Mt. View Sanitary District
State of the District
2026





MVSD





Martinez, CA
Founded 1923

STATE OF THE DISTRICT 2026
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District Leadership

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Stacey Ambrose, Deputy General Manager
Chris Elliott, District Engineer
Scott Biocic, Wastewater Operations Manager
J. Daniel Adams, Consultant District Counsel



Governing Board of Directors

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ACRONYM GLOSSARY

AI	Artificial Intelligence
BAAD	Bay Area Air District
CCTV	Close Circuit Television
CIP	Capital Improvement Program
CPI	Consumer Price Index
DGM	Deputy General Manager
ESM	Environmental Services Manager
FOG	Fat, Oil, Grease
GM	General Manager
NPDES	National Pollutant Discharge Elimination System
NOV	Notice of Violation
OPEB	Other Post-Employment Benefits
SEP	Supplemental Environmental Project
SOP	Standard Operating Procedure
SSMP	Sanitary Sewer Management Plan
SSS	Sanitary Sewer Spill



INTRODUCTION

The Mt. View Sanitary District's (District) Mission, Vision, and Values represent the Board of Director's intention for the District. They define the purpose, goals, and core principles that provide a foundational framework to guide the District forward. The District's 2025 – 2030 Strategic Plan was developed through a collaborative process between the Board of Directors and District leadership. The Strategic Plan considered the Mission, Vision, and Values, along with current District needs and those forecast for the future. The Strategic Plan provides goals, implementation strategies, key objectives, and metrics as a roadmap of actions to guide staff in their efforts to deliver excellent customer service to the rate payers.

The 2026 State of the District reflects the District's status in relation to the Mission, Vision, and Values and the Strategic Plan for fiscal year 2025/2026. The Mission, Vision, and Values are broken down into their key components and updates are provided in relation to each of those components, and the updates include references to the relevant Strategic Plan sections.



OUR MISSION

To protect the public health and environment, in a safe and reliable manner, at a reasonable cost.



OUR VISION

To honor a continuous improvement philosophy that upholds organizational excellence through proactive management of infrastructure and dedication to environmental stewardship, public outreach, customer service, safety, and fiscal responsibility by sustaining a highly qualified workforce.



OUR VALUES

- Quality customer service and high value to our ratepayers
- Infrastructure health
- Financially responsible stewardship
- Protection and enhancement of the environment
- Meeting or exceeding all regulatory requirements
- Efficient and progressive techniques, equipment, and methodologies
- Public involvement and environmental education
- Employee welfare

Mission, Vision, and Values components:
Protect and enhance the environment, protect the public health, environmental stewardship, reliability

- ✓ Certified Green Business
- ✓ Community sharps collection point
- ✓ No public health impacts
- ✓ No odor complaints were received for the marshes. Odor investigations occurred for the treatment facility but we were not found to be the source.
- ✓ 5 NOVs were received from the BAAD in April 2026 citing air violations related to hydrogen sulfide from the collection system that were detected by the neighboring refinery. District staff disagree with the findings and are awaiting further information to argue against the NOVs.
- ✓ No NPDES violations
- ✓ No regulatory fines
- ✓ No third-party claims or lawsuits
- ✓ No customer-initiated claims or lawsuits
- ✓ Sanitary Sewer Spills (SSS)
  - 12/23/25 – Cat 4, 21gal, FOG blockage, line segment placed on higher frequency cleaning
  - 2/16/26 – Cat 4, 10gal, mainline exfiltration from a small break, spot repair of break
  - 5/25/26 – Cat 3, 57gal, root intrusion, removed roots
  - 6/20/26 – Cat 4, 25 gal, root intrusion, increased root foaming schedule

Mission, Vision, and Values components:
Safety

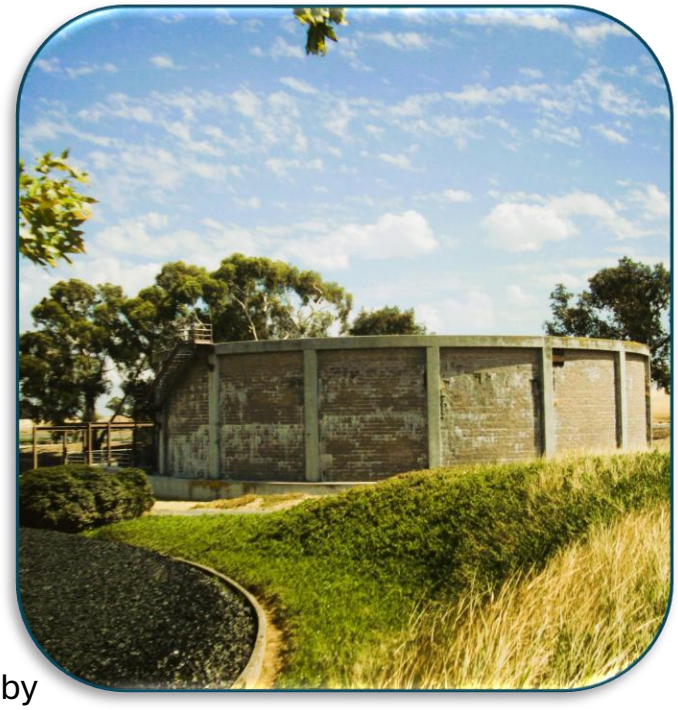
- ✓ No lost time employee injuries in FY 25-26
- ✓ No reportable injuries, Workers' Compensation claims, or modified work
- ✓ No reported injuries to the public resulting from District activities
- ✓ Staff received safety training on 51 different topics or programs for a total of 379.9 safety training hours
  - A new training matrix is implemented to allow for year-over-year tracking of all training

Mission, Vision, and Values components:
Reliability

- ✓ **Collection System and Source Control**
  - 210,268 linear ft (52%) of the District's 403,412 ft of mainlines were cleaned in FY26. This keeps us on track for cleaning the entire system every 2 years, meeting the SSMP goal of every 3 years
  - 74,737 ft of mainline were televised, completing the televising portion of the collection system condition assessment
  - Areas included in the High Frequency Schedule for cleaning were cleaned 4.5 times, for a total of 77,365 ft
  - 45 source control inspections for non-permitted commercial businesses were conducted.
    - 1 NOV issued for improper disposal of materials to the environment, related to a private SSS
  - 1 source control inspection for permitted industrial discharger was conducted and no NOVs were issued
- ✓ **Treatment facility maintenance**
  - 2,455 Work Orders assigned with a 99% completion rate
  - 124 more Work Orders than FY 24/25, which had 139 more than 23/24
- ✓ **Moorhen Marsh**
  - Upland vegetation management continues to enhance native vegetation and control invasive vegetation
  - Maintenance of the floating island structures and vegetation continues. Exclusion fencing added to extend life of vegetation and reduce maintenance
  - Significant burrowing from animals continues to cause levee damage. Working to secure grant funding to implement burrowing protection.
  - Beavers continue to block pipe outfalls
  - Significant invasive water vegetation changed nutrient levels in Moorhen. New floating island project in 2027will help define marsh abilities.
- ✓ **McNabney Marsh**
  - The District continues to participate in the SEP project that is assessing the water quality in the marsh as it relates to tidal influence and developing a tide gate automation system.

Mission, Vision, and Values components:
Proactively manage infrastructure

- ✓ The 2025 – 2030 Strategic Plan was developed to focus on efforts that are beneficial regardless of potential consolidation. The intention is to ensure investments are of value to the public with or without consolidation. Collection system projects meet this criteria.
- ✓ The following capital projects were completed in FY26
  - **Condition Assessment Program / Pipeline Cleaning & Televising Phase 3**: Provides condition assessment ratings to inform the prioritization of collection system rehabilitation projects to come.
  - **888 Howe Road Sanitary Sewer Replacement**: Resolves a right-of-way issue by acquiring a new easement and constructing a 442 ft sewer line and 3 manholes.
  - **Trunk Manholes Rehabilitation**: Resolves air quality concerns from the refinery regarding hydrogen sulfide from the sewer system by rehabilitating key manholes on their property.
  - **Palm Ave. Repairs**: Repairs a 6” line area that had a pipe collapse and FOG problem.



Mission, Vision, and Values components:
Reasonable cost, fiscal responsibility

Rates

- ✓ The District conducted an Affordability Study in 2023 that determined our rates to be affordable
- ✓ A Rate Study was completed in February 2026 that provided a 2-year rate schedule that increases rates by about 3.3% for FY 26/27 and 4.6% for FY 27/28
- ✓ Our current annual single family residence rate of $999 is 25% below the median for all 25 Bay Area comparator agencies
- ✓ Our current rate is 33% below the median when only comparing against smaller population agencies like MVSD (population size 8,679 – 47,000)
- ✓ Our current rate is 32% higher than Central San. Central San completed a rate study in March 2025 with a 2-year rate schedule of 6.5% increases.



Mission, Vision, and Values components:
Reasonable cost, fiscal responsibility

Agencies	Population Served	Annual Single Family Residence FY26	FY27
Scenic Heights CSD	175	2795.00	2995.00
Oak Knowll SMD	200	1845.00	1945.00
Devonshire CSD	700	1800.00	1860.00
Crocket CSD	3,094	1217.00	1217.00
Crystal Springs CSD	5,600	1919.00	1954.00
Burlingame Hills SMD	1,100	2185.00	2294.00
Emerald Lake SMD	4,000	1925.00	1995.00
Rodeo Sanitary District	8,679	1368.00	1488.00
SDMC - Tiburon (Marin #5)	8,400	2237.00	2460.00
SDMC - Belvadere (Marin #5)	8,400	2237.00	2460.00
Sausalito-Marin City Sanitary Dist	18,000	1506.00	1534.00
Mt View Sanitary District	21,200	999.00	1032.00
Fair Oaks SMD	32,514	1135.00	1175.00
Las Gallinas Valley Sanitation Dist	32,000	1641.00	1641.00
San Rafael SD	43,466	1012.08	1062.72
Ironhouse Sanitary District	47,000	934.18	967.65
Ross Valley Sanitary District	47,000	1288.00	1340.00
West Bay Sanitary District	52,900	1440.00	1512.00
Vallejo Sanitation and Flood Dist	120,000	1170.24	1240.56
Oro Loma SD	140,546	486.59	559.58
Dublin San Ramon SD	194,600	530.04	559.02
Delta diablo	218,000	513.80	557.48
Union Sanitary District	356,000	636.03	661.15
Central San	500,000	754.00	784.00
EBMUD	740,000	445.80	966.00
West County Wastewater	104,000	815.00	912.00
Average	104,137	1,339.80	1,429.70
Median	32,257	1,252.50	1,290.28

Mission, Vision, and Values components:
Reasonable cost, fiscal responsibility

Effectively manage costs

- ✓ We are effectively managing operating costs amidst soaring costs for key needs such as chemicals, fuel, power, and insurance that are increasing significantly higher than the inflation index.
- ✓ **O&M Expenditures** decreased 3.26% compared to FY 24/25 when excluding the one-time $3M additional pension funding payment. The decrease is mostly attributed to underspending in the Facilities Rehabilitation Fund which had budgeted for a new GapVax that came in the previous FY.
- ✓ The cumulative CPI increase from FY 21 - FY 26 is 16.8% while the cumulative increase in O&M Expenditures in the same time is 26.4%.

Operations & Maintenance (O&M) Expenditures vs. Inflation

Fiscal year:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
O&M Expenditures*	$6,745,255	$7,126,385	$7,590,880	$8,099,177	$8,449,792	$11,174,615
Percent increase in O&M expenditures		5.65%	6.52%	6.70%	4.33%	32.25%
CPI Inflation Index †		1.70%	5.60%	3.67%	2.76%	3.036%

**O&M expenditures are based on preliminary fiscal year-end reports and may exclude subsequent year-end adjustments.*
† FY 2025–26 CPI reflects the Board-approved December-to-December rate of 3.036%; rather than the All-Urban Index of 2.178 which did not reflect a full year.

Mission, Vision, and Values components:
Reasonable cost, fiscal responsibility

Effectively manage costs

- ✓ **Net position** decreased by $105 thousand
- ✓ **Operating revenues** increased by $315 thousand primarily due to the sewer service charge rate increase
- ✓ **Connection and franchise fees** decreased by $542 thousand due to fewer large development projects compared to FY25
- ✓ **Nonoperating revenues** decreased by $797 thousand because FY25 included proceeds from the sale of billboard leases

Financial Overview

Fiscal year:	2020-2021*	2021-2022*	2022-2023	2023-2024*	2024-2025	2025-2026
Total Operating Revenues	$7,278,479	$7,919,784	$8,741,429	$9,399,668	$10,194,966	$10,509,927
Operating Expenses, excluding Depreciation	6,381,357	6,621,155	7,590,880	8,177,170	8,864,237	9,986,267
Depreciation Expense	1,369,224	1,488,910	1,522,315	1,638,581	1,515,682	1,758,510
Nonoperating Revenues (Expenses), Net	431,041	218,353	548,315	3,228,621	1,835,724	1,038,118
Connection and Franchise Fees	139,800	81,973	783,435	147,486	633,029	91,289
Change in Net Position	**98,739**	**110,045**	**959,984**	**2,960,024**	**2,283,800**	**(105,443)**

**Restated amounts reflect the implementation of applicable GASB standards.*

Mission, Vision, and Values components:
Reasonable cost, fiscal responsibility

Position

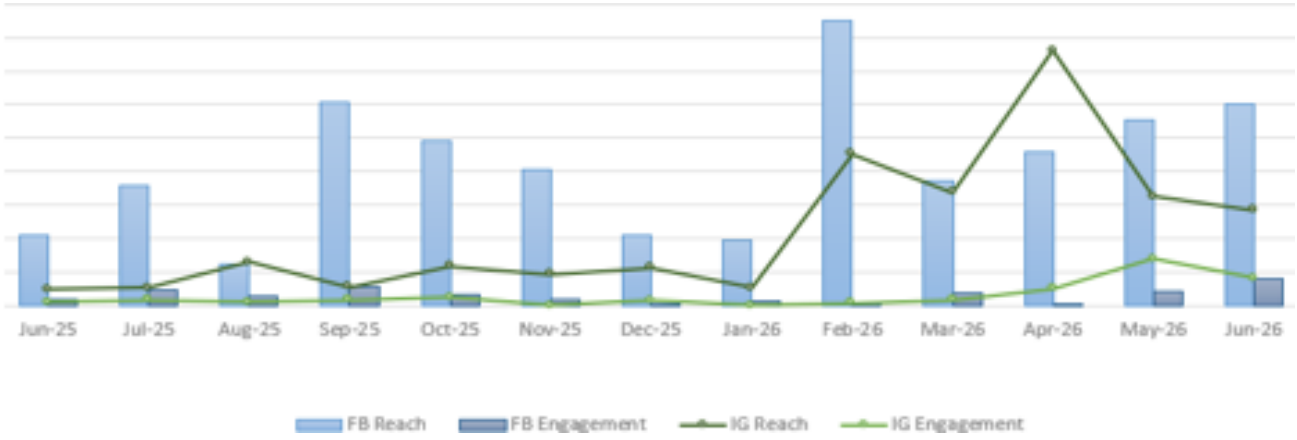
- ✓ Annual debt service remains at $846,803
- ✓ The ratio of Reserves or Fund Balance to Annual Expenditures is 1.12 (or 112.08%) when excluding the one-time additional pension funding payment.
  - Standard benchmarks qualify this ratio as strong, meaning our reserves can cover more than a full year of annual expenditures with no revenue coming in
- ✓ The ratio of Annual Debt Service Expenditures to Total Annual Expenditures when excluding the one-time additional pension funding payment is 7.59%
  - Standard benchmarks qualify this ratio as Healthy/Good
- ✓ Alternative funding –Grants and Contracts position filled in November 2025 and since then the District has been awarded about $1.5M in grant funds for pump station work, cybersecurity, and nutrient removal augmentation in Moorhen.
- ✓ Worth noting pursual of a 10-year financial forecast occurring in FY 26/27

Cash Balances by Fund as of June 30, 2026

Fund	Balance
3409 (Operations & Maintenance)	$ 9,958,207
3410 (Facilities Rehabilitation)	554,602
3412 (Capital Outlay)	3,754,506
3415 (Debt Service)	7,504
Total	**$14,274,819**

Mission, Vision, and Values components:
Public Outreach, customer service

- ✓ Enhanced public outreach messaging via multiple social media platforms, quarterly newsletter, MVSD website, MDWF website, and garbage bill inserts
- ✓ Positive reach and engagement with customers through social media



- ✓ Environmental Education continues through workshops, field trips, and tours.
  - 8 Treatment Facility tours from Diablo Valley College groups
  - Hosted Representative DeSaulnier and staff to tour the Treatment Facility
  - Hosted a Climate Impacts on Wastewater event as part of San Francisco Climate Week
  - Wetlands Field Trip Program – hosted 1,849 students from 21 schools
  - Environmental Engineering Academy brought 37 high school students to learn about Moorhen
  - Two trash cleanup event on the Waterbird side of McNabney and one on the Plant Road side

- ✓ Environmental Group use of marshes
  - Turtle workshop – biologist led workshop to train other biologists on Western Pond Turtles
  - Birding events – Mt. Diablo Bird Alliance hosted two events in Moorhen and one in McNabney
  - Garden Workdays – coordinated with CCRCD and Friends of Alhambra Creek to conduct two invasive weed removal events in Moorhen

Mission, Vision, and Values components:
Public Outreach, customer service

- ✓ Community events
  - Earth Day Event booth
  - Coastal Cleanup
  - National Night Out
  - Downtown Martinez Spooktacular Halloween event
  - 4th of July parade
  - Two trash and invasive weed cleanup events in McNabney
- ✓ Community Advisory Group – met quarterly, advertising for others to join

Mission, Vision, and Values components:
Continuous improvement, organizational excellence, highly qualified workforce

- ✓ Administration (all non-operations) remained fully staffed FY 25/26, but the Board Secretary retired in July. That position was immediately filled.
- ✓ The Operations department remained fully staffed and highly qualified:

Wastewater Operator License:
- Grade I Operator - 1
- Grade II Operator - 2
- Grade III Operator - 3
- Grade IV Operator - 1
- Grade V Operator - 2

CWEA Technical Certificates:
- Collection System Maintenance I – 3
- Collection System Maintenance II – 2
- Collection System Maintenance III – 1
- Mechanical Technologist I – 1
- Mechanical Technologist II - 1
- Electrical and Instrumentation I - 1
- Electrical and Instrumentation II – 2

- ✓ 33,109 total hours worked
- ✓ Maintained the District Transparency Certificate of Excellence
- ✓ Maintain Executive Coach on contract for key management positions
- ✓ Emphasis on identifying cross-training opportunities and staff development

Mission, Vision, and Values components:
Continuous improvement, organizational excellence, highly qualified workforce

- ✓ Focus on maintaining on-time annual employee performance evaluations
- ✓ Performance evaluations include a rating section to evaluate how employees adhere to our established Cultural Values
- ✓ Development of AI policy to leverage its strengths and minimize the risks
- ✓ Bolstering cybersecurity policy and practices
- ✓ The District provides budget and encourages staff to take advantage of training opportunities
  - In-house staff training – 42 hours
  - Outside staff development and technical training – 199.6 hours
  - Outside management training – 38.8 hours



Taken Altogether, the District is:

- ✓ In alignment with the Board's expressed Mission and Vision
- ✓ In regulatory compliance
- ✓ We are transparent to our ratepayers
- ✓ Engaged with our community and are building new connections
- ✓ Proactively pursuing alternate funding options
- ✓ Proactively studying our 10-year financial forecast
- ✓ Focused on continuous improvement
- ✓ Proactively managing assets
- ✓ Provide for and encouraging staff development





Strategic Plan FY 26 Deliverables Status

The 2025 – 2030 Strategic Plan identified goals, implementation strategies, key objectives, and metrics. The metrics are used to measure the success of the objectives. Metric status is reported to the Board quarterly. The Strategic Plan also included Manager's Goals and Objectives that outlined key deliverables each fiscal year of the Plan. The Plan specifies at least an annual review to ensure implementation stays on track and updates are made as appropriate.

The following table is a copy of the deliverables the Plan specified for completion in FY 26 with a brief status update.

Element	Activity	Deliverable	FY	Status
1.1	Conduct financial planning	Manager's Monthly Report to Board	26	In progress, FY27 completion
1.1.1	Conduct 5-year rate study	Submitted to Board for approval	26	Postponed to 27, after financial forecast completed
1.1.4	Develop pension and OPEB funding strategy	Manager's Monthly Report to Board	26	Completed
1.2.2	Consolidate garbage franchise	Include updates in monthly Manager's Report to Board	26	Canceled, Republic would not agree
1.2.5	Alternative contract procurement processes for non-CIP projects	Plan submitted to GM	26	In progress, FY 27 completion
1.3.4	Prop 218 outreach	Materials provided to public	26	Completed
2.2.2	Tracking system for private lateral issues	Report trends or observations to WOM	26	Incomplete
2.3.1	Audit of all air permits	Report to DGM	26	Completed
2.3.2	Air regulation SOPs	SOPs completed, trained, posted on The Flow	26	Completed
3.3.2	Develop SOP for asset additions/deletions	SOP developed, trained, and posted on The Flow	26	In progress, FY 27 completion
3.4.4	Develop cybersecurity program	Report to Board	26	Drafted, completion after cyber grant
4.1.1	Treatment unit key parameter dashboards and report templates developed	Completion reported to GM and DGM and training provided to all operators	26	Completed

Strategic Plan FY 26 Deliverables Status

4.1.2	Treatment unit target operational ranges defined and SOPs developed	Completion reported to GM and DGM and training provided to all operors	26	Completed
4.1.3	Study for centrifuge centrate equalization	Study and plan reported to GM and DGM	26	Completed
4.3.1	Develop AI SOP	Policy developed and all staff trained	26	In progress, complete after cyber grant project in FY 27
1.1.2	Annual reserve policy review and update	Manager's Monthly Report to Board	26-30	Completed
1.1.3	Quarterly investment and banking returns	Manager's Monthly Report to Board	26-30	updated to annual
1.1.3	Annual investment and banking strategy evaluation and update	Manager's Monthly Report to Board	26-30	Completed
1.1.4	Integrate pension and OPEB funding strategy into annual budget process	Integrated into annual budget report to Board	26-30	Completed
1.2.1	Report funding applications and awards quarterly	Manager's Monthly Report to Board	26-30	Completed
1.2.4	Integrate funding opportunity research as a component of every project.	Prior to project implementation, report findings to GM for in-house projects or integrate findings into CIP reports to Board	26-30	Completed
1.3.1	Provide annual financial reports to regulatory bodies	Reports submitted to regulatory bodies and status provided to GM for reporting to the Board	26-30	Completed
1.3.1	Provide quarterly financial reports to leadership team	Timely reports submitted to the leadership team	26-30	Completed
1.3.2	Annual internal controls review	Status reported to GM	26-30	Completed
2.2.1	Provide more specific direction for source control inspection contract to target grease dischargers	Review annual inspection list and provide direction to redirect to high-risk businesses as needed	26-30	Completed

Strategic Plan Deliverables Update for FY 2027-30



The following table presents a new deliverables plan that has been updated to integrate necessary changes based on the FY 26 status update.

Element	Activity	Deliverable	FY	Lead
1.1.2	Annual reserve policy review and update	Manager's Monthly Report to Board	26-30	GM
1.1.3	Annual investment and banking returns	Manager's Monthly Report to Board	26-30	GM
1.1.3	Annual investment and banking strategy evaluation and update	Manager's Monthly Report to Board	26-30	GM
1.1.4	Integrate pension and OPEB funding strategy into annual budget process	Integrated into annual budget report to Board	26-30	GM
1.2.1	Report funding applications and awards quarterly	Manager's Monthly Report to Board	26-30	GM
1.2.4	Integrate funding opportunity research as a component of every project.	Prior to project implementation, report findings to GM for in-house projects or integrate findings into CIP reporting to the Board	26-30	ALL
1.3.1	Provide annual financial reports to regulatory bodies	Reports submitted to regulatory bodies and status provided to GM for reporting to the Board	26-30	AFA
1.3.1	Provide quarterly financial reports to leadership team	Timely reports submitted to the leadership team	26-30	AFA
1.3.2	Annual internal controls review	Status reported to GM	26-30	AFA

Strategic Plan Deliverables Update for FY 2027-30

2.2.1	Provide more specific direction for source control inspection contract to target grease dischargers	Review annual inspection list and provide direction to redirect to high-risk businesses as needed	26-30	CL
1.1	Conduct financial planning	Manager's Monthly Report to Board	27	GM/DGM
1.1.1	Conduct 5-year rate study	Submitted to Board for approval	27	GM/DGM
1.2.5	Alternative contract procurement processes for non-CIP projects	Plan submitted to GM	27	DGM
2.1.2	Develop nature-based nutrient removal enhancement approach	Manager's Report to Board followed by nutrient removal efficiency reported in quarterly lab report to the Board	27	DGM
2.2.3	Collection system corrective maintenance documentation	System created and integrated into Ops-Eng Coordination meetings	27	CL
2.2.4	Collection system data tracking and evaluation system	System created and integrated into Ops-Eng Coordination meetings	27	CL
2.2.5	Post SSO/SSC event SOP	SOP developed, trained, and posted on The Flow	27	CL
2.3.1	Investigate options for replacing equipment nearing air regulation non-compliance	Report to DGM and GM and integrated plan into annual budget	27	WOM
2.3.3	Conduct study for fleet electrification needs	Report to GM, DGM, DE	27	WOM
3.2.1	Conduct I&I reduction study	Report to Board	27	DE
3.2.3	Collection system repair plan based on system assessment project	Report to GM	27	DE
3.3.2	Develop SOP for asset additions/deletions	SOP developed, trained, and posted on The Flow	27	DGM
3.4.4	Develop cybersecurity program	Report to Board	27	POAS
4.2.1	Study biotower operation and develop SOP for all seasons	Report to GM and DGM and all operation staff trained	27	WOM
1.2.3	Design/build/fund project opportunities	A plan for moving forward with D/B/F projects or report to Board specifying obstacles preventing implementation.	28	KP/DE
1.3.3	Seek the Certificate of Achievement for Excellence in Financial Reporting	Submit application and report status to GM	28	AFA

Strategic Plan Deliverables Update for FY 2027-30

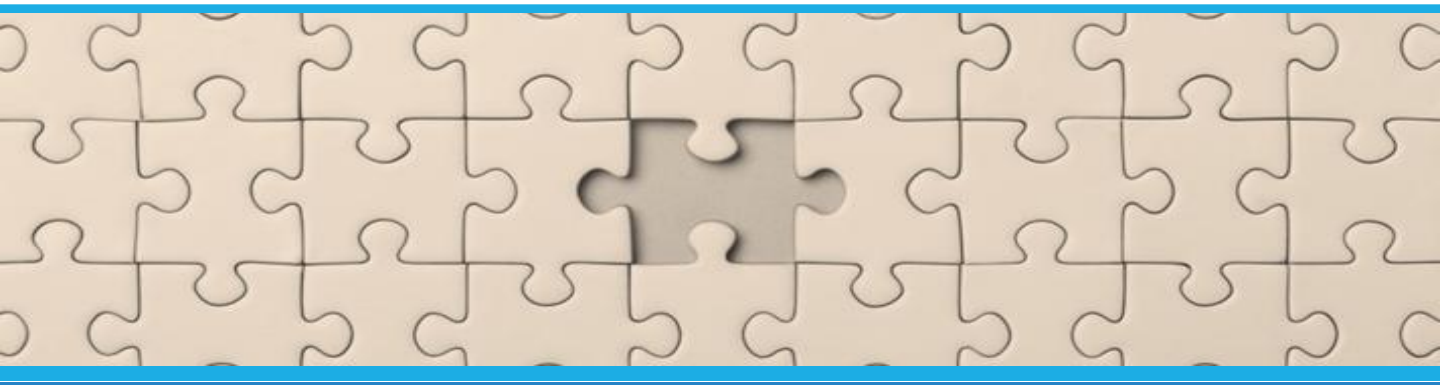
Element	Activity	Deliverable	FY	Lead
2.4.1	District training plan	Plan to GM and Monthly Manager's Report to the Board	28	DGM
3.2.2	Develop private sewer lateral program	Report to Board	28	CL
3.3.3	Audit assets and develop plan to replace or rehabilitate	Report to DGM	28	WOM
3.4.1	Investigate options for further securing the facility	Report to GM	28	DGM
3.4.3	Conduct Climate Resiliency study	Report to Baord	28	DGM
4.3.1	Develop AI Policy and SOP	Policy developed and all staff trained	28	POAS
4.3.2	Staff training on generative AI	Training provided to all staff	28	DGM
3.3.1	Develop formalized capital asset program	Report to Board	29	DGM
3.4.2	Conduct Emergency Resiliency study	Report to Board	29	WOM
4.3.3	Investigate options for leveraging machine learning AI	Report to GM and DGM and all operation staff trained	29	WOM
2.1.1	Moorhen infrastructure evaluation	Report of finding to Board	30	DGM
3.1.2	Collection system and Pump station CIP development	Report to Board	30	DE



Consolidation Feasibility Study

Impacts of the study process

- ✓ The study process has had a significant impact on District operations and staff
- ✓ Potential consolidation and the feasibility study concept and efforts started over 3 years ago when Central San senior management unexpectedly raised the concept at an MVSD public meeting
- ✓ Since the start of the study process, all decisions have required evaluating the best decision against if we consolidate or if we don't consolidate, adding time and effort to every activity
- ✓ Staff have received feedback from multiple vendors/contractors that they prefer to wait to understand if there will be a consolidation before contracting with us
- ✓ The Strategic Plan was written to allow for the first two years to focus on the collection system and other projects that would not invest funds in assets that may be decommissioned soon, delaying critical treatment facility projects
- ✓ Treatment facility needs necessitate moving forward now with planning for repair and rehabilitation, so proposals were sought for rehabilitation of the biofilter and biotower
- ✓ Recruitments since the study started have all had an introduction emphasizing potential consolidation, which is a significant consideration for applicants
- ✓ Without any details on how staff would be transferred in a consolidation, there has been hesitation recruiting for a management position due to inability to address questions that are reasonably asked by applicants.
- ✓ With Lilia's retirement pending and the Board's approval to promote the DGM to GM, we must move forward now with recruitment to backfill for the DGM. Since the DGM assumed ESM duties, recruitment could be for either DGM or ESM.



Consolidation Feasibility Study

Continuing concerns with the study and pending report

- ✓ Level of detail that will be included in the report regarding how staff will be transitioned.
  - Our staff are not satisfied with verbal assurances that they will have a job with no details on any of the numerous employment factors like benefits and pension
  - Verbal statements received have been that once consolidation is determined, then the details will be worked through
  - MVSD staff have repeatedly reminded all participants that understanding staff impacts and transition has always been a key priority in being able to make a decision about consolidation
- ✓ Level of detail that will be included in the report to show the impact on our rate payers. Verbal statements received have included:
  - A consolidation will cost Central San nothing and our rate payers' rates will not go down but may freeze
  - Rates will not be included but revenue need will be
    - Revenue need is one aspect of setting rates
  - MVSD staff have repeatedly reminded all participants that understanding how our rate payers' rates would be impacted has always been a key priority in being able to make a decision about consolidation
- ✓ CalPERS contract termination to secure retirees benefits
  - Total unfunded pension liability is $5.3M (6/30/25)
  - OPEB – 107% funded (6/30/25)
  - Contract termination – about $22M (2025)

Moving forward

- ✓ If a decision is reached *not* to move forward with consolidation:
  - The District will continue to move forward with the Strategic Plan and CIP to ensure responsible operation and maintenance of our facility
  - Messaging will need to be developed for both staff and rate payers. This could include using District platforms for messaging or hosting rate payers for a workshop.
- ✓ If a decision is reached to move forward with consolidation:
  - Staff will revisit the CIP and other planned projects to identify what is critical for only the next year or two.
  - Significant effort will be needed to reassure and retain staff

BOARD OF DIRECTORS



Discussion?

Perspective?

Direction?