

NOVATO SANITARY DISTRICT

Meeting Date: May 14, 2012

The Board of Directors of Novato Sanitary District will hold a Closed Session at 5:30 p.m. followed by a regular meeting at 6:30 p.m., Monday, *May 14, 2012*, 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.

5:30 PM: CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

(subdivision (a) of Section 54956.9)

Potential Administrative Civil Liability in the matter of sanitary sewer overflows and treatment plant violations including California Regional Water Quality Board Complaint No. R2-2010-0102

AGENDA

- 1. PLEDGE OF ALLEGIANCE:**
- 2. AGENDA APPROVAL:**
- 3. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION:**
- 4. 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.

- 5. REVIEW OF MINUTES:**
 - a. Consider approval of minutes of the April 9th and 23rd, 2012 meetings.

- 6. 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 Consent for Boundary Change and Waiver of Conducting Authority for Lands of Valley Memorial Park.
- b. Approve regular disbursements.

7. BUDGET WORKSHOP:

- a. 2012-13 Budget Workshop.

8. ADMINISTRATION:

- a. Review Quarterly Revenue and Expenditure Report for period ended March 31, 2012.
- b. Consider approval of budget amendments.
- c. Consider authorizing staff to contract with Maze and Associates to perform financial audits for 2011-12, 2012-13, and 2013-14.

9. ANNUAL COLLECTION SYSTEM REPAIRS 72803:

- a. Review bids and consider acceptance of lowest responsive bid, and authorize Manager-Engineer to execute contract for repair or replacement of sewer mains at San Marin Drive at San Mateo Drive; Eucalyptus Avenue between Devonshire Drive and Mendocino Lane; and Raposa Vista at Pico Vista.
- b. Review bids and consider acceptance of lowest responsive bid, and authorize Manager-Engineer to execute contract for repair or replacement of sewer mains on Simmons Lane at San Marin Drive.

10. BOARD MEMBER REPORTS:

- a. North Bay Watershed Association Meeting, May 4, 2012.
- b. California Association of Sanitation Agencies Conference, April 25-27, 2012.
- c. Novato Sanitary District Retirement Benefit Matrix

11. MANAGER'S ANNOUNCEMENTS:

12. ADJOURNMENT:

Next resolution no. 3045

Next regular meeting date: *Tuesday, May 29, 2012, 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.

April 9, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, April 9, 2012, preceded by a closed session beginning at 6:00 p.m. at the District offices, 500 Davidson Street, Novato.

At 6:02 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 LEGAL COUNSEL – ANTICIPATED LITIGATION:

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

BOARD MEMBERS PRESENT FOR CLOSED SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, Jerry Peters and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James and District Counsel Kent Alm. Also present: Steve Wrightson, The Covello Group. Deputy-Manager Engineer Sandeep Karkal was absent.

The closed Session ended at 6:25 p.m.

Open session began at 6:30 p.m.

BOARD MEMBERS PRESENT FOR OPEN SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, Jerry Peters and Dennis Welsh.

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

ALSO PRESENT: Brant Miller, Novato resident
Bob Guinan, Novato resident
Joe Carlomagno, Novato resident
Patti Johnstone, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long stated the meeting would proceed as published.

PUBLIC COMMENT: A resident commented that the odors were much improved and complimented the District on their work towards decreasing odor emissions.

A resident discussed the visual screening at the Lea Drive neighborhood and the Manager detailed the vegetation currently planted and discussed what is intended for the future.

A resident stated that he is still concerned with transient odors coming from the aeration basins and hopes the situation will be reevaluated when Mr. Joyce returns for a follow-up evaluation. He discussed the noise levels and stated they have improved.

REVIEW OF MINUTES:

Consider approval of minutes of the March 26, 2012 Board meeting.

President Long noted that in the discussion of his trip to Washington D.C., he requested the minutes include the following: *He stated that he visited with the Bureau of Reclamation, **Congressional offices and Offices of Budget and Management.***

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the March 26, 2012 Board meeting minutes were approved as amended.

CONSENT CALENDAR:

On motion of Member Mariani, seconded by Member Peters, and carried unanimously, the following Consent Calendar items were approved:

- a. Approval of regular disbursements in the amount of \$88,137.50, project account disbursements in the amount of \$129,454.82 and Board member disbursements in the amount of \$4,147.02.
- b. Approval of an application from Kitchell Construction Co. and authorized the Manager-Engineer to issue a one-time, temporary, Class 1 non-domestic discharge permit for discharge of non-domestic water from the construction of the Buck Institute Central Plant work, Building #3.

COLLECTION SYSTEM IMPROVEMENTS, PROJECT 72706:

- Consider approval of an engineering contract for collection system improvements with Nute Engineering for an amount not to exceed \$40,000. The Manager stated that District staff had identified several sections of sewer mains that are cracked, full of roots and near the end of their service lives. She stated that these sections need to be rehabilitated. She stated that staff had requested and received a proposal from Nute Engineering to prepare plans and specifications and provide construction support for the proposed project. She noted that the proposal included design services for \$22,500 and construction services for \$15,000 for a total of \$37,500. The Manager stated that staff recommends the Board accept Nute's proposal for a cost not to exceed \$40,000.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board accepted Nute Engineering's proposal for engineering services for the Collection System Improvements 2012 Pipebursting Project, No. 72706-H, and authorized the Manager-Engineer to execute an Agreement for a cost not to exceed \$40,000.

- Consider granting final acceptance of the Bel Marin Keys Force Main Project and authorize staff to file the Notice of Completion. The Manager stated that Team Ghilotti had completed the Bel Marin Keys Force Mains project and that the project is ready for final acceptance. She requested the Board grant final acceptance and authorize staff to file the Notice of Completion.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board granted Final Acceptance of the Bel Marin Keys Force Main Project and authorized staff to file the Notice of Completion.

SOLID WASTE:

- Consider adopting Resolution No. 3042 authorizing the Manager-Engineer to represent the District in administering the Solid Waste Franchise Agreement. The Manager stated that the franchise agreement with Novato Disposal Service, Inc. has a number of clauses that prescribe administrative or technical actions by the "District". She requested the Board adopt Resolution No. 3042 which delegates authority to the District Manager-Engineer to act on behalf of the District to facilitate administration of the Franchise Agreement.

Member Mariani questioned what activities the Manager would be overseeing. The Manager replied that she was seeking authorization for administrative and technical issues such as permit applications and public outreach. She stated that she was not seeking authority for policy issues. She stated that the District receives \$40,000 per year from Novato Disposal to administer/oversee the Agreement.

President Long requested that the Resolution include a provision that stated: "Each action the Manager engages in will be reported to the Novato Sanitary District Board of Directors." He stated that the Board may decide at a later date to withdraw this request if the reporting becomes cumbersome due to exhaustive details.

On motion of Member Peters, seconded by Member Di Giorgio and carried unanimously, the Board adopted Resolution No. 3042: "A Resolution of the Board of Directors of Novato Sanitary District delegating authority to the District Manager-Engineer to act on behalf of the District in accordance with Section 11.16 of the amended and restated agreement between Novato Sanitary District and Novato Disposal Service, Inc. for solid waste collection, processing, diversion and disposal" with the above addition.

2012-13 ANNUAL DISTRICT BUDGET:

- Consider approval of budget adoption schedule. The Manager reviewed the budget adoption schedule. She noted that the schedule includes deadlines for the Proposition 218 noticing.

On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board adopted the following: 2012-13 Preliminary and Final Budget, Appropriations Limit and Sewer Service Charges Schedule.

STAFF REPORTS:

- 2012-13 Workers' Compensation Experience Modification Factor. The Manager stated that the District's Workers' Compensation Insurance carrier will be increasing the District's Experience Modification Factor for policy Year 2012-13 from 1.76% to 1.95%. She stated that a majority of losses occurred in 2008/09. She stated that these losses will drop off next year and this should result in a lower modification factor for next year's premium.

- E-waste event report. The Manager reported that the E-waste event was held from March 24th through March 26th. She noted that the event was very successful and that Saturday, March 24th had the highest single participation day since April 2010.

- Integrated Regional Water Management Program (IRWMP). The Manager reported that the Bay Area Clean Water Agencies (BACWA) announced that Marin Municipal Water District (MMWD) would not be accepting their portion of the block grant funds from the IRWMP. Therefore, the Recycled Water Committee decided to divide the \$500,000 equally among the four remaining North Bay participants. She stated that if the Department of Water Resources (DWR) agrees to this change, then the grant coming to Novato will increase by \$125,000. She stated these additional funds will be divided equally between North Marin Water District and the Novato Sanitary District.

- Public Education program award. The Manager announced that the District received a CWEA Redwood Empire Section Public Education Award for the District's joint public education program.

BOARD MEMBER REPORTS:

Member Welsh commented that he visited the new pump station at Western Oaks. He stated that the engineering was well done and the pump station looked good.

President Long discussed an editorial in the Marin Independent Journal which highlighted pension reform issues. He suggested the District discuss at a future Board meeting a written response in support of Governor Brown's pension reform issues.

MANAGER'S ANNOUNCEMENTS:

- A Wastewater Operations Committee Meeting will be held on Wednesday, May 16th at 2:00 p.m.

- Mary Ellen Quesada, wife of former Board member George Quesada, passed away on March 31st. Her service will be held on Sunday, April 29th at 2:00 p.m. Mary Ellen will be fondly remembered and dearly missed.

ADJOURNMENT IN MEMORY OF MARY ELLEN QUESADA: There being no further business to come before the Board, at 7:22 p.m. President Long adjourned the Board meeting in memory of Mary Ellen Quesada.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording

DRAFT

April 23, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, April 23, 2012, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: Deputy Manager-Engineer Sandeep Karkal and Administrative Secretary Julie Swoboda. Manager-Engineer-Secretary Beverly B. James was absent.

ALSO PRESENT: John O'Hare, Veolia Water
John Bailey, Project Manager, Veolia Water
Brant Miller, Novato resident
Dasse de longh, NSD employee, Novato resident
Steve Krautheim, Field Services Superintendent,
Novato Sanitary District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long stated the meeting would proceed as written.

PUBLIC COMMENT: None.

CONSENT CALENDAR:

Member Welsh requested item b: *Approve disbursements including payroll and payroll-related disbursements*, be removed from the Consent Calendar for further discussion.

Member Welsh questioned invoices from E&M Electrical and the Novato Chamber of Commerce. The Deputy Manager-Engineer stated that he will verify the invoice details and report back to the Board at the next meeting.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the following Consent Calendar items were approved:

- a. Review Quarterly Investment report.
- b. Approval of regular disbursements in the amount of \$289,546.50, project account disbursements in the amount of \$729,764.92, and payroll and payroll related disbursements in the amount of \$223,189.43.

FACILITY OPERATIONS:

- Receive Wastewater Operations Committee Report: The Deputy Manager-Engineer gave an overview of the report and stated that the treatment plant performance was

excellent for the month of March. He stated that two inspections were conducted: the annual NPDES inspection by the EPA/Regional Water Board sub-contractor and the annual microbiological testing portion of the District laboratory by the State Environmental Laboratory Accreditation Program (ELAP). He noted that both inspections went smoothly.

President Long questioned the EPA and State inspections that were completed. The Deputy Manager-Engineer stated that a couple of minor incidents were found during the inspections and that the District has already resolved them and reported the corrections to the proper agency.

Member Welsh requested a copy of the reports from the NPDES and the ELAP inspections when they are available. President Long requested the entire Board receive these copies and the Deputy Manager-Engineer stated he will provide the reports when they become available.

Member Peters questioned the status of the temporary sound enclosure around the odor control fans at the primary clarifiers. John Bailey, Veolia Water, stated that the enclosures sustained some minor damage due to strong winds and that repairs have been completed. He stated that Veolia is planning on building permanent engineered enclosures in the future.

The Deputy Manager-Engineer continued, reviewing the Collection System and the Reclamation Facility report.

Member Welsh stated that he had requested copies of the SMR (Self Monitoring Report) that is transmitted to the State but noted that he has not received the reports. The Deputy Manager-Engineer stated that the reports are available at the State Water Resources Control Board (SWRCB)/California Integrated Water Quality System (CIWQS) website. He stated that he would provide a link to the Board of the CIWQS website so the District's Self Monitoring Reports could be accessed by the Board of Directors.

ANNUAL COLLECTION SYSTEM REPAIRS PROJECT 72803:

- Review bids and accept the lowest responsive bid and authorize the Manager-Engineer to execute the contract for manhole repairs: The Deputy Manager-Engineer discussed the manhole repairs stating that 17 manholes in various locations around the District are in need of repair or modification. He stated that on April 11, 2012, four bids were received and Maggiora & Ghilotti of San Rafael submitted the lowest responsive bid of \$38,251. He recommended the Board award the Miscellaneous Manhole Repair Project to Maggiora & Ghilotti.

On motion of Member Mariani, seconded by Member Welsh and passed unanimously, the Board authorized the Manager-Engineer to execute the contract for Miscellaneous Manhole Repairs, Project 72803-04 to Maggiora & Ghilotti in the amount of \$38,251.00.

RECYCLED WATER:

- Approval of Resolution No. 3044 approving Proposition 84 Grant Agreement with Bay Area Clean Water Agencies: The Deputy Manager-Engineer requested the Board approve the Implementation Agreement between the Bay Area Clean Water Agencies and the Novato Sanitary District for Bay Area Proposition 84 Integrated Regional Water Management Grant. He stated that District Counsel has extensively reviewed the agreement. The Deputy Manager-Engineer requested the Board approve the agreement subject to minor revisions arising out of any last minute review comments from the other agencies.

On motion of Member Di Giorgio, seconded by Member Peters and passed unanimously, the Board approved Resolution No. 3044, a Resolution Approving and Authorizing Execution of Implementation Agreement between Bay Area Clean Water Agencies and Novato Sanitary District for Bay Area Proposition 84 Integrated Regional Water Management Grant.

AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND NOVATO SANITARY DISTRICT:

- Adopt Final Resolution to Approve an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of Novato Sanitary District.

- Authorize execution of Amendment to Contract.

- Authorize Board Clerk/Secretary to execute Certification of Final Action of Governing Body.

The Deputy Manager-Engineer stated that the amendment to the contract establishes a different level of benefits for employees entering membership in CalPERS for the first time after the effective date of the contract amendment. He stated that the amendment provides a retirement benefit formula of 2% at 60 instead of 2% @55, with retirement calculations based on 36 consecutive months' highest compensation instead of 12 consecutive months' highest compensation.

President Long questioned if the two new employees recently hired to the Collections System Department will fall under the new agreement with CalPERS. The Deputy Manager-Engineer stated he was unsure but would report back to the Board when CalPERS makes their final ruling.

On motion of Member Di Giorgio, seconded by Member Mariani and carried unanimously, the Board adopted Resolution No. 3043, authorized execution of Amendment to the Contract and authorized the Board Clerk/Secretary to execute Certification of Final Action of Governing Body.

BOARD OF DIRECTORS:

- Consider approval of a letter regarding the Governor's proposals for pension reform. The Deputy Manager-Engineer requested the Board consider approving a letter to the local Assembly Senate representatives indicating the District's support of Governor Brown's pension reform measures.

President Long stated that Novato resident Brant Miller had provided to the Board and audience a document by California Governor Jerry Brown titled "Twelve Point Pension Reform Plan". The Board reviewed the document.

Member Welsh requested this item be tabled until a future Board meeting at which time the Board would have the opportunity to read in its entirety the "Twelve Point Pension Reform Plan" document.

President Long requested that staff prepare a benefit's matrix for his information outlining benefits the District currently offers and what the District offered two/three years ago.

On motion of Member Welsh, and carried with the following vote, the Board tabled the approval of the letter regarding the Governor's proposals for pension reform. Ayes: Long, Mariani, Peters, Welsh. Noes: Di Giorgio.

STAFF REPORTS:

- California Water Environment Association (CWEA) Annual Conference. Deputy Manager-Engineer Sandeep Karkal gave a report of his attendance at the CWEA conference which took place in Sacramento from April 18th through April 20th. He also reported that District employees Bill Northcroft and Johnathan Au attended the conference. The Deputy Manager-Engineer stated that it was a very good conference and discussed some of the sessions on sewer system overflows and maintenance that staff attended.

BOARD MEMBER REPORTS:

- North Bay Watershed Association (NBWA) conference. Member Di Giorgio discussed his attendance at the NBWA conference which was held in Petaluma on April 13th. He stated that the speakers discussed water and infrastructure issues in regard to climate change. He questioned what preparations the District will need to make in regards to climate change and future rising sea levels.

President Long suggested the District approach the question of rising sea levels and consequences to the treatment facility in their Strategic Plan.

President Long thanked Brant Miller for providing the additional document from California Governor Jerry Brown titled "Twelve Point Pension Reform Plan".

MANAGER'S ANNOUNCEMENTS:

The Deputy Manager-Engineer stated that Manager-Engineer Beverly James is on vacation but will be returning for the next Board meeting on May 14th.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 7:20 p.m.

Respectfully submitted,



Sandeep Karkal
Deputy Manager-Engineer

Julie Swoboda, Recording

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Waiver of Conducting Authority & Consent for Boundary Change

MEETING DATE: May 14, 2012

AGENDA ITEM NO. 6 a

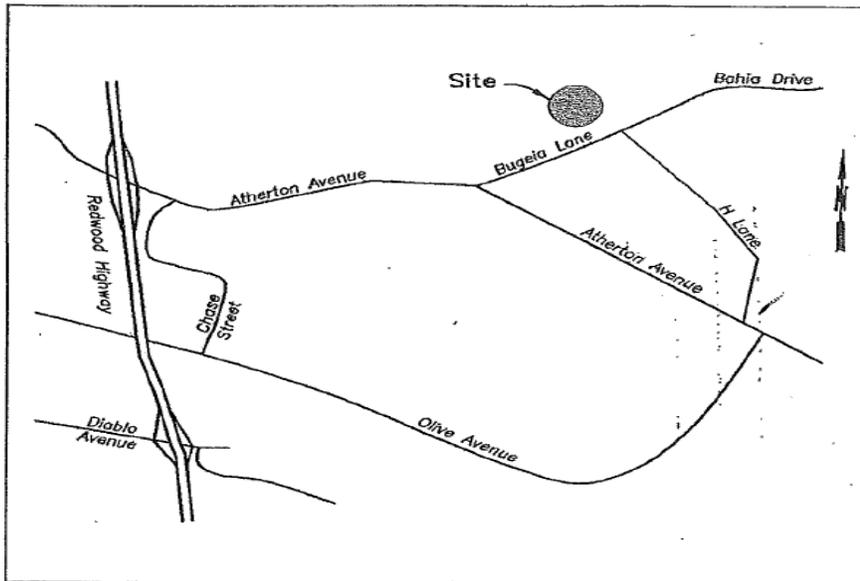
RECOMMENDED ACTION: Approve Consent for Boundary Change and Waiver of Conducting Authority for Lands of Valley Memorial Park.

SUMMARY AND DISCUSSION:

This agenda item is for the Consent for Boundary Change and Waiver of Conducting Authority for the Annexation of the Lands of Valley Memorial Park to the Novato Sanitary District.

The applicants are applying to annex to the Novato Sanitary District in order to connect to the public sewer to serve several commercial structures located at 650 Bugeia Lane, Novato. The annexing parcel is currently being served by a septic system.

Total amount of area to be annexed is 41.1 acres.



Vicinity Map
No Scale

ALTERNATIVES: Do not approve or sign the Consent for Boundary Change and Waiver of Conducting Authority. .

BUDGET INFORMATION: N/A

DEPT.MGR.:

MANAGER:

Novato Sanitary District Operating Check Register

May 14, 2012

Date	Num	Name	Credit
May 14, 12			
5/14/2012	54428	Veolia Water North America, ...	157,362.45
5/14/2012	54394	Koffler Electrical Mech, Inc.	24,381.32
5/14/2012	54434	CALPERS Retirement	23,690.43
5/14/2012	54413	PSC	12,022.70
5/14/2012	54404	Novato, City	10,000.00
5/14/2012	54443	CDW Government, Inc.	8,059.17
5/14/2012	54436	Aqua Science	6,740.00
5/14/2012	54416	Rauch Communication Cons...	5,891.12
5/14/2012	54391	Johnson, Dee	5,725.73
5/14/2012	54405	Occumetric Inc.	4,471.12
5/14/2012	54452	Environmental Resource Assoc	3,726.63
5/14/2012	54388	Harmony Press	3,425.00
5/14/2012	54412	Preferred Benefit	3,230.56
5/14/2012	54441	Caltest Analytical Lab Inc.	3,040.95
5/14/2012	54417	RMC Water & Environment, I...	2,998.80
5/14/2012	54442	Cantarutti Electric, Inc	2,877.00
5/14/2012	54448	Dearborn National	2,564.57
5/14/2012	54397	Meyers, Nave, Riback, Silver ...	2,244.84
5/14/2012	54426	U.S. Bank Card (2)(June)	2,178.30
5/14/2012	54427	Unicorn Group	2,169.78
5/14/2012	54384	CALPERS Retirement	1,899.51
5/14/2012	54401	North Marin Water District Pa...	1,434.78
5/14/2012	54400	North Marin Water District	1,433.01
5/14/2012	54446	Comet Building Maintenance,...	1,300.55
5/14/2012	54451	EDD	1,117.00
5/14/2012	54390	IEDA, INC	1,020.00
5/14/2012	54385	Frontier Analytical Laboratory...	1,000.00
5/14/2012	54440	California Diesel & Power	995.17
5/14/2012	54403	Novato Toyota	908.16
5/14/2012	54444	Cintas Corporation	857.45
5/14/2012	54409	Pini Hardware	788.96
5/14/2012	54439	Cagwin & Dorward Inc.	779.00
5/14/2012	54450	East Bay Muni Utility District	750.00
5/14/2012	54449	DLT Solutions Inc.	638.81
5/14/2012	54422	Telstar Instruments Inc	612.80
5/14/2012	54429	Verizon	600.77
5/14/2012	54430	Vision Service Plan	517.06
5/14/2012	54395	Leonardi Automotive & Electri...	496.65
5/14/2012	54423	Thomas & Associates, Inc.	456.78
5/14/2012	54411	Pitney Bowes Reserve Account	400.00
5/14/2012	54425	U.S. Bank Card (1)(Bev)	381.25
5/14/2012	54392	Journey	360.07
5/14/2012	54396	Marin Mechanical II, Inc.	343.80
5/14/2012	54445	Claremont EAP, Inc.	295.00
5/14/2012	54432	WEF Membership	220.00
5/14/2012	54414	Quest	180.00
5/14/2012	54386	Grainger	178.63
5/14/2012	54420	State Water Resources Contr...	170.00
5/14/2012	54435	Able Tire & Brake Inc.	123.00
5/14/2012	54419	SRS Private Investigations, Inc	120.00
5/14/2012	54438	Batteries Plus Inc	114.90
5/14/2012	54433	Zenith Instant Printing, Inc.	110.13
5/14/2012	54407	Orkin Pest Control, Inc.	105.45
5/14/2012	54406	One Stop Auto Service Inc.	100.00
5/14/2012	54398	North Bay Portables, Inc.	92.47
5/14/2012	54437	Barnett Medical LLC	90.00
5/14/2012	54393	Kentfield Occupational Med C...	80.00
5/14/2012	54418	Siemens Industry Inc. - Lab	75.00
5/14/2012	54387	Grant Avenue Florist	70.53
5/14/2012	54447	Cook Paging	66.30
5/14/2012	54415	Randall Bros. Auto Inc.	52.05
5/14/2012	54399	North Marin Auto Parts	36.44
5/14/2012	54402	Novato Builders Supply	34.04
5/14/2012	54453	Federal Express	24.91
5/14/2012	54421	T-Mobile	23.01
5/14/2012	54424	U.S. Bank (Sandeep)	22.30
5/14/2012	54389	Ideal Stationers	15.95

Novato Sanitary District Operating Check Register

May 14, 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
5/14/2012	54431	VWR International Inc.	14.24
5/14/2012	54410	Pitney Bowes	12.00
5/14/2012	54408	Pacific, Gas & Electric	1.89
May 14, 12			<u><u>308,320.29</u></u>

Novato Sanitary District
Operating Check Register Detail
May 14, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Able Tire & Brake Inc.			
	04/19/2012	65150 · Repairs & Maintenance	41.26
	04/23/2012	64150 · Repairs & Maintenance	81.74
Total Able Tire & Brake Inc.			<u>123.00</u>
Aqua Science			
	04/26/2012	64160 · Research & Monitoring	6,740.00
Total Aqua Science			<u>6,740.00</u>
Barnett Medical LLC			
	04/04/2012	64170 · Pollution Prevention/Public Ed	90.00
Total Barnett Medical LLC			<u>90.00</u>
Batteries Plus Inc			
	04/03/2012	66124 · IT/Misc Electrical	114.90
Total Batteries Plus Inc			<u>114.90</u>
Cagwin & Dorward Inc.			
	04/01/2012	66150 · Repairs & Maintenance	329.00
	04/30/2012	65150 · Repairs & Maintenance	450.00
Total Cagwin & Dorward Inc.			<u>779.00</u>
California Diesel & Power			
	04/19/2012	65150 · Repairs & Maintenance	995.17
Total California Diesel & Power			<u>995.17</u>
Caltest Analytical Lab Inc.			
	04/12/2012	64160 · Research & Monitoring	3,040.95
Total Caltest Analytical Lab Inc.			<u>3,040.95</u>
Cantarutti Electric, Inc			
	04/18/2012	65150 · Repairs & Maintenance	2,712.00
	04/23/2012	63150 · Repairs & Maintenance	165.00
Total Cantarutti Electric, Inc			<u>2,877.00</u>
CDW Government, Inc.			
	05/03/2012	66124 · IT/Misc Electrical	8,059.17
Total CDW Government, Inc.			<u>8,059.17</u>
Cintas Corporation			
	04/30/2012	64100 · Operating Supplies	101.59
	04/30/2012	66100 · Engineering Supplies	230.36
	04/30/2012	60100 · Operating Supplies	525.50
Total Cintas Corporation			<u>857.45</u>
Claremont EAP, Inc.			
	04/16/2012	66123 · O/S Contractual	295.00
Total Claremont EAP, Inc.			<u>295.00</u>
Comet Building Maintenance, Inc.			
	04/21/2012	66150 · Repairs & Maintenance	1,300.55
Total Comet Building Maintenance, Inc.			<u>1,300.55</u>
Cook Paging			
	05/03/2012	61000-4 · Water/Permits/Telephone	24.00
	05/03/2012	65193 · Telephone	30.83
	05/03/2012	60193 · Telephone	11.47
Total Cook Paging			<u>66.30</u>
Dearborn National			
	04/16/2012	66020 · Employee Benefits	2,564.57
Total Dearborn National			<u>2,564.57</u>
DLT Solutions Inc.			
	04/25/2012	60091 · Software Maint	638.81
Total DLT Solutions Inc.			<u>638.81</u>
East Bay Muni Utility District			
	04/17/2012	64160 · Research & Monitoring	750.00

Novato Sanitary District
Operating Check Register Detail
May 14, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Total East Bay Muni Utility District EDD			750.00
	05/03/2012	60010 · Salaries & Wages	1,117.00
Total EDD Environmental Resource Assoc			<u>1,117.00</u>
	04/16/2012	64100 · Operating Supplies	3,726.63
Total Environmental Resource Assoc Federal Express			<u>3,726.63</u>
	04/20/2012	66090 · Office Expense	24.91
Total Federal Express Frontier Analytical Laboratory, Inc.			<u>24.91</u>
	04/26/2012	64160 · Research & Monitoring	1,000.00
Total Frontier Analytical Laboratory, Inc. Grainger			<u>1,000.00</u>
	04/26/2012	60100 · Operating Supplies	59.54
	04/26/2012	63100 · Operating Supplies	59.54
	04/26/2012	65100 · Operating Supplies	59.55
Total Grainger Grant Avenue Florist			<u>178.63</u>
	05/03/2012	66090 · Office Expense	70.53
Total Grant Avenue Florist Harmony Press			<u>70.53</u>
	04/26/2012	66130 · Printing & Publications	3,425.00
Total Harmony Press Ideal Stationers			<u>3,425.00</u>
	04/12/2012	60100 · Operating Supplies	15.95
Total Ideal Stationers IEDA, INC			<u>15.95</u>
	05/01/2012	66123 · O/S Contractual	1,020.00
Total IEDA, INC Johnson, Dee			<u>1,020.00</u>
	05/01/2012	67400 · Consulting Services	1,413.31
	05/01/2012	67400 · Consulting Services	4,157.00
	05/01/2012	67530 · Used Oil Program	155.42
Total Johnson, Dee Journey			<u>5,725.73</u>
	04/06/2012	65150 · Repairs & Maintenance	360.07
Total Journey Kentfield Occupational Med Center			<u>360.07</u>
	04/28/2012	66090 · Office Expense	80.00
Total Kentfield Occupational Med Center Koffler Electrical Mech, Inc.			<u>80.00</u>
	04/27/2012	63150 · Repairs & Maintenance	24,381.32
Total Koffler Electrical Mech, Inc. Leonardi Automotive & Electric, Inc.			<u>24,381.32</u>
	04/24/2012	66150 · Repairs & Maintenance	163.89
	04/24/2012	65150 · Repairs & Maintenance	163.89
	04/24/2012	63150 · Repairs & Maintenance	168.87
Total Leonardi Automotive & Electric, Inc. Marin Mechanical II, Inc.			<u>496.65</u>
	04/25/2012	66150 · Repairs & Maintenance	343.80
Total Marin Mechanical II, Inc. Meyers, Nave, Riback, Silver & Wilson			<u>343.80</u>
	04/27/2012	66122 · Attorney Fees	2,244.84

Novato Sanitary District
Operating Check Register Detail
May 14, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Total Meyers, Nave, Riback, Silver & Wilson North Bay Portables, Inc.			2,244.84
	05/02/2012	63100 · Operating Supplies	92.47
Total North Bay Portables, Inc. North Marin Auto Parts			92.47
	04/24/2012	65150 · Repairs & Maintenance	26.67
	04/26/2012	65152 · Small Tools	9.77
Total North Marin Auto Parts North Marin Water District			36.44
	04/19/2012	61000-4 · Water/Permits/Telephone	1,267.91
	04/19/2012	65192 · Water	165.10
Total North Marin Water District North Marin Water District Payroll			1,433.01
	05/03/2012	64010 · Salaries & Wages	1,434.78
Total North Marin Water District Payroll Novato Builders Supply			1,434.78
	04/16/2012	65150 · Repairs & Maintenance	34.04
Total Novato Builders Supply Novato Toyota			34.04
	04/25/2012	66150 · Repairs & Maintenance	908.16
Total Novato Toyota Novato, City			908.16
	04/30/2012	67610 · City AB 939 Admin Services	10,000.00
Total Novato, City Occumetric Inc.			10,000.00
	04/18/2012	66020 · Employee Benefits	4,246.12
	05/04/2012	66090 · Office Expense	225.00
Total Occumetric Inc. One Stop Auto Service Inc.			4,471.12
	04/27/2012	60150 · Repairs & Maintenance	100.00
Total One Stop Auto Service Inc. Orkin Pest Control, Inc.			100.00
	04/19/2012	66150 · Repairs & Maintenance	105.45
Total Orkin Pest Control, Inc. Pacific, Gas & Electric			105.45
	04/23/2012	65191 · Gas & Electricity	1.89
Total Pacific, Gas & Electric PERS Retirement			1.89
	04/30/2012	66020- Employee Benefits	23,690.43
	04/30/2012	21075- P/R Liabilities	1,899.51
Total PERS Retirement Pitney Bowes			25,589.94
	05/01/2012	66090 · Office Expense	12.00
Total Pitney Bowes Pini Hardware			12.00
	05/10/2012	65150 · Repairs & Maintenance	310.33
	05/10/2012	65150 · Repairs & Maintenance	31.45
	05/10/2012	60100 · Operating Supplies	85.65
	05/10/2012	63100 · Operating Supplies	124.76
	05/10/2012	65100 · Operating Supplies	236.77
Total Pini Hardware Pitney Bowes Reserve Account			788.96
	05/10/2012	66090 · Office Expense	400.00
Total Pitney Bowes Reserve Account			400.00

Novato Sanitary District
Operating Check Register Detail
May 14, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Preferred Benefit			
	05/01/2012	66020 · Employee Benefits	3,129.20
	05/01/2012	21074 · Health Insurance Payable	101.36
Total Preferred Benefit			<u>3,230.56</u>
PSC			
	03/31/2012	67500 · Household Hazardous Waste	12,022.70
Total PSC			<u>12,022.70</u>
Quest			
	05/03/2012	65150 · Repairs & Maintenance	180.00
Total Quest			<u>180.00</u>
Randall Bros. Auto Inc.			
	04/24/2012	66150 · Repairs & Maintenance	52.05
Total Randall Bros. Auto Inc.			<u>52.05</u>
Rauch Communication Consultants. Inc.			
	04/30/2012	66123 · O/S Contractual	5,891.12
Total Rauch Communication Consultants. Inc.			<u>5,891.12</u>
RMC Water & Environment, Inc.			
	04/18/2012	64160 · Research & Monitoring	2,998.80
Total RMC Water & Environment, Inc.			<u>2,998.80</u>
Siemens Industry Inc. - Lab			
	04/13/2012	64150 · Repairs & Maintenance	75.00
Total Siemens Industry Inc. - Lab			<u>75.00</u>
SRS Private Investigations, Inc			
	04/20/2012	66090 · Office Expense	120.00
Total SRS Private Investigations, Inc			<u>120.00</u>
State Water Resources Control Bd			
	04/26/2012	66080 · Memberships	170.00
Total State Water Resources Control Bd			<u>170.00</u>
T-Mobile			
	04/15/2012	65193 · Telephone	23.01
Total T-Mobile			<u>23.01</u>
Telstar Instruments Inc			
	05/10/2012	65150 · Repairs & Maintenance	612.80
Total Telstar Instruments Inc			<u>612.80</u>
Thomas & Associates, Inc.			
	04/26/2012	65150 · Repairs & Maintenance	456.78
Total Thomas & Associates, Inc.			<u>456.78</u>
U.S. Bank (Sandeep)			
	05/02/2012	66170 · Travel, Meetings & Training	22.30
Total U.S. Bank (Sandeep)			<u>22.30</u>
U.S. Bank Card (1)(Bev)			
	05/07/2012	66123 · O/S Contractual	330.00
	05/07/2012	66170 · Travel, Meetings & Training	16.25
	05/07/2012	66090 · Office Expense	35.00
Total U.S. Bank Card (1)(Bev)			<u>381.25</u>
U.S. Bank Card (2)(June)			
	05/07/2012	61000-4 · Water/Permits/Telephone	192.05
	05/07/2012	65193 · Telephone	858.12
	05/07/2012	65150 · Repairs & Maintenance	182.65
	05/07/2012	66124 · IT/Misc Electrical	266.44
	05/07/2012	66090 · Office Expense	12.94
	05/07/2012	66150 · Repairs & Maintenance	26.45
	05/07/2012	66193 · Telephone	639.65
Total U.S. Bank Card (2)(June)			<u>2,178.30</u>

Novato Sanitary District
Operating Check Register Detail
May 14, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Unicorn Group			
	04/26/2012	66250 · Service Charge Sys Exp	2,169.78
Total Unicorn Group			<u>2,169.78</u>
Veolia Water North America, Inc.			
	04/05/2012	61000-1 · Fixed Fee	153,063.95
	04/20/2012	61000-2 · Insurance & Bonds	4,298.50
Total Veolia Water North America, Inc.			<u>157,362.45</u>
Verizon			
	04/28/2012	65193 · Telephone	600.77
Total Verizon			<u>600.77</u>
Vision Service Plan			
	04/19/2012	66020 · Employee Benefits	517.06
Total Vision Service Plan			<u>517.06</u>
VWR International Inc.			
	04/11/2012	64100 · Operating Supplies	14.24
Total VWR International Inc.			<u>14.24</u>
WEF Membership			
	05/11/2012	66080 · Memberships	220.00
Total WEF Membership			<u>220.00</u>
Zenith Instant Printing, Inc.			
	04/13/2012	66090 · Office Expense	110.13
Total Zenith Instant Printing, Inc.			<u>110.13</u>
TOTAL Check Register Detail - May 14, 2012			<u><u><u>308,320.29</u></u></u>

Novato Sanitary District Capital Project Check Register

May 14, 2012

Date	Num	Name	Credit
May 14, 12			
5/14/2012	2303	Gateway Pacific Contractors, ...	708,030.14
5/14/2012	2311	W.R. Forde	117,041.73
5/14/2012	2302	Gateway Pacific Contractors -...	78,670.02
5/14/2012	2300	Covello Group, The	52,575.81
5/14/2012	2310	Team Ghilotti, Inc.	38,203.96
5/14/2012	2309	Roto Rooter-(Inc.)	21,953.91
5/14/2012	2308	Nute Engineering Inc.	13,215.80
5/14/2012	2301	Exponent, Inc.	8,602.50
5/14/2012	2307	Novato, City	6,135.00
5/14/2012	2312	Western Energy Systems	3,353.09
5/14/2012	2313	Willis Professional Land Surv...	1,696.25
5/14/2012	2304	Lateral-Bieseimer	1,500.00
5/14/2012	2305	Lateral-Burke	1,500.00
5/14/2012	2306	Lateral-Segall	1,500.00
5/14/2012	2298	Cagwin & Dorward Inc.	1,073.00
5/14/2012	2299	Comet Building Maintenance,...	152.50
May 14, 12			<u>1,055,203.71</u>

Novato Sanitary District
Capital Projects
May 14, 2012

	Date	Account	Open Balance
Cagwin & Dorward Inc.			
	04/27/2012	72803 · Annual Collection Sys Repairs	1,073.00
Total Cagwin & Dorward Inc.			<u>1,073.00</u>
Comet Building Maintenance, Inc.			
	04/21/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	152.50
Total Comet Building Maintenance, Inc.			<u>152.50</u>
Covello Group, The			
	04/30/2012	72706 · 2008 Collection System Improv	11,908.50
	04/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	36,519.81
	04/30/2012	72609 · WWTP Upgrade - Contract B	1,000.00
	04/30/2012	72403 · Pump Station Rehabilitation	532.50
	04/30/2012	72706 · 2008 Collection System Improv	2,615.00
Total Covello Group, The			<u>52,575.81</u>
Exponent, Inc.			
	04/23/2012	72609 · WWTP Upgrade - Contract B	8,602.50
Total Exponent, Inc.			<u>8,602.50</u>
Gateway Pacific Contractors - Escrow			
	04/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	78,670.02
Total Gateway Pacific Contractors - Escrow			<u>78,670.02</u>
Gateway Pacific Contractors, Inc.			
	04/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	708,030.14
Total Gateway Pacific Contractors, Inc.			<u>708,030.14</u>
Lateral-Bieseemeier			
	05/09/2012	72706 · 2008 Collection System Improv	1,500.00
Total Lateral-Bieseemeier			<u>1,500.00</u>
Lateral-Burke			
	05/01/2012	72706 · 2008 Collection System Improv	1,500.00
Total Lateral-Burke			<u>1,500.00</u>
Lateral-Segall			
	05/01/2012	72706 · 2008 Collection System Improv	1,500.00
Total Lateral-Segall			<u>1,500.00</u>
Novato, City			
	04/26/2012	72706 · 2008 Collection System Improv	3,285.00
	04/26/2012	72706 · 2008 Collection System Improv	2,850.00
Total Novato, City			<u>6,135.00</u>
Nute Engineering Inc.			
	04/23/2012	72706 · 2008 Collection System Improv	7,833.30
	04/23/2012	72403 · Pump Station Rehabilitation	2,759.00
	04/23/2012	72804 · Annual Reclamation Fac Imp	162.00
	04/23/2012	72403 · Pump Station Rehabilitation	2,461.50

**Novato Sanitary District
Capital Projects
May 14, 2012**

	Date	Account	Open Balance
Total Nute Engineering Inc.			13,215.80
Roto Rooter-(Inc.)			
	05/09/2012	72803 · Annual Collection Sys Repairs	21,953.91
Total Roto Rooter-(Inc.)			<u>21,953.91</u>
Team Ghilotti, Inc.			
	04/16/2012	72706 · 2008 Collection System Improv	38,203.96
Total Team Ghilotti, Inc.			<u>38,203.96</u>
W.R. Forde			
	04/17/2012	72706 · 2008 Collection System Improv	20,001.84
	05/02/2012	72706 · 2008 Collection System Improv	97,039.89
Total W.R. Forde			<u>117,041.73</u>
Western Energy Systems			
	04/24/2012	72805 · Annual Trtmt Plnt/Pump St Impr	3,353.09
Total Western Energy Systems			<u>3,353.09</u>
Willis Professional Land Surveying			
	04/23/2012	72803 · Annual Collection Sys Repairs	1,696.25
Total Willis Professional Land Surveying			<u>1,696.25</u>
TOTAL			<u><u>1,055,203.71</u></u>

Novato Sanitary District Board Fees Check Register

For April 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
May 11, 12			
5/11/2012	2047	Di Giorgio, Michael	709.80
5/11/2012	2049	Mariani, Jean M	629.59
5/11/2012	2048	Long, William C	542.17
5/11/2012	3142	Welsh, Dennis J	486.86
5/11/2012	2050	Peters, A. Gerald	397.58
May 11, 12			<u>2,766.00</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Budget Workshop	MEETING DATE: May 14, 2012
AGENDA ITEM NO.:	
RECOMMENDED ACTION: No action	
<p>SUMMARY AND DISCUSSION: The Budget Workshop is an opportunity for the Board to discuss the budget in terms of the Strategic Plan Goals and Objectives. The attached Financing Plan Update contains the revenue and expenditure data that will form the basis of the discussion.</p> <p>The Strategic Plan Goals were:</p> <p>GOAL 1. OPERATIONAL AND ORGANIZATIONAL EXCELLENCE Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves.</p> <p>GOAL 2. FACILITIES Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.</p> <p>GOAL 3. BOARD DISTRICT AND COMMUNITY, ALIGNMENT AND COMMUNICATIONS Proactively communicate with all stakeholders including customers, the Board, staff and others in a clear, factual, timely, two-way manner to foster greater understanding and alignment between the District and its stakeholders.</p> <p>GOAL 4. ENVIRONMENT STEWARDSHIP AND LEADERSHIP Take a leadership role in carrying out operations and develop innovative programs in a manner that raises the bar for environmental stewardship and performance.</p> <p>The Manager-Engineer will make a presentation that demonstrates how the budget implements the Strategic Goals.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
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e-mail: bwa@bartlewells.com

TO: Beverly James, General Manager
Novato Sanitary District

FROM: Tom Gaffney

DATE: April 19, 2012

SUBJ: Financing plan update

The District has requested Bartle Wells Associates to update the financing plan to finance the District's capital improvement program as well as provide funding for ongoing operation and maintenance and replacement of existing collection system, pump station and reclamation facilities. This update includes the latest information on borrowing costs, capital costs, replacement costs, and operating expenses. The accompanying tables summarize the plan for ongoing District financing and show the potential impacts to future sewer service charges.

Table 1 - Current operation and maintenance expenses. This table shows NSD's actual expenses for 2010/11 and budgeted expenses for fiscal years 2011/12 and 2012/13. These figures are used to project future such expenses in a later table. Note that during the current year a payment of over \$1.2 million was used to retire a CalPERS Side Fund payoff. The side fund was a form of loan for underfunded pension costs at an interest rate of 7.75%. This payoff allows the District to save considerable interest costs over the following eleven years.

Table 2 - Capital expenditures. This table shows the District's capital improvement and major replacement expenses for five years. Including the current year, capital costs total nearly \$30 million. This amount does not include a new lateral sewer replacement program or annual costs related to retiring the outstanding COP issue or SRF loan. For FY 2016/17 and beyond, the financing plan is developed to allow the District to finance about \$2.5 million per year on a pay-as-you-go basis.

Table 3 – State Revolving Fund Loan. Nearly \$82 million of treatment plant project costs were funded by a low-interest SRF loan. These loans are an optimal financing method. Repayment of the loans is over 20 years at 2.4% interest. Annual loan payments begin this year and continue through FY 2030/31.

Table 4 – Wastewater Certificates of Participation. In addition to the SRF loan, the District sold \$21.75 million of COP's to finance collection system, pump station and additional treatment plant improvements. This issue sold for an average interest rate of 4.11% and will be fully retired in twenty years.

Table 5 - Projected operating revenues and expenses. Operating revenues and expenses are projected from their current level through FYE 2016. Expenses are

escalated at a rate of 3 percent annually. Based on the projected expenses, operating service charges are shown to increase at a nominal amount of \$9 annually. CalPERS payments of about \$118,000 annually have been eliminated by the one-time payoff during FY 2011/12.

Table 6 - Projected Capital Cash Flow. Capital expenses include capital improvements, facilities replacement, and borrowing costs. Capital improvement costs are highest in the first two years of the projection and then stabilize at about \$2.5 million annually. Borrowing costs are level at about \$7.1 million for the following nineteen years. Capital revenues include those from capital service charges, property taxes, and connection charges.

The annual capital service charge is projected to increase by \$22 next year. This increase is required to generate debt service coverage at the minimum level of 1.2 times annual debt service. After next year the capital service charge is projected to increase by \$10 annually. By FY 2015/16 the District will be able to fund about \$2.5 million of annual capital improvements on a pay-as-you-go basis. The projection is based on 50 new connections annually, which is less than previous projections. The projection also includes property tax revenues which may come under future possible appropriation because of the State's current financial situation. Loss of property tax revenues would require the District to increase capital service charges by about \$60 annually

Table 7 - Summary of Current and Projected Service Charges. The sum of required capital and operating service charges is shown in Table 7. Beginning in FY 2012/13, total annual service charges for operations and capital are projected to annually increase an estimated \$31 per equivalent dwelling unit (EDU) in FY 2012/13 and \$19/EDU in the following three years.

Service charges have remained constant for the past two years. Projected increases total about 19 percent over the six years. This is equivalent to an average of 3.2 percent over the same period. Over 59 percent of the increase is due to capital related expenses.

Table 8 – Non-Residential Fixed Costs. For non-residential users, service charges are developed based on a combination of fixed costs and variable costs. Non-residential fixed costs are based on floor area flow factors for various customer classes. Flow factor charges are increased at the same rate as those developed for residential customers.

Table 9 – Non-Residential Variable Costs. Non-residential users variable costs are assigned based on winter water consumption and estimated strength factors in accordance with guidelines developed in the State Water Resources Control Board's *Revenue Program Guidelines*. Future variable charges are increased at the same rate as those developed for residential customers.

Table 10 – Service Charge Cost Comparison. This table shows a comparison of the District's sewer service charges compared to those of neighboring wastewater agencies. The District's charges are currently the lowest of all nearby agencies. Even if the proposed rate increases are implemented, the District's charges will be the second lowest

April 19, 2012

Page 3

of the nearby agencies. Most likely, other agencies rates will also require upward adjustment within the same study period.

Table 1
Novato Sanitary District
Current and Projected Operating Expense

	Actual Expenditures 2010/11	Final Budget 2011/12	Preliminary Budget 2012/13
Collection	\$1,013,092	\$1,156,257	\$1,263,088
Treatment - Contract Operations	2,568,808	2,632,750	2,699,910
Reclamation	382,063	493,787	502,067
Laboratory	689,638	693,008	704,925
Pump Stations	702,446	814,148	777,972
Administration/Engineering	2,734,196	2,507,415	2,493,339
CalPERS Side Fund Payoff	0	1,215,597	0
Retiree Health Benefits	175,001	230,485	246,619
Hazardous Household Waste	<u>307,137</u>	<u>360,601</u>	<u>373,129</u>
Totals	\$8,572,381	\$10,104,048	\$9,061,049

Source: District Budgets

**Table 2
Novato Sanitary District
Capital Improvements Program 2011-2016**

Project No.	Project Name	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2011-16
72110	Drainage PS #3 & #7 Outfall Rehabilitation	-	50,000	-	-	-	50,000
72111	SCADA Phase II & IIA	20,000	20,000	20,000	20,000	20,000	100,000
72403	Pump Station Rehab. (BMK & Gormann-Rupp)	1,500,000	1,500,000	-	-	-	3,000,000
72507a	Stonetree Recycled Water	5,000	5,000	-	-	-	10,000
72508	N. Bay Water Recycling Auth.	50,000	50,000	50,000	50,000	50,000	250,000
72509	NTP Soil & Groundwater Invest.	5,000	5,000	-	-	-	10,000
72604	Laboratory Improvements	60,000	10,000	5,000	5,000	5,000	85,000
72607	WWTP Upgrade - Contract A1	15,000	10,000	10,000	-	-	35,000
72608	WWTP Upgrade - Contract A2	10,000	10,000	10,000	-	-	30,000
72609	WWTP Upgrade - Contract B	400,000	50,000	20,000	20,000	20,000	510,000
72611	Bayside Sewer	10,000	25,000	25,000	5,000	3,000	68,000
72612	Southgate Sewer	3,000	10,000	20,000	3,000	3,000	39,000
72706	Collection System Improvements ⁽¹⁾	2,000,000	2,000,000	2,000,000	2,000,000	1,500,000	9,500,000
72707	Hamilton Wetlands/Outfall monitoring & planning	5,000	5,000	5,000	5,000	5,000	25,000
72708	Cogeneration	50,000	700,000	150,000	50,000	10,000	960,000
72801	Annual Minor Projects	25,000	25,000	25,000	25,000	25,000	125,000
72802	Annual Sewer Adj. for City Projects	25,000	30,000	25,000	25,000	25,000	130,000
72803	Annual Collection System Repairs (Spot Repairs)	200,000	200,000	200,000	200,000	200,000	1,000,000
72804	Annual Reclamation Facilities Improvements	400,000	250,000	150,000	150,000	150,000	1,100,000
72805	Annual Treatment Plant & Pump Station Improvements	150,000	150,000	150,000	150,000	150,000	750,000
72808	Strategic Plan Update	50,000	-	-	-	-	50,000
73001	WWTP Facilities Upgrade - Contract C	800,000	3,500,000	250,000	50,000	10,000	4,610,000
73002	WWTP Facilities Upgrade - Contract D - Recycled Water Project	6,500,000	500,000	20,000	10,000	10,000	7,040,000
73003	Admin Building Upgrades	50,000	250,000	-	-	-	300,000
	TOTALS	12,333,000	9,355,000	3,135,000	2,768,000	2,186,000	29,777,000

(1) starting FY11-12, includes an allowance of \$1 million for replacing 4-inch decant line from reclamation to Deer Island, and 4-inch digested sludge transfer line from NTP to reclamation

Table 3
Novato Sanitary District
SRF Loan Payments
Loan Amount - \$81,973,200
Term - 20 years; 2.4% Interest

	Date	Outstanding Principal	Interest Payment	Principal Payment	Total Annual Payment
1	FY 2011/12	\$81,973,200	\$6,064,321	\$0	\$6,064,321
2	FY 2012/13	81,973,200	1,967,000	3,456,064	5,423,064
3	FY 2013/14	78,517,136	1,884,000	3,539,064	5,423,064
4	FY 2014/15	74,978,072	1,799,000	3,624,064	5,423,064
5	FY 2015/16	71,354,008	1,712,000	3,711,064	5,423,064
6	FY 2016/17	67,642,944	1,623,000	3,800,064	5,423,064
7	FY 2017/18	63,842,880	1,532,000	3,891,064	5,423,064
8	FY 2018/19	59,951,816	1,439,000	3,984,064	5,423,064
9	FY 2019/20	55,967,752	1,343,000	4,080,064	5,423,064
10	FY 2020/21	51,887,688	1,245,000	4,178,064	5,423,064
11	FY 2021/22	47,709,624	1,145,000	4,278,064	5,423,064
12	FY 2022/23	43,431,560	1,042,000	4,381,064	5,423,064
13	FY 2023/24	39,050,496	937,000	4,486,064	5,423,064
14	FY 2024/25	34,564,432	830,000	4,593,064	5,423,064
15	FY 2025/26	29,971,368	719,000	4,704,064	5,423,064
16	FY 2026/27	25,267,304	606,000	4,817,064	5,423,064
17	FY 2027/28	20,450,240	491,000	4,932,064	5,423,064
18	FY 2028/29	15,518,176	372,000	5,051,064	5,423,064
19	FY 2029/30	10,467,112	251,000	5,172,064	5,423,064
20	FY 2030/31	5,295,048	127,000	5,296,064	5,423,064

Table 4
Novato Sanitary District
Wastewater Certificates of Participation - 2011
\$21,750,000

Payment Date	Principal	Rate	Interest	Period Debt Svc	Fiscal Year Debt Svc
02/01/12			\$268,169.52		\$268,169.52
08/01/12			442,848.75	442,848.75	
02/01/13	800,000	3.000%	442,848.75	1,242,848.75	1,685,697.50
08/01/13			430,848.75	430,848.75	
02/01/14	830,000	3.000%	430,848.75	1,260,848.75	1,691,697.50
08/01/14			418,398.75	418,398.75	
02/01/15	855,000	3.000%	418,398.75	1,273,398.75	1,691,797.50
08/01/15			405,573.75	405,573.75	
02/01/16	885,000	4.000%	405,573.75	1,290,573.75	1,696,147.50
08/01/16			387,873.75	387,873.75	
02/01/17	905,000	4.000%	387,873.75	1,292,873.75	1,680,747.50
08/01/17			369,773.75	369,773.75	
02/01/18	925,000	4.000%	369,773.75	1,294,773.75	1,664,547.50
08/01/18			351,273.75	351,273.75	
02/01/19	945,000	4.000%	351,273.75	1,296,273.75	1,647,547.50
08/01/19			332,373.75	332,373.75	
02/01/20	970,000	4.000%	332,373.75	1,302,373.75	1,634,747.50
08/01/20			312,973.75	312,973.75	
02/01/21	1,000,000	4.000%	312,973.75	1,312,973.75	1,625,947.50
08/01/21			292,973.75	292,973.75	
02/01/22	1,035,000	4.000%	292,973.75	1,327,973.75	1,620,947.50
08/01/22			272,273.75	272,273.75	
02/01/23	1,065,000	4.000%	272,273.75	1,337,273.75	1,609,547.50
08/01/23			250,973.75	250,973.75	
02/01/24	1,105,000	4.000%	250,973.75	1,355,973.75	1,606,947.50
08/01/24			228,873.75	228,873.75	
02/01/25	1,145,000	4.000%	228,873.75	1,373,873.75	1,602,747.50
08/01/25			205,973.75	205,973.75	
02/01/26	1,190,000	4.000%	205,973.75	1,395,973.75	1,601,947.50
08/01/26			182,173.75	182,173.75	
02/01/27	1,235,000	4.250%	182,173.75	1,417,173.75	1,599,347.50
08/01/27			155,930.00	155,930.00	
02/01/28	1,285,000	4.250%	155,930.00	1,440,930.00	1,596,860.00
08/01/28			128,623.75	128,623.75	
02/01/29	1,340,000	4.500%	128,623.75	1,468,623.75	1,597,247.50
08/01/29			98,473.75	98,473.75	
02/01/30	1,395,000	4.500%	98,473.75	1,493,473.75	1,591,947.50
08/01/30			67,086.25	67,086.25	
02/01/31	1,455,000	4.700%	67,086.25	1,522,086.25	1,589,172.50
08/01/31			32,893.75	32,893.75	
02/01/32	1,385,000	4.750%	32,893.75	1,417,893.75	1,450,787.50
Totals	21,750,000		11,004,547.02	32,486,377.50	32,754,547.02

**Table 5
Novato Sanitary District
Operation and Maintenance
Projected Revenues and Expenses**

	Projected				
	Final Budget 2011/12	2012/13	2013/14	2014/15	2015/16
Number of equivalent connections	29,072	29,830	29,905	29,955	30,005
New equivalent connections		75	50	50	50
Annual operating service charge	\$276	\$283	\$292	\$301	\$310
Marin County's charge per account	\$2	\$2	\$2	\$2	\$2
Total annual operating service charge	\$278	\$285	\$294	\$303	\$312
Operating service charge increase	\$0.00	\$9.00	\$9.00	\$9.00	\$9.00
Beginning total operating funds balance	\$9,911,000	\$8,676,000	\$8,809,000	\$9,041,000	\$9,285,000
Operating revenues					
Operating service charges	\$8,211,000	\$8,442,000	\$8,732,000	\$9,016,000	\$9,302,000
Other revenues - 1% increase	785,000	737,000	744,000	751,000	759,000
Interest @ 1.0%	15,000	15,000	88,000	90,000	93,000
Total operating revenues	\$9,011,000	\$9,194,000	\$9,564,000	\$9,857,000	\$10,154,000
Operating expenses (1)					
Collection	\$1,156,257	\$1,263,000	\$1,301,000	\$1,340,000	\$1,380,000
Treatment - Contract Operations	2,632,750	2,700,000	2,781,000	2,864,000	2,950,000
Reclamation	493,787	502,000	517,000	533,000	549,000
Laboratory	693,008	705,000	726,000	748,000	770,000
Pump Stations	814,148	778,000	801,000	825,000	850,000
Administration/Engineering	2,507,415	2,493,000	2,568,000	2,645,000	2,724,000
CalPERS Side Fund Payoff	1,215,597	0	0	0	0
Retiree Health Benefits	230,485	247,000	254,000	262,000	270,000
Hazardous Household Waste	360,601	373,000	384,000	396,000	408,000
Total operating expenses	\$10,104,048	\$9,061,000	\$9,332,000	\$9,613,000	\$9,901,000
Net annual revenues	-\$1,093,048	\$133,000	\$232,000	\$244,000	\$253,000
Ending fund balance	\$8,676,000	\$8,809,000	\$9,041,000	\$9,285,000	\$9,538,000

1 - Operating expenses projected to increase by about 3% annually

**Table 6
Novato Sanitary District
Projected Capital Cash Flow**

	Projected				
	Final Budget 2011/12	2012/13	2013/14	2014/15	2015/16
Number of equivalent connections	29,072	29,830	29,880	29,930	29,980
New equivalent connections	80	50	50	50	50
Annual capital service charge	\$188	\$210	\$220	\$230	\$240
Capital service charge increase	\$0	\$22	\$10	\$10	\$10
Connection charge - 4% increase	\$8,520	\$8,950	\$9,310	\$9,680	\$10,070
Beginning capital fund balance	-\$1,667,000	\$23,813,000	\$15,771,000	\$14,530,000	\$13,977,000
Capital revenues					
Capital service charges	\$5,473,000	\$6,144,000	\$6,574,000	\$6,884,000	\$7,195,000
Property taxes @ 2% after 2011	1,775,000	1,775,000	1,811,000	1,847,000	1,884,000
Connection charges	682,000	448,000	466,000	484,000	504,000
Interest income @ 1.0%	25,000	25,000	158,000	145,000	140,000
Other revenues	30,000	30,000	30,000	30,000	30,000
Annual capital revenue	7,985,000	8,422,000	9,039,000	9,390,000	9,753,000
Reclamation grant proceeds	1,609,000				
SRF loan proceeds	2,040,000				
COP proceeds	20,179,000				
Total annual funding	\$31,813,000	\$8,422,000	\$9,039,000	\$9,390,000	\$9,753,000
Capital expenses					
Treatment plant	\$0	\$4,225,000	\$460,000	\$230,000	\$190,000
Collection system	0	2,265,000	2,270,000	2,233,000	1,731,000
Pump stations	0	1,550,000	0	0	0
Reclamation system	0	310,000	205,000	205,000	205,000
Lateral program	0	0	30,000	60,000	90,000
Other projects	0	1,005,000	200,000	100,000	60,000
Subtotal capital projects	0	9,355,000	3,165,000	2,828,000	2,276,000
SRF Loan pmts (Table 3)	6,064,000	5,423,000	5,423,000	5,423,000	5,423,000
COP debt service (Table 4)	269,000	1,686,000	1,692,000	1,692,000	1,696,000
Total annual capital expense	\$6,333,000	\$16,464,000	\$10,280,000	\$9,943,000	\$9,395,000
Net annual revenues	\$25,480,000	-\$8,042,000	-\$1,241,000	-\$553,000	\$358,000
Ending fund balance	\$23,813,000	\$15,771,000	\$14,530,000	\$13,977,000	\$14,335,000
Debt service coverage	4.851	1.203	1.303	1.354	1.406

Table 7
Novato Sanitary District
Summary of Projected Sewer Service Charges
Annual Cost per Equivalent Dwelling Unit

	Current 2011/12	Budget		Projected	
		2012/13	2013/14	2014/15	2015/16
Operating	\$276	\$285	\$294	\$303	\$312
	0.0%	3.3%	3.2%	3.1%	3.0%
% increase					
Capital	188	210	220	230	240
	0.0%	11.7%	4.8%	4.5%	4.3%
% increase					
Total	\$464	\$495	\$514	\$533	\$552
Annual increase		\$31	\$19	\$19	\$19
% increase	0.0%	6.7%	3.8%	3.7%	3.6%

Table 8
Novato Sanitary District
Non-Residential Fixed Costs

User Type	Floor Area Flow Factor	Charge Per Square Foot				
		Current	2012/13	2013/14	2014/15	2015/16
Base Charge/square foot	1.0	\$0.19	\$0.20	\$0.21	\$0.22	\$0.23
Warehouses/mini-storage	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Office	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Retail	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Public office buildings	1.0	0.19	0.20	0.21	\$0.22	\$0.23
School classrooms/administration	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Churches	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Meeting halls with kitchens	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Auto service stations	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Supermarkets	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Auditoriums theaters	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Gymnasium w/showers	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Hotels/motels, not incl. restaurant	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Mortuary	1.0	0.19	0.20	0.21	\$0.22	\$0.23
Medical offices	1.3	0.25	0.27	0.28	\$0.29	\$0.30
Veterinary offices	1.3	0.25	0.27	0.28	\$0.29	\$0.30
Dental offices	1.3	0.25	0.27	0.28	\$0.29	\$0.30
Hospitals	1.3	0.25	0.27	0.28	\$0.29	\$0.30
Cafeteria/dining area	2.0	0.38	0.41	0.42	\$0.44	\$0.45
Restaurants/cafes	2.0	0.38	0.41	0.42	\$0.44	\$0.45
Bakeries	2.0	0.38	0.41	0.42	\$0.44	\$0.45
Ice cream/yogurt shops	2.0	0.38	0.41	0.42	\$0.44	\$0.45
Delicatessens	2.0	0.38	0.41	0.42	\$0.44	\$0.45
Laundry and laundromats	3.0	0.57	0.61	0.63	\$0.65	\$0.68

**Table 9
Novato Sanitary District
Non-Residential Variable Charge
(water use and strength factors)**

User Type	Strength Factor	Current Charge	Charge Per Hundred Cubic Feet ¹			
			2012/13	2013/14	2014/15	2015/16
Base Charge/square foot	1.0	\$2.52	\$2.69	\$2.79	\$2.89	\$3.00
Warehouses/mini-storage	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Office	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Retail	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Public office buildings	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
School classrooms/administration	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Churches	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Auto service stations	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Auditoriums theaters	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Gymnasium w/showers	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Hotels/motels, not incl. restaurant	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Medical offices	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Veterinary offices	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Dental offices	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Hospitals	1.0	2.52	\$2.69	\$2.79	\$2.89	\$3.00
Laundries and laundromats	1.4	3.53	\$3.77	\$3.91	\$4.05	\$4.20
Meeting halls with kitchens	1.4	3.53	\$3.77	\$3.91	\$4.05	\$4.20
Cafeteria/dining area	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Restaurants/cafes	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Supermarkets	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Bakeries	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Ice cream/yogurt shops	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Delicatessens	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52
Mortuary	2.2	5.48	\$5.85	\$6.07	\$6.29	\$6.52

1 - Based on winter water consumption.

Table 10
Novato Sanitary District
Annual Sewer Service Charges per Equivalent Dwelling Unit
Cost Comparison with Neighboring Agencies

AGENCY	2011-12	2012-13	2013-14	2014-15	2015-16
Sanitary District No. 5 - Belvedere	\$1,748	\$1,836			
City of Santa Rosa	\$1,098				
Tamalpais Community Service District	\$1,013				
City of Petaluma	\$966				
Sanitary District No. 1 - City of Larkspur	\$864	\$984			
Sanitary District No. 5 - Tiburon	\$717	\$825			
City of Rohnert Park	\$679				
Sanitary District No. 1 - Ross Valley	\$638	\$757			
San Rafael Sanitation District	\$638				
Sausalito-Marin City Sanitary Dist - Marin City	\$616	\$701			
City of Mill Valley	\$600	\$677			
Las Gallinas Valley Sanitary District	\$590				
Sausalito-Marin City Sanitary District - Sausalito	\$563	\$647			
Town of Corte Madera (S.D. #2)	\$498				
NOVATO SANITARY DISTRICT	\$464	\$495	\$514	\$533	\$552

May 2, 2012

MEMORANDUM

TO: District Board of Directors

FROM: Beverly B. James, Manager-Engineer
Laura M. Creamer, Finance Officer

SUBJECT: Revenue and Expenditure Report for Quarter Ended March 2012

This memo presents a summary of revenues and expenditures for the operating and capital funds through the third quarter of Fiscal Year 2011-12 (see attached detail). The report also presents a brief analysis of items that vary significantly from the final budget.

OPERATING FUND

OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Remaining	Pct. Received
Total Operating Revenues	\$4,914,943	\$8,954,956	\$4,040,013	54.9%

Discussion

Overall, operating revenues are approximately 54.9% of the total budget amount with 75% of the year complete. The operating income accounts are within normal range for this time of year.

OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenses	\$ 7,329,208	\$10,188,048	\$2,858,840	71.9%

Discussion

Overall, operating expenses are approximately 71.9% of budget at 75% of the year complete. The following explains significant variances in expense accounts.

Collection System (59.8%)

Repairs & Maintenance. 139.0%. Significant variance due to previous expenditures in the past quarters, including a water pump replacement on a collection truck. In addition, significant expenditures for collection truck maintenance and vector modifications continue to impact this account. We will request a budget amendment for this overage of approximately \$20,000.

Water. 83.7%. On review of account detail, water expenditures appear larger in this time period than in the previous year at the same time. However, the expenditures appear reasonable when considered against the increase in water charges over the past year. Staff will continue to monitor this account which is expected to stay within budget for the current year.

Outside Services. 7.9%. Account expected to be used in last quarter, primarily for planned root abatement services.

Treatment Facilities - Contract Operations (71.6%)

Water/Permits/Telephone 80.9%. Significant variances due to annual permit fees of \$46,000 paid in full for the current fiscal year. Account expected to stay within budget for the year.

Reclamation/Disposal Facilities (71.0%)

Salaries & Wages 78.5%. On review of account detail, this item will be over budget by approximately 6%. However the department as a whole is expected to be within budget for the year.

Sludge Disposal 99.6%. Sludge disposal has been completed for this current year thus the 99.6% usage of budget. No other expenditures for remainder of year expected.

Repairs & Maintenance 79.7%. Account has been reviewed, no significant items noted, expected to stay within budget. There are no major anticipated expenditures expected in the next few months.

Gas & Electricity 79.3%. The Reclamation facility operates between April 1st and October 31st every year with the majority of expenditures occurring during the first and fourth quarters of the budget year. This item is anticipated to stay within budget.

Water - Reclamation. 76.2%. On review of account detail, this item is expected to stay within budget for this fiscal year.

Laboratory/Monitoring (61.1%)

Pollution Prevention/Public Outreach 101.7%. Majority of expenditures are for community outreach programs. Central Marin Sanitation Agency bills us for our share of these costs and we received a billing for our portion of last year's costs late in the first quarter of this fiscal year, in the amount of \$8,800, which is still continuing to impact our budget by an overage of \$530. However as a whole this department's operating budget is expected to be within budget for this fiscal year.

Pump Stations (70.5%)

Gasoline & Oil. 83.7% On review of account, no significant items noted.

Operating Chemicals. 348.4% This account shows a significant increase due to unanticipated purchases of Bioxide for Odor Control. The District entered into a service agreement with Seimens Industry, Inc. to provide odor control systems and chemicals to the District for Olive St Pump Station, Bahia Main Pump Station, Ignacio Transfer Pump Station, and E. Hamilton Pump Station per agreement #Q11007DST1. This was done to control odors at the Novato Treatment Plant. Thus, a budget amendment of approximately \$73,000 has been requested.

Repairs and Maintenance. 88.7% On review of account, significant variance due to previous quarter expenditures preparing the Distict's pump stations' standby portable generators for the wet weather season. Staff will continue to monitor this account.

Water. 88.3% On review of account, no significant items noted. However, the expenditures appear reasonable due to the increase in water charges over the past year.

Administration and Engineering (79.5%)

Employee Benefits – Side Fund. 100.0%. Side fund for CalPERS paid in full in late November 2011.

Director Fees. 81.6%. Slight increase in fees half way through the year because of additional Board and committee meetings for Strategic Planning, Board Member Appointment etc.. Account expected to stay within budget for the current year.

Gasoline & Oil. 79.9%. Per review of account, no significant items noted.

Agency Dues. 97.1%. Most of our agency dues have been paid for this fiscal year, thus the expenditures are accurate for this time of year.

Memberships. 76.6%. No significant items were noted during review of this budget item. This budget item is expected to stay within budget for the current fiscal year.

Accounting & Auditing. 89.5%. All of the audit work has been completed for the June 30, 2011 audit, thus reasonable variance for this time of year.

AB 939 Solid Waste Program (56.5%)

Other. 89.4%. Per review of account, no significant items noted.

CAPITAL FUND

CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under)Budget	Pct. Received
Sewer Service Charges	\$3,099,090	\$5,472,815	(\$2,373,725)	56.6%
Property Taxes	\$1,012,853	\$1,775,000	(\$ 762,147)	57.1%
Connection Charges	\$ 836,652	\$ 681,600	\$ 155,052	122.8%
Total Revenue	\$5,179,809	\$9,593,415	(\$4,413,606)	54.0%

CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$7,176,745	\$18,692,321	\$11,515,576	38.4%

The list of capital projects is shown in the attached report. Overall expenses are 38.4% of budget.

Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
July 2011 through March 2012

	Jul '11 - Mar 12	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
41000 · OPERATING INCOME				
41010 · Sewer Service Charges	4,649,833.46	8,210,842.00	(3,561,008.54)	56.63%
41030 · Plan Check & Inspection Fee	0.00	500.00	(500.00)	0.0%
41040 · Permit & Inspection Fee	5,340.00	7,500.00	(2,160.00)	71.2%
41060 · Interest Income	6,134.07	15,000.00	(8,865.93)	40.89%
41080 · Engineering & Admin Charges	0.00	200,000.00	(200,000.00)	0.0%
41090 · Non-domestic Permit Fees	12,796.50	4,000.00	8,796.50	319.91%
41100 · Garbage Franchise Fees	0.00	46,575.00	(46,575.00)	0.0%
41105 · AB 939 Collector Fees	223,189.50	297,586.00	(74,396.50)	75.0%
41107 · Oil/Bev/Tire Grants	47,237.24	54,953.00	(7,715.76)	85.96%
41130 · Ranch Income	0.00	60,000.00	(60,000.00)	0.0%
41135 · Recycle Water Facility Revenue	40.00	8,000.00	(7,960.00)	0.5%
41140 · Other Revenue	(30,615.71)	40,000.00	(70,615.71)	(76.54%)
41142 · Loss on disposal of assets	988.00	10,000.00	(9,012.00)	9.88%
Total 41000 · OPERATING INCOME	4,914,943.06	8,954,956.00	(4,040,012.94)	54.89%
Total Income	4,914,943.06	8,954,956.00	(4,040,012.94)	54.89%
Gross Profit	4,914,943.06	8,954,956.00	(4,040,012.94)	54.89%
Expense				
60000 · COLLECTION SYSTEM				
60010 · Salaries & Wages	395,414.10	562,400.00	(166,985.90)	70.31%
60020 · Employee Benefits	169,705.56	251,857.00	(82,151.44)	67.38%
60060 · Gas, Oil & Fuel	14,288.53	25,000.00	(10,711.47)	57.15%
60091 · Software Maint	15,844.82	25,000.00	(9,155.18)	63.38%
60100 · Operating Supplies	18,381.90	27,000.00	(8,618.10)	68.08%
60150 · Repairs & Maintenance	55,581.22	40,000.00	15,581.22	138.95%
60152 · Small Tools	58.56	1,000.00	(941.44)	5.86%
60153 · Outside Services	5,897.50	75,000.00	(69,102.50)	7.86%
60192 · Water	4,183.73	5,000.00	(816.27)	83.68%
60193 · Telephone	1,232.49	2,000.00	(767.51)	61.63%
60200 · Other(Garbage Coll)	201.86	2,000.00	(1,798.14)	10.09%
60201 · Permits & Fees	10,111.43	100,000.00	(89,888.57)	10.11%
60290 · Vehicle Replacement	0.00	40,000.00	(40,000.00)	0.0%
Total 60000 · COLLECTION SYSTEM	690,901.70	1,156,257.00	(465,355.30)	59.75%
61000 · TREATMENT FACILITIES				
61000-0 · Contract Operations				
61000-1 · Fixed Fee	1,384,729.55	1,880,000.00	(495,270.45)	73.66%
61000-2 · Insurance & Bonds	38,078.77	51,750.00	(13,671.23)	73.58%
61000-3 · Major Repair/Replacement	43,700.61	104,000.00	(60,299.39)	42.02%
61000-4 · Water/Permits/Telephone	50,162.55	62,000.00	(11,837.45)	80.91%
61000-5 · Gas & Electricity	401,713.17	581,000.00	(179,286.83)	69.14%
Total 61000-0 · Contract Operations	1,918,384.65	2,678,750.00	(760,365.35)	71.62%

Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
July 2011 through March 2012

	<u>Jul '11 - Mar 12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
63000 · RECLAMATION/DISPOSAL				
63010 · Salaries & Wages	23,517.24	29,945.00	(6,427.76)	78.54%
63020 · Employee Benefits	10,207.65	13,342.00	(3,134.35)	76.51%
63060 · Gasoline & Oil	4,279.08	8,000.00	(3,720.92)	53.49%
63091 · Software Maintenance	0.00	2,500.00	(2,500.00)	0.0%
63100 · Operating Supplies	1,108.31	3,000.00	(1,891.69)	36.94%
63115 · Sludge Disposal	185,165.00	186,000.00	(835.00)	99.55%
63150 · Repairs & Maintenance	67,756.57	85,000.00	(17,243.43)	79.71%
63151 · Unusual Equipment Maintenance	2,085.11	50,000.00	(47,914.89)	4.17%
63152 · Small Tools	0.00	1,000.00	(1,000.00)	0.0%
63157 · Ditch/Dike Maintenance	0.00	18,000.00	(18,000.00)	0.0%
63191 · Gas & Electricity	75,311.94	95,000.00	(19,688.06)	79.28%
63192 · Water - Reclamation	6,093.60	8,000.00	(1,906.40)	76.17%
63201 · Permits & Fees	1,995.00	25,000.00	(23,005.00)	7.98%
63290 · Vehicle Replacement	0.00	7,000.00	(7,000.00)	0.0%
Total 63000 · RECLAMATION/DISPOSAL	377,519.50	531,787.00	(154,267.50)	70.99%
64000 · LABORATORY/MONITORING				
64010 · Salaries & Wages	147,943.93	214,893.00	(66,949.07)	68.85%
64020 · Employee Benefits	55,256.68	98,315.00	(43,058.32)	56.2%
64060 · Gasoline & Oil	1,988.49	4,000.00	(2,011.51)	49.71%
64091 · Software Maintenance	0.00	13,000.00	(13,000.00)	0.0%
64100 · Operating Supplies	13,989.37	40,000.00	(26,010.63)	34.97%
64150 · Repairs & Maintenance	7,672.47	11,000.00	(3,327.53)	69.75%
64160 · Research & Monitoring	161,458.22	275,400.00	(113,941.78)	58.63%
64170 · Pollution Prevention/Public Ed	32,529.51	32,000.00	529.51	101.66%
64201 · Permits & Fees	2,811.00	3,000.00	(189.00)	93.7%
64290 · Vehicle Replacement	0.00	1,400.00	(1,400.00)	0.0%
Total 64000 · LABORATORY/MONITORING	423,649.67	693,008.00	(269,358.33)	61.13%
65000 · PUMP STATIONS				
65010 · Salaries & Wages	194,418.11	328,917.00	(134,498.89)	59.11%
65020 · Employee Benefits	83,496.47	145,231.00	(61,734.53)	57.49%
65060 · Gasoline & Oil	2,092.44	2,500.00	(407.56)	83.7%
65091 · Software Maintenance	0.00	10,000.00	(10,000.00)	0.0%
65100 · Operating Supplies	5,077.47	9,000.00	(3,922.53)	56.42%
65101 · Operating Chemicals	83,625.69	24,000.00	59,625.69	348.44%
65150 · Repairs & Maintenance	119,688.01	135,000.00	(15,311.99)	88.66%
65152 · Small Tools	1,887.36	2,500.00	(612.64)	75.49%
65191 · Gas & Electricity	60,883.40	100,000.00	(39,116.60)	60.88%
65192 · Water	4,413.51	5,000.00	(586.49)	88.27%
65193 · Telephone	15,062.00	21,000.00	(5,938.00)	71.72%
65201 · Permits & Fees	3,204.00	21,000.00	(17,796.00)	15.26%
65290 · Vehicle Replacement	0.00	10,000.00	(10,000.00)	0.0%
Total 65000 · PUMP STATIONS	573,848.46	814,148.00	(240,299.54)	70.49%
66000 · ADMIN/ENGINEERING				

Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
 July 2011 through March 2012

	Jul '11 - Mar 12	Budget	\$ Over Budget	% of Budget
66010 · Salaries & Wages	737,931.66	961,482.00	(223,550.34)	76.75%
66020-1 · Employee Benefits-Side Fund	1,205,537.00	1,205,537.00	0.00	100.0%
66020 · Employee Benefits	315,272.32	443,233.00	(127,960.68)	71.13%
66021 · Retiree Health Benefits	161,882.15	230,485.00	(68,602.85)	70.24%
66030 · Director's Fees	32,625.00	40,000.00	(7,375.00)	81.56%
66040 · Election Expense	39,456.07	60,000.00	(20,543.93)	65.76%
66060 · Gasoline & Oil	3,993.98	5,000.00	(1,006.02)	79.88%
66070 · Insurance	118,760.18	195,600.00	(76,839.82)	60.72%
66071 · Insurance Claim Expense	30,020.86	55,600.00	(25,579.14)	53.99%
66075 · Agency Dues	38,849.21	40,000.00	(1,150.79)	97.12%
66080 · Memberships	5,511.86	7,200.00	(1,688.14)	76.55%
66090 · Office Expense	19,275.56	28,000.00	(8,724.44)	68.84%
66100 · Engineering Supplies	6,321.95	10,000.00	(3,678.05)	63.22%
66121 · Accounting & Auditing	19,685.00	22,000.00	(2,315.00)	89.48%
66122 · Attorney Fees	109,117.24	190,000.00	(80,882.76)	57.43%
66123 · O/S Contractual	172,119.87	228,760.00	(56,640.13)	75.24%
66124 · IT/Misc Electrical	12,257.24	40,000.00	(27,742.76)	30.64%
66130 · Printing & Publications	8,537.08	17,000.00	(8,462.92)	50.22%
66150 · Repairs & Maintenance	28,163.88	40,000.00	(11,836.12)	70.41%
66170 · Travel, Meetings & Training	33,456.22	45,000.00	(11,543.78)	74.35%
66193 · Telephone	8,926.08	14,000.00	(5,073.92)	63.76%
66202 · County Fees - Property Taxes	11,898.00	31,000.00	(19,102.00)	38.38%
66203 · County Fees - Sewer Service Chg	21,559.50	29,000.00	(7,440.50)	74.34%
66250 · Service Charge Sys Exp	0.00	9,000.00	(9,000.00)	0.0%
66290 · Vehicle Replacement	0.00	5,600.00	(5,600.00)	0.0%
Total 66000 · ADMIN/ENGINEERING	3,141,157.91	3,953,497.00	(812,339.09)	79.45%
67000 · AB 939 SOLID WASTE PROGRAMS				
67400 · Consulting Services	66,062.89	105,064.00	(39,001.11)	62.88%
67500 · Household Hazardous Waste	131,105.24	218,000.00	(86,894.76)	60.14%
67520 · Permanent HHW Facility	0.00	9,000.00	(9,000.00)	0.0%
67530 · Used Oil Program	2,108.13	13,537.00	(11,428.87)	15.57%
67600 · Other	4,469.76	5,000.00	(530.24)	89.4%
67610 · City AB 939 Admin Services	0.00	10,000.00	(10,000.00)	0.0%
Total 67000 · AB 939 SOLID WASTE PROGR	203,746.02	360,601.00	(156,854.98)	56.5%
Total Expense	7,329,207.91	10,188,048.00	(2,858,840.09)	71.94%
Net Ordinary Income	(2,414,264.85)	(1,233,092.00)	(1,181,172.85)	195.79%
	(2,414,264.85)	(1,233,092.00)	(1,181,172.85)	195.79%

Novato Sanitary District
Revenues & Expenditures - Capital
 July 2011 through March 2012

	Jul '11 - Mar 12	Budget	\$ Over Budget	% of Budget
Income				
51000 · CAPITAL IMPROVEMENT INCOME				
51010 · Sewer Service Charges	3,099,090.45	5,472,815.00	(2,373,724.55)	56.63%
51015 · Property Taxes	1,012,853.13	1,775,000.00	(762,146.87)	57.06%
51020 · Connection Charges	836,651.78	681,600.00	155,051.78	122.75%
51030 · Collector Sewer Charges	0.00	4,000.00	(4,000.00)	0.0%
51040 · Special Equalization Charge	27.00	6,000.00	(5,973.00)	0.45%
51060 · Interest	3,879.82	25,000.00	(21,120.18)	15.52%
51070 · Other Revenue	227,307.04	1,629,000.00	(1,401,692.96)	13.95%
Total 51000 · CAPITAL IMPROVEMENT INCOME	5,179,809.22	9,593,415.00	(4,413,605.78)	53.99%
Total Income	5,179,809.22	9,593,415.00	(4,413,605.78)	53.99%
Gross Profit	5,179,809.22	9,593,415.00	(4,413,605.78)	53.99%
Expense				
72000 · CAPITAL IMPROVEMENT PROJECTS				
72111 · SCADA Phase II	16,721.29	20,000.00	(3,278.71)	83.61%
72403 · Pump Station Rehabilitation	1,066,647.10	1,500,000.00	(433,352.90)	71.11%
72508 · N. Bay Water Recycling Auth	49,901.67	50,000.00	(98.33)	99.8%
72509 · NTP Soil & Groundwater Inv	0.00	5,000.00	(5,000.00)	0.0%
72604 · Laboratory Improvements	2,033.00	60,000.00	(57,967.00)	3.39%
72607 · WWTP Upgrade-Contract A1	12,982.00	15,000.00	(2,018.00)	86.55%
72608 · WWTP Upgrade - Contract A2	0.00	10,000.00	(10,000.00)	0.0%
72609 · WWTP Upgrade - Contract B	510,809.52	700,000.00	(189,190.48)	72.97%
72611 · Bayside Sewer	0.00	10,000.00	(10,000.00)	0.0%
72612 · Southgate Sewer-	0.00	3,000.00	(3,000.00)	0.0%
72706 · 2008 Collection System Improv	221,678.47	2,000,000.00	(1,778,321.53)	11.08%
72707 · Hamilton Wetlands/Outfall Monit	0.00	5,000.00	(5,000.00)	0.0%
72708 · Cogeneration	0.00	50,000.00	(50,000.00)	0.0%
72801 · Annual Minor Projects	0.00	25,000.00	(25,000.00)	0.0%
72802 · Annual Sewer Adj. for City Proj	6,339.45	25,000.00	(18,660.55)	25.36%
72803 · Annual Collection Sys Repairs	116,193.53	200,000.00	(83,806.47)	58.1%
72804 · Annual Reclamation Fac Imp	245,127.47	400,000.00	(154,872.53)	61.28%
72805 · Annual Trtmt Plnt/Pump St Impr	145,567.08	150,000.00	(4,432.92)	97.05%
72808 · Strategic Plan Update	14,490.24	50,000.00	(35,509.76)	28.98%
73001 · WWTP Upgrade - Contract C	124,017.55	800,000.00	(675,982.45)	15.5%
73002 · WWTP Up - Cont D - Rec- ARRA Fu	3,354,861.63	6,500,000.00	(3,145,138.37)	51.61%
73003 · Admin Building Upgrades	13,035.20	50,000.00	(36,964.80)	26.07%
78500 · Interest - Capital Projects\	1,276,339.86	6,064,321.00	(4,787,981.14)	21.05%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS	7,176,745.06	18,692,321.00	(11,515,575.94)	38.39%
Total Expense	7,176,745.06	18,692,321.00	(11,515,575.94)	38.39%
Net Ordinary Income	(1,996,935.84)	(9,098,906.00)	7,101,970.16	21.95%
Net Income	(1,996,935.84)	(9,098,906.00)	7,101,970.16	21.95%

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Budget Amendments	MEETING DATE: 5/14/12
AGENDA ITEM NO. :	
RECOMMENDED ACTION: Approve FY2011-12 budget amendments for: (a) Collection System: Repairs and Maintenance (Account No. 60150), with no net increase to the Cost Center No. 60000 (Collection System) budget; and (b) Pump Stations: Operating Chemicals (Account No. 65101), with no net increase to the Cost Center No. 65000 (Pump Stations) budget.	
SUMMARY AND DISCUSSION:	
<p>Amendments to the FY2011-12 budget are requested for the following items:</p> <p><u>Account No. 60150 - Collection System - Repairs & Maintenance:</u> This account has an overage due to expenditures in prior quarters, including higher than anticipated vehicle repair and maintenance costs, and Vactor modifications. Details on these items were provided in prior Revenue/Expenditure reports at previous Board meetings. At this time, staff recommends a budget amendment to this account in the amount of \$20,000.</p> <p>It is anticipated that this budget increase of \$20,000 will be offset by under expenditures in other budget accounts in Cost Center No. 60000 - Collection System, and there will not be any net increase to the overall Collection System budget. Currently, the Collection System budget shows 59.75% of budget expended versus 75% of the year completed.</p> <p><u>Account No. 65101 – Pump Stations – Operating Chemicals:</u> This account shows a significant increase due to unanticipated purchases of Bioxide for Odor Control. As has been reported previously, the District entered into a service agreement with Siemens Industry, Inc. to provide odor control systems and Bioxide deliveries at the following District pump stations: Olive St. Pump Station, Bahia Main Pump Station, Ignacio Transfer Pump Station, and E. Hamilton Pump Station. This was done to reduce the potential for odor generating compounds reaching the Novato Treatment Plant (NTP), and thereby help control odors at the NTP. Purchases under this agreement total \$78,000 and staff anticipates another \$13,000 impact to this account next quarter. This budget item is over by \$60,000. Staff recommends a budget amendment in the amount of \$73,000 to cover this overage for the current fiscal year.</p> <p>It is anticipated that this budget increase of \$73,000 will be offset by under expenditures in other budget accounts in Cost Center No. 65000 – Pump Stations, and there will not be any net increase to the overall Pump Stations budget. Currently, the Pump Stations budget shows 70.49% of budget expended versus 75% of the year completed.</p>	
ALTERNATIVES: Do not approve budget amendments.	
BUDGET INFORMATION: The FY11-12 Operating Budget for the Collection System is \$1,156,257, and this amount will not change. The FY11-12 Operating Budget for the Pump Stations is \$814,148, and this amount will not change.	
DEPT. MGR. :	MANAGER'S APPROVAL:

MEMORANDUM

May 14, 2012

TO: Beverly James, Manager-Engineer

FROM: Laura Creamer, Finance Officer

SUBJECT: District Audit for 2011-12

INTRODUCTION

On February 16, 2012, District staff sent twenty-one preliminary letters of interest to qualified firms of certified public accountants for the annual District audit for the current fiscal year ending June 30, 2012. Detailed requests for proposals were sent to fifteen audit firms who had indicated an interest in performing the District audit for 2011-12. Proposals were received from ten accounting firms.

Staff has carefully reviewed and evaluated each submittal. A system of points was established and divided among three categories: expertise and experience (40 points), audit approach (30 points), and total cost (30 points). The ranking process yielded three very well-qualified firms that are discussed in further detail below.

GROUP I

Maze & Associates are now in their twenty-fifth year. They are located in Pleasant Hill, California. The firm's primary focus is on auditing municipalities such as cities and special districts. Currently, their practice includes thirty-nine city clients and forty-one city and special district CAFR award winners. In addition, their firm has developed and employed a number of technologies to streamline the audit process, ensure open channels of communication and data transfer while ensuring security and confidentiality of client data. They integrate financial statement preparation with the audit so that the client remains in control of the process. This strategy has consistently allowed this firm to provide drafts of the clients' reports at the conclusion of the audit fieldwork. Their motto since inception has been, "We are in the business to help our clients succeed!" This firm comes highly recommended by other districts, for example by Delta Diablo Sanitation District. The proposed audit team would consist of a partner, director, supervisor, and staff accountant who all have the experience required for this engagement. The dollar cost bid includes 182.5 hours with a cost for 2011/2012 audit in the amount of \$20,063.

GROUP II

Moss, Levy & Hartzheim, LLP is a regional full-service public accounting firm with offices in Culver City, Beverly Hills, and Santa Maria and clients throughout the State of California as well as thirty-one other states. This regional firm has been performing local governmental and non-profit audits for thirty-five years. Currently, the firm has over one hundred and seventeen special districts, including sanitary districts, the County Sanitation Districts of Los Angeles County (all twenty-five Districts), water districts, recreation districts, utility districts, community services districts etc... The proposed audit team would consist of a partner, manager, senior and staff accountant who all have the required government audit experience. The dollar cost bid includes 190 hours at a total cost of \$17,442.

GROUP III

Cropper Accountancy is locally owned and operated with an office in Walnut Creek and has been serving the Bay Area since 1980. This firm has extensive experience in servicing governmental and not for profit organizations. In the initial year, client service partners perform all work in order to gain a detailed understanding of the client's business and develop important management relationships. The dollar cost bid includes 184 hours at a total cost of \$22,200.

DISCUSSION

All of these firms have extensive audit experience with entities similar to the District and have the professional staff to provide a quality audit. Even the projection of hours of audit work are very close in comparison, however the professional fees charged by each firm are significantly different. These vary in price from \$17,442 to \$22,200. Previously we paid approximately \$19,000 for our prior year audit. One further consideration is the time that will be required of District staff during the course of the audit. The selected audit firm will most likely be the one used for the next three years because changing audit firms will result in duplication of the start-up and learning time that is necessary to gain familiarity with a company and its operations and is required for an effective audit. In addition, a local firm would be preferred.

RECOMMENDATION

Based on their devoted focus to municipalities, recommendations by other Special Districts, CAFR experience, the efficient audit strategy with the reports being ready to review upon conclusion of field work and the reasonable audit fee, staff recommends that the audit firm, Maze and Associates, be retained to perform the District audit for 2011-12.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Annual Collection System Repairs – 2012 Sewer Repairs, Group 1; Project 72803-11-04	MEETING DATE: May 14, 2012 AGENDA ITEM NO.:						
RECOMMENDED ACTION: Review bids received, accept the lowest responsive bid and authorize the Manager-Engineer to execute a Contract with Maggiora & Ghilotti in the amount of \$79,479.							
SUMMARY AND DISCUSSION: <p>Using the informal bid provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA), as adopted by the Board of Directors in 2006, District staff requested bids for the repair or replacement of sewer mains at three locations: San Marin Drive at San Mateo Drive; Eucalyptus Avenue between Devonshire Drive and Mendocino Lane; and Raposa Vista at Pico Vista. This work is at locations where the District has experienced overflows due to severe sags, or root intrusions into broken sewer pipe.</p> <p>On May 3, 2012, 3 bids were received as follows:</p> <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">1. Maggiora & Ghilotti:</td> <td>\$79,479.00</td> </tr> <tr> <td>2. Linscott Engineering:</td> <td>\$94,715.00</td> </tr> <tr> <td>3. WR Forde:</td> <td>\$108,381.00</td> </tr> </table> <p>Maggiora & Ghilotti of San Rafael submitted the lowest responsive bid of \$79,479.00. The Engineer's Estimate of Probable Cost was \$90,000.00. Maggiora & Ghilotti's bid has been reviewed and is in order. Staff contacted Maggiora & Ghilotti to discuss their bid and they are comfortable and confident with their bid.</p> <p>The FY11-12 budget includes \$2,000,000 for the Annual Collection System Improvements. To date, \$298,716.93 has been expended. Accordingly, it is recommended that the Board award the 2012 Sewer Repairs, Group 1 of the Annual Collection System Repairs to Maggiora & Ghilotti for the bid of \$79,479.00, and authorize the Manager-Engineer to execute a contract with Maggiora & Ghilotti for his amount.</p>		1. Maggiora & Ghilotti:	\$79,479.00	2. Linscott Engineering:	\$94,715.00	3. WR Forde:	\$108,381.00
1. Maggiora & Ghilotti:	\$79,479.00						
2. Linscott Engineering:	\$94,715.00						
3. WR Forde:	\$108,381.00						
ALTERNATIVES: N/A.							
BUDGET INFORMATION: The FY 11-12 Budget for Account No. 72706 includes a budget amount of \$2,000,000. The current budget balance is \$1,701,283.00							
DEPT.MGR.:	MANAGER:						

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Annual Collection System Repairs – Simmons Lane Sewer Repairs 2012; Project 72803-11-05	MEETING DATE: May 14, 2012 AGENDA ITEM NO.:								
RECOMMENDED ACTION: Review bids received, accept the lowest responsive bid and authorize the Manager-Engineer to execute a Contract with Team Ghilotti in the amount of \$37,721.									
SUMMARY AND DISCUSSION: <p>Using the informal bid provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA), as adopted by the Board of Directors in 2006, District staff requested bids for the repair of a sewer main on Simmons Lane and the installation of a relief sewer at the intersection of Simmons Lane & San Marin Drive. This work is in response to an overflow that occurred in December 2011, where the cause of the overflow was due to grease buildup in a large sag in the sewer main.</p> <p>On May 10, 2012, 4 bids were received as follows:</p> <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">1. Team Ghilotti:</td> <td>\$37,721.00</td> </tr> <tr> <td>2. WR Forde:</td> <td>\$42,890.00</td> </tr> <tr> <td>3. Maggiora & Ghilotti:</td> <td>\$58,885.00</td> </tr> <tr> <td>4. Linscott Engineering</td> <td>\$64,750.00</td> </tr> </table> <p>Team Ghilotti of Petaluma submitted the lowest responsive bid of \$37,721.00. The Engineer's Estimate of Probable Cost was \$57,000.00. Team Ghilotti's bid has been reviewed and is in order. Staff contacted Team Ghilotti to discuss their bid and they are comfortable and confident with their bid.</p> <p>The FY11-12 budget includes \$2,000,000 for the Annual Collection System Improvements. To date, \$298,716.93 has been expended. Accordingly, it is recommended that the Board award the Simmons Lane Sewer Repairs, 2012 of the Annual Collection System Repairs to Team Ghilotti for the bid of \$37,721.00, and authorize the Manager-Engineer to execute a contract with Team Ghilotti for his amount.</p>		1. Team Ghilotti:	\$37,721.00	2. WR Forde:	\$42,890.00	3. Maggiora & Ghilotti:	\$58,885.00	4. Linscott Engineering	\$64,750.00
1. Team Ghilotti:	\$37,721.00								
2. WR Forde:	\$42,890.00								
3. Maggiora & Ghilotti:	\$58,885.00								
4. Linscott Engineering	\$64,750.00								
ALTERNATIVES: N/A.									
BUDGET INFORMATION: The FY 11-12 Budget for Account No. 72706 includes a budget amount of \$2,000,000. The current budget balance is \$1,701,283.00									
DEPT.MGR.:	MANAGER:								

RETIREMENT BENEFIT COMPARISON

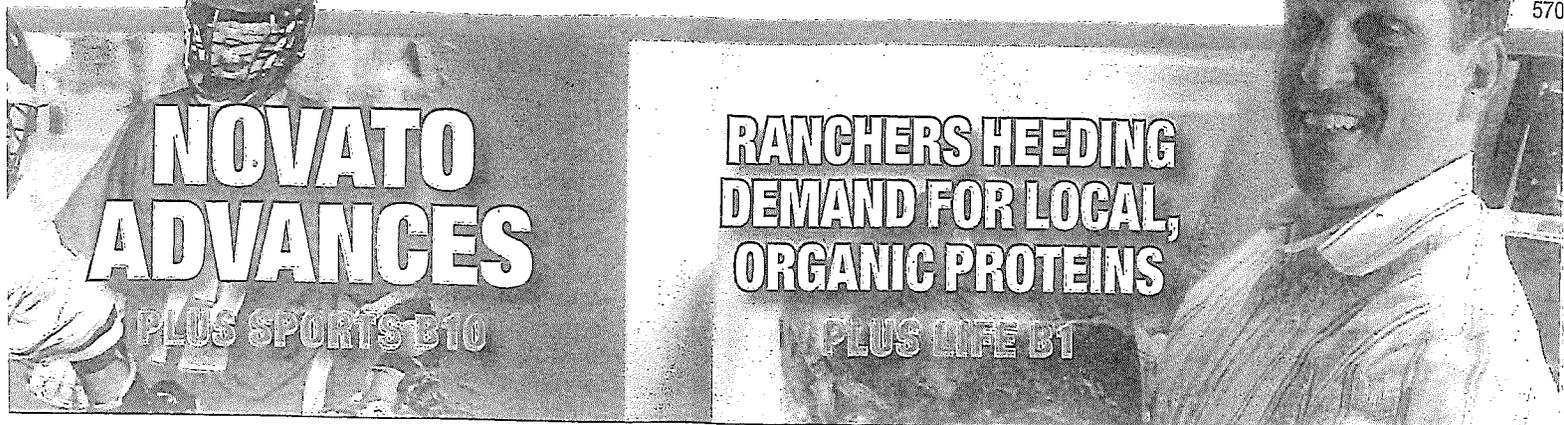
BENEFIT	<u>2007</u> All Employees	<u>2012</u> Employees Hired Prior To 7/1/08	Employees Hired 7/1/08 – 12/31/11	Employees Hired After 1/1/2012*
2% @ 55 Retirement Formula based on 1-year highest compensation	X	X	X	
2% @ 60 Retirement Formula based on 3-year highest compensation				X
Employer-Paid Member Contribution (EPMC) – 7% of Base Salary	X			
Employer-Paid Member Contribution (EPMC) – 6% of Base Salary		X	X	
7% EPMC reported as Special Compensation	X			
6% EPMC reported as Special Compensation		X	X	
Retiree Health – Kaiser Rate Paid for Retiree and Eligible Dependents	X			
Retiree Health – Kaiser Rate Paid for Retiree and One Eligible Dependent based on Vesting Formula		X		
Retiree Health – PERS Minimum Plus 1.5% of Base Salary to Medical After Retirement Account while employed			X	X

* At their meeting of January 9, 2012, the Board voted to amend the District’s CalPERS retirement contract for new hires from 2% @ 55 to 2% @ 60, effective January 1, 2012. This modification required a PERS actuarial valuation and contract amendment which takes approximately 4 months. Consequently, this modification could not go into effect until May 1, 2012.

Two employees hired in February 2012 were eligible for the 2% @ 55 retirement formula. However, they pay the entire Employee Retirement Contribution of 7% of base salary.

in Independent Journal

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TOP STORY: ROSS VALLEY SANITARY DISTRICT

Supervisors oppose rate hike

Another government foe lines up against proposal to increase fees

By Mark Prado
Marin Independent Journal

The Marin Board of Supervisors is the latest government body to formally oppose a set of rate hikes proposed by the Ross Valley Sanitary District.

Supervisors on Tuesday unanimously adopted a resolution opposing the rate hikes, set to be considered Thursday by the Ross Valley board.

Supervisor Katie Rice, who represents the Ross

Valley and authored the resolution against the increase, said the agency had not provided enough specific information on why rate hikes are needed.

"There has been a lack of details on a capital improvement plan and investment strategies," she said.

In the first year of the

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plan, the average annual bill for residential customers in Fairfax, San Anselmo, Ross, Kentfield and Greenbrae would increase about 31 percent, from \$638 to \$835, and by

the fifth year of the plan the average annual bill for these customers would have grown about 93 percent to \$1,232.

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ROSS VALLEY: Supervisors oppose proposed rate hike

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A new rate structure would see part of the bill based on usage instead of a flat fee. Under the plan, 40 percent of the sewage bill would be based on water usage by fiscal year 2012-13 and 60 percent on water usage beginning in fiscal 2013-14. A majority of property owners would have to file protests under Proposition 218 to stop the rate increases, otherwise they will take effect July 1.

Rice noted the Larkspur City Council and town councils in Fairfax and San Anselmo have voted to oppose the rate increase, citing their dissatisfaction with the process and plan for the increase.

RATE HEARING

The Ross Valley Sanitary District board will conduct a special rate public protest hearing at 6 p.m. Thursday in the conference room at the Twin Cities Police Station, 250 Doherty Drive in Larkspur. The meeting is to close the 45-day protest period under Proposition 218 and determine whether a majority of property owners have filed protests, which would invalidate proposed rate changes set to take effect July 1.

Ross Valley Sanitary District General Manager Brett Richards said he was surprised agencies would oppose the rate hikes, which would be used to fix pipes, given that regulatory agencies such as the state Regional Water Quality Control Board are demanding repairs.

"I find it interesting that other political bodies like the supervisors and the councils take such an affir-

mative stance against protecting the environment," he said. "I wonder if that means they are willing to take the responsibility and liability from the regulatory agencies." Supervisor Kate Sears initially voiced some concern over the resolution, saying sewer pipes in the Ross Valley need to be replaced and called it a "public health issue."

"The county should take

a leadership role in the replacement of this infrastructure," she said.

Rice countered that although there is no disagreement about the need to replace pipes, Ross Valley residents have been "saddled" with high rates for several years without a clear plan on how money will be spent. Sanitary officials have said there is a plan for sewer line fixes.

The resolution also chided the district, saying the county determined "that RVSD has not provided adequate public outreach."

The resolution was approved 4-0, with Supervisor Susan Adams absent.

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