



628 W. 19th Street
Costa Mesa, CA 92627

Fiscal Years
2010-15

Strategic Plan



*Meeting and Exceeding the
Public's Expectations*

Costa Mesa Sanitary District



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**Costa Mesa Sanitary District
Strategic Plan
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A. Introduction

A Strategic Plan is a top level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a 5-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational course of action. This plan has incorporated an assessment of the present state of District operations, gathering and analyzing information, setting goals, and making decisions for the future. Time has been taken to gather input from various sources to add to the veracity of the plans herein. The plan seeks to strengthen and build upon opportunities while addressing areas of concern.

This plan also identifies actions, activities, and planning efforts that are currently active and needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

The strategic planning effort has focused on several or all of the following task areas:

- A clear commitment to infrastructure health.
- Community relations.
- Collaboration with partner agencies.
- The need to address the challenges of providing a balance of programs and facilities that are needed with the very real constraints that exist now and in the future.
- Workplace health that is critical to meeting the District's service goals.

B. Definitions

1. Mission Statement: A declaration of an organization's purpose, why the organization exists. Ideally, all activities of the District should be in support of the Mission Statement.



2. **Vision Statement:** A statement that articulates where the organization would like to be over the term of the Plan. It should outline important aspects of the organization as described within the planning term. The Vision should create strategy and tactics in order to be met.

3. **Strategic Elements:** These are the broad, primary areas of District operations, planning, and management within the Plan that need to be addressed and supported by Strategic Goals to ensure optimum progress.
 - A. **Objective:** A concise statement associated with each strategic element that describes the objective of that element. It explains why that element is important to the District's overall strategy.

 - B. **Strategy:** A concise statement associated with each strategic element that describes how the objective for that element will be achieved.

 - C. **Performance Measurement:** Describes specific measureable outcomes for each strategic element to determine if objectives were achieved or not. The District uses the Balance Approach method of desired outcomes by focusing on three related areas:
 - Service Delivery (what is our product?)
 - Citizen/Customer Satisfaction (how satisfied are our customers?)
 - Cost Efficiency (how much does it cost?)

 - D. **Benchmark:** A concise statement describing a standard by which the strategic objective can be measured.



4. Performance Measurements: Performance measures help translates an organization's mission, vision and strategy into tangible objectives. It is an important interlinking tool for improving results, engaging customers (externally & internally), sharing information and building partnerships. Performance measurement is important to interlink with strategic planning because:

- A. If you have performance measurement without strategic planning, you know how fast you are going, but you do not know whether you are going in the right direction.
- B. If you have strategic planning without performance measurement, you know you are going in the right direction, but you do not know whether you are getting there.
- C. The District's philosophy of performance measurement is to:
 - Increase customer trust and confidence;
 - Focus on meaningful outcomes;
 - Demonstrate effectiveness;
 - Challenge staff to be creative and innovative.

5. Strategic Goals: Strategic Actions are specific and measurable activities or targets that address the strategic elements. Day-to-day actions and projects (not covered in detail in the Strategic Plan) will be designed so that the Strategic Goals are accomplished.



C. Plan Development and Continuation Process

In 2008 the Board of Directors of the Costa Mesa Sanitary District (District) retained BHI Management Consulting (Consultant) to facilitate and coordinate the initial Strategic Plan development. BHI first gathered input from the employee base at CMSD, then interviewed individual Board members to get their one-on-one perspectives. The following items were discussed; mission statement, core values, District strengths, weaknesses, opportunities and threats, current and future issues and important future projects.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. A Board/Key Staff workshop was conducted to develop the following plan elements: strategic elements, write objective and strategy statements for each strategic element, write performance measurements and the desired outcomes to achieve, and initial work on Strategic Goals.

A steering committee, consisting of the Key Staff, worked with BHI to complete the list of Strategic Goals in support of the Vision and strategic elements and refine the Plan prior to presentations to the full Board for initial review and final approval.

A key part of the Strategic Planning process is to conduct an annual review and update of the plan. These reviews allow for maintenance of the plan so that it reflects the actual progress and needs of the District. The reviews will be documented, and followed up with by either a plan supplement or an updated plan. A five-year planning horizon will be maintained.



D. Mission Statement, Vision Statement, Core Values

MISSION OF THE COSTA MESA SANITARY DISTRICT

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

VISION OF THE COSTA MESA SANITARY DISTRICT

IN FIVE YEARS THE DISTRICT WILL HAVE:

- eliminated areas in our sewer system that require significant enhanced maintenance;***
- a positive reputation in the community;***
- significantly lessened infiltration and inflow into our sewer system;***
- mitigated calcium buildup in the sewer collection system;***
- diverted as much solid waste as practical from the landfill;***
- eliminated all public sewer system overflows;***
- implemented modern technologies to all of our operations;***
- completed westside pumping station abandonment;***
- diversified our revenue sources;***
- continued our model sewer lateral program;***
- implemented a working succession plan;***
- maintained reasonable rates and reserves to support current and future infrastructure.***



CORE VALUES OF THE COSTA MESA SANITARY DISTRICT

- *Is it responsive to our customers?*
- *Is it cost efficient, practical and sensitive to rates?*
- *Does it protect the environment?*
- *Will it support our commitment to maintenance and rehabilitation of our sewer infrastructure?*
- *Does it support our employees to be productive and motivated?*
- *Will it support our commitment to reliability in the services we provide?*



E. Strategic Elements and Goals

Strategic Elements and Strategic Goals represent the vital areas of the District's operation, planning, and management. Strategic Elements are derived from the foundational Mission and Vision statements of the District. They are linked to action through Strategic Goals within the five-year period that serve to assure that important areas of the District are well supported and moved forward per Board direction. Strategic Elements and supportive Strategic Goals, along with action dates within the planning period, are presented in tabular form in Table 1.

The Strategic Elements are:

- **1.0 Sewer Infrastructure**
- **2.0 Solid Waste**
- **3.0 Partnerships**
- **4.0 Public Relations**
- **5.0 Administrative Management**
- **6.0 Personnel/Organization Management**
- **7.0 Finances**



1.0 Sewer Infrastructure

Objective: Our objective is to collect and transport wastewater to meet the needs of existing and future customers.

Strategy: *We will do this by the careful management of the collection infrastructure using prudent planning and maintenance, with financial strategies to maintain sufficient capacity and respond to changing regulatory demands.*

Service Delivery Measurement	Benchmark
To ensure transmittal of wastewater by properly maintaining the Districts sewer system	<ul style="list-style-type: none">• Within the 30 percentile of the fewest gallons lost in the environment per 100 miles compared with other public agencies.• Within the 30 percentile of the fewest spills per 100 miles compared with other public agencies.
Citizen/Customer Satisfaction Measurement	Benchmark
To achieve high citizen/customer satisfaction	<ul style="list-style-type: none">• 90% of survey cards returned indicated the District's Sewer Lateral Assistance Program as being good to excellent.• Match OCSD's rain ingress goal of 2%
Cost Efficiency Measurement	Benchmark
Demonstrate cost effective use of funds allocated to maintaining the District sewer mains	The cost per 100 miles for maintaining the sewer mains is within the lowest 30 percentile when compared to other public agencies



STRATEGIC GOALS

1.1 Implement a Calcium Abatement Program -

The Costa Mesa Sanitary District (CMSD), the El Toro Water District (ETWD), the Santa Margarita Water District (SMWD) and the Leucadia Wastewater District (LWD) have all experienced one form or another of calcium buildup on the inside of their vitrified clay pipe (VCP) sewers. The buildup is extensive and

extremely hard to remove and prevents the regular cleaning and televising of the lines. The LWD experienced nine miles of layered buildup while the ETWD experienced stalagmites and the CMSD experienced layers and stalagmites.

The National Clay Pipe Institute (NCPI) stated these instances appeared to be the first occurrences of this emerging problem. NCPI has been testing the calcium in labs in the United States and France and is formulating a citric acid solution to soften the calcium followed by removing by hydrojetting. Meanwhile, the CMSD found an impact cutter, similar to tunneling equipment, which will remove the calcium. Because the impact cutter might damage offset joints, the citric acid procedure appears safer. The CMSD's Calcium Abatement Program will begin in late 2010 when NCPI completes their study.



Strategic Goals		Completion Timeline
1.1	Implement a Calcium Abatement Program	2010-11
1.2	Inflow Reduction Program	2011-12
1.3	Hot Spot Abatement Program	On-going
1.4	System wide Sewer Replacement and Repair Program	On-going
1.5	Sewer Line Maintenance Cleaning Program	On-going
1.6	Evaluate force main conditions on a regular basis	On-going
1.7	Pump Station Maintenance & Standardization Program	On-going
1.8	Fats Oil Grease (FOG) Program	On-going
1.9	Sewer Lateral Assistance Program	On-going

1.2 Inflow Reduction Program - The State Water Resources Control Board and the Orange County Sanitation District (OCSD) require agencies to develop programs that prevent Infiltration and Inflow (I/I) from entering sewer systems. This project is a continuation of the District's I/I Program, which began in 2009.



I/I places a severe operational and financial strain on OCSD due to significant amounts of I/I causing sewers to be oversized because of the unwanted water. Normally, I/I is a low percentage of the daily dry wastewater flow, however, I/I in OCSD's tributary area is sometimes as high as two to three times the dry weather flow. Therefore, agencies are obligated to make a concentrated and on-going effort to reduce I/I, including designating yearly Capital Improvement Projects in this regard.

Infiltration is underground water entering into sewer lines through cracks and/or separated joints. After recently televising the District's system, the system was found to be in good condition with no measureable infiltration.

Inflow is surface water entering from manholes or from illegal connections and the District had significant inflow due to flat streets and the need for additional storm drain improvements. The District's Inflow Reduction Program is an attempt to reduce the amount of surface water entering the sewer system. Staff believes plugging and sealing manholes is the best course of action to prevent inflow although not all manholes will be plugged and sealed in order to allow the sewer system to function properly. To date, staff has plugged and sealed approximately 1,500 manholes out of approximately 4,646 manholes District wide.

As stated, according to the District-wide CCTV results, the I/I making its way into the CMSD sewer system is from Inflow, not Infiltration. As evidenced in the OCSD Percent Rain Ingress Map and as explained at Sewer System Committee meetings, there are three orange/red/brown areas that have rainfall above the OCSD goal of 2.0% rainfall ingress (light blue color) into the sewer system. This is quite a large percentage of the CMSD service area and the reason OCSD has CMSD near the top of the list for member agencies with I/I.

District staff divided the entire District into thirds and the Maintenance Supervisor and two construction inspectors were each assigned one-third. Each of the three is responsible for plugging and sealing manholes located in vee gutters in alleys, manholes within 5'-10' of curb and gutter, manholes in streets known to flood during rain events, manholes on private property subject to inflow so long as permission from the property owner is obtained, and any other manholes subject to inflow. Additionally, the three attempt to locate illegal connections of backyard or parking lot storm water into the sewer followed by working with the property owners to terminate the connections.



In order to quantify results of the Inflow Reduction Program, the District Engineer prepares charts comparing pumping station run times during rain events with run times during dry weather to calculate the total Inflow into the system.

Another proactive step is the arrangement with National Plant Services (NPS) to completely seal the vent holes, pick hole, and the open space between the ring and cover at no cost to the District if done during the regular maintenance cleaning operation.

CMSD staff is coordinating its effort with the Orange County Sanitation District and is continuing its public education of the importance of preventing storm water from entering the sanitary sewer.

- 1.3 Hot Spot Abatement Program** - “Enhanced Maintenance Areas” (or “Hot Spots”) are sewer line segments that require frequent cleaning due to sags in the line, heavy grease, offset joints, or other line problems. The frequent cleaning causes the District to expend time and resources, as the Maintenance Supervisor and cleaning crew must regularly clean these sections to avoid sanitary sewer overflows (SSO’s).

Through the District’s sewer system sub-committee, District staff and consultant Environmental Engineering & Contracting (EEC) analyze the hot spots in order from worst to best to determine the necessary line repairs or FOG program assistance to eliminate the hot spots. This program has proven to be successful by structurally repairing many line segments and increasing the cleaning frequency. This program will continue until enhanced maintenance areas are eliminated.

1.4 System Wide Sewer Replacement and Repair Program –

Replacement

This portion of the program provides a yearly contribution to the long-term replacement fund for the sewer system. The Board of Directors approves the yearly contribution that will contribute to replacing the sewer system if and when the sewer system reaches its life expectancy. A long-term replacement fund is prudent and one of the necessary components of comprehensive sewer system management.

The District has 216 miles of gravity sewer main that were constructed beginning in 1953. Therefore, the system is 57 years old and industry standard belief considers the life expectancy of vitrified clay pipe (VCP) to be 100 years. The economics of a system wide replacement program are as follows: Assigning a per foot construction cost of \$300 per foot, which includes manholes and other



related costs, times 216 miles of sewer equals approximately \$350 million. This is a significant sum and one that will not likely be reached by the District since the total yearly budget for the entire District is just over \$10 million.

Fortunately, VCP sewers have lasted over 200 years in certain locations in the United States and the material itself is inert (resistant to chemical breakdown) and resistant to abrasion. Therefore, it is possible to consider the life expectancy long enough so that technology may advance to a point where new inexpensive rehabilitation methods will be developed.

The most important component for extending the life expectancy of the sewer system is to televise the pipe interior and repair problems before they magnify. The District completed a District-wide televising project in 2009 and recently analyzed and compiled the results into a repair program.

Staff will continue televising sewer mains and make recommendations to the Board a timeline for sewer replacement.

Repairs

This portion of the project will fund repairs, rehabilitation and reconstruction of various types of deficiencies encountered during the District-wide televising project.

Rehabilitation is expected over the long term and the proposed funding for this project is currently at \$700,000 per year. It is anticipated the funding will continue thereafter to handle the on-going rehabilitation necessary to insure the system operates properly as it enters its second 50 years of existence.

Projects high on the priority list are those deficiencies that score 5 on the National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program (PACP) rating system used during the televising project. A score of 5 indicates immediate attention is required and a score of 4 indicates repair will likely be necessary in the next few years.

The Board will approve a plan that will include a timeline and a budget for repairing pipelines receiving a deficiency score of 5.

- 1.5 Sewer Line Maintenance Cleaning Program** - Sewer mains are cleaned to remove grit, debris, solids, grease and roots that build up over time. Because flow velocities in sewers are low, buildup on pipe walls, and having solids settle out, is continually occurring. Industry standard cleaning cycles vary from cleaning the system once every year to once every three years.



The CMSD uses a hybrid approach and cleans small 8" VCP tract sewers with small flows once every three years, while cleaning higher flowing sewers every two years, and cleaning the highest flowing and problem sewers every year.

The CMSD uses a combination public-private arrangement where National Plant Services, Inc. (NPS) performs maintenance cleaning while the CMSD employee crew performs hot spot and other specialty cleaning. By cleaning all parts of the gravity sewer system within three years, the CMSD is in conformance with industry standards.

- 1.6 Evaluate force main conditions on a regular basis** - Because force mains operate under pressure, breaks in force mains are similar to breaks in water lines where water is gushing out at high volumes. Because flows in force mains are so high, SSOs from breaks in force mains result in large spill volumes. For instance, should a five minute spill occur from a break in the Irvine pumping station force main, the spill would total $5 \text{ min} \times 1,500 \text{ gal/min} = 7,500 \text{ gallons}$. This volume is far above a typical gravity sewer spill volume. Therefore, agencies should conclude force main rehabilitation is a priority.

Unfortunately, force main condition assessment is at this point in time an inexact science, meaning there is no current method to determine the structural integrity of the entire line. Pipe wall thickness is the critical indicator of whether a failure is likely to occur, however, existing pipe wall thickness can only be currently measured by excavating and exposing the pipe followed by attaching a sensor. Obviously, the entire pipe length cannot be exposed for this test. What is needed is a new technology consisting of a no-dig method of introducing a probe into the line from the outlet manhole all the way down the line while it measures the pipe wall thickness.

It is prudent for the District to continue tracking the age and operating conditions of the force mains and to replace or rehabilitate the lines as necessary.

- 1.7 Pump Station Maintenance and Standardization Program** - The District's 20 sewer pumping stations each contain two pumps, piping, valves, fittings, electronic controls, liquid level sensors, and other equipment that requires regular maintenance. The key to avoiding station breakdown and Sanitary Sewer Overflows (SSOs) is a regular maintenance schedule for each of the components.

With the assistance of the Operations Manager, the Maintenance Supervisor maintains a detailed spreadsheet of all his activities at the pumping stations. The Maintenance Supervisor has determined the proper maintenance and replacement frequency and continues to keep the pumping stations running



properly. The Maintenance Supervisor is also assembling an inventory of replacement parts and equipment to decrease down time.

To simplify operations, the District Engineer, Maintenance Supervisor and Operations Manager have agreed to a standardized list of parts and equipment in the stations. Uniformity of equipment simplifies operational knowledge, replacement activities, and inventory.

- 1.8 Fats, Oils and Grease (FOG) Program** - Fats, oils, and grease (FOG) is discharged into the sewer system mainly from food service establishments (FSEs). The grease cools, then adheres to the pipe walls and decreases the open area of the sewer interior. Unless removed, the FOG will eventually completely block the flow and cause a sanitary sewer overflow (SSO).

The State of California Waste Discharge Requirements (WDR) requires sewer agencies to have FOG programs to eliminate SSOs. In response to this mandate, the Costa Mesa Sanitary District uses consultant EEC and the Orange County Health Care Agency (OCHCA) to manage its FOG program along with CMSD plan check and inspection staff.

EEC provides permitting, monitoring, and enforcement activities for the District's FSEs. An OCHCA food inspector will also pay visits to FSE's on behalf of CMSD to check whether a pre-determined list of best management practices (BMPs) is being adhered to. Additionally, the District's FOG program includes the CMSD Permit Processing Specialist and District Engineer insuring new, remodeled, and existing (where appropriate) FSEs contain FOG reduction devices through the plan check process.

- 1.9 Sewer Lateral Assistance Program** - The State Water Resources Control Board recognizes that private property sewer spills are not the responsibility of the public sewer agency but the number of private property spills is significant and needs to be addressed. Private property sewer spills are a major cause of ocean water pollution and programs should be developed to reduce spills.

CMSD Board of Directors became concerned at the significant cost of sewer lateral repair, particularly if the problem is located in the street. Because many property owners are unable to service their sewer laterals due to the lack of a cleanout, the Board approved an incentive program where the District would financially assist the property owner.

The Costa Mesa Sanitary District Board adopted its Sewer Lateral Assistance Program in the 2007-2008 fiscal year including the program parameters of reimbursing a residential property owner up to \$1,800 for installing a cleanout, cleaning the lateral, root cutting, hydro jetting, spot repair, or installing a liner.



The lateral is defined as the sewer from the building all the way to, and including, the connection to a sewer main.

The first application was received on September 27, 2007, followed by very active resident participation. The program was so well received; the Board allocated an additional \$50,000 for the first fiscal year, 2007-2008, making the total \$150,000.

The yearly project budget of \$200,000 includes \$150,000 for reimbursements to residential property owners for work performed on sewer laterals and \$50,000 for staff costs. The District's program has been closely watched locally and state-wide as other agencies also begin to voluntarily adopt programs.



2.0 Solid Waste

Objective: Our objective is to manage the collection and recycling of residential trash in the most economical and environmentally friendly way.

Strategy: We will do this by looking for ways to improve efficiencies, achieve high customer satisfaction, and considering prudent new recycling methods.

Service Delivery Measurement	Benchmark
Promote recycling and maximize the use of feasible source reduction and recycling options.	Achieve an annual diversion 10% greater than the AB 939 compliance rate.
Citizen/Customer Satisfaction Measurement	Benchmark
To achieve high citizen/customer satisfaction.	90% of survey cards returned indicated the quality of service provided by the District's franchise hauler as being good to excellent.
Cost Efficiency Measurement	Benchmark
Demonstrate cost effective use of funds allocated for refuse and recycling services.	Residential rates will rank competitively* when compared to surrounding municipalities.

*Competitively shall mean within the fifty percentile.



STRATEGIC GOALS

2.1 Encourage the use of alternative fuel vehicles

– The use of alternative fuel vehicles such as Compressed Natural Gas (CNG), Liquid Natural Gas (LNG), hybrid, propane, electric and fuel cells, etc., promotes the reduction of vehicle emissions, reduces the dependency on foreign

Strategic Goals		Completion Timeline
2.1	Encourage the use of alternative fuel vehicles	2012-13
2.2	Pursue reducing polystyrene food packaging	2013-14
2.3	Comprehensive School Education Programs	On-going
2.4	Encourage Zero Waste	On-going
2.5	Monitor advancements and technology in the solid waste industry	On-going

oil, and improves the air quality that we breathe. Diesel garbage trucks are among the oldest, least fuel-efficient and most polluting vehicles in the United States. Requiring the District's franchise hauler to use alternative fuel trash collection vehicles will achieve our objective of collecting, recycling and disposing in an environmentally friendly way, will reduce the health risks to both the drivers and the public, and will help reduce the country's dependence on foreign oil.

2.2 Pursue reducing polystyrene food packaging – Expanded polystyrene foam presents unique management issues because it is lightweight, floats, resists biodegradation, and easily breaks into smaller pieces. These small pieces can be ingested by marine wildlife, leading to reduced appetite and nutrient absorption and possible death by starvation. According to a United Nations Environment Global Program of Action study, at least 162 marine species including most seabirds are reported to have eaten plastics and other litter.

Although expanded polystyrene is considered an inexpensive and effective product, it has many drawbacks and hidden costs which are deferred to the public and the environment. Food service polystyrene is a one---time use product that degrades extremely slowly in nature. Expanded polystyrene litter is not easily contained and is often conveyed to local creeks, the San Francisco Bay and the Pacific Ocean. Polystyrene waste constitutes 15% of the litter collected in storm drains, and is the second most abundant type of marine debris according to a 2004 CIWMB study.

According to the Long Beach---based Algalita Marine Research Foundation, 60 to 80 percent of the world's ocean litter is made up of plastic. In some areas, 90 to 95 percent of the marine debris is plastic. State and local governments spend millions of dollars every year on ocean litter cleanup. In fiscal year 2006,



Caltrans spent \$55 million to remove litter and debris from roadsides and highways. Uncollected, most of this will ultimately drain into the ocean. Marine debris also negatively impacts California's \$46 billion tourism-based ocean-dependent economy. Despite an ongoing effort for decades to reduce ocean litter, the proliferation of plastic debris has increased exponentially.

Full and partial polystyrene food container prohibitions have been implemented in many California cities including: Alameda, Aliso Viejo, Berkeley, Calabasas, Capitola, Carmel, Emeryville, Fairfax, Hercules, Huntington Beach, Laguna Beach, Laguna Woods, Los Angeles, Malibu, Millbrae, Oakland, Pacific Grove, Pittsburg, San Clemente, San Francisco, San Juan Capistrano, Santa Cruz, Santa Monica, and West Hollywood.

The District will coordinate efforts with the Cities of Costa Mesa, Newport Beach and the County of Orange to pursue the possibility of a full or partial polystyrene food package prohibition within District boundaries. The economic impacts will be considered as part of staff's research to ban this product.

2.3 Comprehensive School Education Programs – California state law requires each jurisdiction to divert a minimum of 50% of the waste stream from landfill disposal into recycling and/or green waste and to provide education and outreach. The District promotes the three "R's" – Reduce, Reuse and Recycle. The District is responsible for collection of solid waste from residential units only. While the District is not responsible for collection of solid waste from commercial facilities, the District continues to promote recycling education and recycling principles at schools to reinforce the concepts starting at the earliest ages possible to begin the learned pattern of the three "R's". The District will continue promoting recycling concepts to school children through the waste free lunch program, backyard composting and vermicomposting program, telephone book recycling program, scheduling tours of material recovery facilities, and general recycling presentations.

2.4 Encourage Zero Waste - Zero waste is a philosophy and a design principle for the 21st Century; it is not simply about putting an end to landfilling. Zero waste efforts, just like recycling efforts before, will change the face of solid waste management in the future. Instead of managing wastes, the District will encourage the management of resources and encourage eliminating waste through public education programs.



- 2.5 Monitor advancements and technology in the solid waste industry** – The District will pursue advancing technologies and methods for processing solid waste material at material recovery facilities to further increase the diversion of solid waste material from landfills. The solid waste industry is opening new opportunities for innovative technologies from converting gas to energy, biodiesel and fuel cells to landfill cap design. Some of the new and innovative technologies the District will monitor will include, but not be limited to: landfill gas to energy, bioreactor technology, fuel cell, biodiesel, digesters, thermal conversion process, and anaerobic digestion.



3.0 Partnerships

Objective: To foster beneficial relationships to accomplish the goals of the District.

Strategy: *We will do this by embracing strategic ties with other organizations, working closely with regulators, developing a deliberate legislative agenda and participating in professional associations.*

Service Delivery Measurement	Benchmark
Promote good stewardship with other public, private and/or non-profit agencies that will enhance District services.	<ul style="list-style-type: none">• Increase customer trash collection compliance (CR&R).• Reduce the number of trash cans being tagged for being left at curbside on non-collection day by 50%.• Increase the quantity of HHW commodities collected and recycled.• Increase school participation by 10% from the year before.
Partnership Satisfaction Measurement	Benchmark
To achieve high satisfaction among partnering organizations.	90% of survey cards returned indicated the ongoing partner relationship as being good to excellent.
Cost Efficiency Measurement	Benchmark
Demonstrate cost savings and/or operational efficiencies by being associated with professional associations.	Percent of cost savings as a result of new and innovative programs implemented.



STRATEGIC GOALS

3.1 Explore partnerships with other utilities –

The District is currently involved in formal and informal partnerships with various utility providers. Doing so has enabled the District to provide more efficient service and to tap into support needed during emergencies. In addition, such relationships help

Strategic Goals		Completion Timeline
3.1	Explore partnerships with other utilities	2010-11
3.2	Strengthen our ties with Cities of Costa Mesa, Newport Beach and the County of Orange	2010-11
3.3	Strengthen our ties with our state and federal legislators	2010-11
3.4	Participate in the activities of professional associations	On-going
3.5	Participate in Chamber of Commerce activities	On-going

provide a strong and united voice on issues affecting the local area. To accomplish this requires reaching out to utility representatives, establishing regular information exchanges, making District resources available and providing support when necessary.

3.2 Strengthen our ties with Cities of Costa Mesa, Newport Beach and the County of Orange - In order to properly support the cities and county the District serves, it is imperative to maintain open channels of communication with neighboring communities. Continued participation on the Liaison Committee between Mesa Consolidated Water, the City of Costa Mesa, and CMSD is favorable. Casting the net wider to include the City of Newport Beach will assist the District in obtaining even more feedback from the local region. Establishing a contact person responsible for identifying opportunities and maintaining positive working relationships with the County of Orange and surrounding agencies is critical to the success of the District's plan in the future.

3.3 Strengthen our ties with our state and federal legislators - The District is subject to the dictates of new state and federal legislation and the requirements of initiatives. The District can also secure funding through the legislative process. To accomplish this goal, staff will monitor proposed bills and initiatives through the California State Legislature website and other means and will provide information to the Board of Directors such as the impacts propose legislation may or may not have on the District. In turn, the Board of Directors can provide written communications to state and federal legislators on certain bills the District supports or opposes. In addition, the Board of Directors and/or staff will seek assistance from our legislators on securing grant funds to the District.



- 3.4 Participate in the activities of professional associations** - To pursue and accomplish District goals and objectives, key staff will be assigned to actively participate in professional associations. This will include participating on committees, subcommittees, and task forces assigned to address specific areas of concern or those that are of strategic interest to the District. If possible and where it also serves the best interests of the District, key staff will also pursue appointment or election to the governing boards and committees of select professional associations.
- 3.5. Participate in Chamber of Commerce activities** - It is important that the District build a positive identity in the community. The Chamber of Commerce is a well-known advocate for local business. Current membership in the Costa Mesa Chamber of Commerce provides the District with opportunities for low cost publicity, networking, referrals, and community development. Utilizing these tools for maximum exposure will enable the District to maintain its high level of commitment to residents.



4.0 Public Relations

Objective: Our objective is to inform and establish beneficial relations with the community.

Strategy: *We will do this by providing a high level of customer service internally and through the careful management of service providers. We will provide information to and seek feedback from our customers about our programs, services and accomplishments through modern technologies, the media and direct interactions with our customers.*

Service Delivery Measurement	Benchmark
To provide exceptional quality of service in the liquid waste and solid waste industry.	90% of District service providers received an annual and/or project completion evaluation score of at least 95 points out of a possible 100 point rating system.
Citizen/Customer Satisfaction Measurement	Benchmark
To achieve high citizen/customer satisfaction.	90% of survey cards returned indicated District programs are good to excellent.
Cost Efficiency Measurement	Benchmark
Implement effective methods to reach our customers at minimal cost to the District.	90% of methods used to reach our customers cost less than \$5.00 per 1,000 residents for each method implemented.



STRATEGIC GOALS

4.1 Develop a Facebook page

- Facebook is a social networking website that has the ability to connect the District with residents, vendors and other public agencies. Facebook is free to register and user friendly. Facebook enables the District to publicize information, events, discussions,

comments, and photos. It also has the ability to link the user to other government agencies. Residents may communicate with the District through private or public messages. Utilizing a Facebook page will strengthen community and District interactions.

Strategic Goals		Completion Timeline
4.1	Develop a Facebook page	2010-11
4.2	Develop user survey to be incorporated in the District website and Facebook	2010-11
4.3	Develop a survey card for the Sewer Lateral Assistance Program	2010-11
4.4	District branding	2010-11
4.5	To ensure high level of customer service through effective management of contracts	2011-12
4.6	Submit award applications	On-going

4.2 Develop user surveys to be incorporated in the District website and Facebook -

The Costa Mesa Sanitary District highly values its customers. The District will develop a user survey available on the District website and Facebook page. A well-laid out survey allows the District to obtain customer feedback which can greatly help the District achieve a high level of customer satisfaction. As we continually seek ways to improve, the District will continue to provide customers with prompt and courteous service, while maintaining competitive rates.

4.3 Develop a survey card for the Sewer Lateral Assistance Program -

The Costa Mesa Sanitary District residential Sewer Lateral Assistance Program was established on July 15, 2007 and continues to earn high praise. The program pays 50% of a resident's sewer lateral cleaning, repair, lining, replacement or installation of a clean out, up to \$1,800. Since the establishment of the program, over 350 residents have received financial assistance. Obtaining feedback from customers on their level of satisfaction will assist the District in determining if refinements are needed and/or to continue with the program. The District will monitor resident feedback on this program by requesting residents to complete a pre-paid postcard survey created by staff. Residents will receive the survey card along with his/her reimbursement check in the mail.



4.4 District branding - Cost Mesa Sanitary District is a Special District that meets and exceeds your expectations! The District builds an identity to solidify customer's confidence when working with the District. The District devotes 100% effort to assist customers. The District responds quickly to any sewer issues and inspection requests. The District's permit process is low cost and simple. Moreover, if a resident requests trash service, the District's trash collector will respond quickly to haul away their trash. If there is any complaint, the District listens and resolves the issue. Citizens can depend on and trust the District for the services it provides. Staff will present to the Board ideas on how to distinguish ourselves from other public agencies.

4.5 To ensure high level of customer service through effective management of contracts - Contracting for public services can be a complex process that requires multiple types of expertise and responsibilities from public administrators. Typically, there are three phases to the contract process. They are:

1. *Feasibility Assessment.* This process is when administrators determine whether a particular service is appropriate or not for contracting, and whether or not vendors exist to perform such services.
2. *Implementation.* This is the process that requires the development of bid specifications, soliciting bids, selecting a vendor and awarding the contract.
3. *Evaluation.* The final process is monitoring and evaluating the performance of a vendor to determine if he/she has fulfilled the responsibilities specified in the contract.

Many organizations perform the first two phases very well. However, the third phase, evaluation, is where many organizations find themselves lacking the capacity to adequately monitor and audit contractors. As a result, contractors will cut corners in their performance so they can go to another job site to earn more money. The bottom line is that contractors are in the business to make money. The more contracts they can secure the more money they will earn so it is essential for them to be efficient in their performances.



The problem for public organizations is that they are being overwhelmingly challenged to do more with less. These agencies do not have the resources and/or an effective program to continually inspect contractor performances. There always seems to be other projects that take on a higher priority than contractor evaluations.

The District is no exception. That does not mean staff is failing to inspect the work of our contractors. However, with more responsibilities being bestowed upon us (e.g. implementing the Strategic Plan, performance measurements, budget reports, public education, etc.), it will become increasingly difficult to inspect all the work being performed by our contractors. A well thought out plan should be developed and implemented that will have “teeth” to hold contractors accountable. Staff will develop a rating system that will consistently evaluate the performance of District contractors and hold them accountable for their performance.

- 4.6 Submit award applications** - The Costa Mesa Sanitary District dedication has resulted in a high level of accountability and responsibility to the public, and a high degree of customer satisfaction. Over the years, the District has received awards from California Special District Association, California Water Environment Association, and the Costa Mesa Chamber of Commerce for its excellent work. The District will continue to submit award applications for available grants and public recognition. The District is proud to contribute significantly to the quality of life in the communities it serves.



5.0 Administrative Management

Objective: To create, maintain and implement policies and procedures to ensure sound management of the District.

Strategy: *We will conduct periodic reviews, refine and implement policies and procedures, and assure the General Manager has the direction and tools necessary for successful District operations.*

Service Delivery Measurement	Benchmark
Monitor federal, state and regional legislation, regulations, and rules through advocate agencies such as the California Special District Association, League of California Cities, California Association of Sanitation Agencies, etc.	New passage of federal, state and/or regional regulations are incorporated in existing District policies and procedures and approved by the Board within 90 days after passage in the state legislature and/or Congress.
Management Satisfaction Measurement	Benchmark
District management has the necessary tools to successfully fulfill District operational needs.	District management has necessary resources to fully implement programs without delays.
Cost Efficiency Measurement	Benchmark
Implement new policies and procedures at minimal cost to the District.	90% of new policies and procedures are implemented at cost or less.



STRATEGIC GOALS

5.1 Update Operations Code

The Operations Code was adopted as an ordinance/general regulation pursuant to the authority provided by Health and Safety Code Section 6490. With the recent restructuring of the District and changes made to the District's administrative rules and regulations, revisions to the Operations Code are required.

Strategic Goals		Completion Timeline
5.1	Update Operations Code	2010-11
5.2	Enhance Records Management Program	2011-12
5.3	Stay informed on applicable federal, state and regional regulations	On-going
5.4	IT Management	On-going
	a. SCADA	2010-11
	b. GIS	2012-13
	c. CMMS	2012-13

5.2 Enhance Records Management Program - A records management and retention program for the District is necessary for efficient and systematic control of records, including classifying, storing, securing and destruction or preservation of records. Using technology to manage documents is critical to the efficient administration of the District. Records must be identified and authenticated. A government agency, it is necessary for the District to adopt a records retention policy document. Staff is recommending, through the budget approval process, the services of a professional in developing a retention schedule; destruction procedures and training, and imaging assistance. The recommended professional is an expert in effective and efficient procedures on how to scan, index, assures quality control and various procedures surrounding the process, and is an expert in compliance with California Law for Special Districts.

5.3 Stay informed on applicable federal, state and regional regulations - Staff will monitor federal, state and regional legislations, regulations and rules and ensure the Board is apprised. Necessary revisions to District policies and procedures will be presented to the Board of Directors for approval. Staff will observe publications of California Special District Association, League of California Cities, and the California Association of Sanitation Agencies, etc. for notifications of such legislations and regulations.



- 5.4 IT Management** - The District will develop its management information capabilities to support the District's move towards a performance and knowledge base, metric-driven organization that aligns day-do-day operations with business strategy. Information technology creates opportunities and options. To extract the value of information, technology requires innovation in business practices. A management information system provides enhanced analysis, modeling and decision-making capabilities. Under this plan, IT Management will have completed a Supervisory Control and Data Acquisition (SCADA), Geographic Information System (GIS), and a Computerized Maintenance Management System (CMMS).



6.0 Personnel/Organizational Management

Objective: To employ and retain a high quality, motivated workforce.

Strategy: We will do this by utilizing sound policies and personnel practices, offering competitive compensation and benefits, providing opportunities for training, development and professional growth, while ensuring a safe and secure workplace.

Service Delivery Measurement	Benchmark
Implement workplace security measures and trained staff on safety protocols.	Zero work related injuries occurred in the workplace.
Employee Satisfaction Measurement	Benchmark
Achieve high employee satisfaction.	90% of District employees surveyed indicated the District is a good to excellent place to work.
Cost Efficiency Measurement	Benchmark
Salaries and benefits are competitive within the industry.	Salary ranges are favorably compared to other public agencies surveyed. Benefits are at least equivalent to the average survey public agencies.



STRATEGIC GOALS

6.1 Enhance existing safety plan

– A Workplace Injury and Illness Prevention Program is essential to insure the health and safety of District employees. To maintain a safe working environment the District will continue current workplace safety practices and enhance the program in the following areas:

- Increased attendance of safety training courses
 - Implementation of a safety awards program
 - Special District Risk Management Authority's (SDRMA) online safety program
1. Increase number of employees taking courses.
 2. Document the District Workplace Injury, Illness and Prevention Program.

Strategic Goals		Completion Timeline
6.1	Enhance Existing Safety Plan	2010-11
6.2	Enhance Emergency Operations Center (EOC)	2010-11
6.3	Update personnel rules and administrative regulations	2010-11
6.4	Redesign employee performance evaluation forms	2010-11
6.5	Complete comprehensive succession plan for the District	2011-12
6.6	Complete a comprehensive salary study	2011-12
6.7	Periodic Organization chart evaluation	On-going
6.8	Promote high employee satisfaction	On-going

As a result of the increased usage of Special District Risk Management Authority (SDRMA)'s Target Safety website the District will receive additional credit incentives applicable toward liability insurance premiums.

6.2 Enhance Emergency Operations Center

- An emergency operations center, or EOC, is a central command and control facility responsible for carrying out the principles of emergency preparedness and emergency management or disaster management functions at a strategic level in an emergency situation, and ensuring the continuity of operation of an organization.

An EOC is responsible for the strategic overview, or "big picture", of the disaster, and does not normally directly control field assets, instead making operational decisions and leaving tactical decisions to lower commands. The common functions of all EOC's is to collect, gather and analyze data; make decisions that protect life and property, maintain continuity of the organization, within the



scope of applicable laws; and disseminate those decisions to all concerned agencies and individuals.

Currently, the District trains EOC operations and procedures with the City of Costa Mesa. The District will establish its own EOC at District Headquarters and train staff on EOC functions along with the state Standardized Emergency Management System (SEMS) and the federal National Incident Management Systems (NIMS). This will ensure the District is eligible for state and federal assistance in the event of a catastrophic disaster.

6.3 Update personnel rules and administrative regulations - District rules and regulations are required to facilitate effective and economical services to the public and to provide an equitable system of personnel management. District reorganization created the need and opportunity to review and update administrative and personnel rules and regulations to ensure District goals are obtainable.

6.4 Redesign employee performance evaluation forms - The purpose of the performance appraisal process is to improve employee performance and to provide appropriate rewards. Performance appraisals help employees improve by providing feedback on how they are performing and can provide motivation by recognizing well done jobs. Performance appraisals help the manager make personnel decisions such as promotions, reassignments, and terminations.

They also help define training needs and integrate total human resources of the firm. The current employee performance evaluation is long and cumbersome and does not provide incentives for employees to perform at the highest level. The District employee performance evaluation form will be redesigned to be user friendly for managers, easy to understand for employees and will provide incentives to encourage employees to perform at his/her highest level.

6.5 Complete comprehensive succession plan for the District – A succession plan allows an organization to look into the future to mitigate issues with potential staffing gaps, analyze pending issues with staffing, as well as single point information failures. The District has never performed such an analysis. As baby boomer employees reach or anticipate retirement, it is important that organizations properly plan. The plan will analyze the known planned attrition and the organization as it relates to potential upcoming staffing issues. Further, it will propose methods to ensure appropriate organizational depth in critical functional areas, determine if critical information is held by singular employees and explore methods to share this information. The plan will assure proper information spread to provide for adequate staffing in the future. The succession plan will also evaluate means for allowing and promoting the growth of internal staff for career progression. Training plans will be proposed to



promote career development progression in a planned way. An outside firm may be engaged to assist with this effort.

- 6.6 Complete a comprehensive salary study** – Employees expect objectivity and equity in decisions about their pay, and good organizations do their best to meet that expectation. A salary study can provide useful information to attract, support and retain competent employees. In order for the District to retain a high quality, motivated workforce it must be competitive with other agencies. Staff will conduct a comprehensive salary study to determine useful benchmarking information for comparing salaries and benefits.
- 6.7 Periodic Organization chart evaluation** – The Board of Directors should know the structure and size of the organization for which they provide oversight. The General Manager will periodically outline the organizational structure with the Board to assure that the organization is structured for efficient operations and proper organizational flow and function. The evaluation will be presented to the Board of Directors for their review every two years or as changes or new positions are proposed.
- 6.8 Promote high employee satisfaction** – Employee satisfaction is key to providing excellent customer service and retaining employees. District employees will participate in an initial employee satisfaction survey. Survey results will be reviewed and areas of improvement determined. Employee input and teamwork will be promoted. Staff training and cross training will become a priority. The latest programs for employee motivation and satisfaction will be reviewed and implemented when possible. A follow up survey will be taken to determine the progress achieved.



7.0 Finances

Objective: To ensure the short and long-term fiscal health of the District.

Strategy: *The District will forecast and plan revenue and expenditures and maintain appropriate reserves and investments to provide financial resources to fund current and planned operations and projects.*

Service Delivery Measurement	Benchmark
Ensure projects are completed within Approved Budget.	90% of projects and/or programs are completed within Approved Budget.
Citizen/Customer Satisfaction Measurement	Benchmark
Enhance public access to District Financial Reports.	90% of customers surveyed indicated financial reports on District website were understandable and user friendly.
Cost Efficiency Measurement	Benchmark
Long Term Fiscal Conditions: 5-year financial forecast.	Operating expenditures will not exceed operating revenues each year.



STRATEGIC GOALS

7.1 Develop quarterly budget reports –

Currently, the Finance Department prepares monthly financial reports to the Board and staff on line item expenditures. The report describes every line item budget amount, monthly expenditure, year to date

Strategic Goals		Completion Timeline
7.1	Develop quarterly budget reports	2010-11
7.2	Develop financial reports for the website	2011-12
7.3	Develop an asset management program	2012-13
7.4	Develop a Comprehensive Annual Financial Report (CAFR)	2012-13
7.5	Evaluate an appropriate reserve program	2012-13

expenditure, year to date variance and available balance. While this is good information, it does not tell the whole story. Staff will prepare new budget reports that will compare the original budget to the working budget and current expenditures to last year's expenditures. The report will describe any changes to the budget and run rate projections along with staff's projected balances. Along with this data will be a narrative describing the expenditures. These reports are more time consuming than the current financial reports because the reports will require analytical work from staff. Because of the detailed analyses, the budget reports will be submitted to the Board and staff on a quarterly (every three months) basis.

7.2 Develop financial reports for the website – To demonstrate transparency within the District, staff will develop and make available user friendly financial reports on the District's website. The financial reports to be made available on the website are the audited financial reports and the annual budget document.

7.3 Develop an asset management program - Asset Management is a continuous process that guides the acquisition, use, and disposal of an infrastructure asset or assets in order to optimize service delivery and minimize the cost of the asset over its service life. Staff will develop a program that will assess the condition of District assets greater than \$25,000, determine the asset life cycles and risk management and develop a life cycle costing system (Internal Service Fund).



- 7.4 Develop a Comprehensive Annual Financial Report (CAFR)** - Each year all State and local governments prepare a financial report on assets, liabilities, revenues and expenditures in a standardized format that must conform to the Government Accounting Standards Board (GASB) accounting and financial reporting standards. This financial report is called the Comprehensive Annual Financial Report. Most people have heard of the budget, which is the document that plans and authorizes the spending of money. The CAFR describes what actually was spent and the status of assets and liabilities at the end of the fiscal year. The District will contract for an annual audit by a qualified independent certified public accountant. The District will strive for an unqualified auditors' opinion. Generally Accepted Accounting Principles (GAAP) will be used in preparing the annual financial statements. The District will prepare an annual CAFR and will aspire to meet the requirements of the CSMFO's or GFOA's award for Excellence in Financial Reporting program.
- 7.5 Evaluate an appropriate reserve program** – An appropriate reserve balance is needed in the event of catastrophic emergencies and/or to replace aging sewer infrastructure. It is impossible to establish a reserve balance that will pay for the entire replacement of the District's sewer system, which is estimated at nearly \$350 million, because it would require significant increases in the sewer fees. Such significant sewer rate increases would likely be deemed unfavorable by the public. Furthermore, not all sewer sections need to be replaced at one time. With many of the District's sewer sections approaching 100 years old by 2050, it is prudent that funding is put aside to ensure the sewer system is replaced at the end of its life expectancy and not operate a system that is beyond its life expectancy, or the District could experience significant failures. The Board will establish a capital replacement reserve policy that will set a funding level for replacing sewer mains that have reached the end of their useful economic lives. The reserve level could be a percentage of the current value of the system or it can be a set dollar amount.



F. District Boundary Map

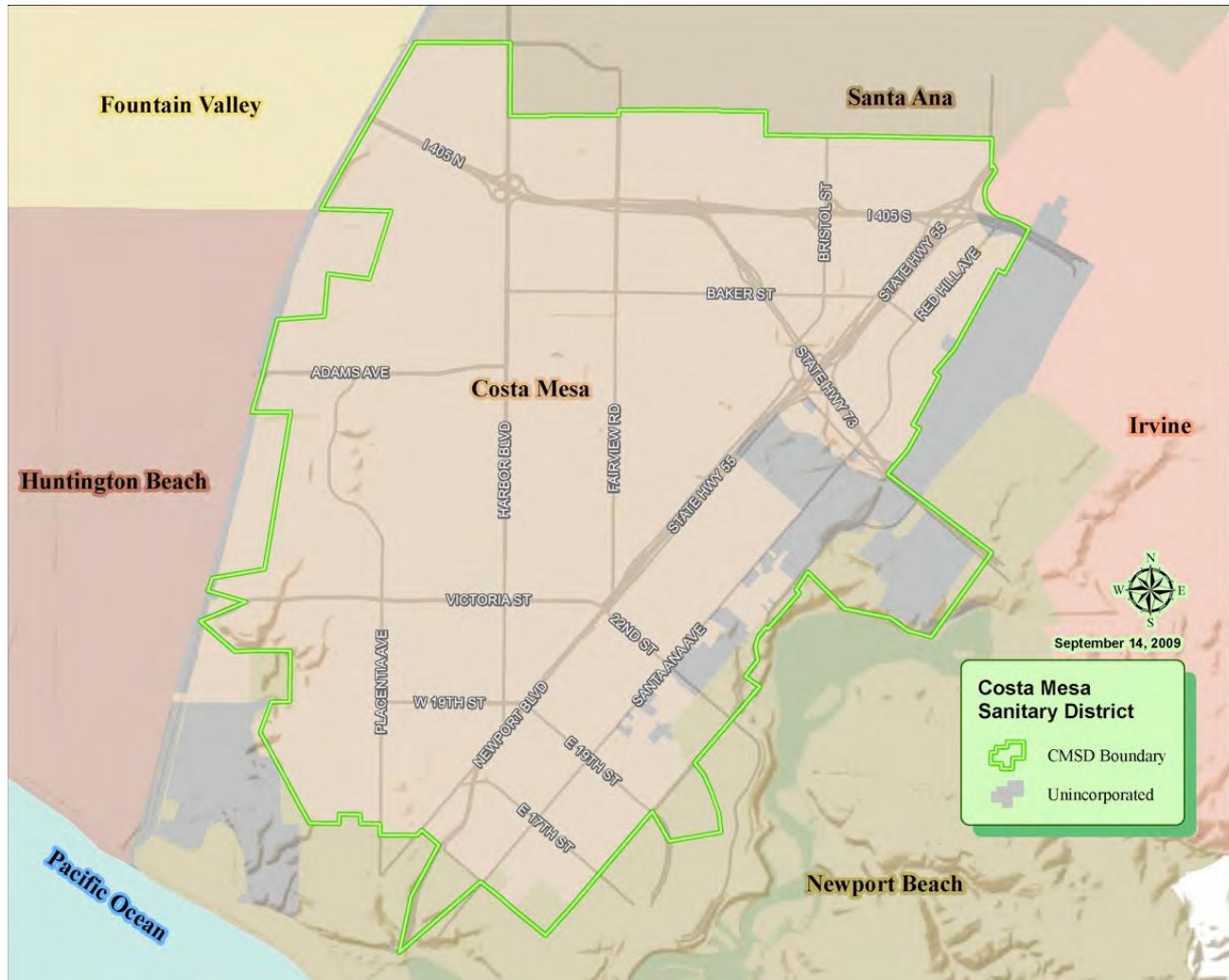




Table 1 – Five Year Plan at-a-glance

Strategic Element	Strategic Goals	Timeframe
1.0 Sewer Infrastructure	1.1 Implement a Calcium Abatement Program	2010-11
	1.2 Inflow Reduction Program	2011-12
	1.3 Hot Spot Abatement Program	On-going
	1.4 System wide Sewer Replacement and Repair Program	On-going
	1.5 Sewer Line Maintenance Cleaning Program	On-going
	1.6 Evaluate force main conditions on a regular basis	On-going
	1.7 Pump Station Maintenance & Standardization Program	On-going
	1.8 Fats, Oils and Grease (FOG) Program	On-going
	1.9 Sewer Lateral Assistance Program	On-going
2.0 Solid Waste	2.1 Encourage the use of alternative fuel vehicles	2012-13
	2.2 Pursue reducing polystyrene food packaging	2013-14
	2.3 Comprehensive School Education Programs	On-going
	2.4 Encourage Zero Waste	On-going
	2.5 Monitor advancements and technology in the solid waste industry	On-going
3.0 Partnerships	3.1 Explore partnerships with other utilities	2010-11
	3.2 Strengthen our ties with Cities of Costa Mesa, Newport Beach and the County of Orange	2010-11
	3.3 Strengthen our ties with our state and federal legislators	2010-11
	3.4 Participate in the activities of professional associations	On-going
	3.5 Participate in Chamber of Commerce activities	On-going
4.0 Public Relations	4.1 Develop a Facebook page	2010-11
	4.2 Develop user surveys to be incorporated into the District website and Facebook	2010-11
	4.3 Develop a survey card for the Sewer Lateral Assistance Program	2010-11
	4.4 District branding	2010-11
	4.5 To ensure high level of customer service through effective management of contracts	2011-12
	4.6 Submit award applications	On-going



5.0 Administrative Management	5.1 Update Operations Code	2010-11
	5.2 Enhance Records Management Program	2011-12
	5.3 Stay informed on applicable federal, state, and regional regulations	On-going
	5.4 IT Management a. SCADA b. GIS c. CMMS	On-going 2010-11 2012-13 2012-13
6.0 Personnel / Organizational Management	6.1 Enhance existing safety plan	2010-11
	6.2 Enhance Emergency Operations Center (EOC)	2010-11
	6.3 Update personnel rules and administrative regulations	2010-11
	6.4 Redesign employee performance evaluation forms	2010-11
	6.5 Complete comprehensive succession plan for the District	2011-12
	6.6 Complete a comprehensive salary study	2011-12
	6.7 Periodic Organization chart evaluation	On-going
	6.8 Promote high employee satisfaction	On-going
7.0 Finance	7.1 Develop quarterly budget reports	2010-11
	7.2 Develop financial reports for the website	2011-12
	7.3 Develop an asset management program	2012-13
	7.4 Develop a Comprehensive Annual Financial Report (CAFR)	2012-13
	7.5 Evaluate an appropriate reserve program	2012-13