

NOVATO SANITARY DISTRICT

Meeting Date: July 23, 2012

The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:30 p.m., Monday, July 23, 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.

AGENDA

1. **PLEDGE OF ALLEGIANCE:**
2. **AGENDA APPROVAL:**
3. **PUBLIC COMMENT (Please observe a three-minute time limit):**

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

4. **REVIEW OF MINUTES:**
 - a. Consider approval of minutes of the July 9, 2012 meeting.

5. **CONSENT CALENDAR:**

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

- a. Consider adopting a resolution providing relief on pH limits for the Buck Institute and setting the revised pH limit.
 - b. Consider adopting a resolution providing relief on pH limits for Optical Metals, and setting the revised pH limit.
 - c. Approve regular, payroll, and payroll related disbursements.
6. **WASTEWATER OPERATIONS COMMITTEE:**
 - a. Wastewater Operations Committee report.
 - b. Consider convening at end of meeting at Lea Drive side of treatment facility to review odors.

7. **GRAND JURY REQUEST:**

- a. Review response to request for information from Grand Jury.

8. **ADMINISTRATION:**

- a. Consider retaining PG&E as the District's electrical service provider with an annual review of comparative rates.
- b. Staff report on the implementation of the Uniform Public Construction Cost Accounting Act implementation for 2011-12.
- c. Consider board member compensation for participation in CASA committees.

9. **RECLAMATION: BIOSOLIDS DISPOSAL:**

- a. Consider approval of a contract from Custom Tractor Service to empty biosolids lagoons and dispose of the biosolids on the Dedicated Land Disposal Site.

10. **WASTEWATER UPGRADE PROJECT:**

- a. Consider approval of a contract amendment for Contract C, Project 73001 with RMC Water and Environment to provide additional design services.
- b. Consider approval of a contract amendment for The Covello Group for construction management services for Wastewater Upgrade Contract D: Recycled Water Treatment Facility.

11. **STAFF REPORTS:**

- a. North Bay Water Reuse Authority.

12. **BOARD MEMBER REPORTS:**

13. **MANAGER'S ANNOUNCEMENTS:**

14. **ADJOURNMENT:**

Next resolution no. 3047

Next regular meeting date: Monday, August 13, 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.

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

At 6:05 p.m. President Di Giorgio announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

Existing litigation pursuant to subdivision (a) of Government Code Section 54956.9: Administrative Civil Liability No. R2-2010-0102.

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

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

The closed Session ended at 6:20 p.m.

Open session began at 6:30 p.m.

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

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

ALSO PRESENT: Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

REPORT FROM CLOSED SESSION:

Direction was provided to Counsel in regard to response to Comment Letter on the Settlement Agreement for the Civil Administrative Liabilities Claim.

AGENDA APPROVAL: President Di Giorgio approved the agenda as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the June 25, 2012 Board meeting.

On motion of Member Long, seconded by Member Mariani and carried unanimously, the June 25, 2012 Board meeting minutes were approved.

Member Mariani requested clarification of the Manager's discussion of Mr. Scofield's report, as written on page 3 of the June 25th minutes, under the discussion of Wastewater Operations Committee report. The Manager clarified that the Exponent report would be placed on the District website **after it is reviewed by the Wastewater Operations Committee at their July 16th meeting.**

CONSENT CALENDAR:

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

- a. Review of the Accounts Receivable Aging Summary.
- b. Approval of regular disbursements in the amount of \$348,957.47, project account disbursements in the amount of \$306,174.89 and Board member disbursements in the amount of \$3,760.45.

PUBLIC HEARING - 2012-13 SEWER SERVICE CHARGE REPORT:

- Open hearing. President Di Giorgio opened the Public Hearing at 6:34 p.m.

The Manager stated that the purpose of the public hearing was for discussion of the sewer service charge report and to adopt a resolution to collect the sewer service charges on the Marin County tax rolls. She noted that District staff was available at the meeting so that anyone could request their individual sewer service rate for the coming year and have the opportunity to submit a protest.

- Consider protests regarding sewer service charge report. No public came forward to request their sewer service rate or to protest.

- Close hearing. President Di Giorgio closed the Public Hearing at 6:39 p.m.

RESOLUTION CONFIRMING REPORT ON SEWER SERVICE CHARGES:

- Consider adoption of Resolution No. 3046 confirming sewer service charge report and electing to collect on tax rolls. Member Mariani questioned the resolution language which stated "WHEREAS, all written protests and other written communications, if any, were publicly read at said meeting and all persons desiring to be heard were fully heard;". Member Mariani requested that the resolution language reflect the fact that no protests were read at the public hearing.

District Counsel Kent Alm suggested the resolution language be modified as follows:
“**WHEREAS** there were no written or oral protests in placing the sewer service charge on the tax roll;”

On motion of Member Mariani, seconded by Member Long and carried unanimously, Resolution No. 3046: A RESOLUTION PRESCRIBING AND PROVIDING FOR THE COLLECTION OF SEWER SERVICE CHARGES FOR NOVATO SANITARY DISTRICT ON THE TAX ROLLS OF THE COUNTY OF MARIN FOR THE FISCAL YEAR 2012-2013 was approved as modified.

BOARD OF DIRECTORS:

- Review and consider modifying Policy 4060: Committee Organization. The Manager discussed the standing and adhoc committees which are currently active at the District. She suggested that two of the adhoc committees, Audit and Finance, be combined into one standing committee: Finance. The Manager also stated that the New Facilities Committee was established as a Standing Committee in July of 2010. She requested the Board approve the modified Board Policy 4060 to reflect these committee additions.

On motion of Member Mariani, seconded by Member Long and carried unanimously, the Board approved a revision to Board Policy 4060 which included the addition of two Standing Committees: Finance and New Facilities.

- Consider board member compensation for the delegate to the North Bay Watershed Association. The Manager reviewed the District's Compensation and Reimbursement Policy and noted that currently the Board does not compensate the delegate to the North Bay Watershed Association (NBWA) for attendance at the NBWA Board meetings.

On motion of Member Long, seconded by Member Mariani and carried unanimously, the Board approved compensation for the delegate to the North Bay Watershed Association for attendance at the NBWA Board meetings.

Member Mariani questioned if her participation as Chairman on the CASA Director's Committee could also be considered for compensation.

The Manager stated that due to Brown Act restrictions, the Board could not consider the request at this meeting, but she stated she would place this item on a future agenda for Board consideration.

- Presidential appointment of Committee members for 2012-13.

President Di Giorgio made the following Committee member appointments for 2012-13:

Standing Committees:

Joint City/District Solid Waste Committee:

Michael Di Giorgio
Dennis Welsh
William C. Long, Alternate

Wastewater Operations Committee:

William C. Long
Jerry Peters
Jean Mariani, Alternate

New Facilities Committee:

Michael Di Giorgio
Jean Mariani
Dennis Welsh, Alternate

Finance Committee

William C. Long
Jean Mariani
Dennis Welsh, Alternate

Regular Committees:

California Association of Sanitation Agencies:

Michael Di Giorgio, Delegate
Jean Mariani, Alternate

California Sanitation Risk Management Authority:

Beverly B. James, Delegate
Michael Di Giorgio, Alternate

North Bay Water Reuse Authority:

William C. Long, Delegate
Jerry Peters, Alternate

North Bay Watershed Association:

Michael Di Giorgio, Delegate
Beverly B. James, Alternate

Ad Hoc Committee Assignments:

Adhoc Labor Negotiations Committee:

Michael Di Giorgio
Jerry Peters

Adhoc Wastewater Service Agreement Update Committee:

Jean Mariani
Jerry Peters

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION:

- Consider voting for a candidate for Region 3, Seat A. The Manager requested the Board cast their vote for the CSDA Region 3, Seat A position.

On motion of Member Long, seconded by Member Mariani and carried unanimously, the Board designated candidate Vince Ferrante to receive the District's vote for Region 3, Seat A.

PUMP STATION REHABILITATION PROJECT 72403:

- Consider authorizing contract award for Unit 4 to the lowest, responsive bidder, W.R. Forde & Assoc. and authorize the Manager-Engineer to execute contract. The Deputy Manager-Engineer discussed the District's ongoing efforts to upgrade various pump stations. He stated that four bids were received for the Pump Station Rehabilitation Project, Unit 4. The Deputy Manager-Engineer stated that W.R. Forde & Associates of Richmond submitted the lowest responsive bid of \$1,377,000 which was \$27,000 above the engineer's estimate of probable construction costs.

On motion of Member Long, seconded by Member Mariani and carried unanimously, the Board authorized the Pump Station Rehabilitation Project; Project Unit 4, Bel Marin Keys 9 & 10 and Hamilton No. 1 Pump Stations to W.R. Forde & Associates for the accepted bid amount of \$1,377,000.

STAFF REPORTS:

- North Bay Watershed Association. The Manager discussed her participation at the North Bay Watershed Association (NBWA) meeting which was held on July 6th. She stated that the full presentation could be viewed on the NBWA website under the "UPDATE" link.

BOARD MEMBER REPORTS:

The Board discussed the recent July 4th Parade and Member Long suggested the District participate in the 2013 parade by including a TV truck in the procession.

MANAGER'S ANNOUNCEMENTS:

- A Wastewater Operations Committee meeting will be held at the District office on Monday, July 16th at 2:00 p.m.

- A Solid Waste Committee meeting will be scheduled by Dee Johnson, Household Hazardous Waste Manager.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the Board meeting at 7:16 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording

DRAFT

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar; Pretreatment – The Buck Institute and Optical Metals	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 5a
RECOMMENDED ACTION: a. Adopt a resolution providing relief on pH limits for the Buck Institute, and setting the revised pH limit. b. Adopt a resolution providing relief on pH limits for Optical Metals, and setting the revised pH limit.	
SUMMARY AND DISCUSSION: <p>The District recently renewed the pretreatment discharge permits for two dischargers into the District's system, i.e. the Buck Institute and Optical Metals. By letter request dated July 9, 2012, the Buck Institute has requested continuing relief on its upper pH limit. By e-mail dated July 11, 2012, Optical Metals has also requested similar relief. Specifically, both entities' applications request upper limit relief of pH 10.5 from pH 8.5.</p> <p>Given that the Board has consistently authorized such relief for both dischargers (as well as for other dischargers) in the past, staff sees no issues in granting the requested relief. The basis of the upper limit relief can be found in section 207 of the District's Sanitary Code.</p> <p>Accordingly, staff recommends that the Board approve an upper pH limit of 10.5 for both the Buck Institute and Optical Metals renewed discharge permits, and adopt the attached resolution that documents approval and sets the revised pH limits.</p>	
ALTERNATIVES: Deny approval.	
BUDGET INFORMATION: N/A	
DEPT. MGR.:	MANAGER:

NOVATO SANITARY DISTRICT

RESOLUTION NO. 3047

**A RESOLUTION APPROVING RELIEF ON pH LIMITS,
AND SETTING REVISED pH LIMITS
FOR BUCK INSTITUTE, 8001 REDWOOD BLVD., NOVATO**

WHEREAS, the District has received application for upper limit relief of pH 10.5 from pH 8.5 for Buck Institute's (Permittee) discharge permit for its 8001 Redwood Blvd. facility; and

WHEREAS, Section 207 of the Sanitary Code of Novato Sanitary District states that relief from any provision of said Code may be made by Resolution of the Board; and

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

- A. The Permittee shall maintain the pH within the range of 5.5 to 10.5.
- B. In addition, District staff will continue to use Section 401.17 of Title 40 of the Code of Federal Regulations (40 CFR §401.17) as the basis to exempt excursions from the 5.5 to 10.5 pH range subject to the following limitations:
 - (1) The total time during which the pH values are outside the required range of pH values shall not exceed 7 hours and 26 minutes in any calendar month; and
 - (2) No individual excursion from the range of pH values shall exceed 60 minutes.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 23rd day of July, 2012, by the following vote:

AYES, and in favor thereof, Directors:	
NOES,	None
ABSENT,	None

ATTEST:

President, Board of Directors
Novato Sanitary District

Secretary
Novato Sanitary District

NOVATO SANITARY DISTRICT

RESOLUTION NO. 3048

**A RESOLUTION APPROVING RELIEF ON pH LIMITS,
AND SETTING REVISED pH LIMITS
FOR OPTICAL METAL SERVICES, 92 HAMILTON DRIVE, SUITE G, NOVATO**

WHEREAS, the District has received application for upper limit relief of pH 10.5 from pH 8.5 for Optical Metal Services (Permittee) discharge permit for its 92 Hamilton Drive, Suite G, facility; and

WHEREAS, Section 207 of the Sanitary Code of Novato Sanitary District states that relief from any provision of said Code may be made by Resolution of the Board; and

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

- A. The Permittee shall maintain the pH within the range of 5.5 to 10.5.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 23rd day of July, 2012, by the following vote:

AYES, and in favor thereof, Directors:	
NOES,	None
ABSENT,	None

ATTEST:

President, Board of Directors
Novato Sanitary District

Secretary
Novato Sanitary District

Novato Sanitary District Operating Check Register

July 23, 2012

Date	Num	Name	Credit
Jul 23, 12			
7/23/2012	54658	Pacific, Gas & Electric	66,590.17
7/23/2012	54660	PSC	30,848.06
7/23/2012	54665	Siemens Industry, Inc.	12,978.90
7/23/2012	54663	RMC Water & Environment, I...	7,381.04
7/23/2012	54657	Novato, City	6,836.97
7/23/2012	54633	American Express-22062	4,077.75
7/23/2012	54631	Able Fence Company	2,390.00
7/23/2012	54640	Central Marin Sanitation District	1,986.01
7/23/2012	54653	North Marin Water District - Lab	1,814.50
7/23/2012	54637	Cagwin & Dorward Inc.	1,169.00
7/23/2012	54632	Able Tire & Brake Inc.	1,112.13
7/23/2012	54646	Grainger	993.44
7/23/2012	54648	Marin Independent Journal	982.35
7/23/2012	54635	Bartle Wells Assoc, Inc	926.33
7/23/2012	54656	Novato Chamber of Commerce	895.00
7/23/2012	54630	3T Equipment Company Inc.	767.75
7/23/2012	54644	Empire Mini Storage - Novato	755.00
7/23/2012	54654	North Marin Water District Pa...	737.28
7/23/2012	54638	Cantarutti Electric, Inc	715.00
7/23/2012	54647	Johnson Controls, Inc.	625.25
7/23/2012	54669	Verizon	600.77
7/23/2012	54664	Siemens Industry Inc. - Lab	548.65
7/23/2012	54634	Aqua Science	541.06
7/23/2012	54662	Ricoh USA, Inc.	533.64
7/23/2012	54642	Core Utilities, Inc.	300.00
7/23/2012	54639	CDW Government, Inc.	263.70
7/23/2012	54649	Marin Mechanical II, Inc.	256.00
7/23/2012	54636	BoundTree Medical, LLC	247.81
7/23/2012	54661	Rauch Communication Cons...	234.63
7/23/2012	54667	Unicorn Group	212.88
7/23/2012	54643	Downtown Ignacio Tow Inc.	175.00
7/23/2012	54666	Staples Business Adv Inc.	174.50
7/23/2012	54645	Foster Flow Control	150.09
7/23/2012	54659	Petty Cash	106.66
7/23/2012	54652	North Marin Water District	103.59
7/23/2012	54650	North Bay Portables, Inc.	92.47
7/23/2012	54641	Cook Paging	66.30
7/23/2012	54655	Novato Car Wash	32.97
7/23/2012	54668	United Parcel Service	23.31
7/23/2012	54651	North Marin Auto Parts	21.19
Jul 23, 12			149,267.15

Novato Sanitary District
Operating Check Register Detail
For July 23, 2012

	Date	Account	Amount
3T Equipment Company Inc.			
	06/19/2012	60150 · Repairs & Maintenance	767.75
Total 3T Equipment Company Inc.			767.75
Able Fence Company			
	07/17/2012	63150 · Repairs & Maintenance	2,390.00
Total Able Fence Company			2,390.00
Able Tire & Brake Inc.			
	07/19/2012	63150 · Repairs & Maintenance	350.50
	07/19/2012	65150 · Repairs & Maintenance	350.50
	07/19/2012	66150 · Repairs & Maintenance	411.13
Total Able Tire & Brake Inc.			1,112.13
American Express-22062			
	07/13/2012	66124 · IT/Misc Electrical	999.56
	07/13/2012	66090 · Office Expense	877.89
	07/13/2012	66170 · Travel, Meetings & Training	823.01
	07/13/2012	21015 · American Express	1,377.29
Total American Express-22062			4,077.75
Aqua Science			
	07/06/2012	64160 · Research & Monitoring	541.06
Total Aqua Science			541.06
Bartle Wells Assoc, Inc			
	06/30/2012	66123 · O/S Contractual	926.33
Total Bartle Wells Assoc, Inc			926.33
BoundTree Medical, LLC			
	07/07/2012	64170 · Pollution Prevention/Public Ed	247.81
Total BoundTree Medical, LLC			247.81
Cagwin & Dorward Inc.			
	06/30/2012	63157 · Ditch/Dike Maintenance	840.00
	07/01/2012	66150 · Repairs & Maintenance	329.00
Total Cagwin & Dorward Inc.			1,169.00
Cantarutti Electric, Inc			
	07/12/2012	63150 · Repairs & Maintenance	220.00
	07/12/2012	65150 · Repairs & Maintenance	495.00
Total Cantarutti Electric, Inc			715.00
CDW Government, Inc.			
	06/27/2012	66124 · IT/Misc Electrical	263.70
Total CDW Government, Inc.			263.70
Central Marin Sanitation District			
	06/30/2012	66123 · O/S Contractual	1,986.01
Total Central Marin Sanitation District			1,986.01

Novato Sanitary District
Operating Check Register Detail
For July 23, 2012

	Date	Account	Amount
Cook Paging			
	07/01/2012	61000-4 · Water/Permits/Telephone	24.00
	07/01/2012	65193 · Telephone	30.83
	07/01/2012	60193 · Telephone	11.47
Total Cook Paging			<u>66.30</u>
Core Utilities, Inc.			
	06/30/2012	66123 · O/S Contractual	300.00
Total Core Utilities, Inc.			<u>300.00</u>
Downtown Ignacio Tow Inc.			
	06/16/2012	60153 · Outside Services	175.00
Total Downtown Ignacio Tow Inc.			<u>175.00</u>
Empire Mini Storage - Novato			
	07/15/2012	66123 · O/S Contractual	755.00
Total Empire Mini Storage - Novato			<u>755.00</u>
Foster Flow Control			
	06/30/2012	63150 · Repairs & Maintenance	150.09
Total Foster Flow Control			<u>150.09</u>
Grainger			
	07/03/2012	60100 · Operating Supplies	993.44
Total Grainger			<u>993.44</u>
Johnson Controls, Inc.			
	07/15/2012	66150 · Repairs & Maintenance	625.25
Total Johnson Controls, Inc.			<u>625.25</u>
Marin Independent Journal			
	06/30/2012	66130 · Printing & Publications	982.35
Total Marin Independent Journal			<u>982.35</u>
Marin Mechanical II, Inc.			
	07/18/2012	63150 · Repairs & Maintenance	256.00
Total Marin Mechanical II, Inc.			<u>256.00</u>
North Bay Portables, Inc.			
	07/01/2012	63100 · Operating Supplies	92.47
Total North Bay Portables, Inc.			<u>92.47</u>
North Marin Auto Parts			
	06/11/2012	60100 · Operating Supplies	4.21
	06/26/2012	65100 · Operating Supplies	16.98
Total North Marin Auto Parts			<u>21.19</u>
North Marin Water District			
	06/30/2012	65192 · Water	103.59
Total North Marin Water District			<u>103.59</u>
North Marin Water District - Lab			
	06/30/2012	64160 · Research & Monitoring	1,814.50
Total North Marin Water District - Lab			<u>1,814.50</u>

Novato Sanitary District
Operating Check Register Detail
For July 23, 2012

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
North Marin Water District Payroll			
	06/30/2012	64010 · Salaries & Wages	737.28
Total North Marin Water District Payroll			<u>737.28</u>
Novato Car Wash			
	06/30/2012	66150 · Repairs & Maintenance	32.97
Total Novato Car Wash			<u>32.97</u>
Novato Chamber of Commerce			
	07/11/2012	66170 · Travel, Meetings & Training	895.00
Total Novato Chamber of Commerce			<u>895.00</u>
Novato, City			
	06/30/2012	64060 · Gasoline & Oil	283.09
	06/30/2012	65060 · Gasoline & Oil	404.42
	06/30/2012	66060 · Gasoline & Oil	687.51
	06/30/2012	60060 · Gas, Oil & Fuel	2,022.08
	06/30/2012	61000-4 · Water/Permits/Telephone	2,792.82
	06/30/2012	63060 · Gasoline & Oil	647.05
Total Novato, City			<u>6,836.97</u>
Pacific, Gas & Electric			
	06/30/2012	65191 · Gas & Electricity	9,541.34
	06/30/2012	63191 · Gas & Electricity	10,755.29
	06/30/2012	61000-5 · Gas & Electricity	46,278.76
	07/02/2012	65191 · Gas & Electricity	13.23
	07/02/2012	65191 · Gas & Electricity	1.55
Total Pacific, Gas & Electric			<u>66,590.17</u>
Petty Cash			
	07/13/2012	64170 · Pollution Prevention/Public Ed	20.00
	07/13/2012	66170 · Travel, Meetings & Training	86.66
Total Petty Cash			<u>106.66</u>
PSC			
	05/30/2012	67500 · Household Hazardous Waste	15,398.50
	06/30/2012	67500 · Household Hazardous Waste	15,449.56
Total PSC			<u>30,848.06</u>
Rauch Communication Consultants. Inc.			
	06/30/2012	66123 · O/S Contractual	62.50
	06/30/2012	67400 · Consulting Services	172.13
Total Rauch Communication Consultants. Inc.			<u>234.63</u>
Ricoh USA, Inc.			
	06/30/2012	66090 · Office Expense	533.64
Total Ricoh USA, Inc.			<u>533.64</u>
RMC Water & Environment, Inc.			
	06/30/2012	64160 · Research & Monitoring	7,381.04
Total RMC Water & Environment, Inc.			<u>7,381.04</u>

Novato Sanitary District
Operating Check Register Detail
For July 23, 2012

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Siemens Industry Inc. - Lab			
	07/06/2012	64100 · Operating Supplies	<u>548.65</u>
Total Siemens Industry Inc. - Lab			548.65
Siemens Industry, Inc.			
	06/26/2012	65101 · Operating Chemicals	<u>12,978.90</u>
Total Siemens Industry, Inc.			12,978.90
Staples Business Adv Inc.			
	07/09/2012	66090 · Office Expense	<u>174.50</u>
Total Staples Business Adv Inc.			174.50
Unicorn Group			
	07/06/2012	66090 · Office Expense	<u>212.88</u>
Total Unicorn Group			212.88
United Parcel Service			
	06/30/2012	66090 · Office Expense	<u>23.31</u>
Total United Parcel Service			23.31
Verizon			
	06/30/2012	65193 · Telephone	<u>600.77</u>
Total Verizon			<u>600.77</u>
TOTAL for July 23, 2012			<u><u>149,267.15</u></u>

Novato Sanitary District Capital Projects Check Register

July 23, 2012

Date	Num	Name	Credit
Jul 23, 12			
7/23/2012	2346	Bank of New York Mellon	442,848.75
7/23/2012	2350	Gateway Pacific Contractors, ...	259,554.31
7/23/2012	2351	Maggiora & Ghilotti Inc.	107,553.09
7/23/2012	2348	Covello Group, The	81,296.65
7/23/2012	2355	RMC Water & Environment, I...	46,506.58
7/23/2012	2349	Gateway Pacific Contractors -...	28,839.37
7/23/2012	2354	Nute Engineering Inc.	11,884.07
7/23/2012	2356	W.R. Forde	4,569.66
7/23/2012	2347	Cagwin & Dorward Inc.	4,141.50
7/23/2012	2353	Miller Pacific Engineering, Inc.	2,164.50
7/23/2012	2357	Wetlands & Water Resources...	1,590.00
7/23/2012	2352	Marin Independent Journal	773.90
Jul 23, 12			991,722.38

Novato Sanitary District
Capital Projects
 July 23, 2012

	Date	Account	Open Balance
Bank of New York Mellon			
	06/30/2012	78500 - Interest Expense	442,848.75
Total Bank of New York Mellon		(Interest pymt on COP)	<u>442,848.75</u>
Cagwin & Dorward Inc.			
	06/30/2012	72609 · WWTP Upgrade - Contract B	3,779.00
	07/13/2012	72803 · Annual Collection Sys Repairs	362.50
Total Cagwin & Dorward Inc.			<u>4,141.50</u>
Covello Group, The			
	06/30/2012	73001 · WWTP Upgrade - Contract C	11,144.00
	06/30/2012	72609 · WWTP Upgrade - Contract B	645.75
	06/30/2012	72403 · Pump Station Rehabilitation	2,217.00
	06/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	47,494.81
	06/30/2012	72706 · 2008 Collection System Improv	19,795.09
Total Covello Group, The			<u>81,296.65</u>
Gateway Pacific Contractors - Escrow			
	06/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	28,839.37
Total Gateway Pacific Contractors - Escrow			<u>28,839.37</u>
Gateway Pacific Contractors, Inc.			
	06/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	259,554.31
Total Gateway Pacific Contractors, Inc.			<u>259,554.31</u>
Maggiora & Ghilotti Inc.			
	06/30/2012	72804 · Annual Reclamation Fac Imp	27,437.90
	06/30/2012	72706 · 2008 Collection System Improv	80,115.19
Total Maggiora & Ghilotti Inc.			<u>107,553.09</u>
Marin Independent Journal			
	06/30/2012	72403 · Pump Station Rehabilitation	773.90
Total Marin Independent Journal			<u>773.90</u>
Miller Pacific Engineering, Inc.			
	06/30/2012	72803 · Annual Collection Sys Repairs	2,164.50
Total Miller Pacific Engineering, Inc.			<u>2,164.50</u>
Nute Engineering Inc.			
	06/30/2012	72706 · 2008 Collection System Improv	4,556.50
	06/30/2012	72706 · 2008 Collection System Improv	296.00
	06/30/2012	72804 · Annual Reclamation Fac Imp	82.00
	06/30/2012	72403 · Pump Station Rehabilitation	1,401.57
	06/30/2012	72403 · Pump Station Rehabilitation	5,548.00
Total Nute Engineering Inc.			<u>11,884.07</u>
RMC Water & Environment, Inc.			
	06/30/2012	72609 · WWTP Upgrade - Contract B	1,184.00
	06/30/2012	73001 · WWTP Upgrade - Contract C	14,997.92
	06/30/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	30,324.66

Novato Sanitary District
Capital Projects
 July 23, 2012

	<u>Date</u>	<u>Account</u>	<u>Open Balance</u>
Total RMC Water & Environment, Inc.			46,506.58
W.R. Forde			
	06/30/2012	72804 · Annual Reclamation Fac Imp	694.66
	06/30/2012	72805 · Annual Trtmt Plnt/Pump St Impr	3,875.00
Total W.R. Forde			<u>4,569.66</u>
Wetlands & Water Resources, Inc			
	06/30/2012	72804 · Annual Reclamation Fac Imp	1,590.00
Total Wetlands & Water Resources, Inc			<u>1,590.00</u>
TOTAL			<u><u>991,722.38</u></u>

Novato Sanitary District
Payroll and Payroll Related Check Register

July 2012

	<u>Date</u>	<u>Name</u>	<u>Credit</u>
Jul 25 - 31, 12			
	07/31/2012	July Payroll	115,685.66
	07/31/2012	July Retiree Health Benefits	15,111.64
	07/25/2012	CalPers Health	29,682.59
	07/25/2012	CALPERS Retirement	23,596.25
	07/31/2012	United States Treasury	22,939.78
	07/31/2012	EDD	6,410.99
	07/25/2012	Lincoln Financial Group-401a Plan	4,146.15
	07/25/2012	Operating Engineers Public & Misc Emp	3,910.70
	07/25/2012	Lincoln Financial Group-401a Plan	3,897.23
	07/25/2012	Lincoln Financial Group	3,383.18
	07/25/2012	State Street Bank & Trust	3,016.66
	07/25/2012	CALPERS Retirement	2,396.37
	07/25/2012	Local Union 315	664.00
	07/25/2012	Marin Employ Federal Credit Union	517.00
Jul 25 - 31, 12			<u>235,358.20</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report for June 2012	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 6a
RECOMMENDED ACTION: Information. Receive report.	
SUMMARY AND DISCUSSION: <p>The June 2012 operations reports for the wastewater treatment, collection, and reclamation facilities are attached.</p> <p>Wastewater Treatment Facility</p> <p>Water quality performance for June 2012 was excellent with all parameters well within effluent standards. There were no significant maintenance issues. Safety performance was excellent with an accident-free month for a total of 759 accident-free days. For process control reasons at the treatment plant, addition of the odor control chemical Bioxide® at the District's outlying pump stations was curtailed, however, this does not seem to have impacted operations with respect to odor control. The District received some more odor complaints which are presented in the attached operations report. The Manager-Engineer provided a verbal update on further landscaping improvements and summarized the conclusions from the final report provided by Dr. Robert Scofield (of Exponent, Inc.).</p> <p>Collection System</p> <p>The Collection System report summarizes the monthly and year-to-date performance, and a comparison of these performances against the prior year. For June 2012, the crews cleaned and televised a total of 100,986 feet of sewer line. The District had no Sewer System Overflows (SSOs) in June 2012. Safety performance was excellent with no lost time accidents for a total of 473 accident-free days at the end of June 2012.</p> <p>Reclamation Facility</p> <p>Hay cutting operations continued through June and will continue until complete. Completion is not expected until sometime in July due to harvesting equipment breakdowns. Cattle are being moved onto the Sites as Parcels are cleared of hay. Staff continued testing the control system in each parcel of the irrigation fields and will continue as hay is cut. Repairs are being made as problems are found. The irrigation strainers were tested and no major issues were found. Irrigation Pump No. 2 was placed into service and is running without problems. 53.94 MG of recycled water was used for irrigation during the month of June. The Dedicated Land Disposal (DLD) site is dry but not ready for use due to subsurface moisture conditions.</p>	
DEPT.MGR.:	MANAGER-ENGINEER:



July 12, 2012

Ms. Beverly James
Manager - Engineer
Novato Sanitary District
500 Davidson Street
Novato, CA 94545

Subject: Veolia Water Operations Report – June 2012

Dear Ms. James:

We are pleased to provide this updated activity report for June 2012.

As always, please give me a call at 707-208-4491 should you have any questions.

Regards,

A handwritten signature in blue ink that reads "John Bailey".

John Bailey
Project Manager

**MONTHLY OPERATIONS REPORT
June 2012**

Prepared for

**NOVATO SANITARY DISTRICT (NSD)
WASTEWATER TREATMENT PLANT
500 Davidson Street
Novato, CA 94545**

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

TABLE OF CONTENTS

TREATMENT PLANT PERFORMANCE SUMMARY	2
OPERATIONS AND MAINTENANCE STATUS / REVIEW	2
CONSTRUCTION UPDATE	3
ADMINISTRATION	3
SAFETY AND TRAINING	3
ODORS	3
MISCELLANEOUS	3

TREATMENT PLANT PERFORMANCE SUMMARY: June 2012:

Reclamation

Parameter	Monthly Performance			
	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	4.00	4.33	N/A	N/A
Influent BOD ₅ , lb/day (month ave/max)	8249	9098	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	11177	14639	N/A	N/A
Effluent BOD ₅ , mg/L (monthly ave/weekly max)	5	8	40	N/A
Effluent TSS, mg/L (monthly ave/weekly max)	<5	<5	N/A	N/A
Effluent BOD ₅ - % Removal, Minimum	98	N/A	N/A	N/A
Effluent TSS - % Removal, Minimum	98	N/A	N/A	N/A
pH, su (min / max)	7.1	7.3	6.0	9.0
Total Coliform, mpn (5 Sample median / max)	17	130	240	10000
Total Permit Exceedances (NPDES)	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

OPERATIONS & MAINTENANCE STATUS / REVIEW:

Key events for the period:

Novato

- Transitioned from Bay Discharge to Reclamation / Storage June 1, 2012
- Drained and cleaned Aeration Basin #1
- Flushed Decant Line
- Flygt Pumps Annual 21 point inspection – Xylem (formerly Flygt)
- UV Generation block heater repaired – California Diesel & Power
- UV Building – HVAC Compressor – Monterey Mechanical replaced
- Replaced bearing on #1 odor scrubber fan

Ignacio Transfer Pump Station

- Routine rounds, readings, and maintenance
- Repaired high pressure wash down pump

CONSTRUCTION UPDATE:

- Attended weekly construction meetings.

ADMINISTRATION:

- Electronic Self Monitoring Report for May 2012, submitted on 6/28/12

SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTF completed on 6/1/12
- Five Minute Tailgate training is held daily with the O&M staff.
- No safety incidents for the month of June 2012.
- Accident Free: 6/1/10 – 6/30/12: 759 days / 4,610 hours.
- Monthly Safety Training: Bloodborne Pathogens 6/29/12

ODORS:

- Jerome Meter (H2S) readings performed in neighborhood and within treatment plant.

MISCELLANEOUS

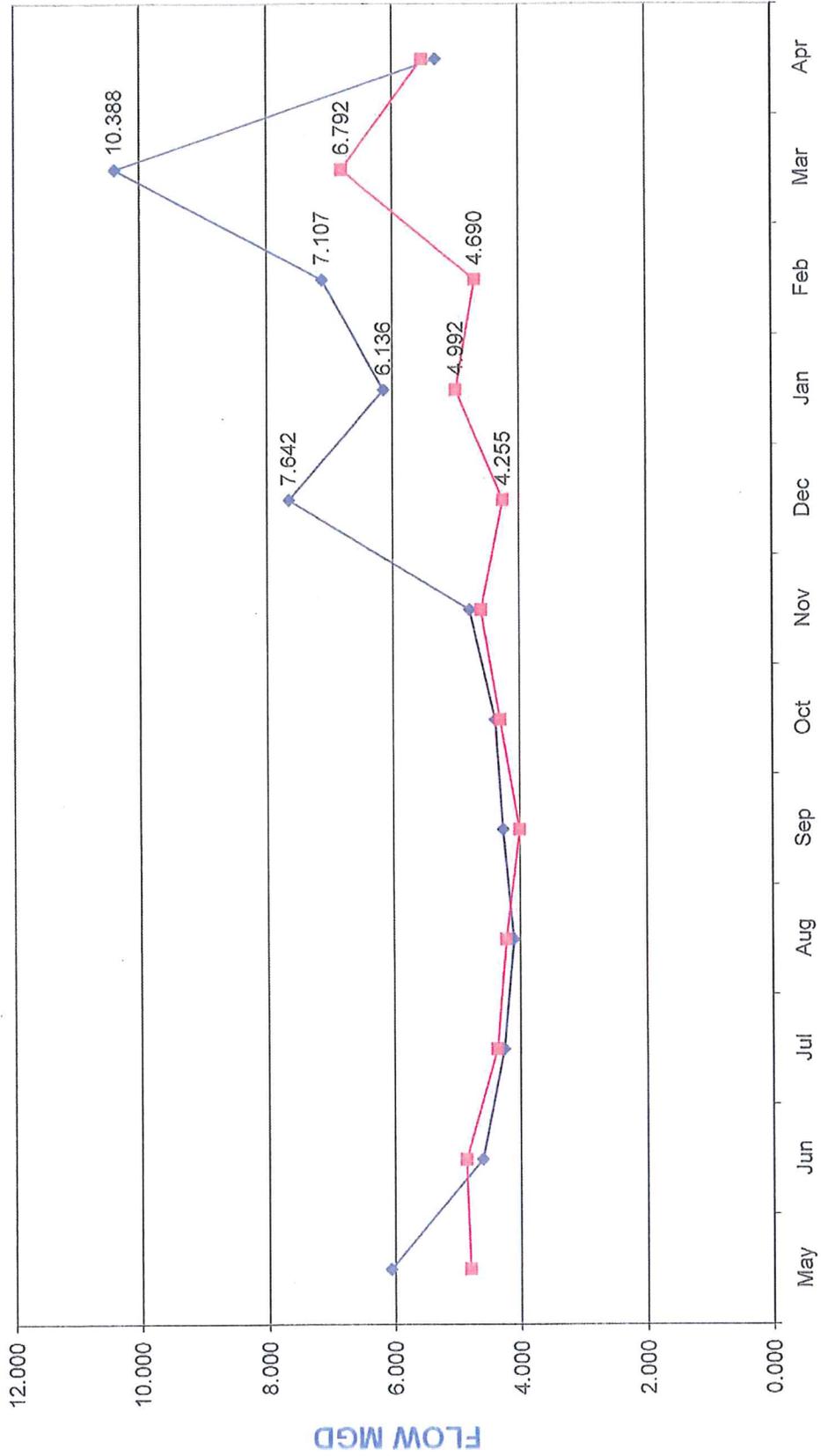
- Process Control Management Plan (PCMP) meetings held weekly.
- Presentation to Board – EMS – by Dan Ryan

Veolia Support Staff On/Off Site (Various Times)

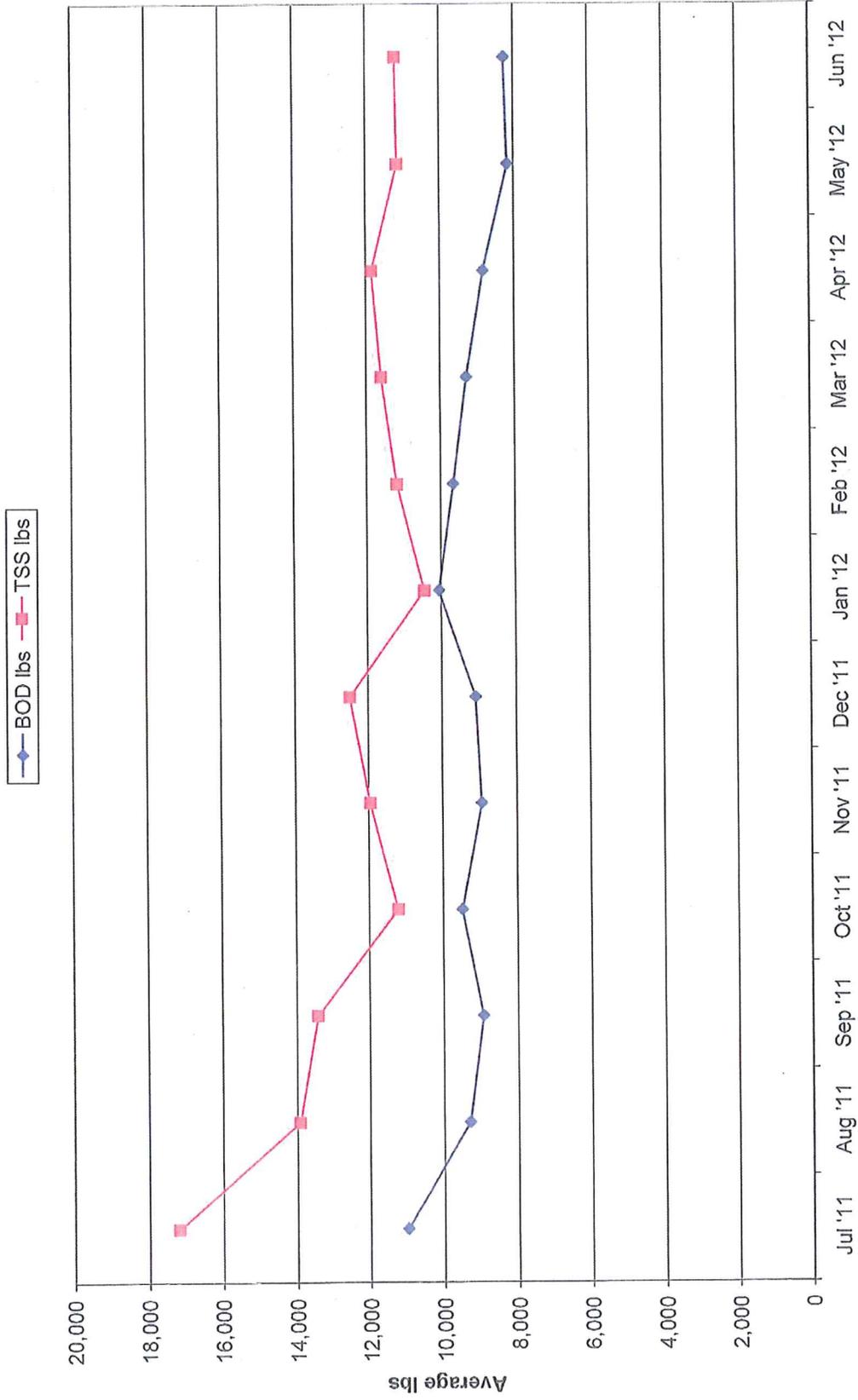
John O'Hare	Technical Support
Chris McAuliffe	District Manager
John Herron	Northern California Area Manager
Dan Ryan	EH&S Director (EMS)
Bryce Behnke	Technical Support via conference call & web exchange

FLOW COMPARISON

—◆— 2011 —■— 2012



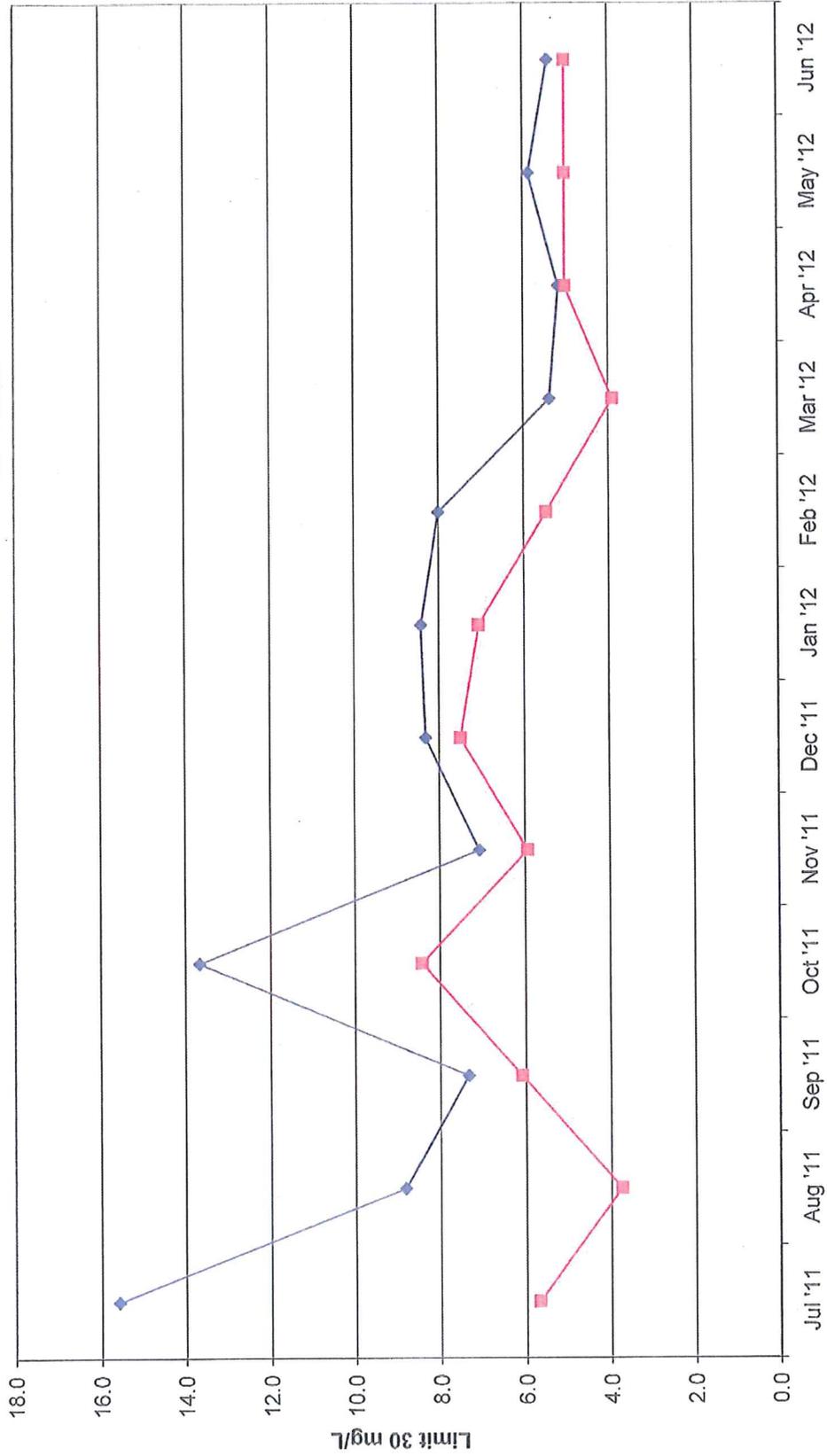
Influent Load BOD / TSS lbs



Effluent BOD / TSS Concentration

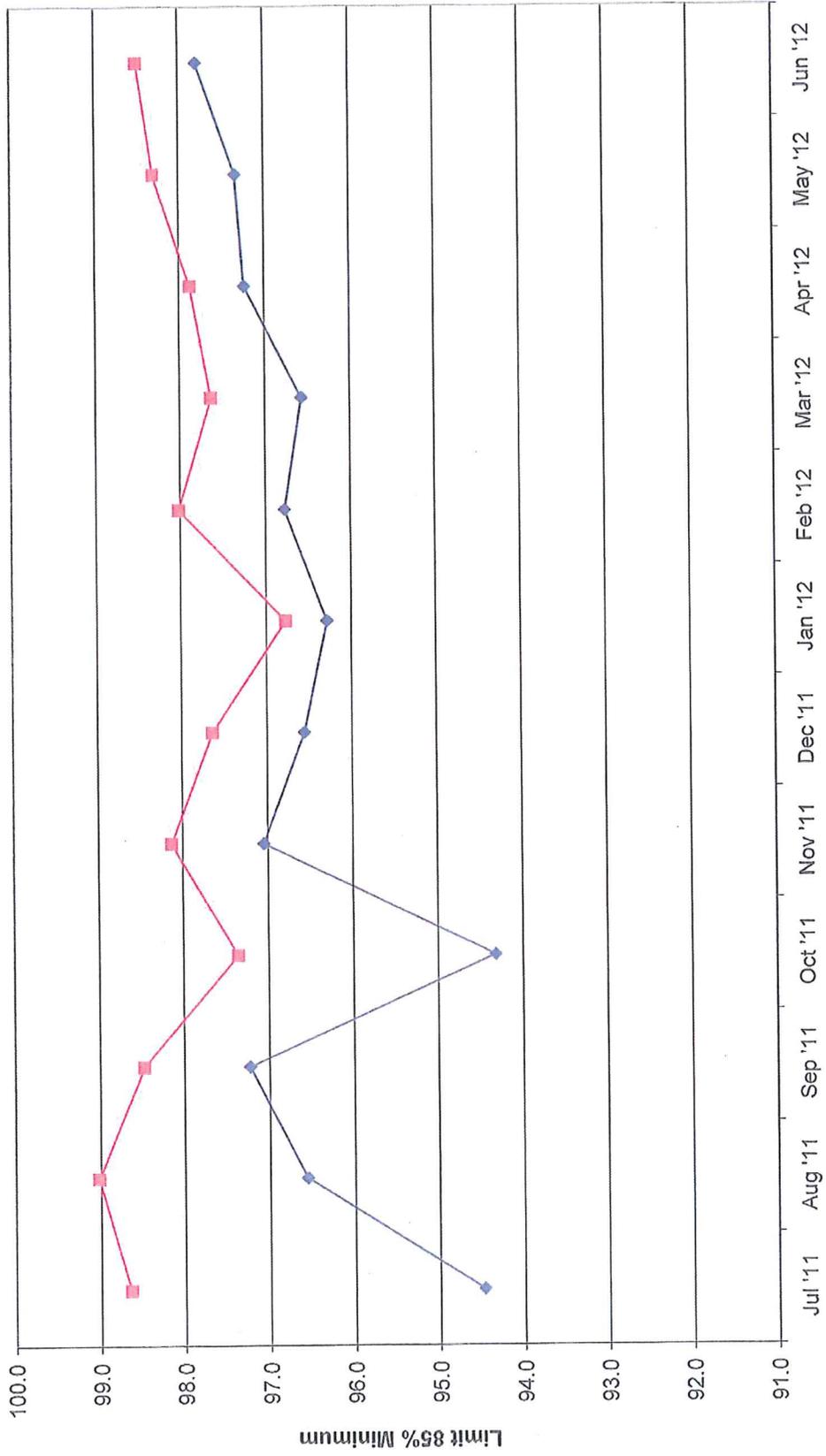
NPDES LIMITS WET SEASON
 BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave
 NPDES LIMITS DRY SEASON
 BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
 TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave
 WDR (Waste Discharge Requirements) RECLAMATION
 BOD - 40 mg/L

—◆— BOD
 —■— TSS

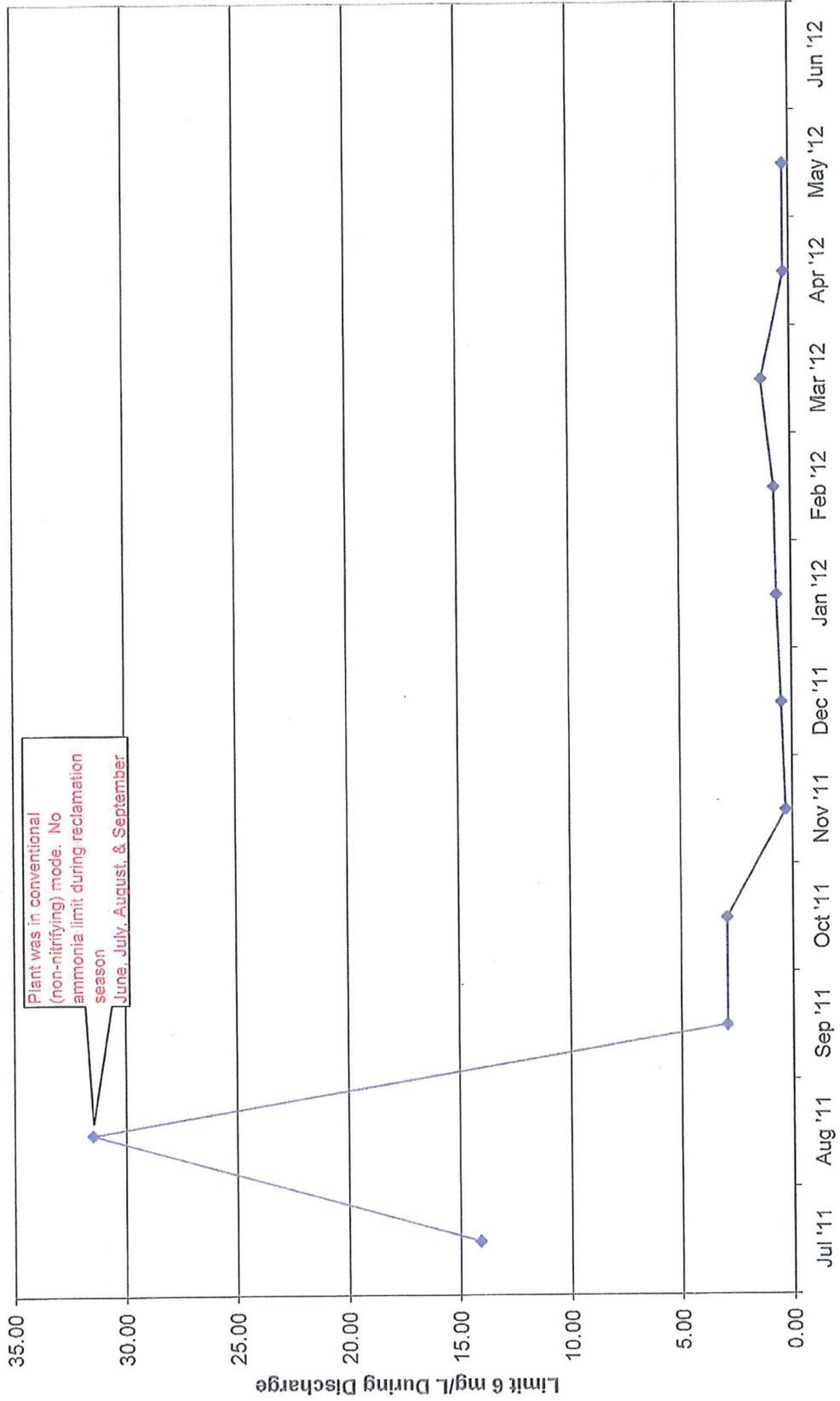


BOD / TSS Percent Removal

—◆— BOD —■— TSS



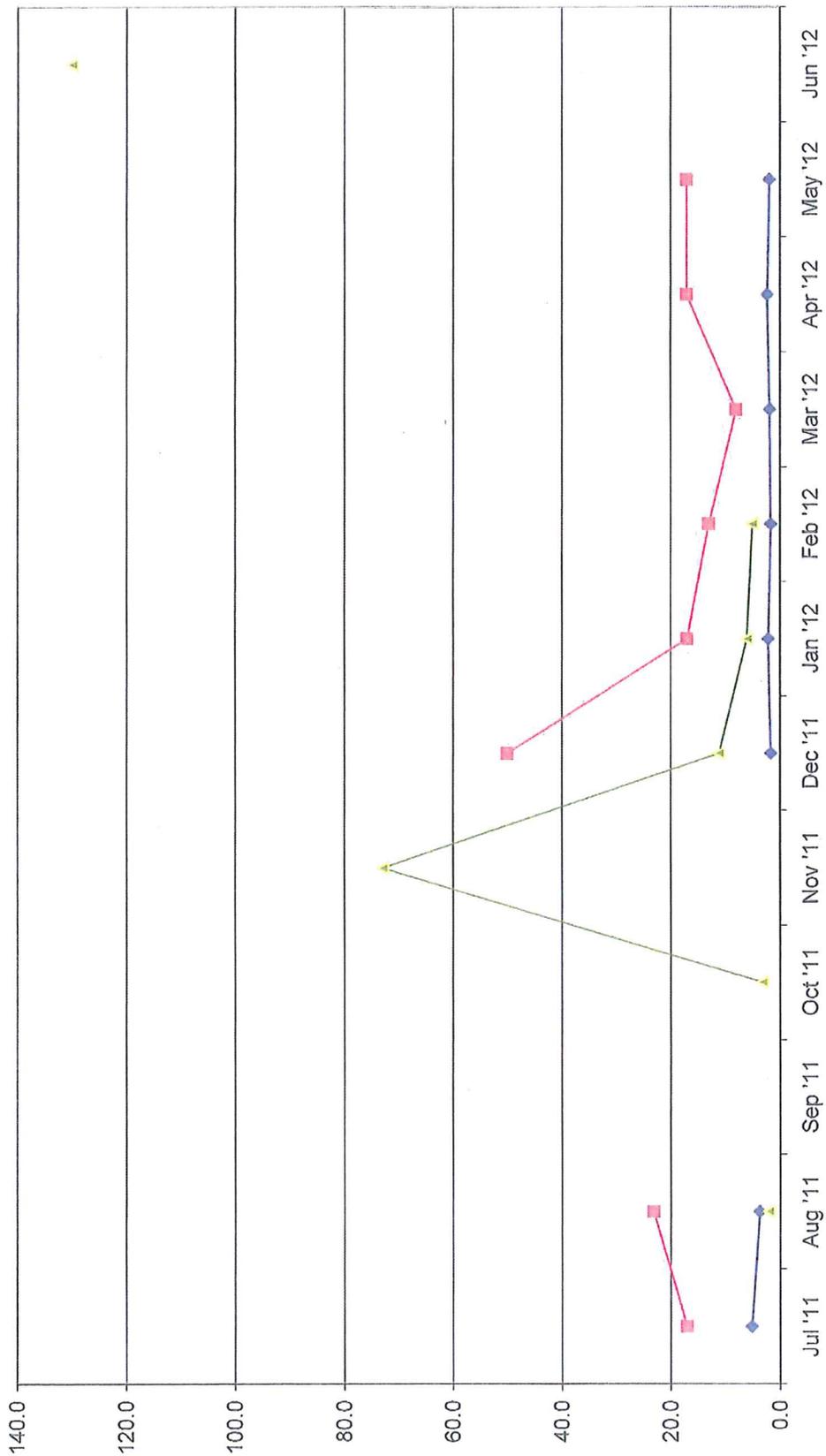
Effluent Ammonia



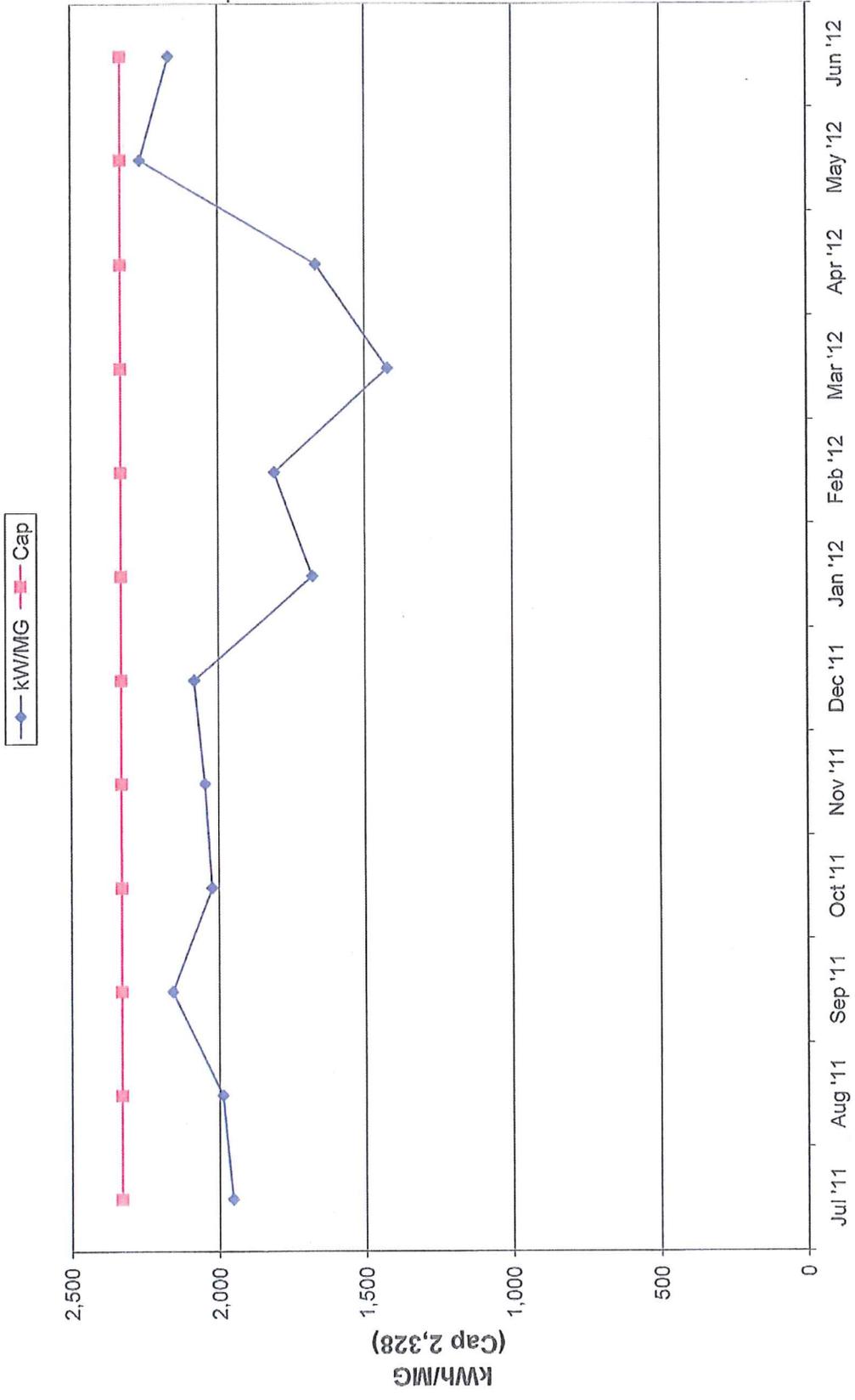
Disinfection

LIMITS - NPDES
 Enterococci 30 day geo mean 35 mpn/100ml
 Fecal coliform 140 mpn monthly median
 Fecal coliform 430 mpn 90th percentile 30 day
LIMITS - RECLAMATION
 Total Coliform 240 mpn 5 sample median
 Total Coliform maximum 10,000 mpn/100 ml

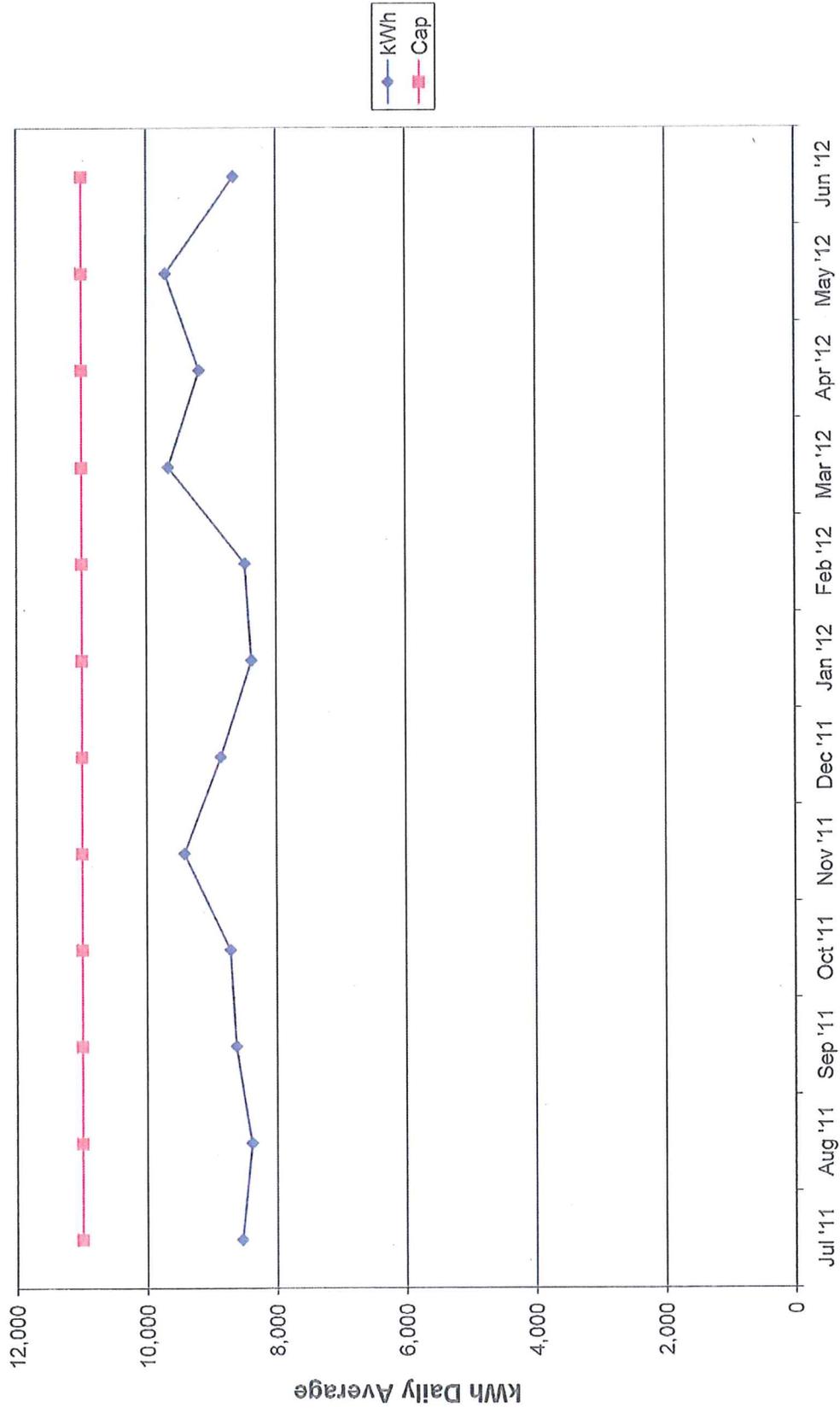
—◆— Enterococci —■— Fecal Coliform —▲— Maximum



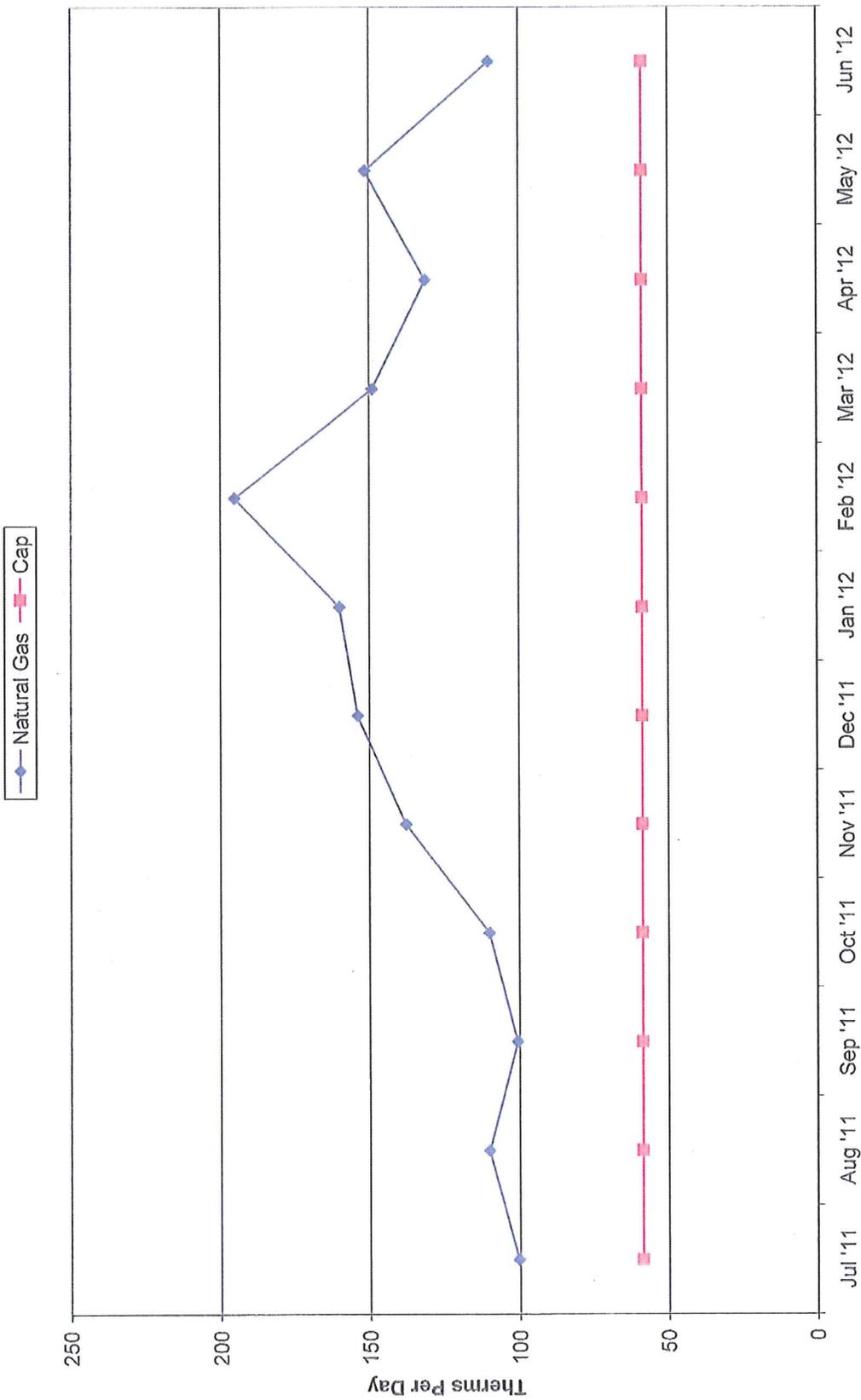
Energy kWh/MG



Energy kWh



Natural Gas Use



WORK ORDER STATISTICS

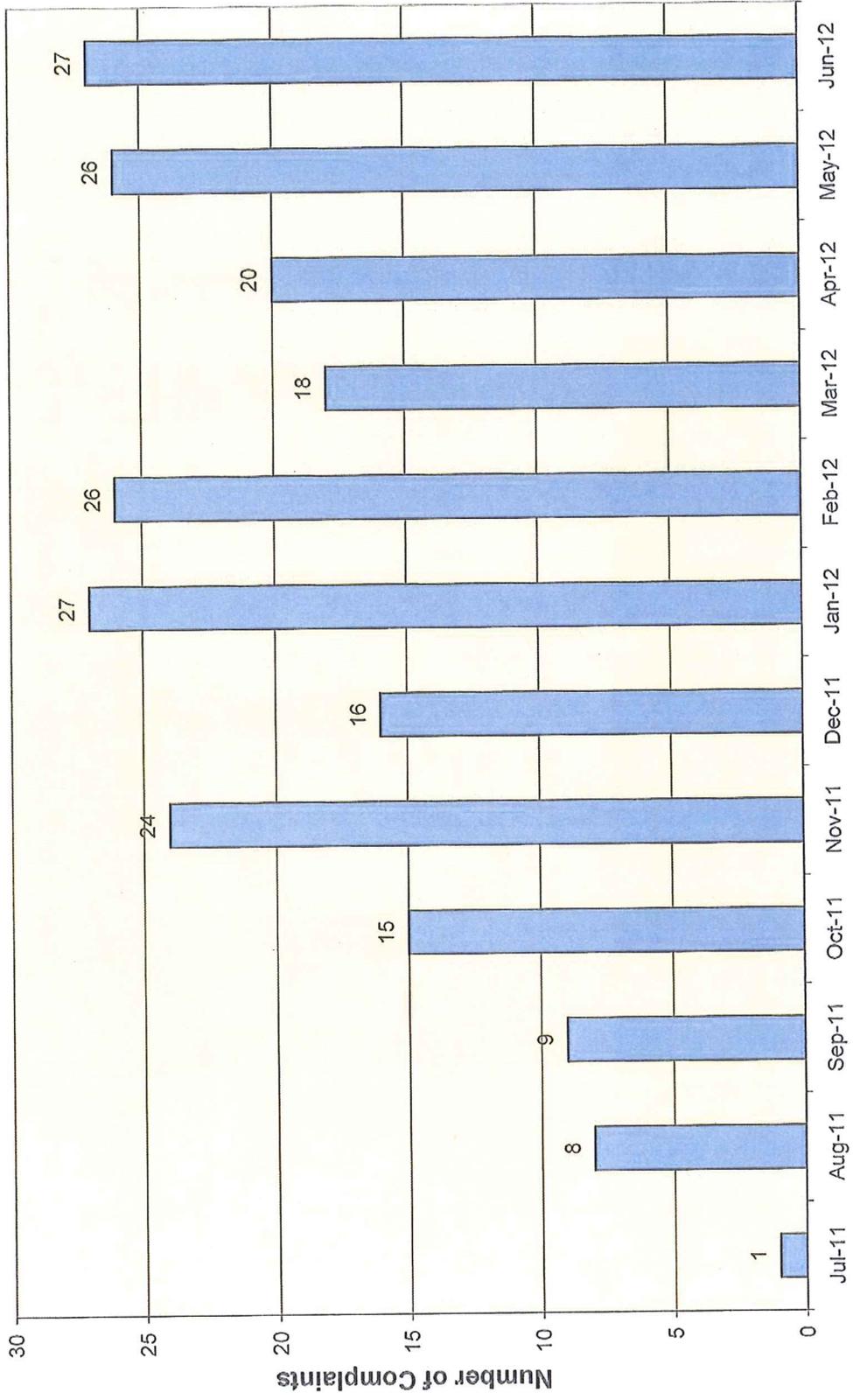
June 1, 2012 - June 30, 2012

	Open Work Orders Due Prior to 6/1/12	Open Work Orders 6/1/12 - 6/30/12	Total Open Work Orders
Preventative	6	292	298
Corrective	15	28	43
Total	21	320	341

	Closed Work Orders 5/1/12 - 5/31/12
Preventative	267
Corrective	18
Total	285

Total Outstanding Work Orders as of July 1, 2012	56
---	----

Complaints Received



ODOR LOG

Jun 18 - 24

NEIGHBOR	Mon 6/18	Tue 6/19	Wed 6/20	Thu 6/21	Fri 6/22	Sat 6/23	Sun 6/24	Notes
	Time	Time	Time	Time	Time	Time	Time	
Resident #1	1 8 20:00	1 8 6:30	1 8 20:00	1 8 6:00	1 8 6:30	1 8 6:30		
Resident #2	1 4 19:00			1 8 21:00	1 8 20:30	1 8 10:00		
Resident #3				6 5 18:23			6 8 13:00	
Resident #4								
Resident #5								
Total								12

Legend

1	Aeration Basins
2	Raw Sewage
3	H2S
4	Aeration + Sewage
5	Aeration, Sewage, H2S
6	Sewage + H2S
7	Other (see notes)
8	Not Specified / Unknown
Intensity	
1	Mild Intermittent
2	Mild Persistent
3	Moderate Intermittent
4	Moderate Persistent
5	Strong Intermittent
6	Strong Persistent

Resident #1, 6-19 10:23 am - Just returned from my son's graduation and detected Aeration Type Odors Monday 06/18 evening from 8 pm until 11:00 pm, and again this morning Tuesday 06/19 form 6:30 am consistent until 8 am then become intermittent.

Resident #2, 6-19 10:54 am - To All, Walked around the block last night at 7PM, smelled aeration odors, strongest near house opposite the fence/road opening.

Walked across to the opening and odor increased as I got to the fence, directly in line with the erector set framing. fairly strong as I went down past 1144

Lea
Little or no wind....

Father's day report: was good. Lots of company, no odors detected from my house this day (Whew!) -saw that the redwood tree (near the plant, so side) that died was replaced.

Resident #1, 6-21 7:23 am - Detected Aeration Type Odors last night Wednesday 6/20 on & off from 8 to 11:30 pm and again this morning Thursday 06/21 starting at 6 am

Resident #1, 6-22 7:52 am - Detected Aeration Type Odors last night Thursday 06/21 from 9 pm until 12:30 am and again this morning at 6:30 am

Resident #1, 6-23 9:13 am - Detected Aeration Odors again Friday 06/22 evening late from 10:30 to 12:00 pm and again this morning Saturday 06/23 starting at 6:30 am

Resident #2, 6-24 10:14 am - Saturday morning 10 AM - detected odors while outside, aeration type, windy, wind from the west.

Resident #3, 6-21 5:23 pm - We are experiencing moderate to strong headworks (poop) odors as of right now. It is very breezy as well. Why are we having headworks odors again during the past few weeks? ...I thought this had been solved with all the previous changes/corrections.

Resident #3, 6-24 3:00 pm - Could smell stuff today so far! About 1 pm...on & off...mild to strong...mild breezes...Just letting you know.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
June 2012**

General:

For the month of June 2012, the Collection System Department spent about 69% of its time on sewer maintenance, and 31% of its time on pump station maintenance.

After accounting for all leaves for the month of June, the Collection System had the equivalent of: (a) 4.2 full time field workers for on Sewer Maintenance, and (b) 1.9 full time field workers on Pump Station Maintenance.

Sewer Maintenance:

A total of 100,986 feet of sewer pipelines was cleaned or chemically root-treated for the month. Staff completed 527 maintenance work orders generated by the ICOMMM3 CMMS system, with 28 outstanding work orders. The footage cleaned per hour, line cleaned/month, and outstanding work orders are within established parameters for the department. Graphs showing the length of line cleaned/month, footage cleaned/hour worked, along with the overflows/month is attached.

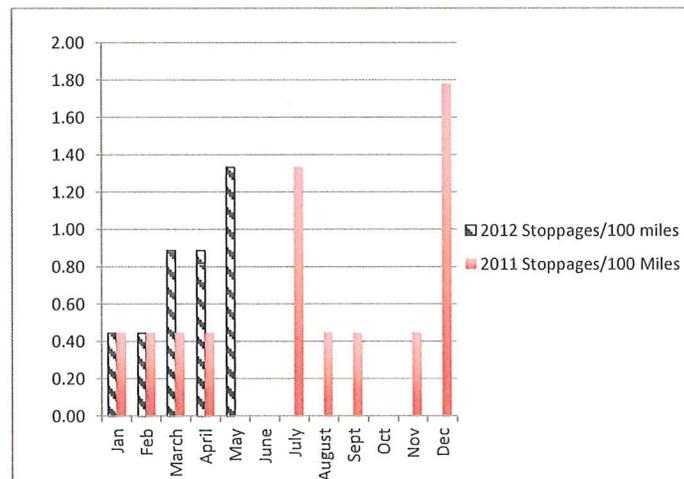
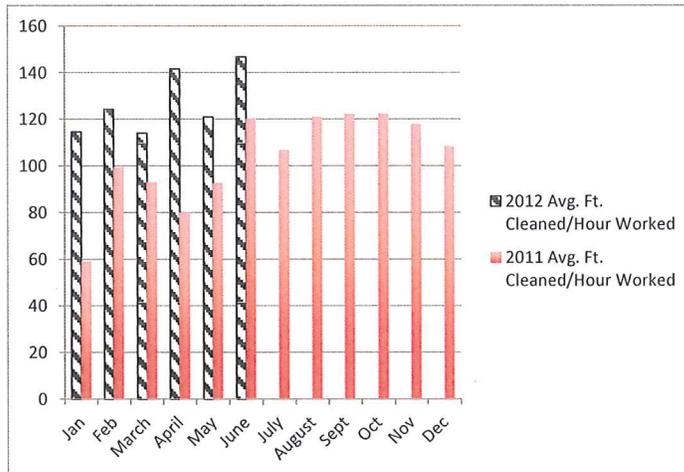
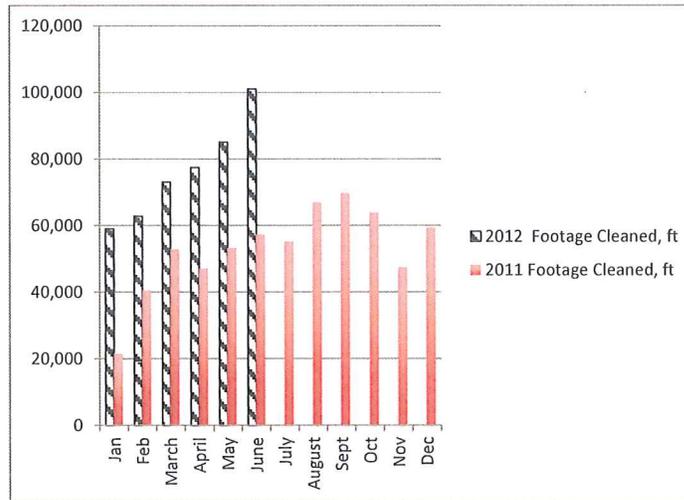
Pump Station Maintenance:

Approximately 239 lift station inspections were conducted for the month of June 2012, with 93 of the visits generated through the JobCal Plus CMMS system. The breakdown of these inspections is as follows: 22 Flygt submersible pump stations, 1 time per month, 9 Gorman/Rupp dry well/wet well stations, 1 entry per month, and 4 main stations that are visited daily. There were no maintenance issues of note for the month of June 2012.

Sanitary Sewer Overflows (SSOs):

For the month of June 2012, there were no (0) SSO's:

Collection System 2011-12 Graphs



NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
June 2012

Summary:

Hay cutting operations continued this month and will continue until complete. Completion is not expected until sometime in July due to harvesting equipment breakdowns. Cattle are being moved onto the Sites as Parcels are cleared of hay. Staff continued testing the control system in each parcel of the irrigation fields and will continue as hay is cut. Repairs are being made as problems are found. The irrigation strainers were tested and no major issues were found. Irrigation Pump No. 2 was placed into service and is running without problems. 53.94 MG of recycled water was used for irrigation during the month of June. The Dedicated Land Disposal (DLD) site is dry but not ready for use due to subsurface moisture conditions.

Rancher Operations:

The hay farmer continues to cut and bale hay. The baling and removal equipment continually breaks down preventing hay processing at full capacity. The dry spring weather this year is producing a good quality hay crop. Staff is enabling the irrigation system as Parcels become available.

The rancher found a fresh water leak in Parcel 75. During the investigation he located one buried valve with a leaky fitting and another leaky fitting in the same area. Both fittings were replaced. This area has been notoriously soggy for many years with the thought that the leak was caused by the irrigation system and poor drainage.

The rancher began moving cattle into all three Sites as Parcels became available.

Irrigation Systems:

Site 2: Staff found the control system for Site 2 not working properly. Upon further investigation staff found a bad control board in Parcel 7 which was shorting out the system. The control board was disconnected and the control system for Parcels 1 through 5 worked normally. A new control panel was installed in Zone 2 of Parcel 5. The existing control panel was broken off of the conduits allowing water and critters into the box. Parcels 1 & 5 were placed into service this month.

Site 3: During the startup of Parcel 4 staff found a nipple for an air relief valve had rotted off during the winter. The nipple was replaced and the Parcel placed in service. A faulty valve actuator was found in Parcel 3 and was replaced. Parcels 1, 2, 3 & 4 were placed into service this month.

Site 7: The control system for Site 7 was completely tested this month and only one bad timer and control board were found. These have been replaced and Site 7 is ready to run at full capacity. Parcels 1, 2 & 3 were placed into service this month.

NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
June 2012

Irrigation Pump Station:

The irrigation strainers received and installed during the last week of May were started up & tested on June 1st. The startup process went well with no issues found other than some minor seal adjustments. Strainer operation timing will be adjusted as time goes by to limit the amount of unnecessary back flushing. Irrigation Pump 2 was energized and tested on June 20th and is pumping at full capacity as expected. 53.94 MG of recycled water (1.8 MG per day average) was used for irrigation during the month of June.

Sludge Handling & Disposal:

The Dedicated Land Disposal (DLD) site surface is dry and the underlying subsurface continues to dry out. The DLD site will need to be re-contoured to provide proper drainage which should be completed in August. Staff is waiting on a proposal to complete this work and the cleaning of the sludge lagoons.

July 23, 2012

Mr. Michael Chernock, Foreman
Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903

Re: Marin County Civil Grand Jury Report, May 29, 2012, Preschoolers Learn to Share – Can Local Governments?

Dear Mr. Chernock:

The following are the Novato Sanitary District's responses to the above report's recommendations R3, R4, and R5 pursuant to the Grand Jury's request.

Recommendation R3

“Every local government entity, when facing major capital expenditures (e.g. new facilities, equipment, vehicles, or computer systems) seek out other entities to share the use and costs of the same.”

The Novato Sanitary District agrees with this recommendation and has a long history of joint capital projects with other agencies.

- A longstanding example is the joint use with the Marin County Flood Control District of the irrigated pasture land for both pasture and flood water ponding. This project was constructed in the 1980's.
- A second longstanding example is the joint refueling facilities shared by Novato Sanitary District and the City of Novato.
- A more recent example is the joint planning, construction, and operation of the recycled water facility with North Marin Water District and North Bay Water Reuse Authority. This cooperative effort enabled the agencies to benefit from substantial federal and state grants to construct the facilities.
- Novato Sanitary District and the City of Novato participated in a joint design and construction project to re-construct Grant Avenue including all new

sewers. This shared project both saved money and minimized the impact on the business community.

- Novato Sanitary District and the City of Novato are working together on the Novato Boulevard widening project so that the necessary sewer improvements will be included in the same construction project.

Recommendation R4:

"All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost effective alternatives."

The Novato Sanitary District agrees with this recommendation and includes this objective as a priority in their Strategic Plan. Novato Sanitary District participates in cooperative efforts with other public agencies at the state-wide, regional, county-wide, and local level in order to provide cost effective quality services to their constituents.

Statewide

- CSRMA (California Sanitation Risk Management Authority) – Novato Sanitary District obtains workers compensation, property, and general liability insurance through participation in a risk management pool. This arrangement also provides substantial assistance in improving safety and reducing risk with special expertise in the wastewater industry.
- CAL WARN (California Wastewater Agency Response Network) – Novato Sanitary District has been a member of WARN since 1999. Agencies in the network have agreed to provide mutual assistance in times of emergency. The agreement provides for reimbursement for equipment, supplies, and personnel made available on an emergency basis.
- CASA (California Association of Sanitation Agencies) – Novato Sanitary District participates in CASA to share knowledge on the laws, regulations, and technology in the wastewater industry.

Regional

- BACWA (Bay Area Clean Water Agencies) – Novato Sanitary District participates in a regional receiving water monitoring program that replaced an expensive and inefficient local monitoring program. BACWA also coordinates the regional mercury limits and other regulatory requirements at a significant savings to the District.
- NBWA (North Bay Watershed Association) – Novato Sanitary District was one of the founding members of NBWA, which seeks to coordinate planning and capital projects in wastewater, water supply, stormwater, flood protection, and habitat in the North San Pablo Bay Watershed. This

organization is now serving as a model of regional cooperation for the East Bay.

- NBWRA (North Bay Water Reuse Authority) – Novato Sanitary District was also one of the founding members of the NBWRA which has successfully developed a plan and secured federal and state funding totaling \$15 million for recycled water projects in Marin, Sonoma, and Napa Counties.

Countywide

- The Novato Sanitary District Manager meets monthly with the managers of the other wastewater treatment agencies in Marin to discuss areas of mutual interest and identify potential avenues of cooperation. A number of cooperative endeavors have come from these meetings as noted below.
- Novato Sanitary District has shared a Safety Director and safety training program with other Marin Sanitary Agencies since the 1990's. Current participants are Central Marin Sanitation Agency, Sewerage Agency of Southern Marin, Sausalito-Marín City Sanitary District, and Novato Sanitary District.
- Novato Sanitary District participates in a joint Public Education program with Las Gallinas Valley Sanitary District, Central Marin Sanitation Agency, Sewerage Agency of Southern Marin, Tiburon Sanitary District No. 5, and Sausalito Marin City Sanitary District. This program allows us to share the staffing of public events and cost savings through the ordering of materials.
- Novato Sanitary District is a participant in the Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies, which provides a mechanism for both emergency and non-emergency sharing of equipment and personnel.

Local

- The managers of the Novato Sanitary District, North Marin Water District, Novato Fire Protection District, and the Novato School District meet regularly to explore opportunities for sharing resources and coordinating activities.
- Novato Sanitary District participates in the monthly Novato Utility Coordination meeting with the City of Novato, North Marin Water District and other utilities to avoid conflicts and identify opportunities to coordinate capital projects.
- Novato Sanitary District participates with the City of Novato, the Novato Fire Protection District, and North Marin Water District in joint emergency preparedness training and emergency command center staffing.
- Novato Sanitary District works jointly with the City of Novato to manage compliance with solid waste recycling and to provide household hazardous waste disposal.

Mr. Michael Chernock

July 23, 2012

Page 4 of 4

- The District coordinates permit issuance with the City of Novato, County of Marin and other agencies to make the process transparent and efficient.

Recommendation R4:

“Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.”

Novato Sanitary District has long been a leader in providing cost-effective local government as evidenced by the fact that our rates for both wastewater and solid waste are consistently among the lowest in the area. We manage to do this while bringing innovative recycling programs in both solid waste and water, as well as a new state-of-the-art wastewater treatment facility by judicious use of both public and private partnerships. The public partnerships are described above. The District took a leadership position to competitively bid the operation and maintenance of the new wastewater treatment facility to private contractors. The resulting agreement saves the constituents money while providing exemplary operation. The District also franchises a private family-owned company founded in Novato to collect and recycle solid waste with resulting innovative recycling programs and the lowest rates in Marin County. The District uses local businesses for vehicle maintenance and contracts for all construction through a competitive bidding process. The Household Hazardous Waste Facility and bi-annual e-waste collection events are also managed and operated by private contractors. Most of the District’s design engineering and construction management is also performed by local or regional private companies.

Novato Sanitary District is governed by an elected Board of Directors committed to conducting the District’s business in an open and transparent manner. Board elections have been vigorously competitive and board meetings well-attended by interested citizens. The District communicates with constituents through a website (www.novatosan.com) regular newsletters, articles in local papers, and direct mailings. All board agendas are posted on the District website, the Novato Patch, and provided to the Marin IJ and the Novato Advance.

We appreciate the Marin County Civil Grand Jury’s interest in efficient, cost-effective government and feel that independent special districts have a leadership role to play in innovating to provide quality public service.

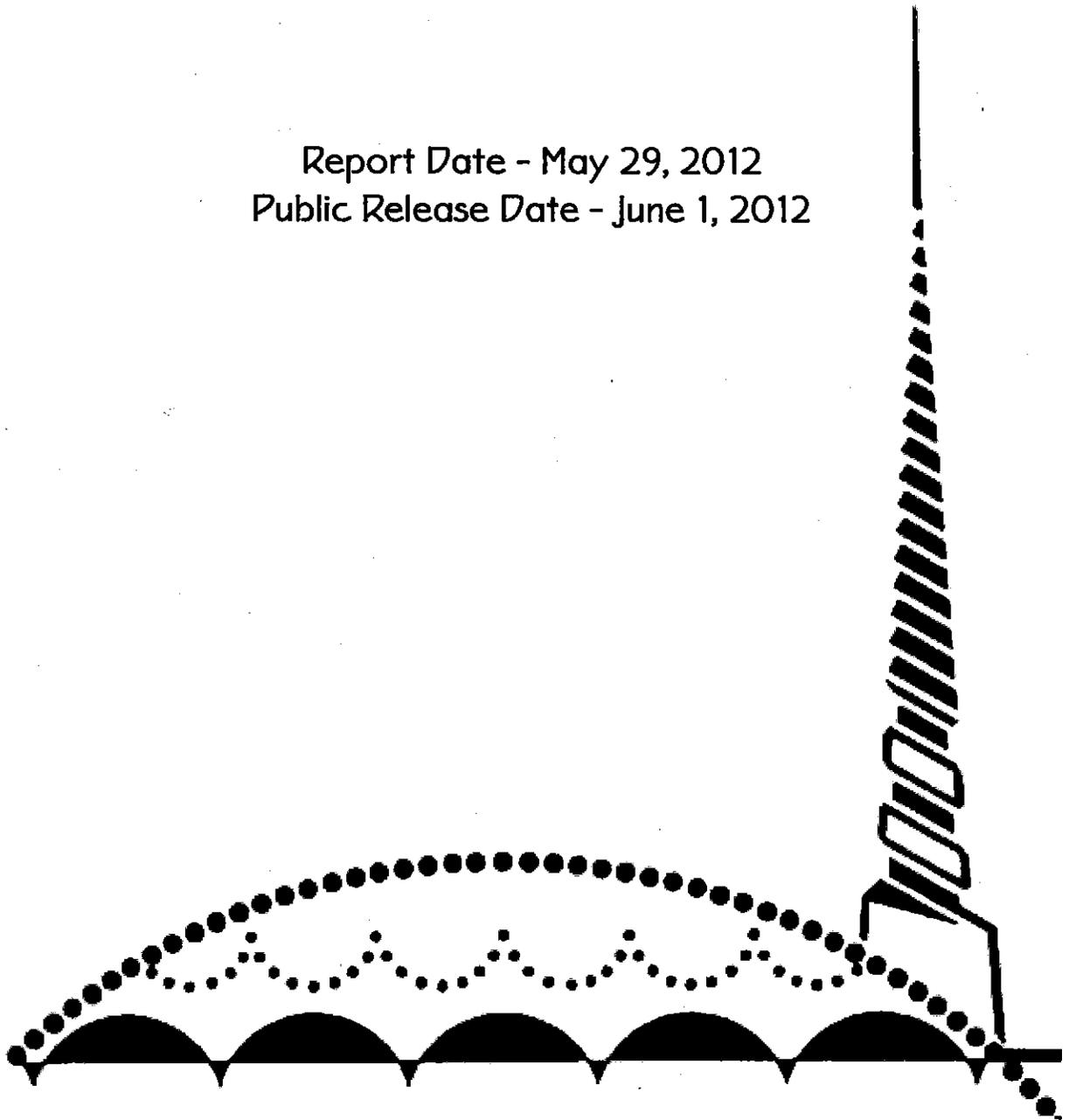
Sincerely,

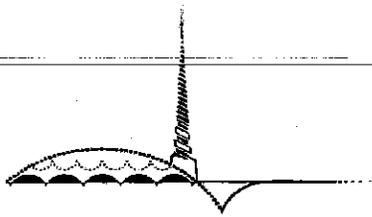
Beverly B. James
Manager-Engineer

2011/2012 MARIN COUNTY CIVIL GRAND JURY

PRE-SCHOOLERS LEARN TO SHARE
Can Local Governments?

Report Date - May 29, 2012
Public Release Date - June 1, 2012





PRE-SCHOOLERS LEARN TO SHARE

Can Local Governments?

SUMMARY

Who knows how many local government agencies exist in Marin County?

Certainly not the average citizen.

The Government section of the 2012 phone book lists the 11 towns and cities of Marin County and the 30 or so main departments of the County government. Not listed is what the Marin County Civil Grand Jury suspects are more than 50 special districts or Joint Powers Authorities, not including 19 school districts. The County Tax Collector's office does not know how many special districts there are, although they do know they support 153 taxing entities who add charges to our tax bills.

Certainly not the Local Agency Formation Commission.

Since this agency is charged with monitoring the boundaries and governmental organization of cities and special districts in our county, the Jury thought they would have the definitive list, but they have no jurisdiction over the county's school districts and their website lists only a subset of the total number of entities:

- 11 Cities or Towns
- County of Marin
- 6 Community Service Districts
- 8 Fire Protection Districts
- 3 Water Districts
- 11 Sanitary and Sanitation Districts
- 2 Public Utility Districts
- 3 Joint Power Agencies
- 3 County-governed Special Districts (for transit, open space and flood control), and
- 16 County Services Areas.

At the website lafco.marin.org, there is an 85-page 2011 Directory of Marin County governmental agencies. The director of the Local Agency Formation Commission stated that its list is not definitive and that it is nearly impossible to know all the special districts that operate in Marin. While the agency has identified 30 independently governed special districts in Marin, it also pointed out that there is State enabling legislation for 28 different kinds of special districts. The Local Agency Formation Commission does not list special districts that are governed by the boards or councils of municipalities or the County of Marin. It is not the Local Agency Formation Commission's charge, nor anyone else's, to track this information.

Certainly not the Marin County Civil Grand Jury.

The Jury has been both bewildered that no one knows how many government agencies there are and shocked at the huge number of suspected governmental entities. No matter the exact number, the Jury's investigation points out that there are too many organizations, most with staff, management and a board of directors, that offer the same public services. These public entities must all be financed, whether by property taxes, fees, parcel taxes, user rate schedules, sales taxes or state monies. The bottom line is that all of them are funded primarily by the citizens of Marin County.

The number of government entities in Marin County has grown over the past 50 years. While other more populous counties have simplified by forming one school district, one fire department and one police department, Marin County has allowed these entities to proliferate. Although Marin County has its own history and needs, the mandate to provide cost-effective public services should be universal. Do we need all these governing entities? Are Marin's residents best served by such a fragmented and costly system of governance?

In today's environment when government is trying to **do more with less**, "consolidation" seems like the obvious way to eliminate governmental duplication. But remember: H.L. Mencken wrote, "*For every complex problem, there is one solution that is simple, neat.....and wrong.*" The Jury has learned there are inherent complexities in any formal government consolidation that make that kind of merger very difficult and/or take decades to complete. Fortunately, while consolidation can be the end game, interim and long-term cost-effective governance can be achieved by taking incremental steps, over time. Consequently, this report focuses on the interim strategy that some government managers have found increasingly useful in these challenging times: sharing services.

Sharing of services, personnel, equipment or even insurance policies is a less threatening first step in what may eventually become a partnership and, ultimately a merger or consolidation once the benefits have been verified and the trust between key players has been established. Building relationships, whether personal or organizational, is a step-by-step process. One purpose of this report is to focus on the steps and conditions that can lead to successful collaboration. The Marin County Civil Grand Jury hopes more of our Marin County governmental entities will recognize and seize opportunities to cooperate, or in kindergarten parlance, *to share*.

The challenge governing bodies face is to recognize mutual needs and plan to jointly meet them. The result can be much more efficient governance and often reduced cost for cities and citizens. A case study about the Twin Cities/San Anselmo Police Departments in this report shows that about one half million dollars can be saved by cities who collaborate. On the other hand, the failure or refusal to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. A Sausalito Fire Department/Southern Marin Fire Protection District case study herein sheds light on this risk. Carried out thoughtfully, sharing services can allow governing entities to realize significant cost savings while maintaining or even improving the service levels expected by each community.

The Marin County Civil Grand Jury recommends that:

- The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all those taxing entities.
- City/Town Councils and the Marin County Board of Supervisors require annual reports from their respective city managers or the County Administrator identifying opportunities for sharing or consolidating services.
- Every local governmental entity, when facing major capital expenditures (e.g., facilities, equipment, vehicles, or computer systems) seek other entities to share the use and cost of the items.
- All government officials make it a priority to identify institutional duplication within their sphere of influence and bring leadership, vision and openness to new, more cost-effective alternatives.
- Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.

BACKGROUND

The towns of Marin County have grown from hamlets to sprawling developed areas. Originally separated by ridges, waterways or sheer distance, the more populous municipalities have all but merged along Highway 101, creating a "City-Centered Corridor", as defined in the Marin County General Plan. Over time, to ensure the health, safety and general welfare of its citizens, each city's array of public services has expanded to include at least fire, police, planning/zoning, parks/recreation, libraries and public works/engineering services. These services were provided by creating new municipal departments or by the formation of special districts or Joint Powers Authorities ("JPAs"), as defined below. Hereafter, the term "city" shall apply to towns as well.

While most citizens are familiar with municipal and county governments, few keep tab on special districts and JPA's. As defined by the *Marin.org* website, special districts are usually single-purpose units of government. The most common are school districts; other special districts handle fire protection, sewers, water or wastewater treatment, or combinations of services. The State Government Code offers this definition: *'Special district' means an agency of the state, formed pursuant to general law or a special act, for the performance of governmental or proprietary functions, with limited geographic boundaries, including, but not limited to, a school district and a community college district.* (California Government Code Section 50075.5) Special districts are a form of local government, governed by an elected board of directors, usually with five members from the areas served. They are employed when neither the county nor local cities are willing or able to provide a service. Examples of special districts are the Marin Municipal Water District and Bel Marin Keys Community Service District.

Joint Power Authorities are created through Joint Power Agreements. *"If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties... a joint powers agreement provides for the creation of an agency or entity that is separate from the parties to the agreement and is responsible for the administration of the agreement..."* (California Government Code

Section 6500). JPAs are groups of public agencies working together to administer a shared service over an area that exceeds their individual jurisdictional boundaries. They may add another layer of government but they can streamline the provision of extraordinary services such as light rail service. Typical Marin JPAs include the Central Marin Sanitation Agency, Ross Valley Fire Service, and the Sewerage Agency of Southern Marin.

COSTS OF GOVERNMENT ESCALATE WHILE REVENUES STAGNATE

Along with the growth in the number and types of Marin governmental entities, the costs of governing have grown as well. Every government agency must deal with, at least:

- Escalating pay scales
- Increasing pension costs
- Demands of organized labor
- Sharp increases in the number of retirees
- Bond and stock markets' volatility
- Growing equipment replacement costs, and
- Aging infrastructure maintenance costs.

Meanwhile, numerous forces have reduced property tax revenues that municipalities and the County depend upon:

- Since 1978, Proposition 13 has limited the increase in assessed value of real property to 2% per year, regardless of increasing market value, except with a change of ownership or after major construction. The pace of home sales and construction has slowed dramatically in recent years.
- The recession has led to an overall dampening of home values, the basis for property taxes, which reduces revenues.
- The County allows a homeowner whose home's market value has diminished to petition the County for a reassessment (downwards) of their home's value.
- The County and cities also obtain revenue from permit fees for new development and new construction, both of which have dropped due to recessionary caution.
- There has been a reduction of the kinds and amounts of federal and state money being handed down to local agencies.

DOING MORE WITH LESS

All levels of government share a seemingly impossible goal: to continue to provide services with less revenue. At the same time, the economic downturn has increased the need for public services, especially welfare-related services. Confronted with this dilemma, necessary yet painful staff reductions have been implemented in most cities, placing added demands on the remaining workforce. Some cities such as Vallejo, California, have been forced to declare bankruptcy to avoid untenable fiscal obligations. Cost saving measures have been the primary focus of city councils and boards of supervisors when approving budgets in recent years.

The same budgetary dilemma is shared by special districts and JPAs, although to a lesser extent. Revenue sources for these entities are not exclusively tied to property taxes. In addition to taxes, most rely on user fees collected from their constituents for the service provided. These entities control their rate structure and the County applies their user fee to

our tax bills. With few limitations or requirements, the special districts and JPAs can decide to increase their rates. Nonetheless, special districts and JPAs do struggle with rising costs for personnel, equipment, etc., and they have to balance assessing higher rates with public tolerance for such increases. They too need cost saving strategies.

SHARING SERVICES: ACHIEVING ECONOMIES OF SCALE

One of the most promising strategies for governmental cost savings, sharing services, is the subject of this report. Sharing services involves an evaluation by two or more governing bodies of their common needs, goals and ways to jointly economize on service provision. This may involve sharing equipment, personnel and/or workplaces and more. Sharing may be best accomplished on a step-by-step basis, beginning informally or with a Memorandum of Understanding¹, and without wholesale changes or overhauls of any department. It can be initiated on a trial basis and tailored over time to meet the changing needs of each of the jurisdictions involved.

Sharing is a less threatening first step in what may eventually become a partnership and, ultimately, a merger or consolidation once the benefits have been verified and trust between key players has been established. Arranged marriages are foreign to our culture. Courtship and serious dating are the accepted steps to our formal unions. Building relationships, whether personal or organizational, is a step-by-step process. One of the purposes of this report is to define those steps and how to recognize when they are most likely to be successfully undertaken.

This report looks at both the obstacles and the opportunities for effective sharing of services. Failing or refusing to consider sharing services can result in unnecessary and even exorbitant cost increases for Marin residents. Carried out thoughtfully, sharing services can allow governmental agencies to realize significant costs savings while continuing or even improving service levels expected by each community.

METHODOLOGY

There is a wealth of literature on the proper organization of local governments. Public policy think tanks, public administration departments of universities, and government entities themselves are but a few who have produced studies on various types of governmental consolidation or cooperation. The Marin County Civil Grand Jury reviewed major studies by the states of New Jersey, New York and California.² The Jury then concentrated on researching the variety of governmental entities in Marin County.

¹ A memorandum of understanding (MOU) is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative to a gentlemen's agreement.

² New Jersey Government Consolidation and Shared Services Final Report, December, 2006; 21st Century Local Government, Report of the New York State Commission on Local Government Efficiency & *(continued on next page)*

The Jury met with the Local Agency Formation Commission (“LAFCO”) to understand the technical meaning and practice of “consolidation” and “annexation”. The Jury learned ways that governments can share services and reviewed successes and failures to do so. The Jury interviewed the managers of several county and city agencies to learn what their problems have been and where they see opportunities. The Jury performed archival research regarding regulations governing consolidation. In addition, the Jury tracked ongoing, unresolved efforts of Marin County agencies to either consolidate or share services.

DISCUSSION

When budgetary crises arise, cities, counties, special districts and JPAs face hard choices. They must raise taxes or levy fees, eliminate or reduce services, reduce their workforce or face bankruptcy. Since the 2008 recession, most government agencies have cut discretionary spending to the barest of bones. The shared services scenario has become an option: figure out how, with decreasing funds, to seamlessly continue to provide services by sharing services with other jurisdictions. *“Easier said than done.”*

OBSTACLES TO THE SHARING OF COSTS AND SERVICES

The obstacles to sharing services and/or consolidation are real and numerous. There are employment issues; good government “mission” issues; jurisdictional control issues; differing institutional cultural issues, and, perhaps the biggest obstacle of all: differing funding sources and differing fiscal health. Following is a summary of the range of issues faced when governments consider sharing personnel, equipment, operations and their goals for governance.

Employment Contracts

Government employees are ranked within a personnel or civil service system which governs every phase of employment: their selection, employment, classification, advancement, suspension, discharge and retirement. (State Government Code Section 45001) These stipulations are combined with union contracts that have defined standards (in addition to those in the State Government Code, Title 3) for things like wages, cost of living adjustments, workload, overtime, seniority/promotion, health, safety and retirement packages. Each governing agency must periodically re-negotiate these standards with the unions. When two such entities consider merging their workforces, they have to synchronize cost of living assumptions, job classifications and retirement requirements. A resulting pay cut for one set of workers, or pay increase for the others, can be met with a great deal of opposition.

As budgets tighten even further, personnel cuts loom after the more obvious cutbacks have been made. Often an obstacle, such as two mid-career city fire chiefs, can become an opportunity through attrition. For example, the managers of two separate departments providing the same service might not want to merge if it would cost one of the managers

footnote 2 cont'd: Competitiveness, April 2008; State of California Growth Within Bounds, Report of the Commission on Local governance for the 21st Century, January 2000.

his/her job. However, if one of those managers were to retire or move on, role-sharing between cities or the merger of two departments could be much easier.

Maintaining the Mission

Good government or “mission” issues stem from the expectations of decision-makers and citizens. The mission or charter of each city is based on State Government Code that creates a city and invests it with the obligation to look after the health, safety and general welfare of its citizens. “*Health, safety and general welfare*” can and has been interpreted in a wide variety of ways by the County Board of Supervisors, city councils and citizens themselves. For example, one police force may use catching a speeding teenager as a teachable opportunity (for the offender); another department may stress ticketing as the best way to modify offender behavior. Differing service emphases often depend upon the unique needs and nature of the locality. For example, in Sausalito marine health and safety issues in Richardson Bay are a priority but police and fire staff in Fairfax have different needs.

Some expectations about the scope of government are historical. Many citizens want to be assisted by police cars bearing their city logo because they have been able to rely on that support in the past. Cities and, by extension, special districts and JPAs, as a rule are reluctant to relinquish control over the services and facilities serving their citizens. Citizens hold their key decision-makers accountable for their welfare. Public decision-makers do not want to be taken to task at public meetings for matters they do not directly control. Small towns are reluctant to ask or expect a neighboring city to look after them. Only when a city cannot readily solve a problem by itself, or the costs of meeting the public’s needs exceed available funds, have cities sought to jointly solve their problems.

Local Control

Some expectations are emotional. Big government is categorically feared and local control is categorically revered. Some citizens find that having the ear of a friend on the City Council is comforting; it makes them feel important. Some council members believe they alone possess the wisdom to decide how municipal services should be provided to their citizens. School districts epitomize this preference. However well planned or fiscally warranted, for some people change in long-standing practices equates to uncertainty, fear and loss of control over matters that concern them. Opting to share services means opting to share control, a bitter pill for some.

Some expectations are personal. Decision-makers who have contributed to their communities and enjoyed years in the public limelight, as well as certain perks, are reluctant to disband the board on which they sit. Their status as city fathers would be diminished. When it comes to merging of departments, differing pecking orders at the staff level can also cause difficulties.

Some expectations are fiscal. A city that has frugally managed its resources is rarely inclined to partner with a counterpart with fewer reserves. Similarly, an entity with large or looming infrastructure improvements does not make an attractive partner.

EXAMPLES OF GOOD GOVERNMENT

The citizens of each Marin County community have come to expect certain levels of service. *“Turn the tap on and the water flows. On Thursday, the garbage gets collected. When it gets dark, the street lights come on.”* (The Little Hoover Commission report entitled “Special Districts: Relics of the Past or Resources for the Future?”, Report #155, May 2000) The primary goal of every governmental entity is to maintain or improve those levels of service. Despite the obstacles outlined above, this mandate has prompted consideration of more creative, cost-effective ways of delivering services.

Since 1912, when Marin Municipal Water District began acquiring and incorporating into its system 26 small private water companies, there have been a series of successful mergers, consolidations and various contractual arrangements for sharing services. Most of them were not one-step, wholesale mergers. The list below demonstrates that despite how hard it can be for autonomous governments to relinquish absolute control, sharing is possible. Granted that great effort went into the arrangements shown below, the Marin County Civil Grand Jury believes that the list represents the low-hanging fruit; many more opportunities exist.

Each effort listed has to some degree reduced redundancies, improved service capacity, unified authority, increased flexibility in staffing, enhanced coordination and/or reduced costs. Cost savings have included substantial reductions in: special tax rates for residential and commercial users, retirement costs, workers’ compensation insurance costs, fire/liability insurance costs, management personnel and/or duplicated equipment.

1979: The Sewerage Agency of Southern Marin (“SASM”) was formed as a JPA to combine the wastewater collection, treatment, water reclamation and disposal needs for Mill Valley, Tamalpais Community Services District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District and Richardson Bay Sanitary District.

1980: The Town of Corte Madera and the City of Larkspur formed the Twin Cities Police Authority under a joint powers agreement that merged their police departments. Two members from each council form the Twin Cities Police Council which develops Police Authority policy.

1982: The creation of the Ross Valley Fire Authority led to the merger of the Fairfax Fire Department, San Anselmo Fire Department, and Sleepy Hollow Fire Protection District into the Ross Valley Fire Department in an effort to improve and expand fire service while reducing the cost of providing service. Its board includes representatives from each entity.

1999: The Southern Marin Fire Protection District (“SMFPD”) was established by the Marin County Board of Supervisors as an independent special district, merging the Alto-Richardson Fire Protection District and the Tamalpais Fire Protection District. The fire district encompasses Tamalpais Valley, Almonte, Homestead Valley, Alto, Strawberry, part of the town of Tiburon, Fort Baker and the Marin Headlands.

2005: Annexation of the City of Belvedere to the Tiburon Sanitary District transferred responsibility for sewage collection from the City to the District. Belvedere residents vote in elections for the Tiburon Sanitary District.

2006: The City of Sausalito Fire Department contracted with the Southern Marin Fire Protection District for services that included providing a Chief and Battalion Chief to Sausalito.

2008: The Marin Energy Authority was formed by the Marin Energy Authority Joint Powers Agreement signed by the County of Marin, the Town of Fairfax and the Town of Tiburon to offer greener electricity. As of 2012, all Marin towns, cities and the County belong to MEA and have seats on its Board of Directors.

2008: The county offices of the Auditor, Controller, Tax Collector and Treasurer were combined into one Finance Department.

2009: The County undertook a Long-Term Restructuring Plan (dated January 2010) to address serious, growing budget shortfalls through (among other things) consolidating government services. Since then, the County Mediation Service Program was eliminated and its services were transferred to the District Attorney's Office, at a savings of about \$186,000. The County Coroner and the Sheriff's Office were also combined, with a \$400,000 annual cost savings.

2011-2012: Merger discussions were held between the Ross Fire Department (serving Ross) and the Ross Valley Fire Protection Department (serving San Anselmo, Fairfax and the Sleepy Hollow neighborhood) to improve staffing of fire trucks and for cost savings to San Anselmo of \$20,000-100,000 per year. This agreement to merge was reached in May 2012.

2012: A new Twin Cities Police Station opens to provide full police services for Larkspur and Corte Madera. The station serves as the communications center for San Anselmo as well.

February 2012: Joint Powers Agreement approved for job-sharing between Corte Madera and the Southern Marin Fire Protection District. Estimated savings are \$135,000 for Corte Madera and \$60,000 for the District.

There are other concerted efforts underway in some sectors. Three proposals are in the offing:

2011-2012: The City of Sausalito and LAFCO Boards voted to endorse the annexation of the City's Fire Department to the Southern Marin Fire Protection District. This proposal is going to a vote of the Sausalito citizens in June 2012. (See case study that follows.)

2012: LAFCO voted to initiate proceedings to merge the Alto, Almonte, Homestead Valley and Richardson Bay sanitary districts that would realize costs savings (est. \$200,000 per year).

February 2012: County Director of Health and Human Services launched an effort to consolidate the County's Alcohol, Drug and Tobacco, Mental Health and Public Health divisions into one Community Health Services division.

Also, in March 2011, the Marin County School Districts published a report from their county-wide Efficiency and Effectiveness Task Force that begins with this Charles Darwin quote: *"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."* In that report, they recognized that *"School district consolidation requires grassroots efforts, significant community planning and coordination, and local voter approval. Such efforts can take a decade or more to implement successfully."* Nonetheless, they supported more on-going collaborative efforts among local school districts, and recommended this approach:

- Develop shared services goals and accountability measures for ongoing countywide educational committees.
- Include goals for shared services in district strategic plans.

- Institute collaborative purchasing programs.
- Develop and refine consistent financial analysis reports.

HOW MUCH SHARING MAKES SENSE?

At one end of the continuum is complete consolidation, annexation or a merger of departments. At the other end of the continuum is a simple act such as a fire department and a public works department agreeing to jointly own a bulldozer. Neither department needs one often but, in certain circumstances, it is the essential tool. In between, there are numerous mid-way solutions as evidenced from the examples above and the case studies that follow. As contrasted below, consolidations or mergers tend to be permanent whereas the simpler acts of jointly using resources can be based on a contractual agreement between two departments, overseen by the cities' administrators. Once adopted, they usually have built-in time horizons and escape clauses.

Formal annexation changes a jurisdiction's geographic territory, and therefore, its scope of governance. Formal consolidation changes the scope of governance. Both involve complex and different sets of public approval mechanisms overseen by the LAFCO. The role of LAFCO is "*discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances*" (California Government Code Section 56300). Pursuant to Sections 56300 et seq., LAFCO may either respond to or initiate a proposed annexation or consolidation. The state has delegated to each LAFCO the power to review and approve, or disapprove with or without amendment, proposed annexations, reorganizations, and incorporations. A city cannot adopt a local ordinance which would allow its city voters to pass sole judgment on proposed annexation proceedings.

Consolidation and annexation proposals require the support of the governing bodies involved and, when contentious, a vote of the affected citizens. A simple majority of the voters in one of the affected jurisdictions can terminate the consolidation, even if the majority of the voters in the other jurisdictions are in favor of the proposal. The case study below about the proposed annexation of the Sausalito Fire Department to the Southern Marin Fire Protection District illustrates some of the complexities of such an annexation process.

In contrast, sharing or cooperation is simpler. Two governing councils can each vote to cooperate for a service such as police protection, beginning with simple steps such as the more cost effective joint purchase of squad cars and related radio dispatch equipment. Both retain a share of the control over that service or resource allocation. This can be done on a trial basis with a contract that must be reviewed and renewed as often as once a year. Additional means of collaborating can be introduced once the two police forces get accustomed to working together, and the details of staffing needs and hierarchies become clearly understood. Also, the growing understanding of the strengths and needs of one's counterpart allows for informed decisions about sharing.

CASE STUDIES: WHAT WORKS, WHAT DOES NOT WORK, AND WHY

The Marin County Civil Grand Jury has outlined many of the obstacles that make any sort of merger of governmental bodies difficult. In addition, the Jury has presented the recent history of various successful prior Marin mergers. Nonetheless, Marin County's history illustrates the conclusion reached by the State of California's year 2000 report of the Commission on Local Governance for the 21st Century: "*California agencies and institutions generally are not inclined toward extreme or precipitous change*"³ when it comes to any sort of consolidation. That said, the sheer number of duplicate government entities providing similar services in Marin is still mindboggling and offers extensive opportunities for creative service sharing. As shown in the case studies below, government officials at all levels need to first identify institutional duplication and then bring leadership, vision, creativity and openness to new alternatives for sharing services.

While other governmental bodies in Marin County also have experience with cooperative efforts, the report focuses on just three examples. The fire or police departments examined represent distinct efforts to consolidate entities, share services, or share a department. The case studies show similar but unique problems, with different but similar solutions. All the examples are driven by the governments' common challenge of doing more with less.

One case study deals with the difficult process of formal annexation. Another study shows how taking many small steps with multiple other agencies made sustaining a high level of service possible on a reduced budget. The third demonstrates how sharing personnel and facilities improved services for both departments and reduced cost for all parties.

Southern Marin Fire Protection District Annexation of Sausalito Fire Department: Local Control vs. Cost Savings

Discussion of this formal annexation started over seven years ago. Operationally, the Southern Marin Fire Protection District (SMFPD), which covers Tamalpais Valley, Homestead Valley, Strawberry, Fort Baker and part of Tiburon, has managed and operated the Sausalito Fire Department since 2006. In a contract that calls for sharing services and costs, SMFPD provides a Chief and Battalion Chiefs for the Sausalito Fire Department. Firefighters from the SMFPD and Sausalito departments train together and provide mutual assistance. They now see each other as complementary not rival forces. Under consideration this year is the formal annexation of the Sausalito Fire Department by the SMFPD.

Clarifying the Funding Sources

Central to this annexation proposal is whether it is fiscally sound for SMFPD and Sausalito to allow the annexation to occur. The special district and the city fund their operations differently. As a special district, the SMFPD funds fire services through parcel taxes from the structures within the geographic area it serves. The city funds the Sausalito Fire Department from its general fund.

³ State of California, Growth Within Bounds, Report of the Commission on Local Governance for the 21st Century, page 7.

Initially, instead of using general fund monies, Sausalito considered paying for its share of the fire services annexation by imposing a new \$90 parcel tax on its citizens. Fearing public opposition to a new parcel tax, Sausalito realized it was paying 55% of its general fund monies for fire protection under its current contract with SMFPD. By contrast, under the proposed annexation plan, the new cost for service would only require about 45% of their general fund. It then became obvious that by continuing to use the general fund to finance the annexation, the net effect for the City would be an approximate \$600,000 annual savings. As a result, the \$90 parcel tax approach was abandoned.

The other alternative would be for Sausalito to re-create its own independent fire department. However, the consultants brought in by both the City of Sausalito and the SMFPD pointed out that reconstituting a fully staffed and equipped department with no support from the SMFPD would cost the city \$1.4 million more annually. The additional monies would have to come from either cutting existing services or establishing a new \$400 a year parcel tax on Sausalito's citizens.

Momentum Stopped by the Fear of Losing Local Control

Three years ago, during hearings before the Sausalito City Council and the SMFPD board, the vice president of the SMFPD board stated that continuing with the current arrangement would not be an option because they believed that Sausalito had not been paying its fair share for services rendered. At that time, the consulting firm told city officials that, given the choice between starting their own fire department and annexation to the SMFPD, the merger would be the better financial choice. In July 2011, the SMFPD board stated in a letter to Sausalito officials that they would be willing to support the annexation but if the process fails, *"the district is not interested in continuing a contract for service, nor are we interested in entering into a Joint Powers Agreement of any type."*

In September, 2011, the Sausalito City Council approved the annexation by a 3-2 vote. In December 2011, the seven member board of LAFCO unanimously approved the annexation. Both the City and LAFCO noted that, with annexation, Sausalito taxpayers' obligations for fire protection would drop from 55% to 45% of their tax bills. The firefighters themselves welcomed the official merger as the next logical step.

During that time period, opponents to the annexation who were not working closely with city-hired financial consultants expressed their fear of losing local control. They claimed the consultants' findings were tainted by a conflict of interest because both the City of Sausalito and the SMFPD hired the same firm. Opponents further identified the possibility that some firefighters might be able to double dip from SMFPD and Sausalito pension funds; a topic they believed had not been thoroughly vetted. A spokesman for the opposition group claimed that there are other alternatives to annexation or restarting a stand-alone department, although they have not spelled out what those alternatives are.

Fueled by publicly expressed concern on the part of two city council members, a group of concerned citizens of the City of Sausalito exercised their right to call for a public vote on the proposed annexation, in June 2012. If it passes, it would overrule the Sausalito City Council and LAFCO approvals and kill the annexation. In February of this year, these citizens gathered 94 more than the 1,276 signatures needed to insure that this decision will be made by Sausalito citizens. The Council then voted 3-2 to pay between \$7,600 and \$12,700 to

place the issue on the June 5, 2012 ballot. This lively political debate is about the cost of local control and, after seven years of effort, the outcome will be decided by the voters of Sausalito. They will decide if they want to pay the price for local control.

This process exists because the state government places a high value on the autonomy of established government entities. It is with purpose that the state created LAFCO which implements procedures as safeguards to protect against what in the business world is called a “hostile takeover”. What can be learned from this Sausalito tale is that building a sound fiscal case is not always enough. It is equally important to build a consensus among all parties involved. Communication among all the major players is necessary every step of the way: discussion, planning and justification. If the staff or management of the departments involved, or the governing boards involved, or the public can ask “*Why didn’t anyone tell me about this?*” the proposed change then becomes a political football.

Larkspur Fire Department: Foregoing Consolidation in Favor of Shared Services

Not only are there 13 fire agencies in Marin County, there are four types of fire agencies: municipal, special district, joint power authorities and county. Most fire departments began as volunteer organizations. As cities grew, they formed their own municipal departments. Where there was no town yet established, a (special) fire district was formed to take care of a specific local area. Some small adjacent communities likewise created a joint powers authority to meet their mutual needs. For all other unincorporated areas, the County of Marin retains the responsibility for fire service.

It has been said that, in the NIMBY (Not In My Back Yard) world of Marin, the two most difficult political decisions to make are: to open a new fire station or to close an old fire station. Behind this claim lie the obstacles that have crushed many a consolidation effort. Since 1980, hardly a year has gone by without a fire agency doing an internal evaluation or seeking an outside study on the feasibility of consolidating with a neighboring agency.

The operational concerns of having distinct agencies came into clear focus with the Oakland Hills fire of 1991. Trucks from outside agencies rolled in for mutual assistance, but discovered their pumps did not hook up to the hydrants. Some of the responding fire-fighting vehicles were not able to navigate the narrow roads. Communication between agencies was difficult because they used different radio systems and frequencies. Some fire-fighters were better trained at urban blazes than the wild fire they were facing.

In 1980, Larkspur and the 12 other fire agencies in Marin were separate stand-alone entities. There were 13 separate fire dispatch systems. Each agency had to provide an on-duty chief or battalion chief 24/7. Ongoing training fell to individual departments. Each agency did its own purchasing. All they shared was the belief that “*we can take care of our own.*” Gradually, however, the price of Marin’s image as the land of local control started to bump into the hard realities of local budget constraints.

Not for Lack of Trying

Since 1980, budget constraints and operational concerns have spurred multiple consolidation efforts by the Larkspur Fire Department. These attempts at formal consolidation have failed. In 1993, Larkspur, along with all of the other Southern Marin fire departments, discussed

consolidation but, one by one, the fire agencies dropped out of the talks. Subsequently, Corte Madera, Larkspur, Kentfield, Ross, plus the rest of Ross Valley studied consolidation. Marin LAFCO's evaluation deemed the proposal impractical since there were different kinds of fire agencies (municipal, special districts, and JPAs) with different kinds of funding (general fund, parcel taxes, set fees) that could not be readily reconciled. When Larkspur was forced by budget cuts to trim personnel in the late 1990's, it once again looked into merging with Ross only to run into political reality. Why would Ross, a town that was doing fine financially, want to associate with Larkspur, a fiscally struggling city?

A Growing Variety of Shared Services

Larkspur's 2011-12 budget of \$3.8 million cuts fire department staff to 17 employees, a pre-1980 level. There is one Administrative Chief Officer and 16 Engine Company personnel to operate 24/7, with no support staff. Despite failing to enact a consolidation with other fire departments, the Larkspur Fire Department still provides a high level of service because over the years it has created a shared services approach to fire services, as described below:

- Today, there are two dispatch systems. Larkspur participates in one system with 10 other fire agencies located along Highway 101 and the Sir Francis Drake Boulevard corridor. The other dispatch system operates out of the Marin County Civic Center. The southern Marin regional dispatch system has reduced redundant personnel costs and increased service levels. It began as mutual aid dispatch and has become a more robust system called "Automatic Aid". The computer system tracks where all agencies' emergency equipment and personnel are at any given time. When a call comes in, the agencies act as one to provide an emergency response. With Automatic Aid, resources from other agencies are automatically dispatched along with local services. For example, if there is a Larkspur call and a Larkspur truck is being used in a training exercise, a Corte Madera unit is dispatched.
- Seventy percent (70%) of the 1,500 emergency calls a year to which the Larkspur Fire Department responds are for medical rescue. In 1980, the Ross Valley Paramedic Authority ("RVPA"), an eight-agency coalition that includes Larkspur, was formed to share paramedical resources. In addition, through a JPA, Larkspur shares the Corte Madera ambulance to provide the fastest response capability within pre-identified areas of Larkspur.
- A Battalion Chief is necessary to provide 24/7 operational supervision. To save personnel costs, Larkspur by contract shares the cost and services of the San Rafael battalion chiefs, at a fraction of the cost of staffing a full time position itself.
- The Central Marin Training Consortium ("CMTC") was jointly developed over the last few years by Kentfield, San Rafael and Larkspur to reduce ongoing training costs. This cooperation has not only increased the quality of training but has standardized it, so mutual aid is seamless.
- Taking a lesson from the Oakland Hills fire, a working committee of North Bay Regional Fire Agencies, of which Larkspur is a part, now selects fire engine design and equipment such as air packs and fire hoses. Costs are reduced through group purchases and equipment is standardized so that it is interchangeable.
- Technology is being harnessed to offer even more shared services for cities like Larkspur. A good example is the countywide Mobile Data Terminal Coalition. This group of Marin

fire professionals has been responsible for the installation of mobile data terminals that enables information to be shared among various fire agencies.

- The Larkspur Fire Department functions on an extremely lean operating budget yet provides the high level of services its citizens have come to expect. With a mix of necessity, willingness and vision, Larkspur Fire Department management has made this possible by sharing many essential services with other agencies.

Twin Cities Police Authority and San Anselmo Police: Taking Small Steps for Large Savings

To the best of the Jury's knowledge, the Twin Cities Police Authority of Larkspur and Corte Madera is the only example of a consolidation of two municipal police departments in the State of California. Building on that merger, the Twin Cities Police Authority has begun to share services with the San Anselmo Police Department as well. Like all police departments, the leaders of these two police agencies were committed to maintaining or improving a high level of service for their citizens. In addition, the city council of each jurisdiction instructed its chief to explore regional approaches that might reduce costs. With lean-running departments, the threat was that any future cuts would of necessity involve personnel cuts.

Fortunately, the Twin Cities Police Authority and the San Anselmo Police Department found a happy mix of necessity meeting opportunity at just the right time. The results have been robust and measurable. By sharing services and personnel, both departments have improved response time, maintained local service priorities and contained or reduced costs.

While recognizing that not every set of neighboring police departments has the same circumstances, the sharing of policing services by these two agencies is a useful example of what can be done when the time and opportunity are right. This did not occur all at once. Through years of thoughtful communication, a series of incremental and cautious steps were taken. In addition, the Twin Cities Police Authority seized new funding opportunities, for example, applying for and receiving a federal grant expressly designated for regional approaches to governing. These grant funds were used to purchase the computer equipment for their new dispatch center.

A New Police Station

The Twin Cities Police Authority ("TCPA") had long since outgrown its police station in Larkspur. Finally, in November of 2008, the Larkspur and Corte Madera voters approved a bond to build a new state-of-the-art facility. Over the previous years, the San Anselmo Police Department ("SAPD") and the TCPA had discussed an informal shared approach to policing and had collaborated under several contracts. The new building project offered the opportunity to try more substantial service sharing. For a trial period, while the new TCPA headquarters was being built, San Anselmo would house the dispatch center for both departments. In turn, the TCPA would share their detectives with the SAPD. Key to the acceptance of this proposal was that, during the planning stage, the chiefs of each department had been informing and seeking the opinions, approval and support of their own personnel. The buy-in they received from the sworn officers of each department was critical to the trial's success.

As a result, the TCPA moved into the San Anselmo dispatch center in January 2010. As anticipated, many of the processes and systems were very similar or duplicated. Dispatch employees of both departments were cross trained enabling them to work for either TCPA or SAPD. With only one center to staff, SAPD recognized they could reduce their staff from four to three, while TCPA could go from five to four. Fortunately this reduction could be realized by attrition rather than personnel cuts. Immediate savings were achieved by reducing the need for overtime since now there were more personnel available than either department had before. Additionally, the single center required only one division captain and one dispatch supervisor.

A SAPD captain with experience in the construction and relocation of communication centers was chosen to be the project consultant on the new TCPA dispatch center. Benefitting from advances in technology, a state-of-the-art center was built. Utilizing mobile communication units, GPS systems, and Wi-Fi equipped vehicles, the new command center tracks and directs in real time both departments' personnel and equipment. This regional solution justified the federal grant funds used to purchase the computer equipment for their dispatch center.

The initial trial of a joint dispatch center in San Anselmo ran so successfully that by July 2011, the chiefs of the SAPD and TCPA were able to put together memoranda of understanding (MOUs) for each of their respective city councils. These MOUs asked for approval to formalize the sharing of services with each other.

Clear-Cut Savings

In the San Anselmo MOU, the San Anselmo City Council approved combining the SAPD and TCPA support services divisions into one division. The reorganization enables the two entities to share services and costs in the following ways:

- Relocate the dispatch center to TCPA's new center.
- Share the cost of a division captain and a dispatch supervisor.
- Relocate evidence to the new TCPA facility's evidence department.
- SAPD/TCPA community service officers would work together as evidence and crime scene investigation technicians.
- Combine the TCPA sergeant and three detectives with the two SAPD detectives. Both departments improved their detective capability at no additional cost.
- Pool the reserve police officer units of both organizations enabling them to work patrol shifts for both agencies to minimize overtime cost.

The fiscal impact for San Anselmo as listed in its MOU is:

- \$51,619 saved by sharing the employee cost associated with one police captain and one dispatch supervisor.
- \$113,313 saved by reducing the number of SAPD dispatchers from four to three by attrition over 12-24 months.
- \$25,000 saved over ten years in equipment and ancillary costs associated with running the dispatch center.
- \$50,000 saved in projected annual overtime costs.

For their part, the TCPA submitted a similar MOU to the Larkspur and Corte Madera City Councils in July, 2011. Outlining the same proposed shared services, the TCPA projected in their MOU annual savings at \$282,177:

- \$61,177 saved from sharing the employee cost associated with one dispatch supervisor.
- \$112,000 saved by sharing the employee cost associated with one support service captain.
- \$79,000 saved by sharing a part-time administrative assistant with SAPD.
- \$40,000 saved by reducing the number of TCPA dispatcher from five to four.
- \$10,000 cost (approximate) of eliminating a sergeant position but adding a new support lieutenant position.

The MOUs were approved by all three city councils. The new TCPA building opened in early 2012, ahead of schedule and under budget. The two police departments provide 24/7 collaborative service to their communities. Each department keeps a station open to the public from 8:00-5:00 pm, Monday through Friday for administrative services (e.g., records, permits). The departments are saving significant dollars while offering improved response time, better operational control and dispatch, more robust detective capabilities and more flexible scheduling for employees.

FINDINGS

- F1:** There is no single source that can confirm the total number of government entities that exist in Marin County. Even without an exact count, with over 30 departments in County government, 11 municipalities, 19 school districts and countless specials districts and JPAs, there are ample opportunities for sharing services, cooperation, collaboration or consolidation.
- F2:** When it comes to defining the role of government entities, human nature and state law favor the status quo. There are no easy mergers.
- F3:** The successful examples of shared services are the result of proactive, bottom-up rather than top-down efforts by government employees to identify and evaluate services that can be shared.
- F4:** It is sometimes easier to find the financial justification for sharing services than to find the political will to do it.
- F5:** The various ways of sharing services can result in a wide spectrum of benefits from maintaining services with a reduced budget, to improving service with the same budget, or improving services and saving money. All are worth the effort.
- F6:** The case studies suggest that each situation is unique, and each arrangement for sharing services has to be tailored to meet the specific needs of the sharing entities.
- F7:** Certain conditions dictate when an alliance will work. Sharing services is more feasible when some or all of the following conditions exist:
- Buy-in has been agreed to at the staff level, so that mutual respect can aid the transition
 - Governing boards or councils are proactively involved in seeking regional approaches

- Management positions open up due to retirement or attrition, so that consolidation will not cost a leader a job
- Construction or remodeling of any government facility is contemplated
- Two or more entities are confronted with common major capital needs such as a modern dispatch center, so the costs and efficiencies can be shared and,
- Incremental or small steps, such as cooperation, can be taken on a contractual, trial basis.

F8: Rather than bringing in consultants to advise them how to share, similar departments can often agree upon some ideas worth trying, evaluating and measuring their results.

F9: Federal grants are now available to support regional approaches.

RECOMMENDATIONS

The Marin County Civil Grand Jury recommends that:

- R1:** The County immediately publishes on its website a list of all of the special districts and Joint Powers Authorities and their contact information, to improve the public's awareness of and access to all of those taxing entities.
- R2:** City Councils and the Marin County Board of Supervisors require annual reports from their city managers or county administrator that identify any and all opportunities for a regional approach of sharing public services.
- R3:** Every local governmental entity, when facing major capital expenditures (e.g., new facilities, equipment, vehicles, or computer systems) seek out other entities to share the use and costs of the items.
- R4:** All government officials make it a priority to identify institutional duplication within their sphere of influence and then bring leadership, vision and openness to new, more cost-effective alternatives.
- R5:** Public officials assume the obligation of informing and leading their citizens toward the changing paradigms of government that result in more cost-effective government.
- R6:** The Marin County Board of Supervisors requests that LAFCO presents a report to them in November of each year (during budget preparation season) that (a) itemizes the mergers, consolidations and additional MOU's for shared services enacted the previous year within the County and (b) suggests other opportunities for cooperative governance.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses from the following governing body:

- The Marin County Board of Supervisors: **R1, R3, R4, R6**
- All Marin City Councils: City of Belvedere, Town of Corte Madera, Town of Fairfax, City of Larkspur, City of Mill Valley, City of Novato, Town of Ross, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon: **R2, R3, R4, R5**

- Local Agency Formation Commission: **R6**

The Marin County Civil Grand Jury invites responses from:

- Independently Governed Special District Boards: Bel Marin Keys Community Services District, Marin City Community Services District, Marinwood Community Services District, Muir Beach Community Services District, Tamalpais Community Services District, Tomales Village Community Services District, Bolinas Fire Protection District, Novato Fire Protection District, Sleepy Hollow Fire Protection District, Southern Marin Fire Protection District, Stinson Beach Fire Protection District, Tiburon Fire Protection District, Marin Municipal Water District, North Marin Water District, Stinson Beach County Water District, Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, Novato Sanitary District, Richardson Bay Sanitary District, San Rafael Sanitation District, Ross Valley Sanitary District #1, Corte Madera Sanitary District #2, Sausalito-Marin City Sanitary District, Tiburon Sanitary District, Bolinas Community Public Utility District, Inverness Public Utility District, Marin/Sonoma Mosquito & Vector Control District: **R3, R4, R5**

The governing body or bodies indicated above should be aware that the comment or response of the governing body must be conducted in accordance with Penal Code Section 933 (c) and subject to the notice, agenda and open meeting requirements of the Ralph M. Brown Act.

California Penal Code Section 933 (c) states that “...*the governing body of the public agency shall comment to the presiding judge on the findings and recommendations pertaining to matters under the control of the governing body.*” Further, the Ralph M. Brown Act requires that any action of a public entity governing board occur only at a noticed and agendized public meeting.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Civil Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration – Marin Clean Energy	MEETING DATE: July 9, 2012 AGENDA ITEM NO.: 8a
RECOMMENDED ACTION: Direct staff to retain PG&E as the District’s electric service provider with an annual review of comparative rates.	
SUMMARY AND DISCUSSION: <p>At its June 25, 2012 meeting, the Board directed staff to notify Marin Clean Energy that the District accounts would remain with PG&E pending completion of a cost comparison. At this time, MCE has completed its comparison analysis. A copy of the cost comparison and the transmittal e-mail from MCE Account Manager Justin Kudo are attached for reference.</p> <p>In summary, based on the District’s usage rate for the period of June 2011- May 2012, it appears from MCE’s analysis that the District’s costs would increase by approximately \$14,400 annually if the District transitions to MCE as its electricity provider. This incremental cost would be under the current MCE and PG&E rate structure and does not account for future rate changes by either provider. Note that the analysis does not account for a further credit of about \$11,000 from PG&E to the District for participating in the Peak Day Pricing program. Also, the District participates in a Demand Response Program run by EnerNOC in cooperation with PG&E and the California Energy Commission, which resulted in a payment of about \$3,000 last year to the District. Thus, the net result for the District last year would have been a savings of about \$28,000 in electricity costs over a comparable MCE service.</p> <p>Based on this information, staff recommends that the Board direct staff to retain PG&E as the District’s electric service provider with an annual review of comparative rates.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: The total district-wide budget for Gas and Electricity for FY2011-12 is \$776,000. As of March 2012, \$537,909 (or 69%) had been expended versus 75% of the budget year elapsed.	
DEPT.MGR.:	MANAGER:

From: Justin Kudo <jkudo@marinenergyauthority.org>
Sent: Monday, July 02, 2012 2:41 PM
To: Sandeep Karkal
Subject: RE: Novato Sanitary District - PG&E account info.
Attachments: Novato Sanitary Cost Comparison.pdf

Mr. Karkal,

Attached is a copy of the cost comparison for your accounts between PG&E and MCE service. Please review and use this cost comparison in your consideration of enrollment in Marin Clean Energy (MCE) service. You have the option of enrolling all accounts, remaining opted-out on all accounts, or a mix of the two (enrolling some accounts while opting out others).

The cost comparison references new July 1st rates which were submitted for approval by PG&E to the California Public Utilities Commission on Wednesday, June 27th. While these rates went into effect on Sunday, July 1st, there is still an opportunity for them to be disputed and retroactively changed through July 26th. We would be happy to provide you with a final cost comparison after the rates become final. Please also note that PG&E's rates typically change about three times per year (MCE's typically change once per year), and that this comparison is for a single point in time which does not estimate what future rates may be.

Many factors play a role in each customer's decision to enroll as Light Green, enroll as Deep Green, or to opt out of MCE service:

- Enrollment in MCE's Light Green service offers an estimated reduction in GHG emissions of over 23%, and enrollment in MCE's Deep Green service offers a 100% reduction in GHG emissions. This reduction is significant in meeting the requirements for GHG reduction established by Assembly Bill 32.
- Many customers utilize our unique Net Energy Metering program which pays customers the retail rate for any surplus electricity they generate – the City of Mill Valley recently announced that they received a check for over \$5,000 from MCE through this program, a benefit not offered by other California electric service providers.
- Many customers enroll because they support establishing a competitor to PG&E in both cost and quality of service. Since MCE's launch PG&E has lowered its rates twice since and is beginning to take more action towards meeting State environmental requirements.
- Some customers enroll in MCE because the local, not-for profit structure of the organization appeals to them. Customers can participate in local ratesetting meetings, directly access budget and power supply information, and can take advantage of local MCE programs like \$500 energy efficiency and solar rebates.

Costs are a key issue which vary from customer to customer and are based on a variety of factors. Currently, MCE's generation rates are less than PG&E generation rates for nearly all rate classes. However, as shown in the analysis, PG&E's assessment of ancillary charges on MCE customers cancel out some of the savings, resulting in total cost comparisons that vary by rate schedule: some total cost comparisons are cheaper with Marin Clean Energy, while others are cheaper with PG&E. The main component of these ancillary charges, PG&E's Power Charge Indifference Adjustment (PCIA), will diminish over time, resulting in longer-term cost savings for MCE customers. MMWD, for example, recently enrolled all accounts after its rate analysis saw a projected cost savings.

As you review the attached cost comparison, please note that this comparison only includes generation and ancillary charges applied by PG&E for MCE customers; electric transmission and distribution charges and fees, which are charged by PG&E equally for both PG&E and MCE customers and typically make up 50-65% of total electric bills, are not included in this comparison.

If you have any additional questions, please feel free to e-mail me or call me at my number below, and I'll get back to you as soon as possible.

Thank you,

Justin Kudo | Account Manager

Cost Comparison of MCE Light Green vs. PG&E Bundled Service

The following data is a cost comparison for 43 of Novato Sanitary District's electric service accounts between MCE and PG&E's electric generation service. There are several components of this analysis, including direct charges for electricity usage as well as other ancillary charges assessed to MCE customers by PG&E.

Minimizing environmental impacts, specifically greenhouse gas emissions (GHG), is one of MCE's charter objectives. As such, MCE has assembled a clean energy supply portfolio, which will result in significant GHG emissions reductions for participating customers. The MCE portfolio emission rate is presented below alongside PG&E's emission rate. Based on reduced emissions produced by the MCE portfolio, Novato Sanitary District's participation in MCE service would promote significant GHG savings relative to PG&E.

PG&E's 5-year Average Emissions Factor:	551 lbs. of CO2/MWh
MCE's 2-year Average Emissions Factor:	422 lbs. of CO2/MWh
Total Annual Novato Sanitary District Electric Usage:	5,025 MWh
Estimated Annual GHG Emissions Reduction Through Light Green Enrollment vs. PG&E:	648,249 lbs. of CO2
Estimated Additional Annual GHG Emissions Reduction Through Deep Green Enrollment:	2,768,879 lbs. of CO2

Emissions factors vary from year to year based on a number of factors. PG&E provides a 5-year average when projecting its future emissions, with its latest published emissions factor in 2010. MCE has offered service for two years, and therefore provides its emission factor for 2010-2011.

Each account has a "rate schedule" which determines how electric usage is billed. This cost comparison utilizes aggregate annual usage by rate schedule. Currently, MCE's generation rates are less than similar rates charged by PG&E. However, PG&E's assessment of ancillary charges on MCE customers results in total cost comparisons that vary by rate schedule: some schedules are cheaper with Marin Clean Energy, while others are cheaper with PG&E. The main component of these ancillary charges, PG&E's Power Charge Indifference Adjustment (PCIA), will diminish over time, resulting in the potential for longer-term cost savings for MCE customers. Please note that this comparison only includes generation and ancillary charges applied by PG&E for MCE customers; electric transmission and distribution charges and fees, which are charged by PG&E equally for both PG&E and MCE customers and typically make up 50-65% of total electric bills, are not included in this comparison.

Generation Cost Comparison* - MCE vs. PG&E

Rate Schedule	Accounts	Total Usage (kWh)	MCE Generation	PG&E Generation	Difference
COM-1 / A-1	6	21,046	\$ 1,467	\$ 1,582	\$ (115)
COM-1-P / A-1-P	27	165,463	\$ 11,394	\$ 12,271	\$ (877)
COM-6 / A-6	6	264,540	\$ 17,116	\$ 19,169	\$ (2,054)
COM-10-S / A-10-S	1	109,800	\$ 8,231	\$ 8,642	\$ (411)
COM-19-P / E-19-P	1	3,388,736	\$ 201,920	\$ 216,429	\$ (14,509)
COM-19-S / E-19-S	1	421,524	\$ 26,355	\$ 27,725	\$ (1,370)
AG-5-C	1	654,080	\$ 33,625	\$ 36,387	\$ (2,763)
Total	43	5,025,189	\$ 300,107	\$ 322,206	\$ (22,098)

*Based on generation rates approved by the MEA Board and similar PG&E generation rates approved by the CPUC.

Other Costs Assessed to MCE Customers**

Rate Schedule	Accounts	Total Usage (kWh)	PG&E PCIA	Franchise Fee	Total
COM-1 / A-1	6	21,046	\$ 144	\$ 9	\$ 153
COM-1-P / A-1-P	27	165,463	\$ 1,132	\$ 69	\$ 1,201
COM-6 / A-6	6	264,540	\$ 1,809	\$ 111	\$ 1,921
COM-10-S / A-10-S	1	109,800	\$ 791	\$ 49	\$ 840
COM-19-P / E-19-P	1	3,388,736	\$ 23,179	\$ 1,423	\$ 24,602
COM-19-S / E-19-S	1	421,524	\$ 2,883	\$ 177	\$ 3,060
AG-5-C	1	654,080	\$ 4,474	\$ 275	\$ 4,749
Total	43	5,025,189	\$ 34,412	\$ 2,114	\$ 36,526

**The Power Charge Indifference Adjustment (PCIA) is assessed to MCE customers by PG&E; this is not a charge imposed by MCE. The PCIA will diminish over time, which may promote longer-term cost savings.

Total Cost Comparison***

Rate Schedule	Accounts	Total Usage (kWh)	MCE Generation	PCIA	Franchise Fee	MCE Cost	PG&E Cost	Difference
COM-1 / A-1	6	21,046	\$ 1,467	\$ 144	\$ 9	\$ 1,619	\$ 1,582	\$ 38
COM-1-P / A-1-P	27	165,463	\$ 11,394	\$ 1,132	\$ 69	\$ 12,596	\$ 12,271	\$ 325
COM-6 / A-6	6	264,540	\$ 17,116	\$ 1,809	\$ 111	\$ 19,036	\$ 19,169	\$ (133)
COM-10-S / A-10-S	1	109,800	\$ 8,231	\$ 791	\$ 49	\$ 9,071	\$ 8,642	\$ 429
COM-19-P / E-19-P	1	3,388,736	\$ 201,920	\$ 23,179	\$ 1,423	\$ 226,522	\$ 216,429	\$ 10,093
COM-19-S / E-19-S	1	421,524	\$ 26,355	\$ 2,883	\$ 177	\$ 29,415	\$ 27,725	\$ 1,690
AG-5-C	1	654,080	\$ 33,625	\$ 4,474	\$ 275	\$ 38,373	\$ 36,387	\$ 1,986
Total	43	5,025,189	\$ 300,107	\$ 34,412	\$ 2,114	\$ 336,633	\$ 322,206	\$ 14,427

***This cost comparison reflects the impacts of PG&E's PCIA surcharge on CCA customers. Near-term cost differences reflected in this comparison primarily result from the PCIA. As planned, the PCIA will diminish over time, which may promote longer term cost savings for MCE customers.

Accounts - The number of accounts which use this particular rate schedule.

Rate Schedule - A classification for accounts which determines the rates charged.

Total Usage - The amount (in kilowatt-hours) of electricity used per year.

MCE Generation - The amount charged by MCE to generate electricity for the described usage.

PCIA - An exit fee assessed by PG&E on MCE customers, which can be expected to decrease over time.

Franchise Fee - A nominal fee for deployment of the electric system, normally included in PG&E generation rates.

MCE Cost - The total of MCE Generation, PG&E PCIA, and PG&E Franchise Fees.

PG&E Cost - The amount charged by PG&E to generate electricity for the described usage.

Difference - The cost difference between MCE and PG&E; a negative number indicates MCE is cheaper.

The follow accounts were omitted from this cost analysis because annual usage data was not available; they are likely new accounts:

*****4549

A-1

*****4039

A-1P

COM-1 Rate Information

MCE Sum	\$0.08300	PCIA	\$0.00684	PGE Sum	\$0.09105
MCE Win	\$0.05500	Fran. Fee	\$0.00042	PGE Win	\$0.05760

COM-1 Rate Comparison

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Summer	11,042	\$916.49	\$75.53	\$4.64	\$996.65	\$1,005.37	-\$8.72
Winter	10,004	\$550.22	\$68.43	\$4.20	\$622.85	\$576.23	\$46.62
Total	21,046	\$1,466.71	\$143.95	\$8.84	\$1,619.50	\$1,581.60	\$37.90

COM-1P Rate Information

MCE Sum	\$0.08300	PCIA	\$0.00684	PGE Sum	\$0.09105
MCE Win	\$0.05500	Fran. Fee	\$0.00042	PGE Win	\$0.05760

COM-1 Rate Comparison

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Summer	81,925	\$6,799.78	\$560.37	\$34.41	\$7,394.55	\$7,459.27	-\$64.72
Winter	83,538	\$4,594.59	\$571.40	\$35.09	\$5,201.08	\$4,811.79	\$389.29
Total	165,463	\$11,394.37	\$1,131.77	\$69.49	\$12,595.63	\$12,271.06	\$324.57

COM-6 Rate Information**MCE Rates**

Sum Peak	\$0.21600	PCIA	\$0.00684	Sum Peak	\$0.21928
Sum Part	\$0.08500	Fran. Fee	\$0.00042	Sum Part	\$0.09907
Sum Off	\$0.04200			Sum Off	\$0.05016
Win Part	\$0.06600			Win Part	\$0.07543
Win Off	\$0.04300			Win Off	\$0.04866

PGE Rates**COM-6 Rate Comparison**

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Sum Peak	19,400	\$4,190.40	\$132.70	\$8.15	\$4,331.24	\$4,254.03	\$77.21
Sum Part	25,344	\$2,154.24	\$173.35	\$10.64	\$2,338.24	\$2,510.83	-\$172.59
Sum Off	64,894	\$2,725.55	\$443.87	\$27.26	\$3,196.68	\$3,255.08	-\$58.40
Win Part	60,213	\$3,974.06	\$411.86	\$25.29	\$4,411.20	\$4,541.87	-\$130.66
Win Off	94,689	\$4,071.63	\$647.67	\$39.77	\$4,759.07	\$4,607.57	\$151.50
Total	264,540	\$17,115.87	\$1,809.45	\$111.11	\$19,036.43	\$19,169.38	-\$132.95

COM-10-A S Rate Information**MCE Rates**

Summer	\$0.08100	PCIA	\$0.00720	Summer	\$0.08124
Winter	\$0.05900	Fran. Fee	\$0.00045	Winter	\$0.06352
Demand	\$2.60000			Demand	\$3.13000

PGE Rates**COM-10-A S Rate Comparison**

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Summer	50,480	\$4,088.88	\$363.46	\$22.72	\$4,475.05	\$4,101.00	\$374.06
Winter	59,320	\$3,499.88	\$427.10	\$26.69	\$3,953.68	\$3,768.01	\$185.67
Demand	247	\$642.20			\$642.20	\$773.11	-\$130.91
Total	109,800	\$8,230.96	\$790.56	\$49.41	\$9,070.93	\$8,642.11	\$428.82

COM-19-P Rate Information

<u>MCE Rates</u>				<u>PGE Rates</u>	
Sum Peak	\$0.09500	PCIA	\$0.00684	Sum Peak	\$0.09573
Sum Part	\$0.06100	Fran. Fee	\$0.00042	Sum Part	\$0.06229
Sum Off	\$0.04600			Sum Off	\$0.04237
Win Part	\$0.05100			Win Part	\$0.05852
Win Off	\$0.04300			Win Off	\$0.04476
Demand Pk	\$7.00000			Demand Pk	\$10.13000
Demand Pt	\$1.50000			Demand Pt	\$1.96000

COM-19-P Rate Comparison

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Sum Peak	310,852	\$29,530.94	\$2,126.23	\$130.56	\$31,787.73	\$29,757.86	\$2,029.86
Sum Part	367,694	\$22,429.33	\$2,515.03	\$154.43	\$25,098.79	\$22,903.66	\$2,195.13
Sum Off	992,079	\$45,635.63	\$6,785.82	\$416.67	\$52,838.13	\$42,034.39	\$10,803.74
Win Part	654,467	\$33,377.82	\$4,476.55	\$274.88	\$38,129.25	\$38,299.41	-\$170.16
Win Off	1,063,644	\$45,736.69	\$7,275.32	\$446.73	\$53,458.75	\$47,608.71	\$5,850.04
Dmd Pk	2,934	\$20,534.50			\$20,534.50	\$29,716.36	-\$9,181.86
Dmd Rt	3,117	\$4,674.75			\$4,674.75	\$6,108.34	-\$1,433.59
Total	3,388,736	\$201,919.67	\$23,178.95	\$1,423.27	\$226,521.89	\$216,428.72	\$10,093.17

COM-19-SX Rate Information

<u>MCE Rates</u>				<u>PGE Rates</u>	
Sum Peak	\$0.09400	PCIA	\$0.00684	Sum Peak	\$0.10516
Sum Part	\$0.06200	Fran. Fee	\$0.00042	Sum Part	\$0.06661
Sum Off	\$0.04900			Sum Off	\$0.04137
Win Part	\$0.05400			Win Part	\$0.06150
Win Off	\$0.04600			Win Off	\$0.04426
Demand Pk	\$7.20000			Demand Pk	\$9.78000
Demand Pt	\$1.50000			Demand Pt	\$2.11000

COM-19-S Rate Comparison

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Sum Peak	36,198	\$3,402.61	\$247.59	\$15.20	\$3,665.41	\$3,806.58	-\$141.17
Sum Part	45,721	\$2,834.70	\$312.73	\$19.20	\$3,166.64	\$3,045.48	\$121.16
Sum Off	120,684	\$5,913.52	\$825.48	\$50.69	\$6,789.68	\$4,992.70	\$1,796.98
Win Part	85,196	\$4,600.58	\$582.74	\$35.78	\$5,219.11	\$5,239.55	-\$20.45
Win Off	133,725	\$6,151.35	\$914.68	\$56.16	\$7,122.19	\$5,918.67	\$1,203.53
Dmd Pk	385	\$2,772.00			\$2,772.00	\$3,765.30	-\$993.30
Dmd Rt	454	\$680.25			\$680.25	\$956.89	-\$276.64
Total	421,524	\$26,355.01	\$2,883.22	\$177.04	\$29,415.28	\$27,725.16	\$1,690.12

AG-5-C Rate Information

<u>MCE Rates</u>				<u>PGE Rates</u>	
Sum Peak	\$0.08600	PCIA	\$0.00691	Sum Peak	\$0.08935
Sum Part	\$0.04600	Fran. Fee	\$0.00032	Sum Part	\$0.05163
Sum Off	\$0.03400			Sum Off	\$0.03759
Win Part	\$0.04000			Win Part	\$0.04180
Win Off	\$0.03100			Win Off	\$0.03541
Demand Pk	\$7.50000			Demand Pk	\$7.64000
Demand Pt	\$1.40000			Demand Pt	\$1.44000

AG-5-C Rate Comparison

	Usage	MCE Gen.	PCIA	Fran. Fee	MCE Total	PGE Total	Delta
Sum Peak	15,040	\$1,293.44	\$102.87	\$6.32	\$1,402.63	\$1,343.82	\$58.81
Sum Part	78,400	\$3,606.40	\$536.26	\$32.93	\$4,175.58	\$4,047.79	\$127.79
Sum Off	489,120	\$16,630.08	\$3,345.58	\$205.43	\$20,181.09	\$18,386.02	\$1,795.07
Win Part	9,760	\$390.40	\$66.76	\$4.10	\$461.26	\$407.97	\$53.29
Win Off	61,760	\$1,914.56	\$422.44	\$25.94	\$2,362.94	\$2,186.92	\$176.02
Dmd Pk	733	\$5,493.75			\$5,493.75	\$5,596.30	-\$102.55
Dmd Rt	3,069	\$4,295.90			\$4,295.90	\$4,418.64	-\$122.74
Total	654,080	\$33,624.53	\$4,473.91	\$274.71	\$38,373.15	\$36,387.47	\$1,985.68

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Uniform Public Construction Cost Accounting Act Implementation	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 8b
RECOMMENDED ACTION: Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for FY2011-12.	
SUMMARY AND DISCUSSION: <p>The District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA, or the “Act”) to perform certain projects each year. The Act allows local agencies to perform these projects if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission (Commission). The Act is enacted under Public Contracts Code Sections 22000 through 22045. The District utilizes this Act under its adopted Resolution No. 2947 dated August 28, 2006.</p> <p>The Act currently provides for alternative bidding procedures as follows: (a) projects of \$30,000 or less may be performed by negotiated contract or by purchase order, (b) projects of \$175,000 or less may be let to contract by the informal procedures set forth in the Act, and (c) projects of more than \$175,000 are to be let to contract by formal bidding procedures. In short, the Act allows the District to complete projects with less administrative effort while maintaining work quality.</p> <p>For FY2011-12, the District utilized the Act provisions under item (a) and (b) above to complete work across the following projects/accounts:</p> <ol style="list-style-type: none"> 1. Account No. 72803 (Collection System Repairs) - total amount \$188,443, six contractors. 2. Account No. 72804 (Reclamation Facilities) - total amount \$171,955, eight contractors. 3. Account No. 72805 (Treatment Plant & Pump Stations) - total amount \$120,645, seven contractors. 4. Account No. 72706 (Collection System Improvements) – total amount \$193,807, three contractors. <p>The total amount of work performed under the UPCCAA in 2011-12 was \$667,350. Of this four projects were over \$30,000: Michele Circle Sewer Project, 2012 Miscellaneous Manhole Repairs, Group 1 Repairs (locations on Eucalyptus Avenue, Raposa Vista & San Marin Drive) & Simmons Lane Sewer Project.</p>	
ALTERNATIVES: NA.	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT
Informal Contract Contractor Totals
2011-2012

		CONTRACTOR										
BUDGET	Cantarutti Electric	Magjora & Ghilotti	Marin Mechanical	Team Ghilotti	WR Forde	Stiles Construction	Linscott Engineering	Arntz Construction	Cagwin & Dorward	Custom Tractor Service	Robo-Rooter	
72803	\$ -	\$130,523.94	\$ -	\$ 37,721.00	\$ 115,918.89	\$ -	\$ 89,513.63	\$ -	\$ 8,573.00	\$ -	\$ 24,780.05	
72804	\$ 10,757.87	\$ 28,882.00	\$ 5,636.80	\$ -	\$ 30,389.77	\$ 14,164.11	\$ 36,614.51	\$ 45,510.00	\$ -	\$ 10,830.00	\$ -	
72805	\$ 6,539.00	\$ -	\$ 37,891.24	\$ -	\$ 10,694.98	\$ 2,589.82	\$ 10,274.13	\$ 12,943.00	\$ 29,018.00	\$ -	\$ -	
	\$ 17,296.87	\$ 159,405.94	\$ 43,528.04	\$ 37,721.00	\$ 157,003.64	\$ 16,753.93	\$ 136,402.27	\$ 58,453.00	\$ 37,591.00	\$ 10,830.00	\$ 24,780.05	

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Board member compensation for CASA committee participation	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 8c
RECOMMENDED ACTION: No recommendation	
SUMMARY AND DISCUSSION: District staff researched the compensation practices of other agencies with board members serving as Chair or Vice Chair of a CASA committee. Three of the six CASA Committee Chairs receive the meeting-day fee from their agency for chairing a committee and three do not.	
ALTERNATIVES: NA.	
BUDGET INFORMATION: Board member compensation is \$225/meeting day paid from Account 66030, Director's Fees. The 2012-13 budget for this account is \$45,000.	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Reclamation Facility: Biosolids Disposal	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 9a
RECOMMENDED ACTION: Consider a proposal from Custom Tractor Services (CTS) to: (a) dispose of District biosolids into the District's Dedicated Land Disposal Area at the Reclamation Facility, and (b) clean out the biosolids lagoons on a time-and-materials basis to a maximum amount of \$181,000; and authorize the Manager-Engineer to execute a contract for the same.	
SUMMARY AND DISCUSSION: <p>Under the terms of its discharge permit, the District is required to dispose of digested biosolids generated from its treatment facilities at its dedicated land disposal (DLD) site off of Highway 37, in accordance with Title 40 Code of Federal Regulations (CFR) Part 503. Options for final disposal historically have been either by spreading or by injection into the DLD in summer.</p> <p>For the past several years the District has contracted with Custom Tractor Service (CTS) of Petaluma to perform this work. CTS has been performing this work satisfactorily for the Las Gallinas Valley Sanitary District for the past several years as well, and they are the only contractor in this area that has the type of equipment to adequately perform this work. CTS performed this work last season for the District for 3.4 cents per gallon.</p> <p>Staff requested and received a proposal from CTS to perform these services this year. Under their proposal, CTS proposes to provide the biosolids disposal services for 3.4 cents per gallon plus a one-time setup fee of \$2,500, the same as the previous two years. The setup fee will be waived if one million gallons are disposed this season. Staff estimates that close to 3.5 million gallons will be disposed of and the amount of the work should not exceed \$119,000.00.</p> <p>Also, some of the biosolids typically accumulate and compact in the bottom of the lagoons so that they cannot be completely removed by pumping, reducing the overall capacity of the lagoons. Staff requested a proposal from CTS to excavate and spread these solids in the DLD using a manure spreader. This work must be done immediately after a lagoon is emptied in order to place it back into service. CTS performed this work last year on Lagoons 3 & 4 for \$61,000.00. CTS estimates that it will cost around \$15,500.00 per lagoon this year to clean out all four Lagoons for a total of \$62,000.00. This lower estimate is based on the fact that all four lagoons have been cleaned in the past two years and the solids collected on the bottom will not be as thick as in the past. Work would be done on a time and materials basis up to the maximum proposed amount due to the unknown quantities to be removed. Both work items would be funded from Account No. 63115 – Sludge Disposal.</p> <p>Staff recommends that the Board accept the CTS proposal, and authorize the Manager-Engineer to execute a contract with CTS for (a) a not-to-exceed amount of \$120,000.00 for sludge injection and (b) a maximum amount of \$62,000.00 for cleaning out the lagoons.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: This work is budgeted in the FY11-13 Preliminary Budget under Account No. 63115 - Sludge Disposal in an amount of \$215,000.00.	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Facilities Upgrade, Contract C – Solids Handling Upgrade Project; Account No. 73001	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 10a
RECOMMENDED ACTION: Approve a contract amendment in the amount of \$139,410 with RMC Water Environment (RMC) on a time and materials basis to provide additional design services this Project, and increase the overall contract amount to \$660,210; and authorize the Manager-Engineer to execute such amendment.	
SUMMARY AND DISCUSSION: <p>At its May 10, 2010 meeting the District Board approved a contract with RMC Water Environment (RMC) for RMC to provide consulting engineering services related to this project. As originally defined, the project scope included three distinct tasks: (a) Project management, (b) Final design for rehabilitation/improvements to Digester #2 and the Solids Conditioning Building, and (c) Evaluation and preliminary design of site improvements. The original contract budget amount was \$520,800.</p> <p>At this time, staff is requesting an increase of \$139,410 to this contract budget amount to accommodate an additional Task 4.</p> <p>The scope of work for this Task 4 includes the following:</p> <ul style="list-style-type: none"> • Abandoned Influent Pump Station (IPS) Clean-Up • Generator No. 1 and 2 Modifications • Contract B Control Systems Records • Abandoned Filter Pump Station Improvements • Chlorine Contact and Wet Weather Basin Drainage • Site Grading and Paving (including slope stabilization) • Miscellaneous Structure Improvements/Clean-Up • Bid Services <p>A detailed breakdown and discussion of these items is provided as Attachment 1 to this agenda item summary report.</p> <p>Staff has reviewed RMC's estimate for the Task 4 services, believes it to be reasonable, and recommends that the Board approve the contract amendment with RMC.</p>	
ALTERNATIVES: NA.	
BUDGET INFORMATION: This work will be funded from Account No. 73001, Contract C (Solids Handling) Project. The preliminary FY12-13 budget includes \$2,500,000 for the project.	
DEPT.MGR.:	MANAGER:

ATTACHMENT 1
RMC CONTRACT AMENDMENT
Wastewater Facilities Upgrade, Contract C –
Solids Handling Upgrade Project; Account No. 73001
TASK 4

SUBTASK 4.1 PROJECT MANAGEMENT (FOR TASK 4)

CONSULTANT (RMC) will provide project management services for the services provided under Task 4 as outlined in Task 1 (of original contract).

SUBTASK 4.2 ABANDONED IPS CLEAN-UP

The work under this subtask includes the design work to clean-up of the top floor of the abandoned Influent Pump Station for use as storage, including modifying existing MCCs and panels.

SUBTASK 4.3 GENERATOR NO. 1 AND 2 MODIFICATIONS

The work under this subtask includes the design work to address issues with the existing Generator No. 1 and 2 systems, including the following:

- Location of the voltage regulator rheostats: The voltage regulator rheostats are located in the Control Room, remote from the generators, making adjustment challenging. Voltage regulation adjustment interfaces will be relocated to each generator control panel.
- Reliability of the fuel pumping systems: The existing 50-gallon day tank is served by a single supply pump, and the supply pump is a single point of failure for the fuel supply system. A backup pump will be added to the day tank to increase reliability of the fuel supply system.
- Generator 2 criticality: MCC-B feeds auxiliary loads that are necessary for generator operation, but MCC-B is only served by Generator 2. If Generator 2 fails, Generator 3 will, for all practical purposes, be unusable. Options include providing redundancies for the power feeds including redundant feeders from other sources, transfer switch, and variations.
- Generator control reliability: Failures of obsolete generator controls in or around 2009, resulted in supplier recommendations to replace certain components with updated controls.
- Cooling water drainage: Drainage needs to be rerouted away from abandoned Influent Pump Station.
- Alarm integration: Integrate the following alarms into the SCADA:
 - Generator 2 and 3 Fuel Oil Day Tank Low Level
 - Generator 2 and 3 Fuel Oil Day Tank High Level
 - Generator Room Sup/Exhaust Fan Fail.
 - Diesel Tank Panel Alarm Input
 - Fire Water Alarm (Sludge Annunciator)

SUBTASK 4.4 CONTRACT B CONTROL RECORDS

The work under this subtask includes developing and finalizing record versions of the Control Descriptions implemented under Contract B.

SUBTASK 4.5 ABANDONED FILTER PUMP STATION IMPROVEMENTS

This subtask includes design work to raise the overflow wall at the abandoned wet weather filter pump station; fill wet well with sand or CLSM, and cap it with concrete to prevent access for safety reasons.

SUBTASK 4.6 ABANDONED CHLORINE CONTACT AND WET WEATHER BASIN DRAINAGE

This subtask includes the design work to modify the existing chlorine flash mixer box into a sump for a drainage pump and construct a permanent drainage sump on the west side of wet weather pump

station.

SUBTASK 4.7 SITE GRADING AND PAVING IMPROVEMENTS

This subtask includes the design of select site grading and paving improvements for areas not addressed previously in Contracts B or D, including slope stabilization with shotcrete along the northern edge of the plant.

SUBTASK 4.8 MISC. STRUCTURE IMPROVEMENTS/CLEAN-UP

This subtask includes the design of miscellaneous site clean-up items including the following:

- Path lighting to the aeration basins
- Painting of the exterior of the existing storage building
- Painting of the hypochlorite chemical storage area
- Modifications of existing vertical pipe in the flow equalization basin to allow for drainage of basin

SUBTASK 4.9 BIDDING SERVICES

This task includes technical support to the District during the bidding process. The design elements covered under Task 4 will be added to the Contract C bid package, which is currently underway under a separate authorization. The work included in this subtask is intended to augment the bid services already authorized under Contract C.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Facilities Upgrade, Contract D - Recycled Water Facility Project; Account No. 73002	MEETING DATE: July 23, 2012 AGENDA ITEM NO.: 10b
<p>RECOMMENDED ACTION: Receive project update; approve a contract amendment in the amount of \$185,913 with The Covello Group on a time and materials basis to continue providing construction management services through the completion of the Project, and increase the overall contract amount to \$685,900; and authorize the Manager-Engineer to execute such amendment.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>At its June 28, 2010 meeting the District Board approved a contract in with The Covello Group (TCG) for TCG to provide construction management services on this project. The original contract budget amount was \$499,987. At this time, TCG is requesting an increase in this contract budget amount.</p> <p>The principle reason that a budget increase is needed is that the construction schedule has been extended by two months due to differing site conditions encountered during demolition of the “existing” filter building/structure. The extended schedule requires additional time for TCG staff to continue construction management services, and additional budget for their sub-consultant RGM and Associates (RGM) to continue labor compliance services. RGM’s services are critical for continued compliance with the labor provisions of the Federal American Recovery and Reinvestment Act (ARRA), and the State’s Proposition 84 funding, both of which provide a significant portion of the funding for this project. There has been additional effort by TCG to assist with coordination, reporting and labor compliance for the Proposition 84 funding and preparation by RGM of a District-sponsored Labor Compliance Program (LCP) as approved by the State Dept. of Industrial Relations (DIR).</p> <p>Additionally, the project team has found the contractor may require a little more guidance than anticipated, particularly as the project moves into the testing and start-up phase. Because of this, TCG has included a slight increase to the level of effort during the remaining months compared to the original budget. There is also a small addition to the budget for shoring review that was conducted for the shoring to be installed for the excavation at the north-east corner of the Administration building to facilitate the tie-in of the filter effluent line to the chlorine contact basin influent line. No budget had been included previously for shoring review since it was not anticipated prior to construction that the contractor would need shoring at this location.</p> <p>Staff has reviewed the estimate, believes it to be reasonable, and recommends that the Board approve the contract amendment with TCG.</p>	
<p>ALTERNATIVES: NA.</p>	
<p>BUDGET INFORMATION: This work will be funded from Project 73002, Recycled Water Facility Project. The preliminary FY12-13 budget includes \$1,250,000 for the project.</p>	
<p>DEPT.MGR.:</p>	<p>MANAGER:</p>

in Independent Journal

An edition of the San Jose Mercury News

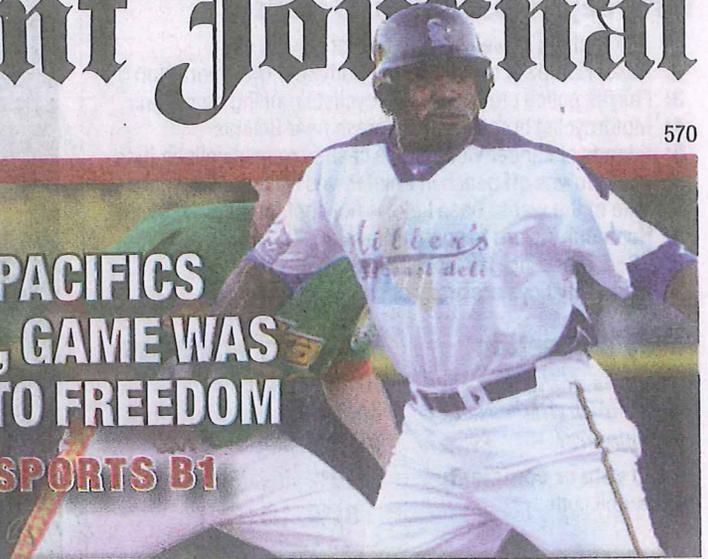
570

OUTSIDERS ART GROUP

PLUS LIFE B1

FOR PACIFICS PLAYER, GAME WAS TICKET TO FREEDOM

PLUS SPORTS B1



TOP STORY: **NOVATO SANITARY DISTRICT**

Recycling plant nearly done

\$6M operation transforms toilet water for irrigation use

By Janis Mara
Marin Independent Journal

At the Novato Sanitary District, a yellow backhoe scoops up coffee-colored gravel as workers swarm nearby, putting the final touches in place for the August opening of a \$6 million recycling plant that will save Novato 150 million gallons of water a year.

The new plant is on the grounds of the sanitary

See **PLANT**, page 2



Beverly James, manager and engineer with the Novato Sanitary District, and project engineer Clay Kuzma talk on the stairs of a large water filter under construction Monday in Novato. The construction is part of a new water recycling center.

IJ photo/
Frankie Frost

marinij.com

To comment on this story, click on its link online

MILL VALLEY

Occupy Marin rises to defense of couple trying to avoid eviction due to foreclosure

FIGHTING

WILDLIFE

Big leap for number of rattlesnake bites in state

Caution urged as temperatures

it us online
marinij.com

marathon
stop signs
college fund
Seashore
summer swim

question
d
tardants

0 votes)
31)

ss time.

witter.com/
twitter.

ter.com/
ter.com/
rsquare.

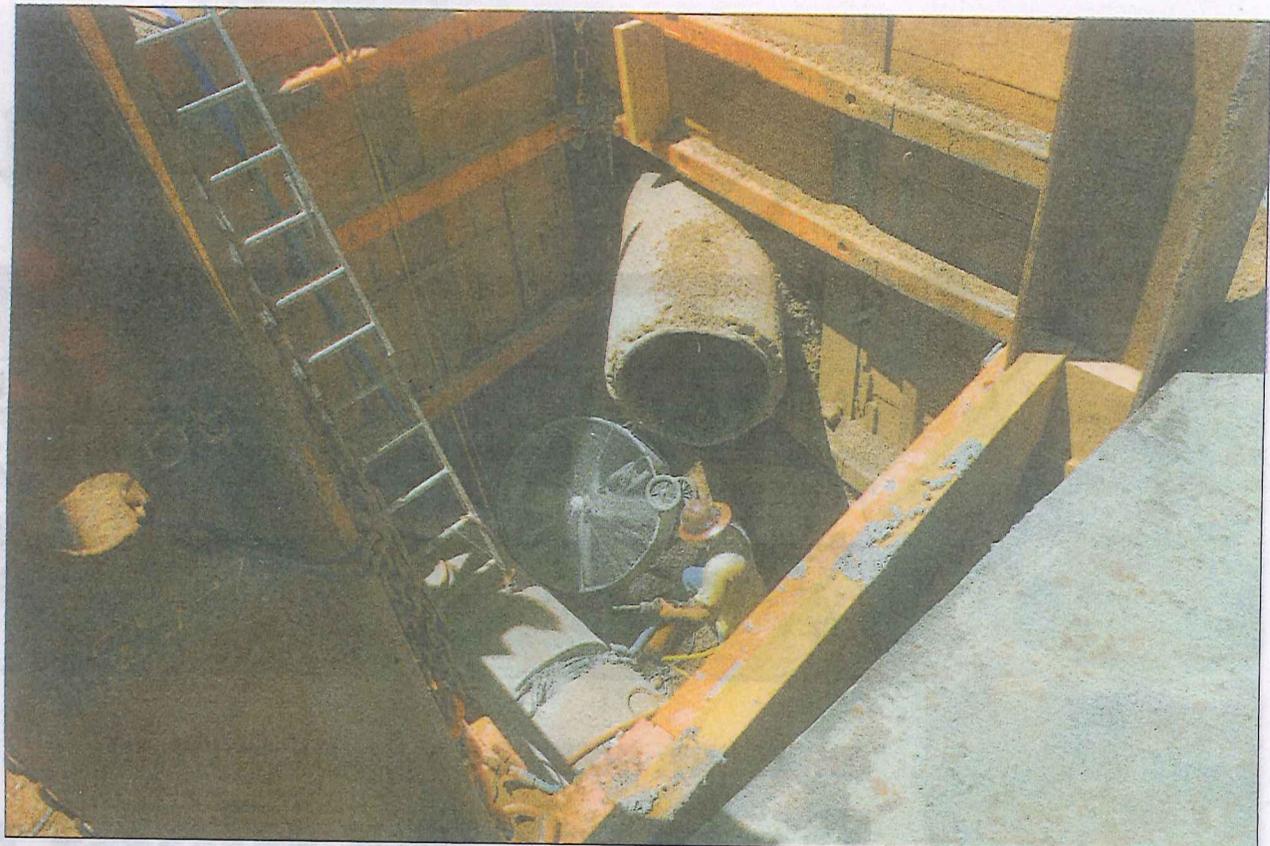
krpool

tions
attention
rt Sterling
g@marinij.
82-7294.

ain began
an attack
nd by air.
e was
(s.)
e talks
e Korean
ong.
E. Gillars,
s Sally,"
federal
nia after
r treason
broad-
rmany

amas be-
lent after
ritish

hn Paul
o Joseph
innati
Cardinal
of the
ago.
npeace
v Warrior
sives in
and by
agents;
d. Bow-
irate
-Cola
ume sell-
, while
w Coke.



IJ photos/Frankie Frost

A worker uses a jackhammer to prepare a pipe connection at the Novato Sanitary District on Monday.

PLANT: Facility to transform toilet water for irrigation

From page 1

district's headquarters near the De Long Avenue exit off Highway 101 and will augment its existing operations. The North Marin Water District is a partner in the project, funded by state and federal grants as well as rate-payer money.

Like alchemists turning lead into gold, operators at the new plant will transform toilet water into grass. The treated wastewater produced by the 1.7-million-gallon recycling center will irrigate landscapes including those of Fireman's Fund Insurance Co. and Valley Memorial Park Cemetery, both in Novato.

The sanitary district will treat the water and the water district will distribute it. The new plant will save enough water to supply about 1,400 single-family homes for a year.

When someone flushes a toilet in Novato, the wastewater travels to the Novato Sanitary District's sewage treatment plant, where it receives primary and secondary treatment. The new plant, which is being built by Sacramento-based Gateway Pacific Contractors, will supply what is known as tertiary treatment.

"Right now we James have facilities that take raw sewage and treat it to the point that it is safe to put in the bay or use for pastures," said Beverly James,



An upflow sand filter cleans water at the North Marin Water District. Below: Water pipes feed a large water filter under construction.



manager-engineer of the sanitary district. "The new plant takes that water and filters and disinfects it so it is safe to use in places like golf courses and country clubs for irrigation."

Water in those locations must be cleaner because, for example, a sprinkler might go off and douse a visitor, James said.

In the world of water recycling, what's good for people is not necessarily good for plants. "If you purify water

can be used for drinking. Currently, only 1.4 percent of Novato's water is recycled, "but that's expected to grow to 7 percent in the next decade," said Chris DeGabriele, who has been the general manager of North Marin Water District since 1995.

The new recycling plant at Novato Sanitary and a similar plant in the Las Gallinas Valley Sanitary District are expected to make the difference.

The Novato Sanitary District's new water recycling center is part of a bigger project, the North Bay Water Reuse Authority. Bill Long, chairman of the Novato Sanitary District board, was a key figure in the movement.

"Seven or eight years ago, we started working with some of the other water districts and sewage agencies in the North Bay to put together a coalition that could be more effective in getting state and federal funding," Long said. "At the outset, we weren't sure we would succeed." Now, as the Novato facility and other projects near completion, Long said, "I'm very satisfied."

"We're excited about the new plant. It's a major step toward resource conservation," James said. "It's also an insurance policy for Novato in the event of a drought because these significant irrigators would still have water."

for drinking you take out phosphorus and nitrogen, but if it's just for irrigation we leave it in because it's healthy for plants," James said.

The pear, apple, plum and persimmon trees at the sanitary district headquarters, watered with recycled water, attest to the veracity of her statement. "We had to fence them off because deer were eating the fruit," James added, citing what sounded like the ultimate endorsement.

Using recycled water for irrigation means there is more potable water that



Contact Janis Mara via email at jmara@marinij.com. Follow her at [Twitter.com/jmara](https://twitter.com/jmara).

Status of Ross Valley Sanitary District's general manager remains a question mark

Posted:

marinij.com

Ross Valley Sanitary District General Manager Brett Richards missed the district board's meeting Wednesday night and his status remains unclear.

Questions have been raised about Richards' use of a \$350,000 loan that the district provided to assist him in "securing housing in the Bay Area" as part of his employment contract. Richards receives total annual compensation of \$294,611, including base pay of about \$190,000.

Richards' judgment was also recently questioned after he sent a rambling letter to a district board candidate prior to the June 5 election. The candidate, Mary Sylla, won election to the board and was sworn in Wednesday night.

During public open time, Roberta Robinson of San Anselmo asked if the board had looked into Richards use of the \$350,000 loan, and she asked why he wasn't present at Wednesday's meeting.

"I think the public would like to know," Robinson said.

The district's lawyer, Jolie Houston, said, regarding Richards' use of the loan, "The district is looking into it." She supplied no details. As to Richards' absence, Houston said, "I know he's been on vacation. He is either still on vacation or on leave."

Questioned further during a break, Houston said Richards had been on "leave" for two or three weeks, but declined to elaborate.

Board member Frank Egger, who was elected Wednesday as the district board's new president, told the crowd that packed the meeting room at the Twin Cities Police Department in Larkspur that the board would be discussing the matter in closed session.

"There are changes coming to the district," Egger said.

Marin Independent Journal columnist Richard Spotswood raised the issue of how Richards used the \$350,000 loan in a story published on June 24. In that column, Spotswood noted that Richards' contract contains a series of poison pills.

The contract provides that upon dismissal without cause, Richards gets his compensation package for 15 months after his termination is effective. The contract also prohibits his termination "during the 180-day period following any district election for membership on the district board." The only exception is if he's discharged for cause.

Last week, San Anselmo Mayor Tom McInerney proposed drafting a letter to the Ross Valley Sanitary District's board urging it to investigate. The motion was supported by San Anselmo Councilman Ford Greene but lacked a third vote necessary for adoption.

On Wednesday night, the district board also scheduled a special meeting for June 25 to review the district's capital improvement plan, its financial condition and funding options.

Richards told the board in June — when it rejected his recommendation to approve as much as \$70 million in revenue bonds — that the district might run out of money by October unless additional revenue was secured.

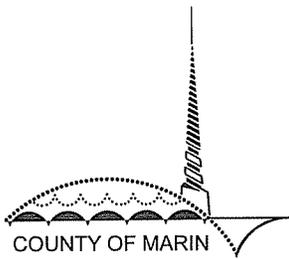
"Obviously, there are some issues we need to jump on pretty quickly here," Egger said. He said the board should consider having an outside firm do a forensic audit.

Since the beginning of the year, Richards has requested the board's approval to make more than 50 separate repairs to district pipes, which he said were urgent and could not wait. The maximum cost of the projects exceed \$6 million.

On Wednesday night Wendy Martin-Miller, the district's business manager, told the district board that Richards canceled some of those projects without consulting them after they failed to authorize the bonds.

Board member Peter Sullivan said, "That is the only choice you have when you don't have the money."

Contact Richard Halstead via e-mail at rhalstead@marinij.com



DEPARTMENT OF PUBLIC WORKS

People serving people.

Robert Beaumont
DIRECTOR

July 24, 2012

Administration
PO Box 4186
San Rafael, CA 94913-4186
415 473 6528 T
415 473 3799 F
415 473 3232 TTY
CRS Dial 711
www.marincounty.org/pw

Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Conduct Hearing for Rate Increase for Mill Valley Refuse Service

Dear Board Members:

RECOMMENDATION: 1) Conduct the scheduled public hearing at 10:30 AM for a requested 4.8% rate increase for the Southern Marin franchise areas serviced by Mill Valley Refuse Service; and 2) authorize your President to sign the attached Franchise Amendment.

SUMMARY: Mill Valley Refuse Service, Inc. (MVRS) provides collection and disposal of refuse in certain southern Marin unincorporated areas which were established by your Board in 1993. These areas include unincorporated areas near Mill Valley and Tiburon known as Shoreline and Gibson, Paradise Cay, Paradise and Mar East. There are approximately 500 accounts in these areas that include residential and commercial customers.

Public Works Waste Management staff coordinated with the cities of Mill Valley, Corte Madera, Tiburon and Belvedere in the analysis of MVRS's requested rate increase. R3 Consulting Group, Inc. was retained to analyze the MVRS rate request and made several adjustments and recommendations that support a slightly reduced rate increase.

As outlined in the attached report from R3 Consulting Group, the most significant factors impacting the increase in rates are disposal expense, JPA zero waste fees, and employee benefit costs.

A 4.8% rate increase is proposed to fund these changes bringing the average cost of a 32-gallon garbage can to \$39.82 per month. This amount is in line with the Bay Area average for similar service and will cost each residential customer an average of an additional \$1.83 per month.

FISCAL IMPACT: The proposed rate increase will increase general fund franchise fee revenues by \$7,090. There is no additional impact to the General Fund.

Accounting

Airport

Building Maintenance

Capital Projects

Certified Unified Program
Agency (CUPA)

Communications
Maintenance

County Garage

Disability Access

Engineering & Survey

Flood Control &
Water Resources

Land Development

Purchasing

Real Estate

Reprographic Services

Road Maintenance

Stormwater Program

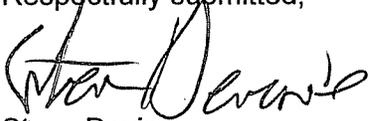
Transportation &
Traffic Operations

Waste Management

Marin County Board of Supervisors
July 24, 2012
Page Two

REVIEWED BY:	<input type="checkbox"/>	Department of Finance	<input checked="" type="checkbox"/>	N/A
	<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,



Steve Devine
Program Manager

Attachment

c: Jim Lavarone, Mill Valley Refuse Service

