

# NOVATO SANITARY DISTRICT

July 11, 2011

**The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:30 p.m., Monday, July 11, 2011, at the District Offices, 500 Davidson Street, Novato.**

*Materials related to items on this agenda are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours. They are also available on the District's website: [www.novatosan.com](http://www.novatosan.com).*

## **AGENDA**

**1. PLEDGE OF ALLEGIANCE:**

**2. AGENDA APPROVAL:**

**3. PUBLIC COMMENT (Please observe a three-minute time limit):**

This item is to allow anyone present to comment on any subject not on the agenda, or to request consideration to place an item on a future agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Board at this time as a result of any public comments made.

**4. REVIEW OF MINUTES:**

- a. Consider approval of minutes of the June 27, 2011 meeting.

**5. CONSENT CALENDAR:**

The Manager-Engineer has reviewed the following items. To her knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

- a. Approve disbursements.

**6. PUBLIC HEARING – 2011-12 SEWER SERVICE CHARGE REPORT:**

- a. Open hearing.
- b. Consider protests regarding sewer service charge report.
- c. Close hearing.

**7. RECOMMENDED SEWER SERVICE CHARGE ORDINANCE:**

- a. Consider adoption of Ordinance No. 114 establishing sewer service charge rate.

**8. RESOLUTION CONFIRMING REPORT ON SEWER SERVICE CHARGES:**

- a. Consider adoption of resolution confirming sewer service charge report and electing to collect on tax rolls.

**9. BOARD OF DIRECTORS:**

- a. Presidential appointment of Committee members for 2010-11.

**10. CALIFORNIA SPECIAL DISTRICT ASSOCIATION**

- a. Consider selecting a candidate for Region 3.

**11. STAFF REPORTS:**

- a. Regional Board retraction of Notice of Violation.
- b. Public Education and Outreach.

**12. BOARD MEMBER REPORTS:**

- a. North Bay Watershed Association meeting.

**13. MANAGER'S ANNOUNCEMENTS:**

**14. ADJOURN:**

Next resolution no. 3032

**Next meeting date: Monday, July 25, 2011, 6:30 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA**

***In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 892-1694 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.***

June 27, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, June 27, 2011, preceded by two closed sessions beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:30 p.m. President Long announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATORS, SESSION 1.

Government Code Section 54957.6. Confer with District's labor negotiators, Austris Rungis, Beverly James, and Sandeep Karkal.

Employee Organization: Teamsters Local 315.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal and District Labor Negotiator Austris Rungis.

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, SESSION 2.

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one potential case.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal and District Counsel Kent Alm.

The closed Sessions ended at 6:38 p.m.

Open session began at 6:47 p.m.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly James, Deputy Manager-Engineer Sandeep Karkal, Administrative Secretary Julie Borda and District Counsel Kent Alm.

ALSO PRESENT: Tom Gaffney, Bartle Wells Associates  
Brant Miller, Novato resident  
Suzanne Crow, Novato resident  
John Bailey, Project Manager, Veolia Water

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

REPORT FROM CLOSED SESSION, SESSION 1:

District Counsel Kent Alm stated that there was no reportable action.

REPORT FROM CLOSED SESSION, SESSION 2:

District Counsel Kent Alm stated that further instruction was given to counsel and no further report was necessary on this matter.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the June 13<sup>th</sup>, 2011 meeting.

President Long requested that an addition be made to the minutes as follows: Page 6, third paragraph: *...he spoke with Ralph O'Rears, The Buck Center, who is concerned about Novato Disposal's construction and debris collection service **with regards to the Center's goal of LEED Certification.***

*On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the minutes of the June 13<sup>th</sup>, 2011 meeting was approved as amended.*

CONSENT CALENDAR:

*On motion of Member Quesada, seconded by Member Mariani, and carried unanimously, the following Consent Calendar item was approved:*

- a. *Approval of regular disbursements in the amount of \$492,421.45, project account disbursements in the amount of \$28,670.44 and payroll and payroll related disbursements in the amount of \$236,581.76.*

WASTEWATER TREATMENT PLANT UPGRADE PROJECT B-NOVATO  
TREATMENT PLANT IMPROVEMENTS; PROJECT NO. 72609:

Consider granting Final Acceptance of the Project to Monterey Mechanical and authorize staff to file the Notice of Completion. The Manager introduced Steve Wrightson, Project Manager, The Covello Group. Mr. Wrightson gave an overview of the treatment plant upgrade and highlighted the project's successes. He complimented the staff at Monterey Mechanical, the Novato Sanitary District and The Covello Group. He thanked the District's Operators and Board members, noting that they were very supportive of the project.

Member Quesada agreed with Mr. Wrightson's comments.

Member Di Giorgio asked for clarification of the acceptance procedure and inquired if Veolia's final acceptance was part of the process as well. The Manager stated that the requested acceptance is showing final agreement with Monterey Mechanical that the project is complete and that the District is formally accepting the project. She noted that Veolia's acceptance was separate and was agreed upon when Veolia entered the Service Contract with the District.

The Manager commended The Covello Group's construction management team for their excellent work.

President Long asked if the Final Acceptance would trigger the State Revolving Fund (SRF) loan payback. The Manager stated that the SRF loan payback would begin one year following substantial completion, which took place on January 30, 2011, so the District is obligated to make their first payment on January 30, 2012.

President Long complimented The Covello Group and the Board for their dedication to the project.

*On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board granted Final Acceptance of the Wastewater Facility Upgrade Project Contract B – Novato Treatment Plant Improvements; Project No. 72609 and authorized staff to file the Notice of Completion.*

#### FINANCE:

Consider adoption of the Preliminary Budget for fiscal year 2011-12. The Manager outlined the budget, noting that this final Preliminary Budget was substantially the same as the draft version reviewed at the June 13<sup>th</sup> meeting. She discussed the comparison of the 2010-11 budget vs. the estimated actual revenues and expenditures. She discussed the comparison of the proposed 2011-12 revenues vs. the 2010-11 budget, noting that there was a total revenue decrease over the previous year's budget of \$317,613.00. The Manager discussed the operating budget expenditures for the 2011-12 budget, noting that the total budgeted expenditures are estimated to be \$8,806,593.

*On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board adopted the Preliminary Budget for fiscal year 2011-12 as it was presented.*

Consider approval of financing plan. The Manager introduced Tom Gaffney, Bartle Wells Associates. Mr. Gaffney stated that Bartle Wells has developed recommendations regarding the level of service charges to adequately fund operation and maintenance, replacements, capital and borrowing costs. He noted that the District currently relies on pay-as-you-go financing for ongoing capital improvement expenses. He stated, however, that because nearly \$25 million of projects are identified as necessary over the next three years, a Certificate of Participation (COP) bond issue of \$21.65 million is projected for next year.

Mr. Gaffney reviewed with the Board the District's projected capital cash flow for the next five years. He discussed the District's bond rating and suggested the Novato Sanitary District would be rated as an 'AA' agency. He pointed out a revision to Table 5, and the Board and public were presented with a revised copy of that table which showed fiscal years 2011-12 through 2015-16.

Mr. Gaffney discussed Certificate of Participation bond issues and explained the benefits of "pay-as-you-go" financing.

A member of the audience addressed the Board regarding the past and proposed sewer service charge rate increases indicating that funds from these increases should have been sufficient to cover the SRF loan repayment. She discussed the proposed Certificate of Participation bonds and noted that the effective interest rate would be 6.6%, not 4.5%. She discussed the upcoming interest payment for the State Revolving Fund (SRF) loan which will be due in January. She suggested the Board review the long term effects of borrowing funds.

The Manager responded that projected annual capital revenues are sufficient to cover the outstanding SRF loan payments; however the District is projecting substantial additional capital costs for the recycled water facility and Collection system upgrades. She noted that the past rate increase did not provide enough funding for these additional capital projects.

*On motion of Member Mariani, seconded by Member Di Giorgio and carried with the following vote, the Board moved acceptance of the financing plan as prepared by Tom Gaffney, Bartle Wells Associates. Ayes: Di Giorgio, Long, Mariani, Quesada. Abstain: Welsh.*

Member Welsh stated that he was not able to vote in the affirmative because he was not in concurrence with the capital improvement projects being proposed.

Authorize initiating the Certificate of Participation bond sale process. The Manager discussed the alternate methods of financing and briefly summarized the financing process. She outlined the previously selected Financing Team Members, the project costs and ways to structure the financing. She stated that Tom Gaffney recommends, and District staff concurs, that the best option for the District at this time is Certificate of Participation bonds.

District Counsel Kent Alm stated that this decision does not irrevocably commit the Board to the previously discussed financing methods.

Member Di Giorgio noted that there are continuing capital improvement projects important to the District.

*On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board authorized Tom Gaffney, Bartle Wells Associates, to initiate the Certification of Participation bond sale process and directed staff to proceed.*

Member Welsh admonished the Board for the spending that led the District to this financial need.

President Long stated that this funding is necessary for the continuation of programs and investments critical to the District.

At 8:37 p.m. President Long declared a 10 minute recess.

President Long resumed the meeting at 8:50 p.m.

#### BOARD OF DIRECTORS:

##### Election of officers for 2011-12.

Member Di Giorgio nominated President Long to serve as Board President for a second term. *All Board members recorded an 'Aye' vote.*

President Long nominated Member Di Giorgio to serve as President Pro-Tem for a second term. *All Board members recorded an 'Aye' vote.*

Member Quesada appointed Manager-Engineer Beverly James to serve as Secretary Treasurer and Administrative Secretary Julie Borda to serve as Secretary Treasurer Pro-Tem. *All Board members recorded an 'Aye' vote.*

Member Di Giorgio moved to appoint the following members to serve as District check signers: William C. Long, Jean Mariani, and Mike Di Giorgio.

*The following vote was recorded: Ayes: Quesada, Di Giorgio.*

Member Mariani moved to appoint the following members to serve as District check signers: William C. Long, Mike Di Giorgio, and Dennis Welsh.

*The following vote was recorded: Ayes: Long, Mariani, Welsh.*

President Long declared the new District check signers to be: William C. Long, Michael Di Giorgio, and Dennis Welsh.

#### WASTEWATER OPERATIONS:

Wastewater Operations Committee Report. The Manager noted that John Bailey, Plant Operator Veolia Water, was available for any questions. The Manager gave an overview of the Treatment Plant Operations for the month of May 2011 and noted that there were no permit exceedances, violations or excursions.

Member Di Giorgio noted that Veolia Water employees have gone one year without any "lost time" incidents.

Odor control staff report. The Manager noted that there have been no odor complaints since June 10<sup>th</sup>. John Bailey discussed the actions Veolia takes when odor complaints are received and the instruments utilized to monitor and identify the odor.

Member Di Giorgio noted that odor complaints have decreased dramatically in June.

#### UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT:

Receive annual Uniform Public Construction Cost Accounting Act Report. Deputy Manager-Engineer Sandeep Karkal noted that one of the provisions of the Uniform Public Construction Cost Accounting Act (UPCCA) requires a report be made to the Board at the end of each fiscal year. He stated that this Act allows the District to complete projects with less administrative effort while maintaining work quality.

He outlined the five projects completed under the UPCCA which totaled \$555,016 and noted that of these, four projects were over \$30,000.

Member Quesada requested clarification of the Act. The details of the Act were explained by the Deputy Manager-Engineer and District Counsel Kent Alm.

*On motion of Member Di Giorgio, seconded by Member Mariani, and passed unanimously, the Uniform Public Construction Cost Accounting Act report was received as presented.*

### COLLECTION SYSTEM:

Consider approval of expenditure for mainline CCTV camera and tractor. The Deputy Manager-Engineer stated that the FY 2010-11 Capital Improvements Budget for Account No. 72803 included an allowance for the purchase of a new mainline CCTV camera and tractor in the amount of \$40,000. He stated that he had been working with Tim O'Connor, Collections System Supervisor, to solicit quotes and conduct onsite and field demonstrations to select the unit best suited to the District's operational needs. He noted that after thorough evaluation of the equipment demonstrated, staff recommended the purchase of the Cues camera/tractor unit from Weco Ind. for \$27,250.00. The Deputy Manager-Engineer recommended the Board authorize the issuance of a purchase order in the amount of \$30,000 to Weco Industries.

*On motion of Member Quesada, seconded by Member Welsh and carried unanimously, the Board authorized the Manager-Engineer to issue a purchase order to Weco Industries in the amount of \$30,000 for the purchase of a new Cues mainline CCTV camera/tractor unit.*

### STAFF REPORTS:

North Bay Water Reuse Authority. The Manager gave an overview of the NBWRA meeting she attended on June 20<sup>th</sup>. She noted that the Water Smart Grant application for approximately \$1.3 million had been conditionally approved but did not impact the Novato Sanitary District. She stated that this grant will fund the completion of the Novato South project with the Las Galinas Sanitary District and will benefit some Novato Sanitary District customers.

Bayside Subdivision Pizarro Avenue sewer repair. The Manager stated that the District has not accepted the Pizarro Avenue sewer system because differential settlement has caused the sewers to significantly deviate from District's standards for line and grade. She noted that Lennar Homes has recently proposed to correct the settlement problem in the easement by injecting grout under the manhole and sewer to bring it up to grade. She pointed out that this is a developer's project, not a District project. She stated that the District has not accepted the project.

### BOARD MEMBER REPORTS:

Member Welsh asked the Deputy Manager-Engineer for a status update on the pump station rehabilitations on Western Oaks. The Deputy Manager-Engineer reported that he had not heard of any problems.

President Long complimented Martin Rauch for his production of the latest District newsletter.

MANAGER'S ANNOUNCEMENTS: None.

ADJOURNMENT:

There being no further business to come before the Board, President Long declared the meeting adjourned at 9:30 p.m.

Respectfully submitted,

Beverly B. James, Secretary

Julie Borda, recording

DRAFT

# Novato Sanitary District

## Regular Disbursement Check Register

July 11, 2011

Date	Num	Name	Credit
<b>Jul 6 - 11, 11</b>			
07/11/2011	53010	CSRMA-	73,405.77
07/11/2011	53007	Caltest Analytical Lab Inc.	11,588.55
07/11/2011	53022	Nute Engineering Inc.	11,298.45
07/11/2011	53009	Charles Z. Fedak & Company Corp.	6,884.00
07/11/2011	53016	Johnson, Dee	6,838.49
07/11/2011	52998	Alliant Insurance Services, Inc	6,647.24
07/11/2011	53030	Royal Petroleum Company	5,931.59
07/11/2011	52995	Able Fence Company	5,675.00
07/11/2011	53034	Veolia Water North America, Inc.	4,223.07
07/11/2011	53027	RMC Water & Environment, Inc.	4,019.20
07/11/2011	53026	Preferred Benefit	3,556.56
07/11/2011	53011	Dearborn National	2,812.99
07/11/2011	53004	Bartle Wells Assoc, Inc	2,271.68
07/11/2011	52994	3T Equipment Company Inc.	2,158.11
07/11/2011	53008	CED Santa Rosa, Inc	2,062.48
07/11/2011	53035	Verizon California	1,796.02
07/11/2011	52997	AirGas-NCN, Inc.	1,576.80
07/11/2011	53014	Harrington Plastics, Inc.	1,538.08
07/11/2011	53024	Pacific EcoRisk, Inc.	1,140.00
07/11/2011	53032	Unicorn Group	1,131.36
07/11/2011	53040	Wollborg/Michelson Personnel Service, Inc	1,113.25
07/11/2011	53017	Marin Mechanical II, Inc.	1,016.70
07/11/2011	53029	Roy's Sewer Service, Inc.	825.00
07/11/2011	53037	Vision Service Plan	650.90
07/11/2011	53043	U.S. Bank Card (2)(June)	646.67
07/11/2011	53019	North Marin Auto Parts	643.86
07/11/2011	53013	HACH/American Sigma Inc	519.48
07/11/2011	53041	Zenith Instant Printing, Inc.	469.37
07/11/2011	53038	VWR International Inc.	418.64
07/11/2011	53005	BoundTree Medical, LLC	379.76
07/11/2011	53039	Water Components & Building, Inc.	365.46
07/11/2011	53006	Cagwin & Dorward Inc.	329.00
07/11/2011	53002	Autoworld	322.48
07/11/2011	53001	AT&T Mobility	282.12
07/11/2011	52999	American Sentry Systems, Inc.	270.00
07/11/2011	53021	Novato Disposal-	231.82
07/11/2011	53015	Ikon Office Solutions	224.02
07/11/2011	53012	Grainger	217.95
07/11/2011	53028	Roto Rooter-	205.65
07/11/2011	53003	Barnett Medical LLC	165.00
07/11/2011	53036	Verizon Communications	162.39
07/11/2011	53000	Aquatic Biosystems Inc.	120.00
07/11/2011	53025	Petty Cash	117.48
07/11/2011	53042	U.S. Bank Card (1)(Bev)	105.65
07/11/2011	53023	Office Depot	96.72
07/11/2011	53018	MarinScope Inc.	42.00
07/06/2011	52993	EDD	32.05
07/11/2011	52996	Able Tire & Brake Inc.	25.00
07/11/2011	53031	T-Mobile	22.64
07/11/2011	53020	North Marin Water District	15.87
07/11/2011	53033	United Parcel Service	15.31
			<b>166,607.68</b>

**Jul 6 - 11, 11**

07/07/11

# Novato Sanitary District Project Account Check Register

July 11, 2011

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
<b>Jul 11, 11</b>	07/11/2011	2186	North Marin Water District Jobsite	49,986.16
	07/11/2011	2187	RMC Water & Environment, Inc.	30,832.43
	07/11/2011	2183	BakerCorp	17,410.53
	07/11/2011	2185	Flare Industries, Inc.	2,950.00
	07/11/2011	2188	Royal Petroleum Company	2,364.46
	07/11/2011	2184	California Diesel & Power	1,841.82
<b>Jul 11, 11</b>				<b><u>105,385.40</u></b>

07/06/11

# Novato Sanitary District Check Register - Board Checks

July 6, 2011

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
<b>Jul 6, 11</b>			
7/6/2011	1662	Long, William C	768.96
7/6/2011	3106	Di Giorgio, Michael	1,121.04
7/6/2011	3107	Mariani, Jean M	586.86
7/6/2011	3108	Welsh, Dennis J	296.58
<b>Jul 6, 11</b>			<u><u>2,773.44</u></u>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Sewer Service Charge Report	<b>MEETING DATE:</b> July 11, 2011  <b>AGENDA ITEMS NO.:</b> 6, 7, and 8
<b>RECOMMENDED ACTION:</b> <b>Item 6: Public Hearing</b> <b>Item 7: Adopt Ordinance 114 establishing sewer service charge rate.</b> <b>Item 8: Adopt resolution confirming sewer service charge report and electing to collect on tax rolls</b>	
<b>SUMMARY AND DISCUSSION:</b>  Each year the District must hold a public hearing in order to collect the sewer service charges on the tax rolls. Although there will be no increase in the service charge this year it is still necessary to hold the hearing. District staff will have a database on the computer at the meeting so that anyone may request to know what their individual rate will be in the coming year and have an opportunity to protest.  The public hearing was noticed twice in the Marin IJ. Following the public hearing the board will consider adoption of Ordinance 114 and the attached resolution.	
<b>ALTERNATIVES:</b> NA	
<b>BUDGET INFORMATION:</b> No impact	
	<b>MANAGER:</b>

**ORDINANCE NO. 114**

**AN ORDINANCE OF THE NOVATO SANITARY DISTRICT  
ESTABLISHING SEWER SERVICE CHARGES**

**WHEREAS**, the District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District, and

**WHEREAS**, Ordinance No. 111, adopted by the Board of Directors on August 6, 2007, set the sewer service charges through fiscal year 2009-2010 and the methodology for calculating the charges; and

**WHEREAS**, Ordinance No. 113 set the sewer service charges through fiscal year 2010-2011 at the same level as fiscal year 2009-10; and

**WHEREAS**, Monday, the 11<sup>th</sup> of July, 2011, at the hour of 6:30 p.m. at the regular meeting place of said District, 500 Davidson Street, Novato, California, was fixed as the time and place for hearing on the sewer service charge report filed with the Secretary of this District, pursuant to law, and the Secretary published a notice of said hearing once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for said hearing, in the Marin Independent Journal, a newspaper of general circulation printed and published in the County; and

**WHEREAS**, the Board of Directors of the District has reviewed the present sewer service charge rate schedule and the District's draft budget, and has determined that the sewer rate need not be increased for fiscal year 2011-2012 and can remain at 2010-2011 levels; and

**WHEREAS**, in adopting this Ordinance, the Board of Directors finds that, based on the draft budget, the amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only imposed on those properties actually receiving service or for those which service is immediately available; and

**WHEREAS**, the Board of Directors finds that this action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Novato Sanitary District as follows:

**Section 1.** All rates for Sewer Service Charges for users of the District System set for fiscal year 2011-2012 in Section 4 of Ordinance No. 111 are hereby adopted for fiscal year 2011-2012, and such rates shall continue thereafter in effect until further action of the Board of Directors. Those rates are set forth in Attachment A to this Ordinance.

**Section 2.** The remainder of Ordinance No. 111 shall also remain in full force and effect.

**Section 3.** In addition to the applicable sewer service charges as set out in Attachment A and Ordinance No. 111, all users whose service charges are collected on the Marin County tax roll, shall

pay an annual collection fee amounting to Two and 00/100 Dollars (\$2.00) per County Assessor's parcel billed.

**Section 4.** Pursuant to Section 5473 of the Health and Safety Code, the authorization to collect these charges on the tax roll will remain effective until repealed or until a change is made in the rates charged by the District.

**Section 5.** Upon adoption, this Ordinance shall be entered in the minutes of the Novato Sanitary District Board, shall be published once in the Marin Independent Journal, a newspaper of general circulation published in the District, and shall take effect upon expiration of the week of publication.

**PASSED AND ADOPTED** this 11<sup>th</sup> day of July, 2011, by the Board of Directors of the Novato Sanitary District by the following vote:

AYES:	Members:	_____
NOES:	Members:	_____
ABSENT:	Members:	_____

\_\_\_\_\_  
President of the Board of Directors  
Novato Sanitary District

COUNTERSIGNED:

\_\_\_\_\_  
Secretary of the  
Novato Sanitary District  
County of Marin, State of California

Approved as to Form:

\_\_\_\_\_  
Kenton L. Alm  
Counsel for the District

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1478565.1

**ATTACHMENT A  
SEWER SERVICE CHARGE SCHEDULE FOR FY 2011-12 AND THEREAFTER UNTIL  
MODIFIED BY THE BOARD**

Table 1A – Residential Rates, annual	
	CHARGE
1 SU (Average Water Use)	\$462
Low Water Use	\$277
High Water use	\$832

Table 1 – Non-Residential Rates		
Fixed Charge Per Square Foot Including flow factors		
User Type	Floor Area Flow Factor	CHARGE
Base Charge/square foot	1.0	\$0.19
Office	1.0	\$0.19
Retail	1.0	\$0.19
Public office buildings	1.0	\$0.19
School classrooms/administration	1.0	\$0.19
Churches	1.0	\$0.19
Meeting halls with kitchens	1.0	\$0.19
Auto service stations	1.0	\$0.19
Supermarkets	1.0	\$0.19
Auditoriums theaters	1.0	\$0.19
Gymnasium w/showers	1.0	\$0.19
Hotels/motels, not incl. restaurant	1.0	\$0.19
Mortuary	1.0	\$0.19
Medical offices	1.3	\$0.25
Veterinary offices	1.3	\$0.25
Dental offices	1.3	\$0.25
Hospitals	1.3	\$0.25
Cafeteria/dining area	2.0	\$0.38
Restaurants/cafes	2.0	\$0.38
Bakeries	2.0	\$0.38
Ice cream/yogurt shops	2.0	\$0.38
Delicatessens	2.0	\$0.38
Laundry and Laundromats	3.0	\$0.57

Note for Table 1: Ministorage buildings and other storage buildings not connected to the sewers are not charged for sewer use.

Table 2 – Non-Residential Rates  
 Variable Charge  
 (water use and strength factors)

User Type	Strength Factor	CHARGE
Base Charge/square foot	1.0	\$2.52
Office	1.0	\$2.52
Retail	1.0	\$2.52
Public office buildings	1.0	\$2.52
School classrooms/administration	1.0	\$2.52
Churches	1.0	\$2.52
Auto service stations	1.0	\$2.52
Auditoriums theaters	1.0	\$2.52
Gymnasium w/showers	1.0	\$2.52
Hotels/motels, not incl. restaurant	1.0	\$2.52
Medical offices	1.0	\$2.52
Veterinary offices	1.0	\$2.52
Dental offices	1.0	\$2.52
Hospitals	1.0	\$2.52
Laundries and laundromats	1.4	\$3.53
Meeting halls with kitchens	1.4	\$3.53
Cafeteria/dining area	2.2	\$5.48
Restaurants/cafes	2.2	\$5.48
Supermarkets	2.2	\$5.48
Bakeries	2.2	\$5.48
Ice cream/yogurt shops	2.2	\$5.48
Delicatessens	2.2	\$5.48
Mortuary	2.2	\$5.48

Note for Table 2: The annual volume of water use in hundred cubic feet/year is calculated based on the average winter water use. (Winter bimonthly water use x 6 = annual volume of water use.)

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION PRESCRIBING AND PROVIDING FOR THE COLLECTION OF SEWER  
SERVICE CHARGES FOR NOVATO SANITARY DISTRICT  
ON THE TAX ROLLS OF THE COUNTY OF MARIN  
FOR THE FISCAL YEAR 2011-2012**

**NOVATO SANITARY DISTRICT**

**RESOLVED**, by the Board of Directors of the Novato Sanitary District, Marin County, California, that:

**WHEREAS**, The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charges for the fiscal year 2011-12, established by said District, collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

**WHEREAS**, Monday, the 11<sup>th</sup> day of July, 2011, at the hour of 6:30 p.m. at the regular meeting place of said District, Novato Treatment Plant, 500 Davidson Street, Novato, California, was fixed as the time and place for hearing on the sewer service charge report filed with the Secretary of this District, pursuant to law, and the Secretary published a notice of said hearing and of the filing of said report, once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for said hearing, in the Independent Journal, a newspaper of general circulation printed and published in the County.

**WHEREAS**, notice was given of the time therein stated in the manner provided by law as appears by the affidavits of publication on file in the office of the Secretary of said District;

**WHEREAS**, said matter came on regularly for hearing at the time fixed; and

**WHEREAS**, all written protests and other written communications, if any, were publicly read

at said meeting and all persons desiring to be heard were fully heard;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. That objections to and protests against said report were not made by the owners of a majority of the separate parcels of property described in the report against which charges for the services and facilities provided by the District were fixed.

2. No objections to, or protests against, said report were made at the hearing.

3. That said report be, and it is hereby, adopted in full as revised, changed, reduced or modified by the Board, and that said charges shall be collected on the tax roll of the County of Marin, in the manner provided by law.

4. That the Secretary of this District be, and she is hereby, directed to file a copy of said report with the County Controller of Marin County on or before the 12<sup>th</sup> day of July, 2011, upon which shall be endorsed, over her signature, a statement that the report has been finally adopted by the Board of Directors of the Novato Sanitary District.

5. The County Controller of Marin County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2011-12.

6. For all premises connected to the sewer system of the District, the sewer service rate per Service Unit for fiscal year 2011-12 shall be **FOUR HUNDRED AND SIXTY-TWO AND 00/100 DOLLARS (\$462.00)** as established by Novato Sanitary District Ordinance No. 111, adopted August 6, 2007. Said rate shall be subject to modification and change, from time to time, as may be required to permit the District to meet State and Federal revenue program guidelines and as the total number of Service Units and the budgetary requirements of the District change. Service Units shall be calculated for various types of sewer users as described in Novato Sanitary District Ordinance No. 111 adopted August 6, 2007.

Said charges are established pursuant to Article 13B of the Constitution, as amended and statutory provisions relating thereto.

In addition to the rate per Service Unit, all users whose service charges are collected on the Marin County tax roll, shall pay an annual collection fee amounting to **TWO AND 00/100 DOLLARS (\$2.00)** per County Assessor's parcel billed.

\* \* \* \* \*

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 11th day of July 2011, by the following vote:

AYES, and in favor thereof, Directors: \_\_\_\_\_

NOES, Directors: \_\_\_\_\_

ABSENT, Directors: \_\_\_\_\_

\_\_\_\_\_  
President, Novato Sanitary District

COUNTERSIGNED::

\_\_\_\_\_  
Secretary

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

**TITLE: Board of Directors:  
Committee Appointments**

**MEETING DATE: July 11, 2011**

**AGENDA ITEM NO.: 9**

**RECOMMENDED ACTION:** Presidential appointment of committee members

**SUMMARY AND DISCUSSION:**

***Standing Committee Assignments 2010-11:***

Joint City/District Solid Waste Committee:

George C. Quesada  
William C. Long  
Michael Di Giorgio, Alternate

Wastewater Operations Committee:

Michael Di Giorgio  
James D. Fritz  
George C. Quesada, Alternate

New Facilities Committee:

Dennis Welsh  
James D. Fritz  
William C. Long, Alternate

***Regular Committee Members 2010-11:***

California Association of Sanitation Agencies:

William Long, Delegate  
James D. Fritz, Alternate

California Sanitation Risk Management Authority:

William C. Long, Delegate.  
James D. Fritz, Alternate

North Bay Water Reuse Authority:

William C. Long, Delegate  
James D. Fritz, Alternate

North Bay Watershed Association:

Michael Di Giorgio, Delegate  
Beverly B. James, Alternate

**SUMMARY AND DISCUSSION (cont.):**

***Adhoc Committee Assignments 2010-11:***

Marin County Council of Mayors and Councilmembers Adhoc Committee on Pensions and OPEB:

William C. Long  
Michael Di Giorgio

Solid Waste Franchise Update Committee:

Michael Di Giorgio  
William C. Long

Audit Committee:

Dennis Welsh  
James D. Fritz

Labor Negotiations Committee:

William C. Long,  
Michael Di Giorgio

Recycled Water Committee:

William C. Long  
James D. Fritz

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> California Special District Association	<b>MEETING DATE:</b> July 11, 2011
	<b>AGENDA ITEM NO.:</b> 10
<b>RECOMMENDED ACTION:</b> Designate the board's selection for CSDA Board representative for Region 3, seat C.	
<b>SUMMARY AND DISCUSSION:</b>  The District is a member of the California Special District Association. They have an election to fill Seat C of Region 3 on their Board of Directors. Two candidates have applied for the position: Stanley Caldwell of Mt. View Sanitary District and Kathryn Slater-Carter of Montara Water & Sanitary District. Only Stanley Caldwell has submitted a Statement of Qualifications. The ballot is due by August 5, 2011. The instructions and Statement of Qualifications are attached.	
<b>ALTERNATIVES:</b> NA	
<b>BUDGET INFORMATION:</b> No impact	
	<b>MANAGER:</b>



## CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

### 2011 BOARD ELECTIONS

#### MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Region for Seat C. Each of CSDA's six (6) regional divisions has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your geographic region. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its region.

We have enclosed the candidate statements for each candidate who submitted one. Please vote for **only one** candidate to represent your region in Seat C and be sure to sign, date and fill in your member district information (*in some regions, there may only be one candidate*). If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 5, 2011**.

If you do not use the enclosed envelope, please mail in your ballot to:  
**California Special Districts Association**  
**Attn: 2011 Board Elections**  
**1112 I Street, Suite 200**  
**Sacramento, CA 95814**

Please contact Charlotte Lowe toll-free at 877.924.CSDA or [charlottel@cdda.net](mailto:charlottel@cdda.net) with any questions.

Stanley R. Caldwell  
75 Cecilia Lane  
Martinez, California 94553-1455  
925-228-8922 (home)  
[Stan\\_Caldwell@comcast.net](mailto:Stan_Caldwell@comcast.net)

California Special Districts Association  
1112 I Street, Suite 200  
Sacramento, CA 95814

RE: Election Region 3, Seat C

Dear Region 3 Special District,

It has been an honor and a pleasure to serve the California Special Districts Association (CSDA) Membership as Region 3 Director these past 3 years. I look forward to the opportunity to continue to be of service. I have been active and involved in CSDA activities. I have served on the Membership and Recruitment Committee & Fiscal Committee. I am currently chair of the Fiscal Committee and CSDA Treasurer. I am semi-retired and I have the time, and the commitment required to continue to serve as a director.

I have served on the board of directors for the Mt. View Sanitary District (MVSD) in Region 3 since November of 1993. I have faithfully and diligently served within my local community. I am a dedicated active board member of MVSD and have served several times as the board president. By being an active participant at the California Association of Sanitation Agencies (CASA) and the California Special District Association, I enhance my ability to serve in a director position. I am the current MVSD representative to the Local Agency Formation Commission (LAFCO) in Contra Costa County. Contra Costa County has a local CSDA chapter, the Contra Costa Special Districts Association (CCSDA) of which I have been active participant and contributor. For CCSDA I provide Legislative updates at each meeting and I am the current Newsletter Editor.

If re-elected I would continue to provide the leadership that makes CSDA a success. I will apply my experience, commitment and leadership to be effective, efficient, and responsive to special district needs. Together, through continued advocacy, education, and the value-added services that CSDA provides, we can positively affect all special districts, their operations and service to constituents.

Please consider me for the upcoming election for Director of Region 3 where I will continue to bring my experience and dedication to CSDA.

Thank you for your consideration,



Stanley R. Caldwell  
Incumbent CSDA Region 3 Director  
Mt. View Sanitary District Board Member

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Staff Report: Retraction of Notice of Violation	<b>MEETING DATE:</b> July 11, 2011  <b>AGENDA ITEM NO.:</b> 11.a
<b>RECOMMENDED ACTION:</b> Information only	
<b>SUMMARY AND DISCUSSION:</b>  On April 21, 2011, the District received a Notice of Violation from the San Francisco Regional Water Quality Control Board based on an inspection that was conducted on October 12, 2010 by an EPA contractor. At the District Board meeting on May 9, 2011, staff and RMC Water made a presentation refuting the points raised in the inspection. They subsequently met with the Regional Board staff and went over a similar presentation. As shown in the attached letter, the Regional Board has retracted the Notice of Violation.	
<b>ALTERNATIVES:</b> NA	
<b>BUDGET INFORMATION:</b> No impact	
	<b>MANAGER:</b>



# California Regional Water Quality Control Board

## San Francisco Bay Region



Linda S. Adams  
Acting Secretary for  
Environmental Protection

1515 Clay Street, Suite 1400, Oakland, California 94612  
(510) 622-2300 • Fax (510) 622-2460  
<http://www.waterboards.ca.gov/sanfranciscobay>

Edmund G. Brown, Jr.  
Governor

July 1, 2011  
CIWQS Place ID: 244705 (TY)

(Sent via email: [BevJ@novatosan.com](mailto:BevJ@novatosan.com))

Novato Sanitary District  
Attn: Beverly B. James, Manager-Engineer  
500 Davidson Street  
Novato, CA 94945

Subject: Retraction of Notice of Violation dated April 21, 2011  
Novato Sanitary District  
NPDES Permit No. CA 0037958, Order No. R2-2010-0074, Novato, Marin County

Dear Ms. James:

We hereby retract the notice of violation (NOV) of April 21, 2011, based on information the District provided on June 17 and 27, and amendments to an inspection report that had formed the basis for the NOV. The NOV transmitted an inspection report for an inspection completed on October 12, 2010, by a U.S. EPA contractor. In the NOV, we cited five violations identified as unsatisfactory ("U") or marginal ("M") in the original version of the inspection report. Enclosed is the amended inspection report.

We hereby also direct the District to immediately commence compliance determination with bacteria effluent limits using flow-proportioned composite samples made up of grabs collected from the end of each operating UV channel. This approach is more appropriate than calculating the geometric mean of individual UV channel samples as had been done by the District and one other discharger in the region. The District shall also submit a Standard Operation Procedure (SOP) reflecting this new procedure by July 15, 2011.

Below is a discussion of the rationale for retracting each of the violations alleged in the April NOV, preceded by our alleged violations repeated in *italics*. We note that a couple of the problems occurred as a result of miscommunication or misunderstanding between facility representatives and the inspector. Based on our experience, the inspector has not had problems understanding other facilities' procedures and operations. Whatever the cause, both parties need to take care to communicate clearly and completely at future inspections.

**Violation No. 1.** *Records and Reports was rated "U" because the District did not document the analytical method used to analyze samples for ammonia in its June through August 2010 self-monitoring report (SMR). Additionally, the District did not maintain adequate records for samples collected at Monitoring Location E-002 in August 2010.*

Preserving, enhancing, and restoring the San Francisco Bay Area's waters for over 60 years

**Reason to retract alleged Violation 1:** The inspection report noted, and the District's records confirmed that during June through August 2010, the District did not discharge to the receiving water. As such, the ammonia monitoring records reviewed during the inspection were for process control rather than regulatory compliance, and are therefore not legally subject to, nor in violation of, the NPDES Permit. We agree. The District, however, has taken measures to improve its records keeping during the non-discharge season.

**Violation No. 2.** *Self-monitoring Program was rated "U" because the District did not appear to be collecting representative bacteria samples at UV units. The District also did not document how it determines the appropriate time to collect effluent grab samples to ensure samples are collected during periods of maximum peak effluent flow because effluent flow is not measured.*

**Reason to retract alleged Violation 2:** Based on District evidence, the District does appear to be collecting bacteria samples at appropriate locations, and close enough to peak effluent flows to satisfy that requirement. The "U" finding was based on two factors: (1) the inspector's understanding that the District collected bacteria samples at the end of one UV channel regardless of how many channels were in use; and (2) the lack of effluent flow measurement to demonstrate samples are collected during peak flows.

On the first issue of location of sampling, the District indicated that, at the time of the October 2010 inspection, only one UV channel was in operation; this may have lead to miscommunication and misunderstanding of how samples would be collected if more than one channel was operating. The evidence provided by the District included its SOP, and all individual bacteria data from October 2010 through to about June 2011 along with the number of channels in operation when samples were collected. The SOP showed that District personnel are to sample effluent from each UV channel in operation not just one of the channels. (We noted during our review of the SOP that District personnel has used and reported only the geometric mean of the individual samples for compliance determination. As discussed in the second paragraph above, the District must change this geometric mean practice.)

The District's bacterial data also verify its SOP procedure for collecting samples from each UV operating channel. Finally, our comparison of the discharge flows against the District's reported number of operating UV channels verifies that information.

On the second issue of lack of effluent flow metering to determine the time to collect samples, we agree with the District that its influent flow readings are adequate to estimate peak effluent flows. The District stated that because wastewater flows through the treatment plant units by gravity and there is no diversion or storage to alter the flow, the difference between influent and effluent flow rates is insignificant.

**Violation No. 3.** *Effluent and Receiving Water was rated "U" because pin floc was noted in the secondary clarifiers and a small amount of suspended particles were noted in UV Channel No. 3, which may affect disinfection capabilities.*

**Reason to retract alleged Violation 3:** This finding has been changed in the amended inspection report, enclosed, from “U” to “S” after reconsideration by the inspector that the amount of pin floc observed was not excessive. Additionally, the District submitted biochemical oxygen demand, total suspended solids, and bacteria data to demonstrate that effluent has always met these effluent limits. The District asserts that the UV system was designed to meet required bacteriological effluent limits with particles present; the presence of some pin floc does not indicate poor performance. We note that solids will decrease the effectiveness of UV disinfection, and expect the District to continue to take all necessary care to achieve proper disinfection particularly during high wet weather flows when residence times in the clarifiers are lower resulting in more solids in the UV channels.

**Violation No. 4.** *Operations and Maintenance was rated “U” because of the pin floc discussed in item 3, above, and because the District cannot use chlorination and dechlorination in the event that the UV disinfection system fails. The District relies on chlorination to control filamentous bacteria, for influent odor control, and to clean the UV disinfection system; however, the District lacks the ability to disinfect effluent with chlorine and monitor effluent for residual chlorine levels.*

**Reason to retract violation 4:** This finding has been changed from a “U” to an “M” in the amended inspection report, enclosed, based on reconsideration of the necessity of a chlorination and dechlorination backup system for the UV. The inspector informed us that he remains concerned about the lack of chlorination to control for filamentous bacteria, which is the reason for the new “M” rating. This concern stems primarily from his understanding that chlorination of return activated sludge had been relied upon by the District in the past, and he was informed that such capability was removed when the new treatment plant was installed.

On the issue of chlorination/dechlorination backup for the UV, we agree that a backup system is unnecessary based on the inspector’s reconsideration and the points made by the District. The District points to the new treatment plant’s standby UV units as well as standby power. The District also points to the UV’s large excess capacity of up to 48 million gallons per day, which is estimated to occur only once in 27 years and after build out conditions in the service area.

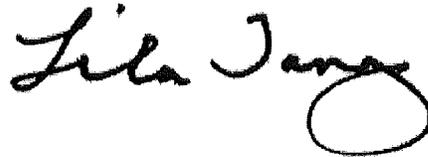
On the issue of chlorination control for filamentous bacteria, it appears that miscommunication lead to misunderstanding that the new treatment plant lacks this ability. Contrary to what is stated in the inspection report, the District does have the ability to use chlorine for return activated sludge filamentous bacterial control. The District provided as-built diagrams that show the locations of these facilities, including the hypochlorite storage tanks. Finally, regarding the need to monitor for chlorine residual, the District asserts that the chlorine used for process control is minimal and will not exist in the effluent; therefore, monitoring for chlorine residual is not needed. We agree because pass through of any significant quantities of chlorine to the activated sludge units would cause an upset leading to exceedance of other limited parameters.

**Violation No. 5.** *Facility Site Review, UV System was rated “M” because, at the design UV intensity, there have been exceedances of bacterial limits. To achieve compliance, the District has had to increase the UV intensity well above the design intensity.*

**Reason to retract alleged violation 5:** The District indicated that the actual transmittance was 65%, higher than what was used for design of 55%, so the units are expected to achieve better disinfection. The District added that the bacterial exceedances in August and September that were noted in the NOV occurred during unit start-up and prior to any discharge to receiving waters. There has been no problem since the treatment plant started full operation.

If you have any questions concerning this report, please contact Tong Yin at 510-622-2418, or email TYin@waterboards.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Lila Tang". The signature is written in a cursive style with a large, looped flourish at the end of the name.

Lila Tang  
Chief, NPDES Wastewater Division

Enclosure

Amended October 12, 2010, Compliance Evaluation Inspection Report