



December 2, 2021

Board of Directors
Ventura Regional Sanitation District
Ventura, California

CONDUCT STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS OF VENTURA REGIONAL SANITATION DISTRICT (CONTINUED FROM NOVEMBER 3, 2021 MEETING)

RECOMMENDATIONS

- A. Review and approve the consolidated and prioritized lists of Strengths, Weaknesses, Opportunities, and Threats.
- B. Receive and file the staff presentation.
- C. Provide direction, if any, to staff on the SWOT analysis following the staff presentation.

FISCAL IMPACT

None at this time for the proposed recommended actions, but the SWOT analysis does highlight and identify areas of VRSD operations, past and present, which may have future fiscal impacts to VRSD.

BACKGROUND/ANALYSIS

At the October 13, 2021 Board Meeting, the Board conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) brainstorming session.

The brainstorming results have been consolidated and prioritized by staff with input from Legal Counsel, in Attachment 1. It is recommended that the Board review, discuss, and approve this consolidated list prior to moving forward with the next phase of the strategic Planning process. The initial brainstorming results from the October 13, 2021 meeting are included as Attachment No. 1.

The next phase of the plan preparation is to develop objectives using the SWOT brainstorming results as a foundation. Staff will show some examples of this in a presentation in today's meeting to jumpstart the process.

This letter has been reviewed by Legal Counsel as to form.

If you should have any questions or need additional information, please contact me by phone at (805) 568-4600 or via email at ChrisTheisen@vrzd.com.

CHRIS THEISEN, GENERAL MANAGER

APPROVED FOR AGENDA: 
Chris Theisen, General Manager

Attachments: 1. Draft Consolidated and Prioritized SWOT Brainstorming Results
2. Initial Brainstorming Results

**Draft Consolidated and Prioritized SWOT Brainstorming Results
From VRSD Board of Directors and Staff
November 2021**

Strengths

1. The current Conditional Use Permit and Solid Waste Facility Permit allow financial projections that indicate a long-term, sustainable future for the Toland Road Landfill.
2. The organization relentlessly pursues cost efficiency and has demonstrated flexibility, resiliency, and nimbleness in responding to external events that have threatened this pursuit.
3. The not-for-profit structure of the landfill ownership facilitates charging only actual costs to stakeholders, keeping rates and fees low.
4. The governance of the District by locally elected government officials provides for transparency and accountability to the rate-paying customers of the District's service area.
5. The staff, the board members, and the agency, itself, represent decades of relevant experience in solid waste operations, water/wastewater operations, and institutional knowledge.

Weaknesses

1. The District competes in a market with private sector entities and is hampered by the restrictions associated with government entities (e.g., the Brown Act, requirements of public employee labor agreements, additional regulations, etc.) which cost the District in dollars and efficiency.
2. Ongoing financial liabilities from past decisions and lack of property tax revenue combine to create an existence with razor thin protection from future missteps.
3. The universe of potential customers for solid waste disposal and wastewater collection and treatment services is finite.
4. Human resource reductions in response to decreased revenues have hampered the District's capacity to provide proactive and reactive public relations, marketing, legislative monitoring, liability mitigation, and reaction to rising costs.
5. Employee recruitment and retention are challenging in an environment of fiscal and operational uncertainty.
6. Long-term Contract with Malibu Bay Club for wastewater services.

Opportunities

1. The Toland Road Landfill is the definitive destination for waste originating in western Ventura County due to its cost and environmental superiority.
2. Long-term revenue contracts and commensurate long-term employee agreements may could ensure a sustainable future for the District.
3. The evolving federal, state and local regulatory landscape may could yield opportunities for new services and ancillary business ideas.

Draft Consolidated and Prioritized SWOT Brainstorming Results
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Threats

1. Decreased future MSW tonnage due to State-mandated organics diversion and the lack of any potential new solid waste disposal customers combine to put downward pressure on solid waste revenues.
2. Private sector interests may exert cost pressure on VRSD with the intent of causing financial harm.
3. The current environment of misinformation campaigns, “fake” news, and manipulation of perception may lead to existing and future clients, federal, state, and local regulators, ratepayers, board members, and employees.
4. Market-induced increases in unfunded pension liability.
5. Unfunded governmental mandates.
6. Anthropogenic climate change in the form of sea level rise may cause a catastrophic environmental accident at the Malibu Bay Club.

Strengths

- What do our customers love most?
- What are we more efficient at?
- What can we do for less money?
- What can we do in less time?
- What makes us stand out?

1. Professional, experienced staff that are resilient
2. Key & vital service to the community
3. Diverse and experienced Board of Directors who are involved
4. Only landfill in the area
5. Captive audience
6. Represented by stakeholders
7. Efficient on how we run our resources (landfill)
8. Good at rightsizing the organization (revenue that are generated)
9. Provide services to small agencies that cannot do the things that need to be done on their own
10. Tremendous asset
11. Small size/special district structure allows us to be nimble (not bound by bureaucratic restrictions)
12. Very resilient/mission has changed/can be flexible/capable to respond to changing situation (SW & liquid waste)
13. Board is very thoughtful
14. Staff is efficient
15. We can position ourselves to accommodate changing structures
16. Accountability (open public meetings); Trustworthiness
17. Longevity & the institutional knowledge is extremely important (been around since 1970); historical resource of solid waste & liquid waste

1. Not for Profit Structure
2. Governance and control by local government (SW)
3. Financial projections indicate a strong future (SW)
4. CUP modification success indicates an extended landfill and agency life (SW)
5. Successful experience in SW operations (SW)
6. VRSD Board has implemented labor rates that reflect cost recovery
7. VRSD Board has proven it is willing to implement difficult expense reductions
8. Toland Road Landfill is environmentally and cost superior to western Ventura County customers (SW)
9. Flexibility to cancel contracts with proper notice (W/WW)
10. Have years of experience to tap on (W/WW)

11. Skilled and certificated staff (W/WW)
12. Historical knowledge of systems (W/WW)

Weaknesses

- Where do we lack efficiency?
- Where are we wasting money?
- Where are we wasting time and resources?
- What do our competitors do better?
- What are our top customer complaints?

1. Had to consolidate duties of existing staff
2. Revenue & expenditure limitations
3. Limitations of expressing benefit of local landfill
4. General public not aware of waste
5. Connection to Malibu Bay Club
6. Communicating with our customers & stakeholders
7. Susceptible to being attacked (limited resources/staff); responding timely & effectively
8. Operate in cumbersome environment (restrictions/brown act/notices/union issues)
9. Have adhoc irregular performance management audits, rather than regular structured ones
10. At mercy of environmental restrictions (coming from Sacramento)
11. Limited pool that we can acquire new clients (limited to expand)
12. Given our limited revenues, we have increased liabilities
13. Increasing employee costs, materials, services; limited revenues (combination is weakness)

1. Operating in government setting, while competing with private sector, because governments have higher built-in costs (e.g. contracts with pensions)
2. Operating in government space without benefit of tax dollars and with a mindset of a baseline of funds available
3. Saddled with debt or cost from actions taken years or over a decade ago (PARS, biosolids drying, microturbines and the SCE PPE, social security participation, etc.)
4. Think tank/innovator paradigm still haunts the organization
5. Slow to consider & implement changes due to the bureaucratic nature of government
6. Restricted by labor agreements
7. Resources used on no activities that don't add value
8. Challenges with employee turnover at lower levels due to pay and insurance driving requirements (SW)
9. Current staffing and workload conditions limit ability to evaluate processes to test for value added (SW)
10. Limited customer options/base (W/WW)
11. May lose employees due to unpredictability of District affairs (W/WW)
12. The VRSD business model is dependent on other agencies to give us business (W/WW)
13. Inability to fully explore potential opportunities due to lack of funding (W/WW)

Opportunities

- What is missing in our market?
 - What could we create or do better than a competitor?
 - What new trends are occurring?
 - What new technology could we use?
 - What openings in the market are there?
 - What makes us unique?
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1. Couple environmental regulations with evolving clients needs
 2. Legislative landscape could provide new opportunities (reinventing organization) do something new or different
 3. Economic opportunities at the landfill that we may not be aware of (non-trash related) promote as environmentally sound
 4. Analyze potential clients; outreach program to publicize strengths (provide assistance to other agencies); more business/more revenue
 5. In a position to modify or reinvent the organization (streamline); channel efforts to do what we do best (i.e. provide consulting)
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1. Secure long-term financial stability by negotiating multi-year labor contracts tied to CPI, which would match revenue contracts with haulers (SW)
 2. Toland Road Landfill provides a competitor to the only other County landfill (SW)
 3. Professed perpetual commitment to the Toland Road Landfill by EJ Harrison & Sons (SW)
 4. Interest by various by various entities in certain landfill properties could provide future revenue sources (SW)
 5. Reevaluating W/WW business model to better identify the clients' needs (W/WW)
 6. Potential for five year contracts with an increase in the first year and the next four tied to C.P.I. could provide opportunity to continue with Water/Wastewater Services for at least five years (W/WW)

Threats

- What changes are occurring in our market's environment?
 - What technologies could replace what we do?
 - What changes are occurring in the way we're being discovered?
 - What social changes could threaten us?
 - Are there any threatening government policies or regulations?
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1. Changes to climate environment; proximity to Malibu Bay Club
 2. Public perception
 3. Handling food waste; how it will impact landfill impacts
 4. Maintenance of flares
 5. Private sector interests seeking to eliminate public service providers
 6. Crazy world we live in (i.e. perception of government, get info/misinformation out); lots of time to manage it
 7. Possible legislation to increase cost to operate business (environmental regulations, reports, analysis—difficult to charge for)
 8. Future financial liability (less tons, must be prepared for that)
 9. Changes in pension costs (unfunded pension liabilities)
 10. Changes to Board membership (loss of institutional knowledge)
 11. Outside environmental issues that we cannot control
 12. Fiscal threats - Expenses exceeding revenues
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1. Mis-information campaigns regarding agency performance can lead to lack of customer and regulatory agency support and low employee morale
 2. Private competitors could exert cost pressure in future (SW)
 3. Decreasing future tonnage due to AB 1383 Organics diversion will result in revenue pressure in the future (SW)
 4. There aren't any additional appreciable tons available in the County to increase our revenues, and we are restricted from taking out-of-county tons by our CUP (SW)
 5. Competition - lower cost options exist without "government" costs (W/WW)
 6. Trend amongst agencies to be more self-reliant, in-house servicing (W/WW)
 7. Cost recovery rates may cause a downward spiral in customer base (W/WW)
 8. Outside agencies recruiting District employees due to current woes (W/WW)

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