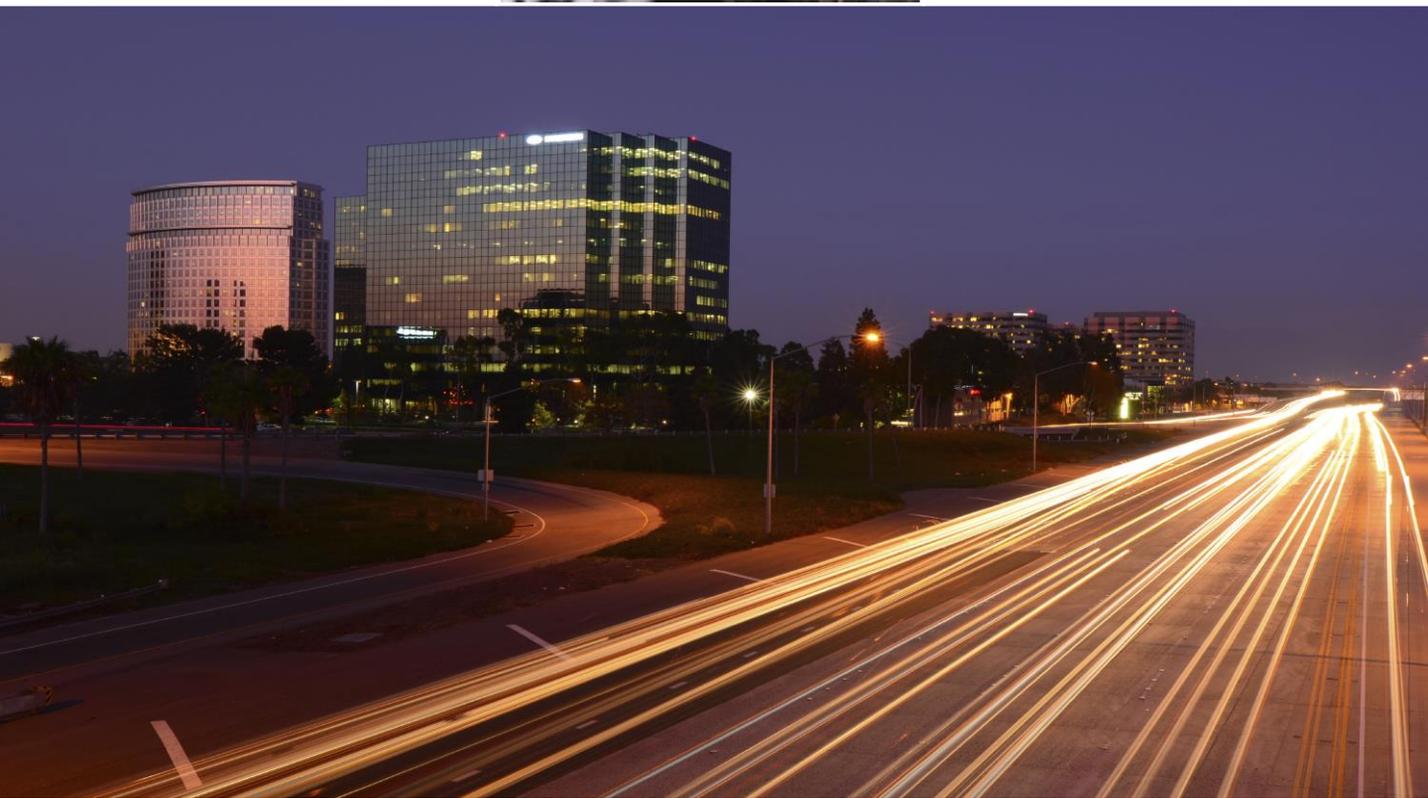
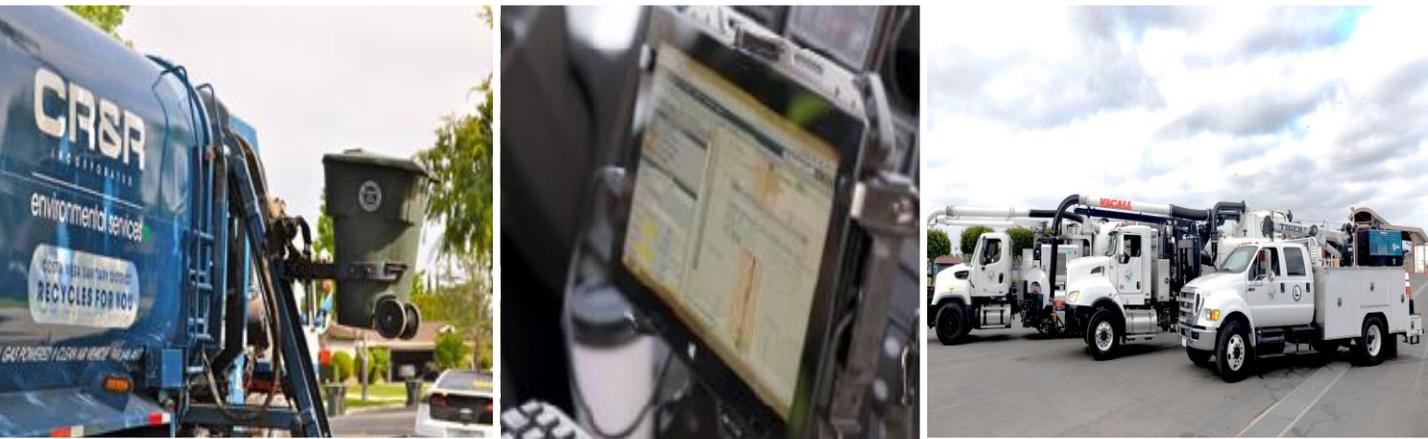


COSTA MESA SANITARY DISTRICT



YEAR END ACCOMPLISHMENTS

2015

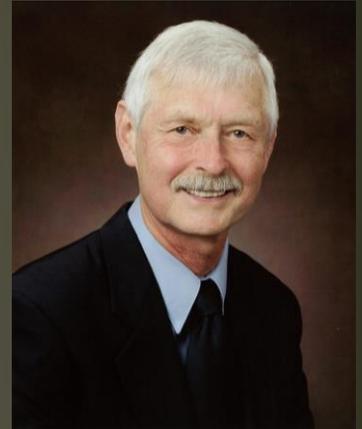
BOARD OF DIRECTORS



Vice President
Art Perry



Board President
Mike Scheafer



Secretary
Bob Ooten



Assistant Secretary
Arlene Schafer



Director
Jim Ferryman

COSTA MESA SANITARY DISTRICT

The Costa Mesa Sanitary District was formed in 1944 under the Sanitary District Act of 1923. The District boundaries encompass all of Costa Mesa and portions of Newport Beach and unincorporated Orange County.

The District is responsible for residential trash collection and transmittal to a recycling facility for recycling and disposal. The District also provides liquid waste collection and transmission to Orange County Sanitation District facilities for treatment and disposal.

MISSION STATEMENT

Protecting our community's health and the environment by providing solid waste and sewer collection services.

VISION STATEMENT

Promoting a sustainable environment that is free from sewer and solid waste pollution.

WELCOME

Dear CMSD Community:

On behalf of the Costa Mesa Sanitary District (CMSD), I am proud to present the annual year-end accomplishment report for the 2015 calendar year. This report provides information about the extraordinary achievements made by a small group of dedicated and professional individuals that strive every day to protecting the community's health and the environment by providing solid waste and wastewater collection services.

We are proud of many accomplishments this year, most notably the implementation of the Organics Recycling Program and acquiring enough backup power sources to ensure CMSD is self-reliant during emergencies such as a regional power outage. Additionally, several workshops with the Board of Directors, staff and the public created the 2015-2020 Strategic Plan that will continue focusing on CMSD's mission of protecting the community's health and the environment while moving towards our vision of promoting a sustainable environment through innovation and cost effective services. The 2015-2020 Strategic Plan will help guide the Board and staff in making sound decisions for a better tomorrow.

CMSD's approach to transparency, good governance, strong financial reporting, accountability and good policy choices has made CMSD one of premiere special districts in California, which is why we have earned the District of Distinction, Transparency Certificate of Excellence, Gold Recognition in Special District Governance and Certificate of Achievement for Excellence in Financial Reporting. I am proud to work in an organization where the Board of Directors keep the needs of the community as their primary focus and a professional staff that is dedicated to achieving amazing results for the betterment of the community. I hope you enjoy reading this report.

Sincerely,



Scott Carroll, SDA, ICMA-CM

General Manager



DISTRICT COUNSEL

The District Counsel advises and represents the District Board and employees on legal matters. The District Counsel also assists in the preparation of legal documents, takes part in negotiations, and assists on personnel matters.

NOTABLE SUCCESSES THIS PAST YEAR INCLUDE:

- ▶ Successfully defended the Regional Water Quality Control Board's proposed fine for two sewer spills (Irvine Pump Station and Indus). This defense required participation in an administrative hearing regarding a proposed administrative civil liability fine which was significantly reduced
- ▶ Assist the District in its appeal regarding SWRCB decision
- ▶ District Counsel additionally performed follow up work on the abatement of sewer spills by private parties at Kalmus and the management of that development was persuaded to install effective equipment to prevent sewer spills at that location
- ▶ Assist with the preparation of an ordinance imposing penalties on flaunting District laws
- ▶ Assist with the preparation of an ordinance adjusting Director compensation
- ▶ Provided guidance on Department of Industrial Relations compliance with new prevailing wage reporting law
- ▶ Provided contracts for the transition to a new Treasurer firm
- ▶ Performed research and correspondence related to the "poaching" of the District's franchise by other companies



BY THE NUMBERS

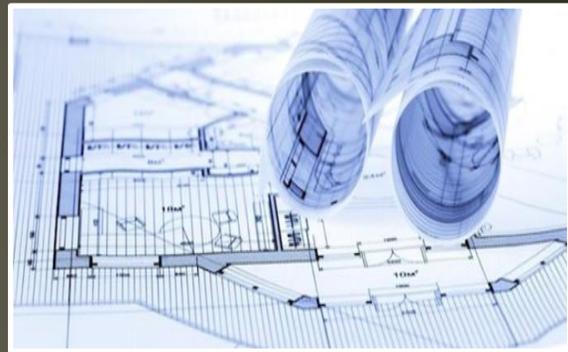
- 726.20 legal services rendered
- 18 Contracts reviewed
- 14 Ordinances and Resolutions reviewed

DISTRICT ENGINEER

The District Engineer is responsible for the planning and construction of sewer infrastructure. The District Engineer also provides expert opinion and assistance to the Wastewater Maintenance Department regarding sewer hot spots and pump station operations.

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Completed Project #101 – Continued funding contributions for Project #101, which will abandon 6 sewer pump stations beginning in 2018.
- ▶ Completed Project #194 – Recoated Mendoza, Corp Yard, and South Coast Plaza pump station walls and rehabilitated interior of 27 manholes.
- ▶ Completed Project #196-D – Installed a natural gas back up emergency generator at the Irvine pump station.
- ▶ Completed Project #203 – Installed a diesel powered back up emergency generator at the District yard.
- ▶ Completed Project #205- Installed new sewer to re-direct flow away from new city storm drain improvements in Anaheim Avenue.



BY THE NUMBERS

- 1791.75 Inspection hours
- 1089 Engineering hours
- 72 Plan check hours

DISTRICT TREASURER

The District Treasurer is responsible for ensuring the safety of District funds by making prudent investments and continually reviewing the market and economic conditions while safeguarding its assets. The Treasurer reports on the condition of investments in a monthly report, which is provided to the Board of Directors

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Solicited proposals for external audit services and selected a new external audit firm.
- ▶ Participated in the evaluation of proposals for outsourced IT services.
- ▶ Developed a Statement of Investment Policy for FY 2015-16.
- ▶ No \$ losses of investments.
- ▶ Continue to meet the core Investment Policy objectives: Legality, Safety, Liquidity, Diversification and Yield.



BY THE NUMBERS

- 0.851% weighted average rate of return, an increase of 0.059% over the prior year
- \$20.3 million average cash under investment, an increase of 0.5 million over the prior year
- 763 average days to maturity, a decrease of 68 days from the prior year
- 20 securities purchased, an increase of 9 trades over the prior year
- 7 securities called, an increase of 2 calls over the prior year

DISTRICT CLERK

The District Clerk is the official custodian of records and preserves and maintains in protective custody all documents certifying District Board actions. The District Clerk's Office has made great strides to bringing the latest technology for document management, citizen inquiries and agenda preparation. The District Clerk has transitioned this office into a highly professional and relied upon department that has achieved notable accomplishments such as:

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Implemented NovusAgenda system to include indexed video streaming of meetings
- ▶ Presented at the CSDA General Manager's Summit of the District's paperless agenda system and use of tablets during Board meetings
- ▶ Scanning and indexing of all easements dating back to 1941 (over 1,500 pages imaged and archived)
- ▶ Preservation of the District's permanent records dating back to 1941
- ▶ Pursuing Master Municipal Clerk designation



BY THE NUMBERS

- 9 Ordinances Codified
- 20 Resolutions reviewed
- 18 Public Records Requests
- 234 Public Requests received & responded to using CMSSD's GoCMSSD app Scanned, indexed & reviewed over 11,000 images
- 3 Bid Openings
- 37 Meeting agendas and packets prepared
- 13 Form 700 filings

ADMINISTRATION

The Administration Department provides responsive, professional management assistance to employees and to the public. The department is operationally comprised of the General Manager's Office, Personnel, Risk Management, Emergency Preparedness, IT, and Facilities Maintenance. A variety of accomplishments were achieved in Administration, such as:

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Implemented the "Costa Mesa Sanitary District Coaching & Mentoring Program"
- ▶ Completed District Class & Compensation Study
- ▶ Recruited and hired 3 existing and 2 new Wastewater positions and 1 new Part-time Finance position and 1 Part-time Maintenance position
- ▶ Updated Employee Onboarding process through Target Solutions
- ▶ Facilitated and developed the 2015-20 Strategic Plan
- ▶ Acquired one 6 cubic yard wastewater cleaning combination truck
- ▶ Updated employee performance evaluation method
- ▶ Upgraded District website and webhosting to ensure District website remains viable and accessible to the public .
- ▶ Developed a plan to reduce wastewater hotspots to less than 30 locations
- ▶ Procured and installed an emergency generator at the District yard
- ▶ Procured seven mobile generators
- ▶ Installed new time clock system
- ▶ Upgraded outside lighting fixtures at District Headquarters
- ▶ Shared Service Program with Orange County Sanitation District for Human Resources and Alternate District Engineer



BY THE NUMBERS

- Average of 377 applications received per position
- 0 workers compensation claims were filed
- 11 Safety training sessions
- Awards for Excellence
- Participated in 10 special events
- Replaced 4 workstations

SOLID WASTE

The Solid Waste Department is responsible for residential trash collection and transmittal to recycling facility for recycling and disposal. The department oversees all District recycling programs such as Organics Recycling, Sharps & Pharmaceuticals, Large Bulky Item, and Door to Door HHW Collection.

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Achieved 61% landfill diversion rate
- ▶ Successfully promoted the new Organics Recycling Program
- ▶ Successfully oversaw the production of CMSD's Organics Recycling Program Video
- ▶ Promoted organics recycling by providing residents with convenient kitchen pails
- ▶ Partnered with UC Irvine and implemented an Organics Behavioral Study for CMSD residents
- ▶ Conducted an annual performance audit of CR&R Environmental Services
- ▶ Planned several well attended Town Hall meetings and discussed the new Organics Recycling Program
- ▶ Successfully collected 5,300 pounds of alkaline batteries from eight schools as part of the District's new school funding program, Alkaline Battery Recycling Program
- ▶ CMSD Code Enforcement Officer detected 80 scavenging events while on patrol



BY THE NUMBERS

- 278 tons of Large items collected
- 438 warnings notices issued by Code Enforcement
- 6,132 Christmas trees collected
- 21.8 tons of white goods collected
- 38,876 tons of residential waste collected (projected)
- 21,901 CMSD residents served (as of October 2015)
- 722 lbs of alkaline batteries collected
- 48 school presentations

WASTEWATER MAINTENANCE

The Wastewater Maintenance Department is responsible for ensuring the District's sewer system is operating at its optimum level. The Department is committed to preventing sewer sanitary overflows (SSO) and protecting the environment.

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Rebuilt pump put in at 21st pump station
- ▶ Installed new pump at 23rd pump station
- ▶ Installation of lighting completed at President and new fencing and gates to accompany bypass pump and generator
- ▶ Joel Ortiz, Wastewater Maintenance Worker III obtained CWEA Grade II Certification for Collection Maintenance
- ▶ Steve Cano, Wastewater Maintenance Superintendent was awarded Supervisor of the Year by the Sana Ana Region Basin Section (SARBS) of the California Water Environment Association (CWEA)
- ▶ Safety net installations completed for all pump station wet wells
- ▶ Modified electrical panels with vinyl art wraps at Elden and Harbor Pump Stations
- ▶ Portable generators are equipped with boxes for the storage of the power cables and for quicker response



BY THE NUMBERS

- 480 additional priority manholes were plugged and sealed
- Total of 1,145,677 feet of sewers cleaned in 2015
- 64 routine cleaning work orders closed
- 29 plugging and sealing work orders closed
- 24 weekly pump station work orders closed
- 111 hotspot maintenance work orders closed
- Golden Bell sprayed 500 manholes for pest control

WASTEWATER MAINTENANCE II

- ▶ Wastewater crew provided generator power cables for all units
- ▶ Shelving completed in garage and in mezzanine for storage purposes
- ▶ Wireless tablets installed in fleet where wastewater maintenance staff have access to electronic work orders and GIS maps
- ▶ Wireless tablet program was featured in CSDA Magazine. The magazine is distributed to over 1,100 special districts in California
- ▶ Routine maintenance and annual pump station maintenance performed in-house for the first time
- ▶ Prepared for El Nino-started plugging and sealing priority manholes, purchased 1000 feet of bypass hose and storage containers to store bypass hose
- ▶ All pump stations are now correctly fitted with generator receptacles



DEVELOPMENTAL SERVICES

The Development Services Department is responsible for reviewing and approving applications and permits. The Permit Technician verifies construction work is performed to industry standards.

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Attended the City's Development Review Committee Meetings and reviewed over 35 plans for solid waste collection services
- ▶ Crossed-trained the Code Enforcement Officer on the District's Sewer Lateral Assistance Program (SLAP) to identify and investigate potential violations
- ▶ Board approved a new Closed Circuit Television Inspection (CCTV) Pilot Program
- ▶ Successfully processed the annual parcel assessments
- ▶ Collected revenue from new solid waste and wastewater accounts
- ▶ Developed new tracking system for new residential developments



BY THE NUMBERS

- 589 Sewer permits issued
- 26 credit card transactions
- \$16,120 collected on credit card transactions
- \$163,980 reimbursed to CMSD residents for SLAP
- 89 SLAP applications in progress

FINANCE

The Finance Department provides financial management, oversight, monitoring and reporting functions for the District's fiscal resources. The department accomplishes this objective by providing budgetary oversight, monitoring, and preparation; purchasing and procurement expertise; accounting and financial reporting services; cashiering, accounts receivable and collection services; payroll and accounts payable services.

MAJOR ACCOMPLISHMENTS FOR 2015 INCLUDE:

- ▶ Implemented Financial Software upgrade
- ▶ Implemented online Employee Self-Service center for paperless pay stubs and other information
- ▶ RFP and hired new audit firm, Rogers, Anderson, Malody & Scott, LLP after 10 years with prior firm
- ▶ Preparing Comprehensive Annual Financial Report (CAFR) for fiscal year ending 06/30/2015
- ▶ Submitting CAFR for GFOA Excellence in Financial Reporting Award for the fourth consecutive year
- ▶ Prepared and adopted new Biennial Budget:
 - o Fiscal Year 2015-16 \$11,504,000
 - o Fiscal Year 2016-17 \$11,733,000
- ▶ Paid down OPEB unfunded liability
- ▶ Increased Operating Reserve Policy requirements
- ▶ Adopted Penalties and Interest Policy for delinquent Accounts Receivable



BY THE NUMBERS

- Issued 49 Purchase Orders totaling \$1,226,984.82
- Processed 50 Accounts Receivable invoices including Penalties totaling \$318,512.09
- Processed Payroll for 5 Board Members and 19 employees totaling \$2,276,359.03
- Processed 1,140 Accounts Payable Checks and 140 ACH payments totaling \$8,996,665.31

