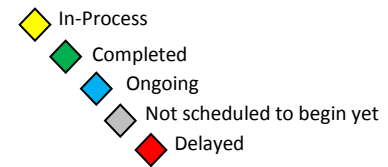
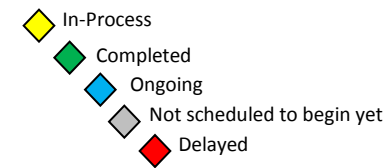


COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



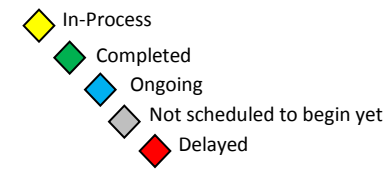
1.0 SEWER INFRASTRUCTURE			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To collect and transport wastewater to meet the needs of existing and future customers	1.1 Manhole Cover Maintenance Program	The District successfully Phase II by adjusting 47 sewer manhole frames and covers to grade, thereby eliminating deteriorating conditions that can lead to vehicle damages. Including the 95 manholes that were adjusted in Phase I, the District adjusted a total of 142 manholes out of the total 4,707 manholes in the District. On April 28, 2016, the Board of Directors will consider accepting the improvements as complete and file a Notice of Completion.	On-going
	1.2 Inflow Reduction Program	On February 9, 2016 staff presented to the Board of Directors a report about the District's Inflow Reduction Program noting that nearly half of all manholes within the system are now plugged and sealed. To determine the effectiveness of the District's Inflow Reduction Program, a storm event must produce more than an inch of rain within a 24 hour period. On January 6 and 7, 2016 a storm event had more than one inch of rain. On January 6 the rain ingress was 0.92% and on January 7 it was 1.30%, both events are below the 2% rain ingress goal.	On-going
	1.3 Reduce Hotspot Locations to less than 30.	The District's Hot Spot Committee met on March 16, 2016. The Committee discussed hot spots with grease and proposed criteria for recommending a Grease Interceptor Assistance Program. No hotspot locations were eliminated, so the total hotspot locations remain at 32.	On-going
	1.4 System wide Sewer Replacement & Repair Program	<p>#196-C Generator at 23rd Street Pump Station – This project will install a permanent generator near the station to ensure the station does not experience any disruption during power outages. Generator enclosure is complete and generator is in route to arrive any day. The total budget for Project 196-C 23rd Street Pump Station Backup Power is \$340,000, with expenses to date of approximately \$155,000.</p> <p>#200-B Harbor Force Main Rehabilitation - This is one of the District's oldest force mains at 60 years. The District is planning to use no dig technology called "horizontal directional drilling" (HDD) because of the traffic flow on Harbor Blvd and Wilson Street. On March 24, 2016 the Board of Directors awarded a contract to GCI Construction for \$247,720. The Engineer's Estimate was \$400,000. A timeline to begin construction is currently being prepared.</p> <p>#200-C South Coast Plaza Force Main Rehabilitation – This force main is 50 years old. Due to a number of underground conflicting utilities and the Plaza parking structure, staff is considering slip lining, which is another type of no dig technology. The cost to slip line the South Coast Plaza force main are \$250,000.</p> <p>#202 Elden Pump Station Piping and Valve Replacement – This project will replace the 40-year-old piping near the station as well as replacing multiple valves that include 18" and 12" valves. On March 24, 2016 the Board of Directors awarded a contract to GCI Construction for \$259,300. This Engineer's Estimate is \$400,000. Work is schedule to begin in May 2016.</p>	On-going

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STRATEGIC PLAN FISCAL YEARS 2015-20
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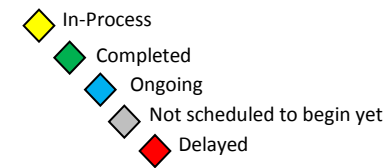
1.0 SEWER INFRASTRUCTURE (Continued)			
Objective	Strategic Goals	Accomplishments	Completion Timeline
		<p>#310 Indus Sewer and Manhole Rehabilitation – This project will line approximately 1,200 feet of pipeline that is currently located in private backyard easements. The pipeline is severely infested with roots that have caused sanitary sewer overflows in the past. On March 24, 2016 the Board of Directors awarded a contract to Insituform Technologies for \$218,458. The Engineer's Estimate is \$350,000. Work is scheduled to begin in May 2016.</p> <p>#311 Manhole Surface Repair Program – Phase II – This project is complete as described in Strategic Goal No. 1.1 above.</p> <p>#312 Aviemore Pump Station Upgrades – The upgrades are complete and the replacement cabinet is currently on order.</p>	
To collect and transport wastewater to meet the needs of existing and future customers	1.5 Sewer Line Maintenance Cleaning & CCTV Program	On January 28, 2016 the Board of Directors awarded a contract to CCTV the entire wastewater system to Pro Pipe for \$625,553.28. The work will take two years to complete. The District's cleaning crews are continuing to clean approximately 3,000 feet a day for a total of 6,000 feet a day.	Ongoing
	1.6 Evaluate force main conditions on a regular basis	The Harbor and South Coast Plaza force mains are described in Strategic Goal 1.4 above. In FY 2016-17, Engineering will begin evaluating the rehabilitation of the Victoria force main. In FY 2018-19 Gisler, Elden and Iowa force mains will be evaluated and FY 2019-20 21 st Street force main will be evaluated.	Ongoing
	1.7 Pump Station Maintenance & Standardization Program	<p>Annual preventive maintenance is complete and was performed by District staff. In the 3rd quarter (Jan – Mar 2016) staff completed the following stations:</p> <ul style="list-style-type: none"> 23rd Mendoza South Coast Plaza Adams Victoria Gisler Adams <p>In the 4th quarter (Apr – June 2016) staff will complete the following stations:</p> <ul style="list-style-type: none"> 21st Street Canyon Elden President Harbor Irvine 	Ongoing
	1.8 Fats Oil Grease (FOG) Program	Staff has begun preparing a draft proposal for a Grease Interceptor Assistance Program where the District can monetarily assist small business owners acquire grease interceptors for their restaurants. Proposal will be presented in June 2016.	On-going
	1.9 Sewer Lateral Assistance Program	As of February 29, 2016 the District has received 170 new applications and process 137 applications for payment for a total of \$136,304.	On-going
	1.10 Abandon five pump stations on the west side in conjunction with Orange County Sanitation District companion project.	On May 4, 2016, the Orange County Sanitation District Operations Committee will be considering approving this project. If they do not approve this project this goal will be eliminated from the Strategic Plan.	2020

COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



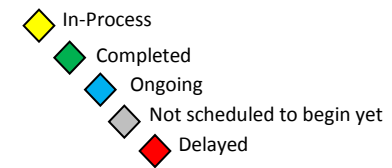
2.0 SOLID WASTE			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To manage the collection and recycling of residential trash in the most economical and environmentally friendly way.	2.1 Behavior Study for Organics Recycling Program	Nothing to report this quarter.	2016
	2.2 Annual contract audits	Nothing to report this quarter. The 2015-16 audit will begin in the summer of 2016.	On-going
	2.3 Comprehensive Education Program	The District's Alkaline Battery Recycling Program ended on April 1 st where nine schools participated and collected a total 4,525 pounds of batteries. The program teaches youth the importance of recycling batteries while at the same time they help their school receive monetary awards from the District. \$1,000 was awarded to Davis Magnet School for collecting 1,654 pounds of batteries.	Ongoing
	2.4 Develop strategies for 75% waste diversion	Staff has begun the planning phase for CMSD/OC Waste & Recycling Household Hazardous Waste Collection event at Orange Coast College. The event will be scheduled in November 2016.	2017
	2.5 Monitor advancements and technology in the solid waste industry	CR&R's anaerobic digestion facility is currently being tested and is scheduled to begin operations in June, 2016.	2017
	2.6 Apply for waste diversion grants	Waste diversion grants are not available at this time.	On-going

COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



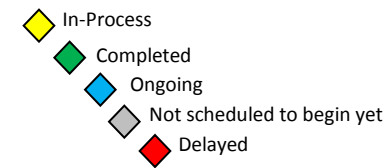
3.0 PARTNERSHIPS			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To foster beneficial relationships to accomplish the goals of the District	3.1 Regulatory Communications	Staff is coordinating with City of Costa Mesa and CalRecycle officials for a site visit. Date and time of site visit is still to be determined.	On-going
	3.2 Strengthen our ties with local government, special districts and educational institutions	On March 24, 2016, the Board of Directors adopted a proclamation recognizing Mesa Water District for successfully reaching the conservation goal of reducing its service area's potable water use by 20%. On March 25, 2016, the District hosted the Liaison Committee with Mesa Water and City of Costa Mesa officials.	On-going
	3.3 Develop a partnership with property owners that operate private sewer pump stations.	Nothing to report this quarter	On-going
	3.4 Participate in the activities of professional associations	In the 3 rd quarter, staff and the Board of Directors participated in the following professional associations: <ul style="list-style-type: none"> • CSDA Leadership Academy Conference, La Quinta • Public Agency Risk Manager's Association Conference, Indian Wells • Santa Ana Regional Basin Section Seminar, Huntington Beach • Orange County Human Resources Consortium, Tustin • California Society of Municipal Finance Officers Conference, Anaheim • CSDA Board of Directors meeting, Sacramento • Special District Risk Management Authority Board of Directors Meeting, Sacramento • CSDA Professional Development Committee, Sacramento • CSDA Membership Committee, Sacramento 	On-going
	3.5 Participate in community groups and civic organization activities	Nothing to report this quarter.	On-going
	3.6 Strengthen our ties with emergency service providers	On February 2, 2016 staff attended Water/Wastewater Emergency Response Organization of Orange County (WEROC) quarterly coordination meeting. On March 10, staff attended an EOC training seminar. The Wastewater Division is planning with Costa Mesa Fire Department a joint exercise on confine space entry.	On-going

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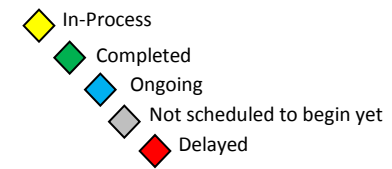
4.0 COMMUNITY OUTREACH & COMMUNICATIONS			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To inform and establish beneficial relations with the community	4.1 Conduct community outreach survey	Nothing to report this quarter. Projected to begin in Fall 2016.	2016
	4.2 Community open house	The District is in escrow for the building at 290 Paularino Avenue that will be the District's new HQ. Move in is expected in the first week of November of 2016. A community open house will occur soon after or the first part of 2017.	On-going
	4.3 State of the District	Nothing to report this quarter. The Committee is recommending the State of the District should coincide with the open house ceremony for the new HQ building.	On-going
	4.4 District branding	Nothing to report this quarter.	On-going
	4.5 Celebrate the District's 75 th Anniversary	Nothing to report this quarter.	2019
	4.6 Submit award applications	<p>The District successfully received the following awards this quarter:</p> <ul style="list-style-type: none"> A Certificate of Excellence for Financial Reporting from the Government Finance Officers Association (GFOA). Collection System of the Year from the Santa River Basin Section (SARBS) of California Water Environment Association (CWEA). Program Excellence in Governance from the International Institute of Municipal Clerks (IIMC). <p>Staff submitted an award nomination to the Solid Waste Association of North America (SWANA) for the Integrated Waste Management category. In addition, staff submitted an award nomination to GFOA for the District's Popular Annual Financial Report.</p>	On-going
	4.7 Demonstrate outstanding efforts in transparency.	The General Manager's new contract is on the District's Transparency page of the website and a link to the State Controller's office disclosing District compensation is on the same page.	On-going

COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



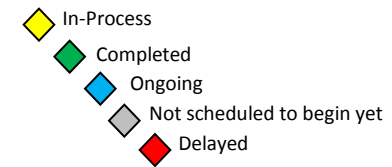
5.0 ADMINISTRATIVE MANAGEMENT			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To create, maintain and implement policies and procedures to ensure sound and transparent management of the District	5.1 Develop a future plan for operational facilities adequacy,	On February 22, 2016, staff presented to the Board of Directors a proposed plan for facility improvements at 290 Paularino Avenue that will meet District future needs. The Board directed staff to proceed obtaining preliminary estimates in which said estimates were presented to the Board in the 4 th Quarter.	On-going
	5.2 Ensure financial documents, employee salaries, contracts and expenditures are easily accessible to the public	Nothing to report this quarter. Financial documents, employee salaries, contracts and expenditures are easily accessible to the public on the District's website.	On-going
	5.3 Stay informed on applicable federal, state and regional regulations	<p>District staff is staying informed on federal and state regulations. The District has sent support and opposition letters for the following bills. More information about these bills can be found in staff's Legislative Analysis that was presented to the Board during a study session meeting on April 12, 2016.</p> <p><u>Support</u></p> <ul style="list-style-type: none"> AB 2022 (D- Gordon): Advanced Purification Demonstration Water HR 3353 (R-Hunter): Clean Water Act Citizen Suit Reform <p><u>Oppose</u></p> <ul style="list-style-type: none"> SB 885 (D-Wolk): Construction Contracts Indemnity 	Ongoing
	5.4 Review and maintain Operations Code, policies and Administrative Regulations	The Ad Hoc Committee finished reviewing and commenting on the District's Administrative Regulations, Operations Code and Employee Handbook. The Committee's comments and recommendations will be presented to the Board on May 10, 2016.	Ongoing
	5.5 Refine emergency operations procedures and upgrade infrastructure	Nothing to report this quarter.	On-going

COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



6.0 PERSONNEL/ORGANIZATIONAL MANAGEMENT			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To employ and retain a high quality, motivated workforce	6.1 Perform EOC training	Staff is registered to attend a joint WEROC staff and member agency tabletop exercise on May 12 th at WEROC South Emergency Operations Center, which is located at Moulton Niguel Water District. These exercises will be discussion based exercises with a format that will allow for Member Agency EOC Staff and the WEROC EOC Staff to interact with one another and learn how to communicate critical information in a way that everyone understands.	On-going
	6.2 Job Description Updates	Nothing to report this quarter	On-going
	6.3 Promote a safety culture within the organization	The District continues to have monthly safety meetings and recognizing an employee every month for demonstrating safety practices. On March 29 th , staff attended Special District Risk Management Authority Spring Safety/Claims Education Day in Newport Beach.	On-going
	6.4 Complete a comprehensive salary and health benefit study	Nothing to report this quarter	2020
	6.5 Create a Development Plan n	Staff is in the process of creating such a plan.	2016
	6.6 Periodic Organization Chart evaluation	The 2015 Organization Chart is complete. Nothing to report this quarter	2015, 2017 & 2019
	6.7 Promote high employee satisfaction	Employees are continuing to meet with their mentors/coaches and management is offering employees a balance between their work and personal lives.	Ongoing

COSTA MESA SANITARY DISTRICT
STRATEGIC PLAN FISCAL YEARS 2015-20
QUARTERLY PROGRESS REPORT 2015-16 (3rd QTR)



7.0 FINANCE			
Objective	Strategic Goals	Accomplishments	Completion Timeline
To ensure the short and long term fiscal health of the District	7.1 Perform long term solid and liquid waste rate projections	Nothing to report this quarter.	On-going
	7.2 Develop a long term CIP	<p>This goal is complete. On March 8, 2016, staff presented an update on the existing CIP projects along with planned CIP projects for the next five years. The projects that will be completed in the next five years are:</p> <ul style="list-style-type: none"> • Victoria Force Main Rehabilitation • Wastewater Pipeline Rehabilitation (Grade 5) • Gisler Force Main Rehabilitation • Elden Force Main Rehabilitation • Iowa Force Main Rehabilitation • 21st Street Force Main Rehabilitation • Rehabilitate Brick Manholes 	On-going
	7.3 Evaluate the District's investment policy	This goal is complete. On August 25, 2015, the District Treasurer presented the District's Investment Policy to the Board of Directors. On September 17, 2015, the Board of Directors adopted Resolution No. 2015-875 authorizing the District Treasurer to invest in CalTRUST.	On-going
	7.4 Produce a Comprehensive Annual Financial Report (CAFR)	The CAFR is complete and available on the District's website for public access. The District recently received a Certificate of Excellence for financial reporting from the Government Finance Officers Association (GFOA).	On-going
	7.5 Evaluate an appropriate reserve program for all District funds and develop an inclusive reserve policy	This goal is complete. The Board of Directors evaluated the reserve program on July 14, 2015 and on August 27 th the Board adopted Ordinance No. 108 that increases the Solid Waste Operating reserves from 15% to 30% and the Wastewater Reserves from 10% to 25%.	On-going
	7.6 Monitor the asset management program	Nothing to report this quarter.	2016
	7.7 Create a popular report and upload document on the District's website	This goal is complete. Staff completed the District's first ever Popular Financial Annual Report (PAFR) that summarizes the District's finances identified in the CAFR. It's a shorter version of the CAFR and makes it easier for the public to read. The District's PAFR is now available to download from the Finance page on District's website. In addition, staff submitted an award nomination to GFOA for the District's Popular Annual Financial Report.	2016