Cybersecurity Analyst position to develop and implement a cybersecurity program and conducted phishing prevention training exercises
- 6 Internal Audit issued three audit reports including Miscellaneous Assets Review, Payroll Operational Audit, and Procurement Card Audit
- 7 Prepared and submitted projects for FEMA reimbursement for January 2023 storms impacts and COVID-19 response

GOAL FIVE – SAFETY & SECURITY PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Safety-prioritized work orders completed on time	100%	97.3%
Employee injury and illness lost time incident rate	≤3.3	2.6
Workers' compensation experience modifier	≤1.0	.82
Days to implement approved Safety Suggestions	≤60	<60
Contractors/consultants in compliance with insurance requirements	≥70%	80%
Information system outages affecting normal business operations	100% uptime	98.5%
Data backup and recovery	0 lost data	0 lost data
Employees trained in cybersecurity awareness	100%	65%





GOAL SIX - INFRASTRUCTURE RELIABILITY

**MAINTAIN FACILITIES
AND EQUIPMENT TO BE
DEPENDABLE, RESILIENT,
AND LONG LASTING**

STRATEGIES:

- Manage Assets Optimally
- Execute Long-Term Capital Renewal and Replacement Program

MAJOR ACCOMPLISHMENTS:

- 1** Navigated the January 2023 atmospheric rivers with zero overflows or unpermitted discharges
- 2** Completed critical inspections and improvements to the 3.5-mile outfall pipeline
- 3** Replaced critical infrastructure at the treatment and filter plant, including Recycled Water storage, contractor yard, and blower improvements
- 4** Completed major renovations to three pump stations serving Orinda and Moraga
- 5** Invested \$59.1 million in infrastructure replacement
- 6** Completed the Asset Management Plan

GOAL SIX - INFRASTRUCTURE RELIABILITY PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Planned treatment plant preventative maintenance completed on time	≥90%	96.25%
Planned recycled water distribution system preventative maintenance completed on time	≥98%	100%
Planned collection system preventative maintenance completed on time	≥98%	99.4%
Pipeline cleaning quality assurance / quality control (QA/QC)	On ≥4% of pipelines cleaned on an annual basis	3.4
Pipeline cleaning QA/QC passing rate	≥98%	97.1
Pipeline inspected through Closed Circuit Television Program	10% inspected (150 miles)	124 miles
Uptime for vehicles	100%	100%
Miles of sewers replaced (focused on deteriorated small diameter pipelines)	≥6.0	4.3
Large diameter and force main condition assessment	≥3 miles per year	<0.33*
Average time to execute Engineering agreements from complete package submittal	≤2 weeks	7.8 business days
Contract renewals executed on time for uninterrupted service	100%	100%
Approved request-to-stock items entered in databases within 5 business days	100%	100%
Capital expenditures as a percentage of capital budgeted cash flow including carry forward	≥90%	37.4%**

* Working to develop a new proposal for inspection scope and approach

** Future capital spending adjusted to reflect backlog. FY 2023-24 capital budget reduced to \$71.2 million

GOAL SEVEN - INNOVATION & AGILITY

OPTIMIZE OPERATIONS FOR CONTINUOUS IMPROVEMENT, AND REMAIN FLEXIBLE AND ADAPTABLE

STRATEGIES:

- Leverage Data Analytics to Become a More Efficient Utility
- Implement Organization-Wide Optimization
- Be Adaptable, Resilient, and Responsive

MAJOR ACCOMPLISHMENTS:

- 1 Completed Information Technology/Operational Technology Strategic Plan (presented in October 2023) and created roadmaps for network security, SMART Utilities, geographic information systems (GIS), Enterprise Asset Management (EAM), Business Intelligence (BI), and SCADA systems
- 2 Continued testing and optimization of the IT Disaster Recovery Plan
- 3 Initiated projects under the Central San Smart initiative improving efficiency in treatment plant processes, maintenance, and Collections System Field Operations
- 4 Created the Operations Optimizations Division to improve efficiencies and effectiveness in all areas at Central San

GOAL SEVEN - INNOVATION & AGILITY PERFORMANCE IN KEY METRICS

Metric	Target	Performance
Projects initiated under Central San Smart	≥3	3
Improved process monitoring or performance reporting	≥3 control loops	3+
Reviews or pilot tests of new and promising technology	≥3	4
Research papers and findings presented	≥3 papers or presentations	7
Don't Just Fix It; Improve It work orders completed	≥25	11
Completed optimizations	≥20	*

* Optimizations report pending





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