

NOVATO SANITARY DISTRICT

Meeting Date: May 11, 2015

The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:00 p.m., Monday, May 11, 2015, at the District Offices, 500 Davidson Street, Novato, CA.

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 April 13th, 2015 meeting.

5. CONSENT CALENDAR:

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

- a. Approve regular disbursements.
- b. Ratify April payroll and payroll-related disbursements.
- c. Receive 3rd Quarter Investment Report, Fiscal Year (FY) 14-15.
- d. Receive Summary 3rd Quarter Financial Report, FY14-15.
- e. Appoint the Field Services Manager to administer and enforce District rules and regulations for the Marin Sports Academy development project.
- f. Approve Consent for Boundary Change – Annexation of APN 157-970-04 (801 State Access Road) to Novato Sanitary District.

6. FINANCE COMMITTEE:

- a. Receive Finance Committee report.

- b. Receive recommendation from Finance Committee, and authorize the Board President to inform City of Novato Mayor Jeanne MacLeamy of intent to waive connection fees and charge an administrative fee of \$40 for City of Novato approved Junior Accessory Dwelling Units (JADUs).

7. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Committee report.
- b. Receive update, ongoing odor study - David McEwen (Brown and Caldwell).

8. ADMINISTRATION:

- a. Adopt Resolution No. 3084 formalizing CalPERS Member Paid Contributions to be tax-deferred under Internal Revenue Code, IRC 414(h)(2).

9. CAPITAL PROJECTS:

- a. *Maintenance Building, Account No. 73003 - Phase 1, Site Demolition, Project No. 73003-01: Review bids received, approve contract award to West Bay Builders, and authorize Manager-Engineer to execute the contract in the bid amount of \$473,500.00.*
- b. *Collection System Improvements, Account No. 72706, (Olive Pump Station Parallel Force Main Project): Authorize the Manager-Engineer to execute a revised Agreement in the amount of \$46,850.00 with the North Marin Water District for modifications to Water District facilities required for the Force Main Project.*

10. BOARD OF DIRECTORS:

- a. Adopt Resolution No. 3085 Proposing an Election and Requesting the County Elections Department to Conduct Election Services.

11. STAFF REPORTS:

- a. California Water Environment Association (CWEA) Annual Conference, San Diego.

12. BOARD MEMBER REPORTS AND REQUESTS:

- a. California Association of Sanitation Agencies (CASA) Public Policy Forum and Conference, Sacramento.
- b. North Bay Watershed Association (NBWA) May meeting.

13. INFORMATIONAL ITEMS/NEWS ARTICLES:

(These items are for information only, no action will be taken on these items).

- a. Marin IJ editorial: "State Audit shines light on Ross Valley".
- b. Marin IJ article: "Ross Valley Sanitary District state audit faults past financial management".

- c. Marin County Civil Grand Jury Report: "Pension Enhancements: A Case of Government Code Violations and A Lack of Transparency".
- d. Marin IJ article: "Romberg Tiburon Center researcher studies potential for plastics hosting metals in bay".
- e. Marin IJ article: "Marin –Sonoma agencies will not be able to join forces to fight drought".
- f. Marin IJ editorial: "Marin-Sonoma approach to drought restrictions is better".

14. **MANAGER'S ANNOUNCEMENTS:**

15. **ADJOURN:**

Next resolution no. 3086.

Next regular meeting date: Tuesday, May 26, 2015, 6:00 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA (NOTE: Monday May 25, 2015 is Memorial Day, a District holiday).

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.

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: April 13, 2015

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, April 13, 2015, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jean Mariani, Directors Jerry Peters, William Long and Brant Miller. Director Gary Butler was absent.

STAFF PRESENT: Manager-Engineer-Secretary Sandeep Karkal, and Administrative Secretary Julie Swoboda.

ALSO PRESENT: None.

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None

REVIEW OF MINUTES:

Consider approval of minutes of the March 23, 2015 meeting.

On motion of Director Peters, seconded by Director Long, and carried unanimously by those Directors present, the March 23, 2015 Board meeting minutes were approved.

CONSENT CALENDAR:

President Mariani requested Item c: *Resolution providing relief on pH limits for the Buck Institute* be removed from the Consent Calendar as she will need to recuse herself from voting on the item. Those Directors present agreed and Item c. was removed from the Consent Calendar.

President Mariani called for a motion on the remaining Consent Calendar items as follows:

- a. Approval of Board member disbursements in the amount of \$2,725.22, regular disbursements in the amount of \$333,864.02, and capital project disbursements in the amount of \$640,303.49.
- b. Receive Accounts Receivable Report.

On approval of Director Long, seconded by Director Peters and carried unanimously by those Directors present, the above listed Consent Calendar items were approved.

President Mariani recused herself at 6:04 p.m.

President Pro-Tem Jerry Peters presided and read the remaining Consent Calendar item.

- c. Adopt Resolution No. 3083, A Resolution Approving Relief on pH Limits and Setting Revised pH Limits for Buck Institute, 8001 Redwood Blvd., Novato.

On motion of Director Miller, seconded by Director Long and carried unanimously by those Directors present, the above Consent Calendar item was approved.

President Mariani returned to the meeting at 6:07 p.m.

ADMINISTRATION:

- Receive Schedule for Approval of 2015-17 Preliminary and Final Budget, Appropriations Limit, and Sewer Service Charges. The Manager-Engineer noted that the Schedule For Approval is for Board review only and is consistent with previous years' time-lines. President Mariani suggested that the New Facilities Committee meet prior to the May 26th Board meeting to discuss the proposed budget items in more detail. The Manager-Engineer stated that he would schedule the committee meeting.

CAPITAL PROJECTS:

- Drainage Pump Station No. 3 and No. 7 Improvements; Account No. 72110: Grant Final Acceptance of the Project and authorize staff to file the Notice of Completion (NOC). The Manager-Engineer stated that work was completed on March 31, 2015 and that the final cost was \$222,000, the original bid amount. He pointed out an error in the Board Report: *The final cost of the project is \$220,000.* The Administrative Secretary will amend the report as filed to show the correct dollar amount of \$222,000. The Manager-Engineer requested the Board grant final acceptance and authorize staff to file the Notice of Completion.

On motion of Director Long, seconded by Director Peters, and carried unanimously by those Directors present, the Board granted Final Acceptance of the Drainage Pump Station No. 3 and No. 7 Improvements; Account No. 72110 and authorized staff to file the Notice of Completion.

ADHOC PERSONNEL COMMITTEE:

- Receive report from meeting to discuss Technical Services Manager recruitment. The Manager-Engineer stated that the Adhoc Personnel Committee, consisting of Directors Mariani and Long, met on April 6th to discuss the recruitment effort and applications received to date for the Technical Services Manager. He stated that the Committee recommended the Manager-Engineer consider retaining an outside recruitment firm which would increase the pool of applicants. In addition, the Committee recommended

the following positions be retitled although compensation and duties would remain the same:

- * Manager-Engineer to General Manager-Chief Engineer
- * Technical Services Manager to Deputy Manager, Engineering and Technical Services
- * Field Services Manager to Deputy Manager, Field Services

Discussion followed.

STAFF REPORTS:

- Receive Workers' Compensation Insurance Report. The Manager-Engineer stated that the District was informed by its Workers' Compensation Insurance carrier that there will be a decrease in the District's Experience Modification Factor for Policy Year 2015-16, from 1.61% to 0.97%. He noted that although the workers' compensation rates for 2015-16 have not been published, the District anticipates a decrease of their workers' compensation insurance premium for 2015-16 by approximately \$26,000 or a reduction of 34.7 percent from the prior year.

BOARD OF DIRECTORS:

- Receive Local Agency Formation Commission (LAFCO) materials for Election for Special District Member, and provide direction. The Manager-Engineer stated that the LAFCO seat for Special District currently held by Dennis Rodoni, at North Marin Water District, was up for election. Mr. Rodoni has decided to step down and there will be an election for the seat. Discussion followed of the six candidates and their qualifications. The District Board provided the following nominations, in their respective order of preference:

- 1) Jack Baker
- 2) Lew Kious
- 3) Justin Kai

The Board Recorder will complete the ballot as directed and submit to LAFCO by April 18, 2015.

- Presidential appointment of Adhoc Personnel Committee to discuss Manager-Engineer Performance Evaluation. President Mariani stated that she would appoint herself and Director Long to serve on the Adhoc Personnel Committee to discuss the Manager-Engineer's performance evaluation. She suggested that, after the Committee meets, the Board hold a closed session to facilitate discussion/participation with all Directors regarding the performance evaluation.

BOARD MEMBER REPORTS AND REQUESTS:

- Water Facts. Director Long discussed a fact sheet titled "Water Use in California", by Jeffrey Mount, Emma Freeman, and Jay Lund from the Public Policy Institute of

California. He requested that the document be scanned and sent to all Directors. The Board Recorder will scan the document and provide electronic copies to all Directors.

- ZeroWasteMarin. President Mariani reviewed a postcard she received at her residence from ZeroWasteMarin which discussed reducing use of hazardous products in gardens. She suggested that Household Hazardous Waste Program Manager Dee Johnson provide an overview of the information on the postcard at a future Solid Waste Committee meeting.

- North Bay Water Reuse Authority (NBWRA). NBWRA delegate Bill Long and alternate Jerry Peters will both be out of town for the April 27th NBWRA meeting. Board President Mariani appointed Director Brant Miller as second alternate. Director Miller stated that he would attend the NBWRA meeting which will be held on Monday, April 27th at 9:00 a.m. at Novato City Hall.

MANAGER'S ANNOUNCEMENTS:

- The Wastewater Operations Committee meeting is rescheduled from Monday, April 20th at 2:00 p.m. to Tuesday, April 21st at 2:30 p.m. at the District office.

- The Manager-Engineer will be out of the office from April 16th through April 20th.

- The CASA Public Policy Forum is being held in Sacramento on April 27th and 28th.

ADJOURNMENT: There being no further business to come before the Board, President Mariani adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording

**Novato Sanitary District
Board Check Register for April 2015**

May 8, 2015

Item 5.a.
(5 Pages)

Date	Num	Name	Credit
May 8, 15			
05/08/2015	3989	Long, William C	766.46
05/08/2015	3204	Miller, Brant	766.46
05/08/2015	3991	Peters, A. Gerald	575.36
05/08/2015	3990	Mariani, Jean M	432.15
05/08/2015	3988	Butler, Gary	
May 8, 15			<u>2,540.43</u>

Novato Sanitary District Operating Check Register

For April 27, 2015

Date	Num	Name	Credit
Apr 27, 15			
04/27/2015	58131	Pacific, Gas & Electric	47,080.57
04/27/2015	58139	Veolia Water North America, Lab	26,365.58
04/27/2015	58110	Central Marin Sanitation District	21,959.24
04/27/2015	58134	RMC Water & Environment, Inc.	11,304.50
04/27/2015	58132	Regional Government Services	4,945.00
04/27/2015	58130	Novato, City	4,319.55
04/27/2015	58103	American Express-21007	3,788.22
04/27/2015	58119	Harmony Press	3,245.00
04/27/2015	58114	David or Carla Stone	3,181.60
04/27/2015	58122	Leonardi Automotive & Electric, Inc.	3,153.57
04/27/2015	58126	North Marin Water District Payroll	2,667.00
04/27/2015	58115	Dearborn National	2,149.79
04/27/2015	58125	North Marin Water District - Lab	2,050.00
04/27/2015	58128	Novato Chamber of Commerce	1,750.00
04/27/2015	58120	Irvine Consulting Services Inc.	1,620.00
04/27/2015	58124	North Marin Water District	1,610.01
04/27/2015	58138	Unicorn Group	1,603.01
04/27/2015	58107	Cagwin & Dorward Inc.	1,560.00
04/27/2015	58135	Siemens Industry	1,128.96
04/27/2015	58109	CED Santa Rosa, Inc	837.96
04/27/2015	58123	Linscott Engineering Contractors I...	780.00
04/27/2015	58121	Johnson Controls, Inc.	683.00
04/27/2015	58137	Telstar Instruments Inc	625.00
04/27/2015	58105	B.W.S. Distributors, Inc.	554.81
04/27/2015	58118	Grainger	337.30
04/27/2015	58108	CDW Government, Inc.	304.10
04/27/2015	58133	Ricoh USA, Inc.	297.22
04/27/2015	58111	Claremont EAP, Inc.	295.00
04/27/2015	58116	Evoqua Water Technologies - Lab	272.00
04/27/2015	58106	BoundTree Medical, LLC	248.96
04/27/2015	58113	Datco Billing Inc.	163.80
04/27/2015	58112	CWEAmembers	163.00
04/27/2015	58104	American Messaging	68.13
04/27/2015	58129	Novato Chevrolet	57.89
04/27/2015	58117	First Alarm	38.74
04/27/2015	58127	Novato Car Wash	18.99
04/27/2015	58136	Staples Business Adv Inc.	4.12
Apr 27, 15			<u>151,231.62</u>

Novato Sanitary District Operating Check Register

May 11, 2015

Date	Num	Name	Credit
May 11, 15			
05/11/2015	58160	Marin Audubon Society	19,485.13
05/11/2015	58159	Koffler Electrical Mech, I...	10,868.00
05/11/2015	58158	Johnson, Dee	9,984.77
05/11/2015	58173	Veolia Water Recycled ...	7,031.63
05/11/2015	58140	Aqua Science	5,650.00
05/11/2015	58148	Caltest Analytical Lab Inc.	4,240.80
05/11/2015	58155	Industrial Electrical Co.	2,440.00
05/11/2015	58144	Bay Area Air Quality	2,000.00
05/11/2015	58147	Cagwin & Dorward Inc.	1,345.00
05/11/2015	58152	Environmental Resource...	1,270.65
05/11/2015	58149	CDW Government, Inc.	1,176.00
05/11/2015	58172	Veolia Water North Ame...	962.00
05/11/2015	58154	Hertz Corporation	914.74
05/11/2015	58164	Rauch Communication ...	893.25
05/11/2015	58153	Frontier Analytical Labor...	800.00
05/11/2015	58165	Restoration Managemen...	785.84
05/11/2015	58169	U.S. Bank Card (3)Craig	722.69
05/11/2015	58174	Vision Service Plan	468.45
05/11/2015	58163	Pitney Bowes Reserve ...	400.00
05/11/2015	58157	Jan-Pro Cleaning System...	307.32
05/11/2015	58175	WEF Membership	272.00
05/11/2015	58141	AT&T Wireless	261.94
05/11/2015	58146	BoundTree Medical, LLC	248.96
05/11/2015	58142	B.W.S. Distributors, Inc.	239.80
05/11/2015	58162	Pini Hardware	192.42
05/11/2015	58168	U.S. Bank (Sandeep)	186.04
05/11/2015	58178	Vega-, Javier	184.06
05/11/2015	Dir Dep	Long, William C.	177.82
05/11/2015	58145	Beecher Engineering, Inc	170.00
05/11/2015	58167	T & B Sports, Inc	145.63
05/11/2015	58166	Safety Training Seminars	140.00
05/11/2015	58177	Krautheim, Steve	136.59
05/11/2015	58151	Department Of Consum...	115.00
05/11/2015	58176	Department Of Consum...	115.00
05/11/2015	Dir Dep	Karkal, Sandeep	111.00
05/11/2015	58156	International Code Coun...	100.00
05/11/2015	58143	Barnett Medical LLC	90.00
05/11/2015	58150	CED Santa Rosa, Inc	65.03
05/11/2015	58161	North Marin Water District	33.92
05/11/2015	58170	United Parcel Service	16.50
May 11, 15			<u>74,747.98</u>

Novato Sanitary District
Capital Projects Check Register

April 27, 2015

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Apr 27, 15			
04/27/2015	2855	RMC Water & Environment, Inc.	9,800.09
04/27/2015	2850	Control Systems West, Inc.	5,975.52
04/27/2015	2854	Marin Mechanical II, Inc.	5,328.58
04/27/2015	2852	Lateral-Wall	1,500.00
04/27/2015	2853	Marin Independent Journal	726.05
04/27/2015	2851	Federal Express	56.08
Apr 27, 15			<u>23,386.32</u>

**Novato Sanitary District
Capital Projects Check Register**

May 11, 2015

Date	Num	Name	Credit
May 11, 15			
05/11/2015	2857	Nute Engineering Inc.	37,133.50
05/11/2015	2859	W.R. Forde	11,100.00
05/11/2015	2856	Miller Pacific Engineering, Inc.	4,257.90
05/11/2015	2858	Pareto Co.	71.00
May 11, 15			52,562.40

Novato Sanitary District
Payroll and Payroll Related Check Register
April - 2015

Item 5.b.
(1 page)

<u>Date</u>	<u>Description</u>	<u>Amount</u>
04/30/2015	April - Payroll	95,307.35
04/22/2015	April - Retirees Health Benefits	13,244.12
04/22/2015	CALPers Health	25,912.58
04/22/2015	CALPERS Retirement	5,892.85
04/22/2015	United States Treasury	18,956.39
04/22/2015	CalPers Supplemental Income Plan	2,500.00
04/22/2015	EDD	5,348.83
04/22/2015	Lincoln Financial Group	6,890.00
04/22/2015	Lincoln Financial Group-401a Plan	2,399.70
04/22/2015	Lincoln Financial Group-401a Plan	3,193.50
04/22/2015	CALPERS Retirement	16,663.40
04/22/2015	Local Union 315	424.00
04/22/2015	Delta Dental	1,597.88
04/22/2015	Operating Engineers Trust	268.82
		<u>198,599.42</u>

Novato Sanitary District

01-May-15

QUARTERLY INVESTMENT REPORT -- For Quarter Ended March 31, 2015

INVESTMENT	ACTIVITY	January	February	March	QTR TOTAL
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	75,000	0	1,115,000	1,190,000
	Total transfers out	2,066,000	1,089,000	654,000	3,809,000
Current Yield 0.267%	Minimum daily balance	13,081,101	11,992,101	11,992,101	11,992,101
	Maximum daily balance	15,072,101	13,081,101	12,461,544	15,072,101
	Interest earned	0	0	8,442	8,442
TRUST ACCOUNT					
BANK OF NEW YORK MELLON For COP Bond Funds	Total deposits/transfers in	0	0	0	0
	Total transfers out	0	4,813	1,501,466	1,506,279
	Minimum daily balance	3,334,841	3,336,350	2,284,897	2,284,897
	Maximum daily balance	3,339,655	3,339,655	3,336,350	3,339,655
	Interest earned	15	1,509	13	1,537
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Code Section 53646(e)					
CHECKING ACCOUNTS					
Interest Rate	Regular Warrants Account				
0.03%	Total deposits & transfers in	2,216,041	1,113,429	2,057,117	5,386,587
	Total checks & transfers out	2,048,459	1,025,945	2,349,691	5,424,095
	Minimum daily balance	9,771	18,428	49,023	9,771
	Maximum daily balance	1,850,565	529,922	1,227,629	1,850,565
	Interest earned	5	3	6	14
Payroll Account					
0.03%	Total transfers in	109,600	110,700	101,250	321,550
	Total checks & transfers out	109,485	108,000	104,359	321,844
	Minimum daily balance	329	631	223	223
	Maximum daily balance	95,329	93,475	91,416	95,329
Project Account					
0.03%	Total transfers in	1,434,100	524,800	389,400	2,348,300
	Total checks & transfers out	27,739	1,922,532	348,488	2,298,759
	Minimum daily balance	2,644	2,588	4,029	2,588
	Maximum daily balance	1,422,618	1,409,010	342,329	1,422,618
	Interest earned	5	5	2	12
ARRA Grant Project Account					
0.03%	Total transfers in	0	0	0	0
	Total checks & transfers out	0	0	0	0
	Minimum daily balance	100	100	100	100
	Maximum daily balance	100	100	100	100

NOTES: (1) The above investments are consistent with the annual Statement of Investment Policy approved by the District Board, most recently January 2015.

The District has the ability to meet six months cash needs.

(2) LAIF interest rate is currently .278% which is an increase from .267% in December and .246% in September and .228% in June and .236% in March.



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/09/15	0.28	0.29	203
04/10/15	0.28	0.29	202
04/11/15	0.28	0.29	202
04/12/15	0.28	0.29	202
04/13/15	0.28	0.29	199
04/14/15	0.28	0.29	200
04/15/15	0.28	0.29	201
04/16/15	0.28	0.29	203
04/17/15	0.28	0.29	204
04/18/15	0.28	0.29	204
04/19/15	0.28	0.29	204
04/20/15	0.28	0.28	209
04/21/15	0.28	0.28	216
04/22/15	0.28	0.28	214

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

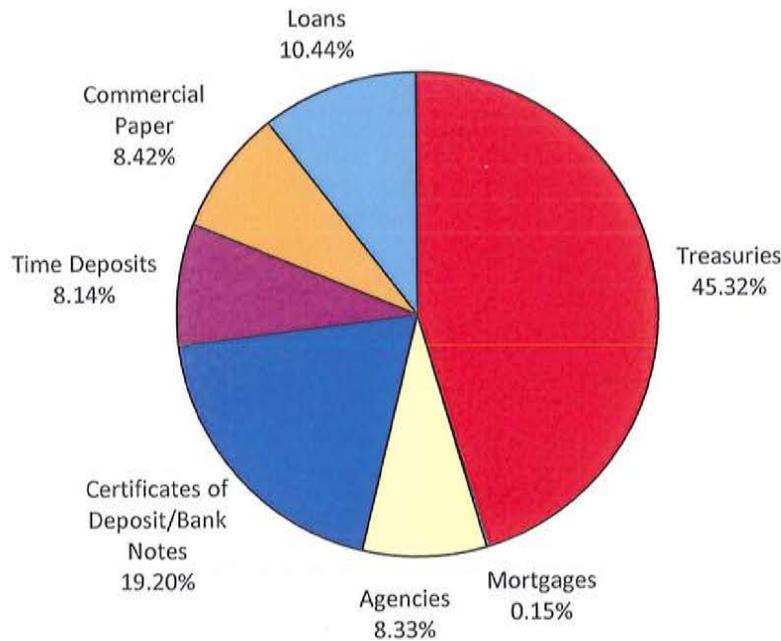
Quarter Ending 03/31/15

Apportionment Rate: 0.26%
 Earnings Ratio: 0.00000712637778462
 Fair Value Factor: 1.000383728
 Daily: 0.27%
 Quarter to Date: 0.27%
 Average Life: 191

PMIA Average Monthly Effective Yields

MAR 2015 0.278%
 FEB 2015 0.266%
 JAN 2015 0.262%

**Pooled Money Investment Account
Portfolio Composition
\$63.5 billion
3/31/15**





Pooled Money Investment Account

Portfolio as of 03-31-15

PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	\$ 1,000	\$ 1,700	\$ 2,650	\$ 2,850	\$ 500	\$ 900	\$ 900	\$ 2,700	\$ 4,500	\$ 8,900	\$ 1,150		
REPO													
TDs	\$ 1,485	\$ 830	\$ 1,100	\$ 618	\$ 696	\$ 443							
AGENCY	\$ 585	\$ 100	\$ 575	\$ 1,190	\$ 100	\$ 100	\$ 200	\$ 400	\$ 1,480	\$ 1,513	\$ 150		
CP	\$ 2,400	\$ 1,025	\$ 600	\$ 800	\$ 200	\$ 325							
CDs + BNs	\$ 3,700	\$ 1,150	\$ 3,550	\$ 2,600	\$ 100	\$ 100	\$ 300	\$ 400	\$ 300				
CORP BND													
TOTAL													
\$ 56,864	\$ 9,170	\$ 4,805	\$ 8,475	\$ 8,058	\$ 1,596	\$ 1,868	\$ 1,400	\$ 3,500	\$ 6,280	\$ 10,413	\$ 1,300	\$ -	\$ -
PERCENT	16.1%	8.5%	14.9%	14.2%	2.8%	3.3%	2.5%	6.2%	11.0%	18.3%	2.3%	0.0%	0.0%

Notes:

1. SBA Floating Rate Securities are represented at coupon change date.
2. Mortgages are represented at current book value.
3. Figures are rounded to the nearest million.
4. Does not include AB55 and General Fund loans.



**State of California
Pooled Money Investment Account
Market Valuation
3/31/2015**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
United States Treasury:				
Bills	\$ 9,935,849,217.25	\$ 9,941,554,440.76	\$ 9,942,404,000.00	NA
Notes	\$ 17,813,380,152.91	\$ 17,810,620,708.18	\$ 17,835,471,000.00	\$ 24,369,871.50
Federal Agency:				
SBA	\$ 585,278,270.34	\$ 585,278,270.34	\$ 580,189,188.77	\$ 519,916.09
MBS-REMICs	\$ 96,154,707.08	\$ 96,154,707.08	\$ 103,062,066.26	\$ 457,548.05
Debentures	\$ 1,759,446,063.01	\$ 1,759,433,910.23	\$ 1,759,796,850.00	\$ 1,355,341.71
Debentures FR	\$ -	\$ -	\$ -	\$ -
Discount Notes	\$ 2,496,782,118.01	\$ 2,497,274,472.16	\$ 2,497,375,000.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
Supranational Debentures	\$ 450,235,913.36	\$ 450,189,038.36	\$ 450,574,500.00	\$ 493,156.50
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 600,000,000.00	\$ 600,000,000.00	\$ 599,891,264.27	\$ 359,638.90
CDs and YCDs	\$ 11,600,035,984.54	\$ 11,600,003,540.10	\$ 11,596,598,687.25	\$ 6,647,722.21
Commercial Paper	\$ 5,347,393,111.11	\$ 5,348,545,722.19	\$ 5,347,673,166.68	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,170,540,000.00	\$ 5,170,540,000.00	\$ 5,170,540,000.00	NA
AB 55 & GF Loans	\$ 6,634,903,755.13	\$ 6,634,903,755.13	\$ 6,634,903,755.13	NA
TOTAL	\$ 62,489,999,292.74	\$ 62,494,498,564.53	\$ 62,518,479,478.36	\$ 34,203,194.96

Fair Value Including Accrued Interest

\$ 62,552,682,673.32

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.000383728). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,007,674.57 or \$20,000,000.00 x 1.000383728.

NOVATO SANITARY DISTRICT

MEMORANDUM

TO: District Board of Directors

FROM: Sandeep Karkal, Manager-Engineer
Laura M. Creamer, Finance Officer

DATE: May 7, 2015

SUBJECT: Fiscal Year (FY) 14-15 Third Quarter Financial Report

INTRODUCTION

This memorandum presents a summary year-to-date financial report for the District as of the FY14-15 Third Quarter ended March 31, 2015. The following items are presented as three sections:

1. Revenue and Expenditure Report for the quarter ended March 31, 2015 (Pages 1-8).
2. Debt Service Schedule as of March 31, 2015 (Page 9)
3. Operating and Capital Cash Flow for July 1 – March 31, 2015 (Pages 10-11)

Each section contains a summary of the relevant financial information, followed by a discussion, as needed.

1.0 REVENUE AND EXPENDITURES REPORT

This section presents an overview of revenues and expenditures for the operating and capital funds through the third quarter of Fiscal Year 2014-15, with a more detailed summary on pages 5-8. A brief discussion and analysis of items displaying variance from the final budget is provided also provided, as appropriate.

OPERATING FUND

OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Remaining	Pct. Received
Total Operating Revenues	\$5,280,834	\$9,601,856	\$4,321,022	55.0%

Discussion

Overall, operating revenues are approximately 55.0% of the total budget amount with 75% of the year complete. The operating revenue accounts are within the normal range for this time of year, since the District receives its primary revenues in December and April.

OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenditures	\$ 5,893,039	\$9,406,216	\$3,513,177	62.7%

Discussion

Overall, operating expenditures are at approximately 62.7% of budget, with 75% of the year complete. Variances in individual expenditure accounts are discussed below:

Collection System (66.1%)

Water. 98.8%. This budget item is used for District and outside contractor hydro-flusher maintenance activities. Significant variance is primarily due to the small budget allocation (\$8,000) for this account. Staff will continue to monitor this budget item.

Telephone. 77.1%. Per review of detail, no significant items noted; account expected to stay within budget for current fiscal year.

Other (Garbage Collection) 88.1%. Significant variance due to extra pickups by Novato Disposal in November and December for line cleaning in the amount of approximately \$500 or 50% of this budget line item. Thus, significant variance is primarily due to the small budget allocation (\$1,000) for this account. Account will continue to be monitored, expected to stay within budget for current fiscal year.

Treatment Facilities - Contract Operations (70.7%)

No significant variances noted for this cost center.

Reclamation/Disposal Facilities (68.5%)

Sludge Disposal. 90%. Sludge disposal services are typically carried out in the first half of the year, and have been completed for the current fiscal year. Account expected to stay within budget for the current fiscal year.

Laboratory/Monitoring (63.1%)

No significant variances noted for this cost center.

Pump Stations (63.2%)

Safety Expenses. 97.9%. Account used to purchase fall protection harnesses for the pump station sites. This account as well as the account below was used for this important safety purchase, as the equipment costs are allocated over these two accounts. Account expected to stay within budget for the current fiscal year.

Operating Supplies. 87.2%. Significant variance due to the purchase of the fall protection harnesses in last quarter (see above); account expected to stay within budget for current fiscal year.

Administration and Engineering (53.8%)

Memberships. 97.9%. Significant variance due to payment of almost all of the membership fees for the current fiscal year. Account expected to stay within budget for the current fiscal year.

Accounting & Auditing. 96.5%. The District's audit was finalized in early 2015, and the work is complete. Account expected to stay within budget for the current fiscal year.

AB 939 Solid Waste Programs (51.3%)

No significant items noted for this cost center.

Recycled Water (47.1%)

No significant items noted for this cost center.

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CAPITAL FUND

CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under)Budget	Pct. Received
Sewer Service Charges	\$3,973,140	\$7,183,200	(\$3,210,060)	55.3%
Property Taxes	1,120,926	1,750,000	(629,074)	64.1%
Connection Charges	132,528	493,500	(360,972)	26.9%
Collector Sewer/Special Equalization Charges	1,000	6,000	(5,000)	50.0%
Interest	16,741	30,000	(13,259)	55.8%
Other Revenue	0	20,000	(20,000)	0.0%
Total Revenue	5,244,335	\$9,482,700	(\$4,238,365)	55.3%

Discussion

Overall capital revenues are 55.3% of budget at the close of the third quarter, consistent with the District receiving the bulk of its revenue in December and April.

CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$9,647,321	\$12,805,877	(\$3,158,556)	75.3%

Discussion

The list of capital project accounts is shown in the attached report. Overall expenses are 75.3% of budget. Capital work follows a different spending trajectory than normal operating expenditures and this is reflected in Account Nos. 72110, 72508 and 72609, where the variances noted reflect the appropriate levels of engineering and construction work completed to date. All of these accounts are expected to stay within budget for the current fiscal year. The principal and interest accounts are within budget for this time of year.

**Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
July 2014 through March 2015**

		Jul '14 - Mar 15	Budget	\$ Over Budget	% of Budget
Income					
41000 · OPERATING INCOME					
	41010 · Sewer Service Charges	4,856,988.49	8,776,815.00	(3,919,826.51)	55.34%
	41030 · Plan Check & Inspection Fee	5,819.50	500.00	5,319.50	1,163.9%
	41040 · Permit & Inspection Fee	6,920.00	6,000.00	920.00	115.33%
	41060 · Interest Income	13,592.37	15,000.00	(1,407.63)	90.62%
	41080 · Engineering & Admin Charges	0.00	165,000.00	(165,000.00)	0.0%
	41090 · Non-domestic Permit Fees	6,201.63	25,000.00	(18,798.37)	24.81%
	41100 · Garbage Franchise Fees	0.00	49,768.00	(49,768.00)	0.0%
	41105 · AB 939 Collector Fees	223,189.50	297,586.00	(74,396.50)	75.0%
	41107 · Oil/Bev/Tire Grants	29,065.00	50,187.00	(21,122.00)	57.91%
	41130 · Ranch Income	65,643.83	70,000.00	(4,356.17)	93.78%
	41135 · Recycle Water Facility Revenue	40,515.70	116,000.00	(75,484.30)	34.93%
	41140 · Other Revenue	13,809.47	20,000.00	(6,190.53)	69.05%
	41142 · Loss on disposal of assets	19,088.10	10,000.00	9,088.10	190.88%
Total 41000 · OPERATING INCOME		5,280,833.59	9,601,856.00	(4,321,022.41)	55.0%
Expense					
60000 · COLLECTION SYSTEM					
	60010 · Salaries & Wages	378,202.45	604,357.00	(226,154.55)	62.58%
	60020 · Employee Benefits	191,512.53	262,502.00	(70,989.47)	72.96%
	60060 · Gas, Oil & Fuel	13,554.47	28,000.00	(14,445.53)	48.41%
	60085 · Safety	42.57	2,000.00	(1,957.43)	2.13%
	60091 · Software Maint	13,027.82	25,000.00	(11,972.18)	52.11%
	60100 · Operating Supplies	18,954.07	30,000.00	(11,045.93)	63.18%
	60150 · Repairs & Maintenance	63,433.47	85,000.00	(21,566.53)	74.63%
	60152 · Small Tools	1,412.58	2,000.00	(587.42)	70.63%
	60153 · Outside Services	194,791.15	275,000.00	(80,208.85)	70.83%
	60192 · Water	7,907.84	8,000.00	(92.16)	98.85%
	60193 · Telephone	1,542.20	2,000.00	(457.80)	77.11%
	60200 · Other(Garbage Coll)	881.44	1,000.00	(118.56)	88.14%
	60201 · Permits & Fees	33,356.07	65,000.00	(31,643.93)	51.32%
Total 60000 · COLLECTION SYSTEM		918,618.66	1,389,859.00	(471,240.34)	66.09%
61000 · TREATMENT FACILITIES					
61000-0 · Contract Operations					
	61000-1 · Fixed Fee	1,483,506.93	1,957,529.00	(474,022.07)	75.79%
	61000-2 · Insurance & Bonds	7,683.61	42,570.00	(34,886.39)	18.05%
	61000-3 · Major Repair/Replacement	4,218.13	150,000.00	(145,781.87)	2.81%
	61000-4 · Water/Permits/Telephone	64,999.19	90,000.00	(25,000.81)	72.22%
	61000-5 · Gas & Electricity	438,364.54	587,400.00	(149,035.46)	74.63%
Total 61000-0 · Contract Operations		1,998,772.40	2,827,499.00	(828,726.60)	70.69%
63000 · RECLAMATION/DISPOSAL					

**Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
July 2014 through March 2015**

			Jul '14 - Mar 15	Budget	\$ Over Budget	% of Budget
	63010 · Salaries & Wages		27,102.88	60,549.00	(33,446.12)	44.76%
	63020 · Employee Benefits		13,469.52	22,500.00	(9,030.48)	59.87%
	63060 · Gasoline & Oil		1,932.73	4,000.00	(2,067.27)	48.32%
	63085 · Safety		0.00	500.00	(500.00)	0.0%
	63091 · Software Maintenance		1,508.68	3,100.00	(1,591.32)	48.67%
	63100 · Operating Supplies		973.16	2,500.00	(1,526.84)	38.93%
	63115 · Sludge Disposal		179,757.21	200,000.00	(20,242.79)	89.88%
	63150 · Repairs & Maintenance		36,683.16	70,000.00	(33,316.84)	52.41%
	63152 · Small Tools		10.89	500.00	(489.11)	2.18%
	63157 · Ditch/Dike Maintenance		2,850.00	20,000.00	(17,150.00)	14.25%
	63191 · Gas & Electricity		62,086.44	90,000.00	(27,913.56)	68.99%
	63192 · Water - Reclamation		1,114.23	5,000.00	(3,885.77)	22.29%
	63201 · Permits & Fees		4,256.67	6,000.00	(1,743.33)	70.95%
	Total 63000 · RECLAMATION/DISPOSAL		331,745.57	484,649.00	(152,903.43)	68.45%
	64000 · LABORATORY/MONITORING					
	64010 · Salaries & Wages		121,736.95	194,138.00	(72,401.05)	62.71%
	64020 · Employee Benefits		45,407.39	72,191.00	(26,783.61)	62.9%
	64060 · Gasoline & Oil		1,449.55	3,000.00	(1,550.45)	48.32%
	64085 · Safety		0.00	1,000.00	(1,000.00)	0.0%
	64091 · Software Maintenance		900.00	4,000.00	(3,100.00)	22.5%
	64100 · Operating Supplies		10,748.63	25,000.00	(14,251.37)	43.0%
	64150 · Repairs & Maintenance		3,011.03	9,500.00	(6,488.97)	31.7%
	64160 · Research & Monitoring		171,958.99	247,000.00	(75,041.01)	69.62%
	64170 · Pollution Prevention/Public Ed		17,247.52	35,000.00	(17,752.48)	49.28%
	64201 · Permits & Fees		2,359.00	3,000.00	(641.00)	78.63%
	Total 64000 · LABORATORY/MONITORING		374,819.06	593,829.00	(219,009.94)	63.12%
	65000 · PUMP STATIONS					
	65010 · Salaries & Wages		186,550.68	316,295.00	(129,744.32)	58.98%
	65020 · Employee Benefits		88,477.02	137,777.00	(49,299.98)	64.22%
	65060 · Gasoline & Oil		2,415.92	5,000.00	(2,584.08)	48.32%
	65085 · Safety Expenses		1,958.10	2,000.00	(41.90)	97.91%
	65091 · Software Maintenance		4,151.83	12,000.00	(7,848.17)	34.6%
	65100 · Operating Supplies		8,718.94	10,000.00	(1,281.06)	87.19%
	65101 · Operating Chemicals		12,000.00	30,000.00	(18,000.00)	40.0%
	65150 · Repairs & Maintenance		77,619.67	115,000.00	(37,380.33)	67.5%
	65152 · Small Tools		675.15	1,000.00	(324.85)	67.52%
	65153 · Outside Services, Electrical		26,086.30	40,000.00	(13,913.70)	65.22%
	65191 · Gas & Electricity		67,686.97	90,000.00	(22,313.03)	75.21%
	65192 · Water		4,983.40	7,000.00	(2,016.60)	71.19%
	65193 · Telephone		17,875.61	24,000.00	(6,124.39)	74.48%
	65201 · Permits & Fees		10,501.78	17,000.00	(6,498.22)	61.78%
	Total 65000 · PUMP STATIONS		509,701.37	807,072.00	(297,370.63)	63.15%
	66000 · ADMIN/ENGINEERING					
	66010 · Salaries & Wages		647,155.23	983,222.00	(336,066.77)	65.82%
	66020 · Employee Benefits		243,728.70	375,733.00	(132,004.30)	64.87%

**Novato Sanitary District
Revenues & Expenditures Budget vs. Actual
July 2014 through March 2015**

			Jul '14 - Mar 15	Budget	\$ Over Budget	% of Budget
	66021 · Retiree Health Benefits		142,814.26	396,155.00	(253,340.74)	36.05%
	66030 · Director's Fees		22,275.00	45,000.00	(22,725.00)	49.5%
	66060 · Gasoline & Oil		4,950.17	10,000.00	(5,049.83)	49.5%
	66070 · Insurance		80,436.48	186,000.00	(105,563.52)	43.25%
	66071 · Insurance Claim Expense		1,897.54	45,000.00	(43,102.46)	4.22%
	66075 · Agency Dues		42,534.61	60,000.00	(17,465.39)	70.89%
	66080 · Memberships		8,319.24	8,500.00	(180.76)	97.87%
	66085 · Safety		520.74	1,000.00	(479.26)	52.07%
	66090 · Office Expense		19,264.32	29,000.00	(9,735.68)	66.43%
	66100 · Engineering Supplies		5,407.19	9,000.00	(3,592.81)	60.08%
	66121 · Accounting & Auditing		17,365.00	18,000.00	(635.00)	96.47%
	66122 · Attorney Fees		17,390.71	120,000.00	(102,609.29)	14.49%
	66123 · O/S Contractual		121,838.48	275,000.00	(153,161.52)	44.31%
	66124 · IT/Misc Electrical		16,423.51	40,000.00	(23,576.49)	41.06%
	66130 · Printing & Publications		14,084.44	22,000.00	(7,915.56)	64.02%
	66150 · Repairs & Maintenance		32,658.85	45,000.00	(12,341.15)	72.58%
	66170 · Travel, Meetings & Training		35,286.43	70,000.00	(34,713.57)	50.41%
	66193 · Telephone		6,281.13	15,000.00	(8,718.87)	41.87%
	66202 · County Fees - Property Taxes		13,294.50	25,000.00	(11,705.50)	53.18%
	66203 · County Fees - Sewer Service Chg		21,551.24	35,000.00	(13,448.76)	61.58%
	66250 · Service Charge Sys Exp		0.00	5,000.00	(5,000.00)	0.0%
	Total 66000 · ADMIN/ENGINEERING		1,515,477.77	2,818,610.00	(1,303,132.23)	53.77%
	67000 · AB 939 SOLID WASTE PROGRAMS					
	67400 · Consulting Services		52,971.57	130,161.00	(77,189.43)	40.7%
	67500 · Household Hazardous Waste		126,215.09	164,000.00	(37,784.91)	76.96%
	67530 · Used Oil/Beverage Cont Grant		3,510.00	22,537.00	(19,027.00)	15.57%
	67540 · Outreach/Publicity/Education		6,529.79	37,000.00	(30,470.21)	17.65%
	67600 · Other		0.00	5,000.00	(5,000.00)	0.0%
	67610 · City AB 939 Admin Services		0.00	10,000.00	(10,000.00)	0.0%
	Total 67000 · AB 939 SOLID WASTE PROGRAMS		189,226.45	368,698.00	(179,471.55)	51.32%
	68000 · Recycled Water					
	68010 · O & M Services		25,417.50	50,000.00	(24,582.50)	50.84%
	68100 · Operating Supplies		1,916.84	3,000.00	(1,083.16)	63.9%
	68101 · Operating Chemicals		14,666.12	34,000.00	(19,333.88)	43.14%
	68150 · Repairs & Maintenance		12,676.94	18,000.00	(5,323.06)	70.43%
	68191 · Gas & Electricity		0.00	10,000.00	(10,000.00)	0.0%
	68201 · Permits & Fees		0.00	1,000.00	(1,000.00)	0.0%
	Total 68000 · Recycled Water		54,677.40	116,000.00	(61,322.60)	47.14%
	Total Expense		5,893,038.68	9,406,216.00	(3,513,177.32)	62.65%
	Change in Net Position		(612,205.09)	195,640.00	(807,845.09)	(312.92%)

**Novato Sanitary District
Revenues & Expenditures - Capital
July 2014 through March 2015**

		Jul '14 - Mar 15	Budget	\$ Over Budget	% of Budget
Income					
51000 · CAPITAL IMPROVEMENT INCOME					
	51010 · Sewer Service Charges	3,973,140.47	7,183,200.00	(3,210,059.53)	55.31%
	51015 · Property Taxes	1,120,926.08	1,750,000.00	(629,073.92)	64.05%
	51020 · Connection Charges	132,527.78	493,500.00	(360,972.22)	26.86%
	51030 · Collector Sewer Charges	1,000.00	2,000.00	(1,000.00)	50.0%
	51040 · Special Equalization Charge	0.00	4,000.00	(4,000.00)	0.0%
	51060 · Interest	16,740.75	30,000.00	(13,259.25)	55.8%
	51070 · Other Revenue	0.00	20,000.00	(20,000.00)	0.0%
Total 51000 · CAPITAL IMPROVEMENT INCOME		5,244,335.08	9,482,700.00	(4,238,364.92)	55.3%
Expense					
72000 · CAPITAL IMPROVEMENT PROJECTS					
	72110 · Drainage PS 3&7 Outfall Rehab	216,978.02	265,000.00	(48,021.98)	81.88%
	72403 · Pump Station Rehabilitation	500,263.30	1,082,185.00	(581,921.70)	46.23%
	72508 · N. Bay Water Recycling Auth	329,099.78	355,000.00	(25,900.22)	92.7%
	72609 · WWTP Upgrade - Contract B	41,328.07	45,000.00	(3,671.93)	91.84%
	72706 · Collection System Improv				
	72706-1 · Lateral Replacement Program	12,950.00	50,000.00	(37,050.00)	25.9%
	72706 · Collection System Improv - Other	713,859.71	1,600,000.00	(886,140.29)	44.62%
Total 72706 · Collection System Improv		726,809.71	1,650,000.00	(923,190.29)	44.05%
	72707 · Hamilton Wetlands/Outfall Monit	11,568.87	36,542.00	(24,973.13)	31.66%
	72708 · Cogeneration	0.00	40,000.00	(40,000.00)	0.0%
	72802 · Annual Sewer Adj. for City Proj	9,050.00	10,000.00	(950.00)	90.5%
	72803 · Annual Collection Sys Repairs	143,731.77	200,000.00	(56,268.23)	71.87%
	72804 · Annual Reclamation Fac Imp	44,971.78	150,000.00	(105,028.22)	29.98%
	72805 · Annual Trtmt Plnt/Pump St Impr	88,689.43	200,000.00	(111,310.57)	44.35%
	72809 · Novato Creek Watershed	0.00	50,000.00	(50,000.00)	0.0%
	73001 · WWTP Upgrade - Contract C	266,695.10	461,396.00	(194,700.90)	57.8%
	73002 · Recycled Water - Cont D	0.00	10,000.00	(10,000.00)	0.0%
	73003 · Admin Bldg/Maint.Bldg Upgrades	44,282.84	1,000,000.00	(955,717.16)	4.43%
	73090 · Vehicle Replacement	153,098.65	180,000.00	(26,901.35)	85.06%
	78500 · Interest - Capital Projects	2,621,582.62	2,621,583.00	(0.38)	100.0%
	78501 · Principal - Capital Projects	4,449,171.07	4,449,171.00	0.07	100.0%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS		9,647,321.01	12,805,877.00	(3,158,555.99)	75.34%
Total Expense		9,647,321.01	12,805,877.00	(3,158,555.99)	75.34%
Change in Net Position		(4,402,985.93)	(3,323,177.00)	(1,079,808.93)	132.49%

3.0 OPERATING AND CAPITAL CASH FLOW

Operating:

Cash Flow For Novato Sanitary District

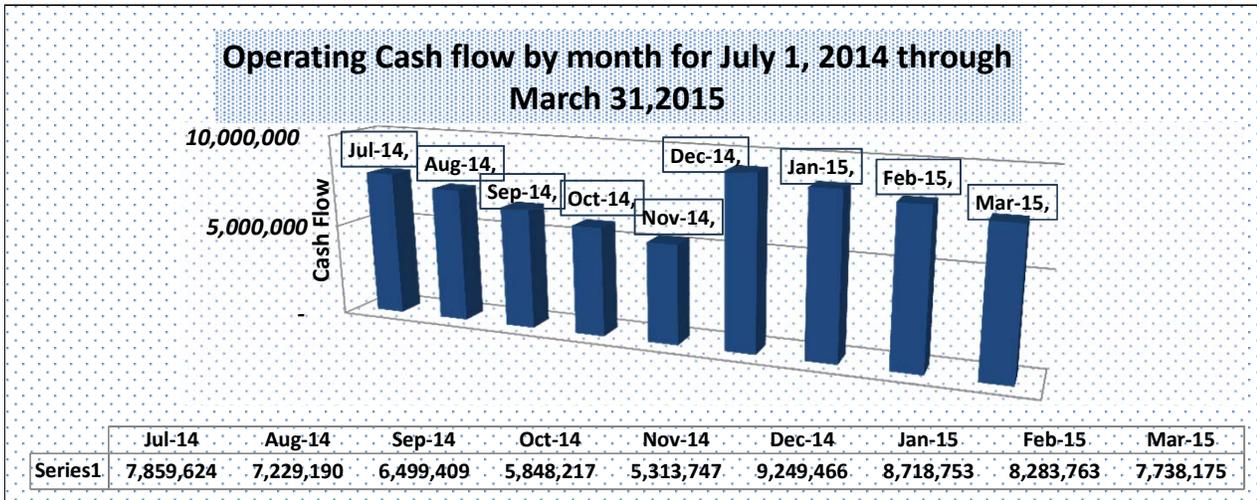
July 1, 2014 - March 31, 2015

Dated: May 1, 2015

Month Earned	Operating Revenue	Monthly Operating Expenditures	Cash Balance
			*
			8,350,380
Jul-14	75,188	565,944	7,859,624
Aug-14	43,615	674,049	7,229,190
Sep-14	28,910	758,691	6,499,409
Oct-14	30,120	681,312	5,848,217
Nov-14	183,262	717,732	5,313,747
Dec-14	4,641,859	706,140	9,249,466
Jan-15	87,084	617,797	8,718,753
Feb-15	118,615	553,605	8,283,763
Mar-15	72,180	617,768	7,738,175
	5,280,833	5,893,038	

Note: Cash balances at year end split 55/45 - Operating/Capital based on split of sewer service charges.

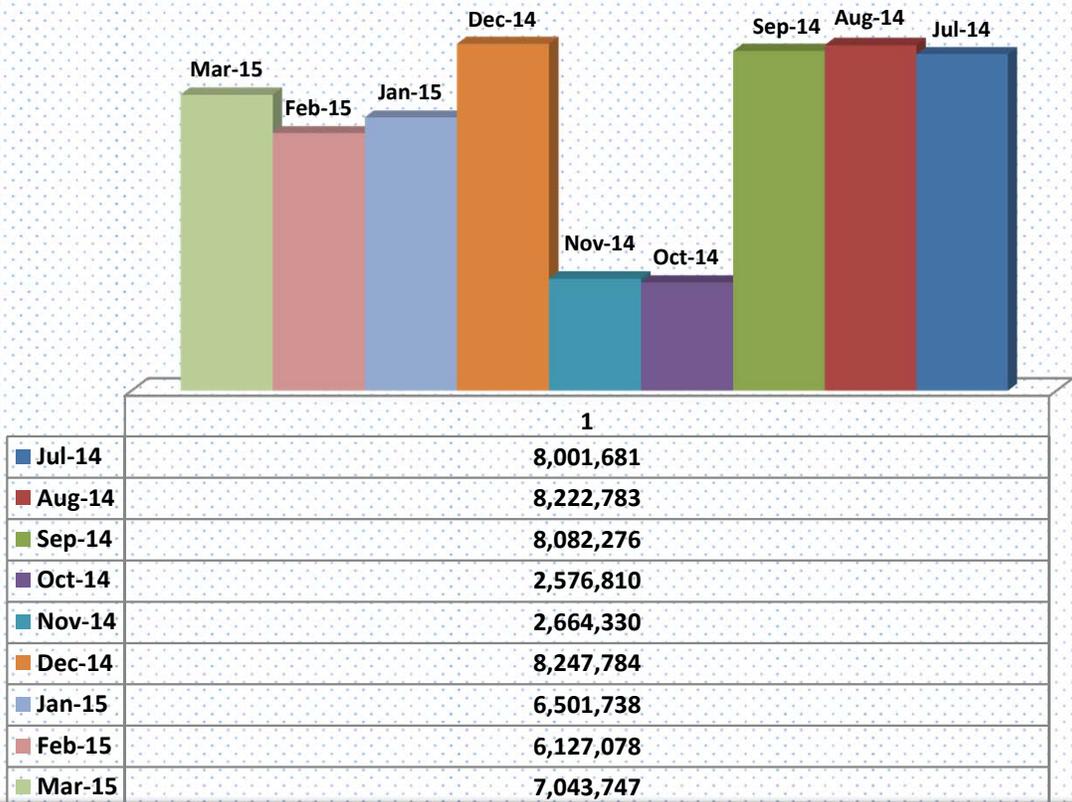
* Beginning balance adjusted for accrual vs cash basis differences.



Capital:
Cash Flow For Novato Sanitary District
July 1, 2014 - March 31, 2015
Dated: May 1, 2015

Month Earned	Monthly Operating Expenditures	Debt Service	Capital Revenue	COP Reimb	Cash Balance
Jul-14	517,009	418,399	10,270		8,926,819
Aug-14	448,723		50,479	619,346	8,001,681
Sep-14	173,512		33,005		8,222,783
Oct-14	180,498	5,378,956	53,988		8,082,276
Nov-14	46,366		133,886		2,576,810
Dec-14	44,746		4,779,098	849,102	2,664,330
Jan-15	529,315	1,273,398	56,667		8,247,784
Feb-15	477,904		103,244		6,501,738
Mar-15	158,495		23,698	1,051,466	6,127,078
	2,576,568	7,070,753	5,244,335		7,043,747

Capital Cash Flow by Month for July 1, 2014 through March 31, 2015



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Field Services Manager to administer and enforce District rules and regulations, Marin Sports Academy development project in Hamilton.	MEETING DATE: May 11, 2015 AGENDA ITEM NO. 5.e.
RECOMMENDED ACTION: Appoint the Field Services Manager to administer and enforce District rules and regulations for the Marin Sports Academy development project in Hamilton	
SUMMARY AND DISCUSSION: The Marin Sports Academy LLC is proposing to develop and build a multi-featured sports complex in the Hamilton area of Novato, generally on and in the area of the landfill site at the former Hamilton Air Force base. The project as currently proposed, will be developed and built in close proximity to the District Manager-Engineer's residence. Initial indications are that the project could be contentious and controversial. In an abundance of caution and to preclude both the District and the Manager-Engineer from any allegations by either proponents or opponents of the project, the Manager-Engineer will recuse himself from any role in the District's review and approval of this project. The District's Field Services Manager is the next senior individual on staff and is fully knowledgeable and capable of assuming the review and approval role for the project. Therefore, it is recommended that the Board appoint the Field Services Manager to administer and enforce the District's rules and regulations for this project.	
DEPT. MGR.: ssk	MANAGER-ENGINEER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

**TITLE: Consent Calendar: Annexation –
Consent for Boundary Change, 801
State Access Road**

MEETING DATE: May 11, 2015

AGENDA ITEM NO. 5.f.

RECOMMENDED ACTION: Approve Boundary Change.

SUMMARY AND DISCUSSION:

This agenda item is for the Consent for Boundary Change for the Annexation of Parcel 157-970-04 (801 State Access Road) to the Novato Sanitary District.

The applicants are applying to LAFCO to annex one parcel to the Novato Sanitary District in order to facilitate a planned 48-unit senior housing development.

The total amount of the area to be annexed is 1.68 acres.

DEPT. MGR.: ssk

MANAGER-ENGINEER: SSK



Marin Local Agency Formation Commission

Planning Agency / Subdivision of the State of California

NOTICE OF REVIEW

April 27, 2015

TO: Affected Agencies:
 Novato Sanitary District
 City of Novato
 North Marin Water District
 Marin County Committee on School District Organization
 Novato Unified School District
 College of Marin District
 County of Marin
 Sonoma-Marín Area Rail Transit District

FROM: Keene Simonds, Executive Officer

SUBJECT: Request for Agency Review and Comment / LAFCO File No. 1323
 Marin LAFCO has received a landowner petition to annex one legal parcel to the Novato Sanitary District to facilitate a planned 48-unit senior housing development. The subject parcel lies within the City of Novato and is identified by the County of Marin Assessor's Office as 157-970-04.

The Marin Local Agency Formation Commission (LAFCO) is reviewing a proposed boundary change pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCO respectfully requests each listed agency review the proposal summary and attached application materials and offer any comments – such as technical advisements, requested conditions, or related recommendations – no later than Friday, May 29, 2015.

Proposal Summary

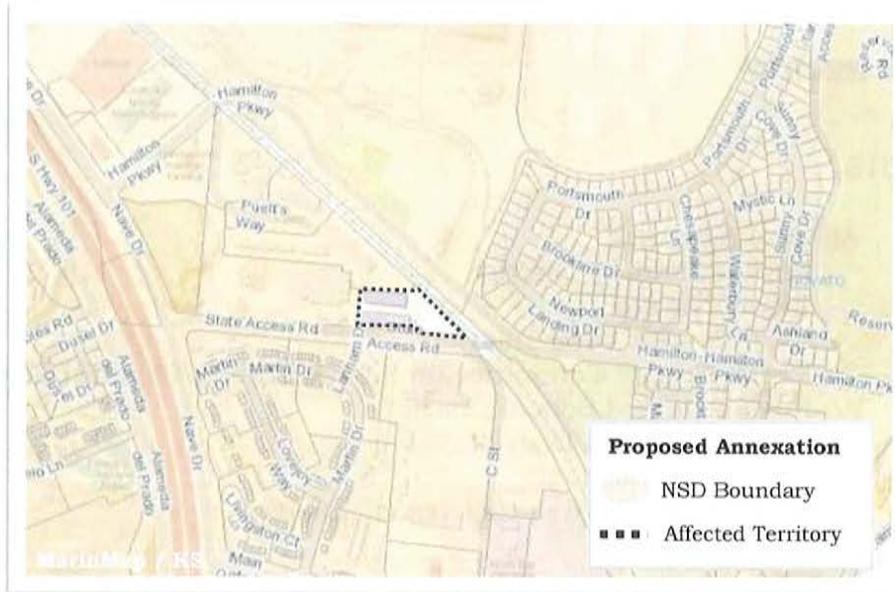
Applicant Request / Purpose

Marin LAFCO has received a proposal from landowner Investment Concepts Inc. (“applicant”) requesting approval to annex one incorporated legal parcel totaling 1.68 acres to the Novato Sanitary District (NSD). The subject parcel lies within the City of Novato with a present street address of 801 State Access Road and part of the former Hamilton Air Force Base. The subject parcel has been developed to date with two detached warehouses that are unoccupied. The purpose of the proposal is to facilitate the applicant's earlier approval from Novato to redevelop the subject parcel into a 48-unit senior housing project.

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NOVATO SANITARY DISTRICT



Conformance to Commission Policies

The subject parcel is located within Marin LAFCO’s sphere of influence established for NSD. The inclusion of the subject parcel within the sphere of influence – which was updated in 2003 – denotes LAFCO’s standing policy determination that the membership believes it is appropriate for these lands to ultimately be annexed and served by NSD so long as the *timing* of the boundary change is deemed appropriate (emphasis). This latter consideration includes assessing the factors prescribed for review by the Legislature under Government Code Section 56668 anytime a boundary change is proposed. The subject parcel already lies within the jurisdictional boundary of the North Marin Water District.

Environmental Review

The City of Novato serves as lead agency for assessing potential impacts of the proposal and its underlying purpose (i.e., redevelopment of the subject parcel to a 48-unit senior housing complex) under the California Environmental Quality Act. Novato has previously adopted a mitigated negative declaration in step with the conclusion of an initial study. LAFCO will rely on the contents of the initial study in reaching its own conclusion on impacts as a responsible agency. A copy of the initial study is available for review by contacting the LAFCO office.

Attached to this notice are copies of the application materials. Comment forms are also attached for specific reviewers. All reviewers are also welcome to email comments in summary form to Keene Simonds at ksimonds@marinlafco.org. Thank you.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Receive Finance Committee Report, April 2015.

MEETING DATE: May 11, 2015

AGENDA ITEM NO. 6.a.

RECOMMENDED ACTION: Information. Receive report.

SUMMARY AND DISCUSSION:

The Finance Committee (Committee) comprised of Directors Long and Peters, met on April 30, 2015. The agenda package for the meeting is provided herein as an attachment after Board Agenda Summary Item 6.b.

The Committee: (a) Deliberated on the Junior Accessory Dwelling Unit (JADU) item on the agenda, and (b) Received a schedule update for completion of the District's Government Accounting Standards Board (GASB) standard 45 (GASB 45) mandated 2015 Actuarial Study for Other Post-Employment Benefits (OPEB).

The matter on JADUs and its outcome is discussed in Board Agenda Item Summary 6.b. following this item.

On the GASB 45 item, the District Finance Officer and the Manager-Engineer provided an informational update, and informed the Committee of the current schedule for completion of the actuarial study by Nick Francheschine of North Bay Pensions by June 30, 2015.

DEPT. MGR.: ssk

MANAGER-ENGINEER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Finance Committee: Junior Accessory Dwelling Units (JADUs)	MEETING DATE: May 11, 2015 AGENDA ITEM NO. 6.b.
<p>RECOMMENDED ACTION: Receive recommendation from Finance Committee, and authorize the Board President to inform City of Novato Mayor Jeanne MacLeamy of intent to waive connection fees and charge an administrative fee of \$40 for City of Novato approved Junior Accessory Dwelling Units (JADUs).</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>At its January 26, 2015 meeting, the Board received a letter from City of Novato (City) Mayor Jeanne MacLeamy, where the City requested that the District consider waiving the District's standard connection fees for a new class of affordable housing units called "Junior Accessory Dwelling Units" (or JADUs) in order to incentivize their development. These units would be separate from, and in addition to, the City's existing classification of "accessory dwelling units". The District Board referred the matter to the Finance Committee.</p> <p>At its April 30, 2015 meeting the Finance Committee discussed the matter, reviewed materials including: (a) A staff report with options and recommendations, (b) The Mayor's letter, (c) A letter dated April 22, 2015 from NMWD Board President Jack Baker to Mayor MacLeamy, whereby the NMWD Board agreed to waive connection fees for JADUs, and (d) A staff report dated April 3, 2015 prepared by NMWD staff for their Board of Directors, which the NMWD Board considered at its April 7, 2015 meeting. The Committee also reviewed supporting documentation for all of these items. All of these materials are provided in the attached Finance Committee agenda packet.</p> <p>Upon deliberation, the Committee decided to recommend that the Board waive connection fees and charge an administrative fee of \$40 for City approved JADUs. Under this recommendation, the expectation is that staff time would be limited to verifying City approval of a JADU within a dwelling, and updating information in the District's permits database for that dwelling.</p> <p>Therefore, the Committee recommends that the Board accept the Committee's recommendation and authorize the Board President to inform City of Novato Mayor Jeanne MacLeamy of its intent to waive connection fees and charge an administrative fee of \$40 for City of Novato approved Junior Accessory Dwelling Units.</p>	
<p>BUDGET INFORMATION: JADU verification costs, and permit database update costs, to be offset by administrative fees - not expected to be a significant source of revenues or costs.</p>	
DEPT. MGR.: ssk	MANAGER-ENGINEER: SSK

NOVATO SANITARY DISTRICT

Meeting Date: April 30, 2015

The Finance Committee of the Novato Sanitary District will hold a meeting at 3:00PM, Thursday, April 30, 2015, at the District offices, 500 Davidson Street, Novato.

AGENDA

1. AGENDA APPROVAL

2. 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 Committee at this time as a result of any public comments made.

3. APPROVAL OF MINUTES:

- a. Consider approval of minutes of December 16, 2014 meeting.

4. CITY REQUEST – JUNIOR ACCESSORY DWELLING UNITS:

- a. Receive staff report on fee options for Junior Accessory Dwelling Units (JADUs).
- b. Consider making a recommendation to the District Board.

5. GASB 45 ACTUARIAL REPORT – SCHEDULE UPDATE:

- a. Receive update on schedule for completion of GASB 45 mandated 2015 Actuarial Study for Other Post-Employment Benefits (OPEB).

6. ADJOURNMENT

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.

Materials that are public records and that relate to an open session agenda item will be made available for public inspection at the District office, 500 Davidson Street, Novato, during normal business hours.

December 16, 2014

The Finance Committee of Novato Sanitary District held a meeting at 2:00 p.m., Tuesday, December 16, 2014, at the District office, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members William C. Long and Jerry Peters.

STAFF PRESENT: Manager-Engineer-Secretary Sandeep Karkal, Finance Officer Laura Creamer and Administrative Secretary Julie Swoboda.

ALSO PRESENT: Vikki Rodriguez, Vice President (Tax/Audit), Maze and Associates

AGENDA APPROVAL: The agenda was approved as presented.

REVIEW OF MINUTES: The December 12, 2013 meeting minutes were approved by acclamation as written.

FISCAL YEAR (FY) 2013-14 DRAFT ANNUAL AUDIT:

- Receive report from independent auditor, Maze and Associates. The Manager-Engineer introduced Vikki Rodriguez of Maze and Associates who was present to review the audit documents with the Committee. Ms. Rodriguez stated that Maze and Associates had performed an independent audit which involved examining evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. She stated that Maze and Associates had concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with the generally accepted accounting principles (GAAP). Ms. Rodriguez noted that this opinion is the highest rating given.

Ms. Rodriguez discussed details of the audit with Committee Members Long and Peters and responded to their questions.

Committee Member Peters questioned why the District's Net OPEB (Other Post Employment Benefits) Obligation is increasing, as shown on page 41 of the Comprehensive Annual Financial Report. Ms. Rodriguez and Finance Officer Laura Creamer explained that the annual required contribution was determined as part of the July 2012 actuarial valuation. Ms. Creamer added that the District budgets the obligation annually but has not set up an irrevocable or trust account and consequently carries it on its financial statements. Discussion followed.

- Review draft Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2014, and 2013, including draft audited financial statements. There were no questions or comments.

- Consider making a recommendation to the District Board that, subject to minor edits, the Board accept the audit and CAFR. The Manager-Engineer requested that the Committee make the recommendation to the Board to accept the audit, subject to minor edits.

Committee Members Long and Peters unanimously agreed to make the recommendation to the District Board that, subject to minor edits, the Board accept the audit and CAFR.

DISTRICT POLICY 3120 – INVESTMENT OF PUBLIC FUNDS:

- Review District Statement of Investment Policy, District Policy 3120 – Investment of Public Funds, and recommend its ratification by the District Board. The Manager-Engineer stated that the policy was originally adopted in its current form in December 2012 and updated at the March 24th 2014 Board meeting. He stated that it is a good practice for the Board to review this policy periodically.

Committee Members Long and Peters unanimously agreed to bring District Policy 3120 before the District Board for review and ratification.

ADJOURNMENT: The meeting was adjourned at 2:36 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording

NOVATO SANITARY DISTRICT

MEMORANDUM

DATE: April 24, 2015

TO: Finance Committee (Directors Long and Peters)

FROM: Sandeep Karkal, Manager-Engineer *SK*

SUBJECT: City of Novato Request - Junior Accessory Dwelling Units

Background

At its January 26, 2015 meeting, the Novato Sanitary District (District) Board of Directors (Board) received a letter from City of Novato (City) Mayor Jeanne MacLeamy. In the letter, the City requested that the District consider waiving the District's standard connection fees for a new class of affordable housing units called "Junior Accessory Dwelling Units" (or JADUs) in order to incentivize their development. These units would be separate from, and in addition to, the City's existing classification of "accessory dwelling units".

A comparison of these two types of accessory dwelling units and their differentiating characteristics was provided in an attachment to Mayor MacLeamy's letter, and is reproduced as Table 1 herein.

Discussion

The North Marin Water District (NMWD) Board recently acted on the issue of fees for JADUs, and their process and actions may be helpful to the Finance Committee and the Board. Therefore, the following items are attached as informational items:

1. A copy of a letter dated April 22, 2015 from NMWD Board President Jack Baker to Mayor MacLeamy, whereby the NMWD Board has agreed to waive connection fees for the JADU category.
2. A copy of a staff report dated April 3, 2015 prepared by NMWD staff for their Board of Directors, which the NMWD Board considered at its April 7, 2015 meeting.

District staff has reviewed the Mayor's letter, NMWD's April 22, 2015 letter, NMWD's April 7, 2015 staff report, and supporting documentation. Staff has also reviewed the District's Sewer Use Ordinance (SUO) and related documents, and looked into several

options for the Board’s consideration in addressing the issue of fees for the City’s JADUs housing category. These options are presented below.

Table 1: Comparison - Accessory Dwelling Unit and Junior Accessory Unit.
 Source: City of Novato⁽¹⁾

	<i>Accessory Dwelling Unit</i>	<i>Junior Accessory Unit</i>
Size	150-750 sq. ft.; up to 1,000 sq. ft. on lots over 10,000 sq. ft.	150 -500 sq. ft. – conversion of existing bedroom required, no building expansion.
Kitchen	Kitchen components not limited.	Wet-bar type kitchen only. Limits on sink and counter sizes; limit on size of drain line; no gas service and limit on electrical service (110v).
Bathroom	Required as part of the unit.	Separate bathroom for unit not required - shared bathroom OK.
Access	Interior access not required.	External and internal access required.
Parking	One additional space required.	Not required if existing dwelling meets original parking standards when built.
Owner Occupancy	Owner occupancy required.	Owner occupancy required.
Approval Process	Zoning Administrator ministerial approval unless project deviates from standards (e.g., upper story addition, exceeds size limit, etc.); Notification to adjacent property owners.	Zoning Administrator ministerial approval unless project deviates from standards; Notification to adjacent property owners.
Deed Restriction	Recordation of a deed restriction requiring owner occupancy.	Recordation of a deed restriction requiring owner occupancy.

⁽¹⁾From the attachment to Mayor MacLeamy’s letter.

Option One: Consider Waiving Connection Fees.

In its letter, the City presents a rationale that “...*the new units make use of existing residential housing space, and do not add demand for either water or sewer services compared with the original occupancy or capacity of the single-family dwelling. No new water meter or system connection would be needed, because adequate capacity would exist in the existing structure to accommodate the new unit. In addition, the addition of a wet bar-type kitchen within a home does not typically result in increased fees from the utility districts.*”

Therefore, one option for the District would be to waive connection fees related to the repurposing of an existing residential single family unit space into a JADU. This would be consistent with the approach taken by the NMWD Board.

Option Two: Consider Waiving Connection Fees But Recover Potential Permitting Costs.

A second option for the District would be to assume a waiver of SUO based connection fees, but consider cost-recovery related to permitting the repurposing of unused residential single family unit space into JADUs.

Under this option, staff would evaluate the typical costs to the District from considering requests for conversions to JADUs. Such costs would typically include an application fee, a minimal anticipated design review fee, an inspection fee, and an approval letter and closeout fee. Using a cost recovery model and the District's standard labor costs, it is anticipated that the total cost under this option could range from about \$300 to \$500 per JADU conversion. This approach would be consistent with the City's intent to waive its Development Impact Fees, and charge a reduced Planning Application Fee of \$374 for JADUs.

Option Three: Consider Reduced Connection Fees On Basis Of Reasonable Accommodation.

The District's connection fees are addressed in the District's SUO (Ordinance No. 70), as amended by Ordinance No. 101 (June 2004). Specifically, Section 708 of Ordinance No. 70 sets forth the definitions of "family unit" and "connection fee", and establishes the connection fee per family unit. For Fiscal Year FY2014-15, the District has established a connection fee of \$9,870 per single family unit.

In 2013, the District had received a request from the City that the District consider reduced connection fees for accessory dwelling units. At that time, the District Board had decided that, as a reasonable accommodation, all accessory dwellings 750 square feet and under shall be charged seventy five percent (75%) of the full connection fee.

Extending this concept of reasonable accommodation, a third option would be to charge JADUs 250 square feet or under a connection fee of twenty-five percent (25%) of the full single family unit connection fee. Similarly, JADUs over 250 square feet and up to 500 square feet could be charged fifty percent (50%) of the full connection fee. Therefore, based on the FY14-15 single family unit connection fee of \$9,870, a JADU that is 250 square ft and under would be charged a connection fee of \$2,764, and a JADU that is over 250 square ft and up to 500 square ft would be charged \$4,935.

This option would also address a concern related to the lack of occupancy limits associated with the City Code definition for JADUs. As defined, the City Code states that "A Junior Accessory Dwelling unit provides living facilities for one or more persons, including

permanent provisions for living, eating and cooking”. Thus, there is no occupancy limit, only a size limit of 500 square feet or less.

Option Four: Consider a Compromise Fee Amount Based On Potential for Incremental Additional Water Use.

One of the concerns associated with JADUs is that a potential increase in residential population from JADUs could result in more water use and thereby generate more sewage flows. (The potential increase could be from an absence of occupancy limits for JADUs). Therefore, a fourth option could address the potential for increased sewage flows from incremental additional water use, based on reasonable assumptions of the potential for population increase as a result of repurposing existing space to JADUs.

For illustrative purposes only, utilizing the District’s terminology for average occupancy per single family unit, and assuming an incremental addition of one person on creating a JADU, it is possible to derive a connection charge of \$2,820 per JADU based on the FY14-15 connection fee.

Next Steps/Recommendation

To summarize the above discussion, there are four options that the Committee may wish to consider with regard to fees for JADUs:

1. Option One: Consider Waiving Connection Fees.
2. Option Two: Consider Waiving Connection Fees But Recover Potential Permitting Costs in a range of \$300 to \$500.
3. Option Three: Consider Reduced Connection Fees on Basis Of Reasonable Accommodation.
4. Option Four: Consider a Compromise Connection Fee Amount Based On Potential for Incremental Additional Water Use.

Also, regardless of the selected option, staff recommends that any response from the Committee and the Board include a request to the City that it add a requirement for District sign-off prior to final approval of any new JADU related construction including address, size, and number of occupants for all approved JADUs.

In closing, staff recommends that the Committee provide direction to staff on one of the above options. Depending on the selected option, staff can then prepare a Board Agenda item with the Committee’s recommendation for presentation to the full Board at the next Board meeting.

- Attachments:
1. Letter from Mayor MacLeamy.
 2. NMWD Letter of April 22, 2015 to City, waiving connection fees.
 3. NMWD staff report, presented to NMWD Board on April 7, 2015.

January 5, 2015



Board of Directors
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

THE CITY OF
NOVATO
CALIFORNIA

922 Machin Avenue
Novato, CA 94945
415/899-8900
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Mayor
Jeanne MacLeamy
Mayor Pro Tem
Pat Eklund
Councilmembers
Denise Athas
Madeline Kellner
Eric Lucan

City Manager
Michael S. Frank

Dear President Mariani and Directors:

At our meeting of December 9, 2014 the Novato City Council adopted amendments to our Zoning Code and fee schedule to create a new option for affordable housing in our community. This new concept is called Junior Accessory Dwelling Units, which provide for repurposing an existing bedroom in single-family dwellings with the addition of a limited size (wet bar type) kitchen to allow for separate occupancy or rental. We believe this will create additional options for elderly residents who may wish to create a semi-private space in the home for a live-in caregiver, or for households wishing to accommodate a family member or to create a small rental unit.

While Novato and most other cities encourage the creation of Accessory Dwelling Units, we find very few applicants who are able to provide the additional required parking space and who can afford the permit fees which average about \$31,000 when utility connections are included. By creating a new category of Junior Accessory Dwelling Units which would not allow expansion of an existing dwelling and would require the repurposing of an existing bedroom with the addition of a small kitchenette and exterior access, we believe that additional property owners will find this a more viable option. The City has eliminated our development impact fees for Junior Accessory Dwelling Units based on the rationale that the impact fees were originally assessed at the time the home was constructed, and the repurposing of an existing bedroom would not constitute an increase in development impacts on City infrastructure or services.

To successfully implement this housing alternative the City Council requests that our local utility districts consider their water and sewer connection fees. Connection fees exist to ensure that the cost of the infrastructure necessary to serve a new residence is covered. In the case of Junior Second Units, however, the new units make use of existing residential housing space, and do not add demand for either water or sewer services compared with the original occupancy or capacity of the single-family dwelling. No new water meter or system connection would be needed, because adequate capacity would exist in the existing structure to accommodate the new unit. In addition, the addition of a wet bar-type kitchen within a home does not typically result in increased fees from the utility districts. Consequently, we ask that your agency consider waiving connection fees for Junior Second Dwelling Units.

A comparison of the regulatory requirements of a regular Accessory Dwelling Unit and a Junior Accessory Dwelling Unit is attached. Based on feedback from other Marin jurisdictions, we believe that several other cities will adopt similar provisions to encourage the creation of a new, low impact option for affordable housing in

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our communities. If your staff have questions about our new regulations and fee reductions, please have them contact Community Development Director Bob Brown at 415-899-8938.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeanne MacLeamy". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

Jeanne MacLeamy
Mayor

cc: Sandeep Karkal

	Accessory Dwelling Unit	Junior Accessory Unit
Size	150-750 sq. ft.; up to 1,000 sq. ft. on lots over 10,000 sq. ft.	150 -500 sq. ft. – conversion of existing bedroom required, no building expansion.
Kitchen	Kitchen components not limited.	Wet-bar type kitchen only. Limits on sink and counter sizes; limit on size of drain line; no gas service and limit on electrical service (110v)
Bathroom	Required as part of the unit	Separate bathroom for unit not required – shared bathroom OK
Access	Interior access not required	External and internal access required
Parking	One additional space required	Not required if existing dwelling meets original parking standards when built
Owner Occupancy	Owner occupancy required	Owner occupancy required
Approval Process	Zoning Administrator ministerial approval unless project deviates from standards (e.g., upper story addition, exceeds size limit, etc.); Notification to adjacent property owners.	Zoning Administrator ministerial approval unless project deviates from standards; Notification to adjacent property owners.
Deed Restriction	Recordation of a deed restriction requiring owner occupancy	Recordation of a deed restriction requiring owner occupancy



THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way #200
Novato, CA 94945-3232
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STAFF REPORT

MEETING

DATE: December 9, 2014

TO: City Council

FROM: Robert Brown, Community Development Director

PRESENTER: Robert Brown

SUBJECT: **CONSIDERATION OF:**

1) AMENDMENTS TO THE MUNICIPAL CODE TO ADD SECTION 19.34.031 AND REVISE TABLES 2-2, 2-4 AND 2-5 AND SECTIONS 19.16.070, 19.34.030, AND 19.60.020 OF THE ZONING ORDINANCE TO ALLOW FOR THE PERMITTING OF JUNIOR ACCESSORY DWELLING UNITS AND FINDING THAT THE ADOPTION THEREOF IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 65852.2, and

2) AMENDMENTS TO THE COMMUNITY DEVELOPMENT/PUBLIC WORKS DEPARTMENT APPLICATION FEE SCHEDULE TO REDUCE APPLICATION AND DEVELOPMENT IMPACT FEES FOR JUNIOR ACCESSORY DWELLING UNITS

REQUESTS

1. Consider adoption of an ordinance amending the Novato Municipal Code (Chapter 19 – Zoning) to allow the permitting of Junior Accessory Dwelling Units and finding that adoption thereof is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 65852.2, and
2. Consider adoption of a resolution Consider adopting a resolution of intent to amend Administrative Fee Policy 2-3, Appendix B, Community Development/Public Works Department Application Fee Schedule to reduce planning application and development impact fees for Junior Accessory Dwelling Units.

RECOMMENDATIONS

Adopt ordinance and resolution.

Novato City Council Agenda Staff Report Date: _____ File No. _____

DISCUSSION

Program 11.B of the new 2015-2023 Housing Element calls for the adoption of standards and fees for “Junior Accessory Dwelling Units” as a means of allowing accessory dwelling units which are more minor in size and potential impacts and less costly to permit and construct than typical accessory dwelling units. The proposed modifications to the Zoning Code would create a definition, regulations and permitting procedures for what would be termed “Junior Accessory Dwelling Units.”

Program 11.B of the new 2015-2023 Housing Element states:

“Adopt Standards and Fees for Junior Accessory Dwelling Units (JSU).

Review and adopt zoning standards and fees that serve to incentivize the creation of Junior Accessory Dwelling Units. Standards and fee considerations should include, but not be limited to, the following:

Zoning Standards to consider:

- Conversion of existing bedroom required – no building expansion;
- Maximum 500 square-foot size;
- Wet-bar type kitchen only with limitations on size of sink, waste line and counter area;
- Cooking facility limited by electrical service (110v maximum) and prohibition of gas appliances;
- Separate bathroom permitted, but not required;
- Require external access and internal access to the remainder of the home;
- No additional parking required if dwelling complies with current parking standards;
- Owner occupancy required and established by recorded deed restriction; and
- Ministerial approval process.

Fees considerations:

- Establish a minimal “flat fee” for a planning entitlement;
- No City Residential Development Impact Fee charged; and
- Work with special districts, e.g. water and sanitary, to reduce or waive fees.”

Between 2007 and 2012 only nine accessory units were approved, and of these only six were constructed (one-half unit per year on average). The Housing Element projects the addition of 13 accessory dwelling units between 2015 and 2023. The State Department of Housing and Community Development (HCD) limits the number of potential accessory dwelling units that a jurisdiction may project in its housing element based on the actual production of such units during the previous planning period. Novato has projected an increase in the creation of accessory dwelling units due to its commitment to reduce development fees to encourage such units. HCD also considers the affordability of accessory dwelling units projected based on a local survey of rental rates for accessory units. Novato’s last survey of accessory dwelling units indicated that two-thirds are rented at levels affordable to very-low income households and one-third to low-income households.

Regulations and Fees for Accessory Dwelling Units

The City’s Zoning Ordinance allows one accessory dwelling unit per single-family lot. A maximum size of 750 square feet is allowed, although a unit up to 1,000 square feet may be built on lots larger than 10,000 square feet on a sliding scale based on the lot size. The property owner

must reside on-site, and an additional parking space is required. A deed restriction is required to be recorded indicating the restrictions associated with the accessory unit. Property owners proposing an accessory unit must apply for and receive a Zoning Clearance by Planning Division staff to assure compliance with zoning standards.

A common complaint among those considering creation of an accessory dwelling unit is the cost of construction, including permit fees. On average, an accessory dwelling unit built in Novato will cost approximately \$31,913 in fees to the City, the two utility districts, fire district and school district, as indicated in the table below.

TYPICAL FEES FOR AN ACCESSORY DWELLING UNIT*

Planning Permit Fees	\$747**
Building Permit Fees	\$2,163
Development Impact Fees	
Rec/Cultural Facilities	\$ 3,241
Civic Facilities	582
General Government Systems	252
Open Space	701
Drainage	398
Streets & Intersections	2,022
Transit Facilities	70
Corporation Yard	44
TOTAL	\$7,309**
Novato Fire Protection District	\$729
Novato School District Developer Impact Fee	Units less than 500 sf: \$0 Units 500+ sf: \$1,975
Sewer Service/Connection	\$8,990
Water Connection	\$10,000***
TOTAL	\$31,913

* Assumes a 750 sf detached accessory dwelling unit

** The City reduced its Planning permit fee from \$1,494 to \$747 and its Development Impact Fees for accessory units from \$14,082 to \$7,041 in 2013

*** The North Marin Water District reduced its connection fee for accessory units from \$11,200 to \$10,000 in 2013.

The other typical constraint in creating an accessory dwelling unit is the requirement to provide an additional parking space.

Junior Accessory Dwelling Units

In an attempt to address the parking and permit cost issues, a Zoning Code amendments are proposed to allow a reduced size accessory dwelling unit that would be created by repurposing an existing bedroom and adding a wet bar-type kitchen. This concept is also being cited in other Marin jurisdictions' housing elements,

Staff envisions that Junior Accessory Dwelling Units would be a lower cost option for a senior living in a large home to create a space for a caregiver or a small rental for additional income. Junior Accessory Dwelling Units would provide inexpensive workforce housing for local service and retail employees, or part-time weekday accommodations for long-distance commuters.

The Junior Accessory Dwelling Unit concept was presented in workshops before the Planning Commission and City Council reviewing a draft General Plan White Paper as part of presentations

on the Draft 2015-2023 Housing Element on June 2 and June 10, 2014, respectively. Both the Planning Commission and City Council endorsed the concept of Junior Accessory Dwelling Units. Feedback from the workshops included comments that Junior Accessory Dwelling Units would fill a local housing need and be a reasonable reuse of larger, under-occupied homes, although a few participants expressed concern that the units could be occupied by more than a single individual, which could result in more than a single additional vehicle and result in some on-street parking.

In an attempt to define a smaller, less impactful shared living situation, a Junior Accessory Dwelling Unit would be limited to conversion of an existing bedroom, incorporating a small wet-bar kitchen, an exterior entrance and a limited size (maximum of 500 square feet). The wet-bar kitchen would have a limited sink size (16” max. length and width), a small drain line (max. 1.5” diameter) to preclude a dish washer or garbage disposal, limitation on the length of associated counter and cabinets (6 feet max.), prohibition on natural gas or 220v electrical service to preclude a full-sized cooking appliance, and a prohibition on installation of a dedicated electrical circuit, gas line, gas stub out or plumbing stub out to preclude future service expansion. Since the Junior Accessory Dwelling Unit would not result in an additional bedroom, no additional parking beyond that required for the single-family home, would be necessary. On-site owner occupancy would be required. A comparison between our typical Accessory Dwelling Unit regulations and those proposed for a Junior Accessory Dwelling Unit is provided below.

	Accessory Dwelling Unit	Junior Accessory Unit
Size	150-750 sq. ft.; up to 1,000 sq. ft. on lots over 10,000 sq. ft.	150 -500 sq. ft. – conversion of existing bedroom required, no building expansion.
Kitchen	Kitchen components not limited.	Wet-bar type kitchen only. Limits on sink and counter sizes; limit on size of drain line; no gas service and limit on electrical service (110v)
Bathroom	Required as part of the unit	Separate bathroom for unit not required – shared bathroom OK
Access	Interior access not required	External and internal access required
Parking	One additional space required	Not required if existing dwelling meets original parking standards when built
Owner Occupancy	Owner occupancy required	Owner occupancy required
Approval Process	Zoning Administrator ministerial approval unless project deviates from standards (e.g., upper story addition, exceeds size limit, etc.); Notification to adjacent property owners.	Zoning Administrator ministerial approval unless project deviates from standards; Notification to adjacent property owners.
Deed Restriction	Recordation of a deed restriction requiring owner occupancy	Recordation of a deed restriction requiring owner occupancy

Counting Junior Accessory Dwelling Units towards Regional Housing Needs Allocation

Staff from the State Department of Housing and Community Development (HCD) have confirmed that they base their determinations on whether units count towards a jurisdiction’s RHNA numbers on the definitions in the California State Building Code. The 2010 California

Building Code defines “Dwelling Unit” as, “a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.” HCD staff have indicated that the proposed provisions for Junior Second Units would meet the CBC definition and would therefore count towards RHNA allocations if the unit is “independent,” meaning that it has a dedicated, private bathroom, such as would be the case in conversion of a master bedroom suite. Staff recommends that the ordinance allow Junior Accessory Dwelling Units either with a dedicated bathroom, which would be counted as a RHNA unit, or with a shared bath, which would not count towards our RHNA numbers.

Fee Reductions

Staff has contacted a number of utility districts in Marin to determine connection fees that would be charged for creation of a Junior Accessory Dwelling Unit. All confirm that they would not charge connection or meter fees for installation of a wet bar within a single-family residence. However, when defined as a separate unit, they would impose the same connection fee as for a typical Accessory Dwelling Unit. Some district staff and board members have indicated a willingness to consider a reduced fee based on the smaller size of a Junior Accessory Dwelling Unit and the requirement that an existing bedroom be utilized, but district staff have asked that cities and towns adopt new zoning regulations for Junior Accessory Dwelling Units prior to requesting reconsideration of fee levels by the utilities.

The fire marshals of Marin have discussed the concept of a Junior Accessory Dwelling Unit and have expressed a willingness to forego the typically required installation of fire sprinklers in conjunction with creation of the new dwelling unit. The Novato Fire Prevention District’s Fire Marshal and our Building Official have also reviewed building and fire codes and have adopted an interpretation that the creation of Junior Accessory Dwelling Units within existing single-family homes would not necessitate the creation of fire separation and noise attenuation between the Junior Accessory Dwelling Unit and the remainder of the single-family dwelling.

The attached resolution of intent to amend the fee schedule proposes to reduce the planning application fee for Junior Accessory Dwelling Units by half (from \$747 to \$374) and elimination of Development Impact Fees (currently \$7,309) in keeping with the rationale that the impacts of the existing single-family home were addressed when the dwelling was constructed, and that the Junior Accessory Dwelling Unit is only repurposing previously occupied space.

PLANNING COMMISSION RECOMMENDATION

At its meeting of November 17, 2014 the Planning Commission unanimously recommended approval of the proposed Zoning Code amendments to the City Council (draft minutes attached).

ENVIRONMENTAL ASSESSMENT

The proposed Zoning Ordinance amendments are not subject to the California Environmental Quality Act (CEQA) pursuant to Section 65852.2 which exempts local ordinances for the creation of second units in single-family residential zones.

FISCAL IMPACT

The reduction in planning application fees and development impact fees for Junior Accessory Dwelling Units may slightly reduce permit income to the City, however the number of anticipated units is expected to be relatively insignificant, and impacts on City services due to repurposing

existing space within a single-family dwelling are also expected to be very minimal.

ALTERNATIVES

1. Adopt the attached ordinance and resolution initiating the proposed Zoning Code amendments and fee adjustments.
2. Direct staff to make revisions to the proposed Zoning Code amendments or fee schedule.
3. Request additional information or analysis from staff.
4. No not adopt the attached ordinance and/or resolution, recommending no change to the Zoning Code and/or fee schedule.

ATTACHMENTS

1. Ordinance
2. Resolution
3. Public Hearing Notice
4. Junior Second Unit White Paper
5. Letters of support
6. American Planning Association article



April 22, 2015

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

Mayor Jeanne McLeamy
City of Novato
922 Machin Ave.
Novato, CA 94945

Re: Junior Accessory Dwelling Units

Dear Mayor McLeamy:

At our meeting on April 7, 2015, the Board of Directors of the North Marin Water District considered the City's request that the District waive connection fees for "Junior Accessory Dwelling Units" (JADU's). Your letter of January 5, 2015 had advised NMWD that JADUs were now included as a housing category in the Novato zoning code.

Following much discussion and consideration of input from community members and affordable housing advocates, the Board has agreed to not charge a connection fee for the JADU housing category at this time. NMWD reserves the right however to set a connection fee for JADUs in the future if the District subsequently determines that water consumption exceeds the historical water use (without a JADU) for previously existing single-family residential unit(s).

The District has the following recommendations for the City to consider in processing JADU's:

1. We suggest that the JADU category be retitled as "Junior Family Unit" and to limit the number of occupants to avoid substantial additional demand on utility and other community services, including water service by NMWD.
2. We request that the City add the requirement for NMWD sign-off prior to final approval of any new construction and provide all pertinent information to NMWD including address, size, and number of occupants for all approved JADUs.

In the future, NMWD requests that the City consult with local special districts

prior to establishing a new housing category to coordinate development regulations in advance to avoid scenarios where housing classifications utilized by NMWD and perhaps other entities are inconsistent with newly adopted City housing categories.

Should you have questions in regards to these comments, please feel free to contact me at (415) 382-3332 or Chris DeGabriele, our General Manager at (415) 897-4133.

Sincerely,



Jack Baker
Board President

Cc:

Sandeep Karkal, Manager-Engineer – Novato Sanitary District
500 Davidson St.
Novato, CA 94945

CD/kly

t:\gm\2015 misc\letter to city re jad.doc

ITEM #12

MEMORANDUM

To: Board of Directors

April 3, 2015

From: Chris DeGabriele, General Manager 

Subj: Junior Accessory Dwelling Units

l:\ghilbord\misc\2015\jr accessory dwelling units.docx**RECOMMENDED ACTION:** Board Determine the Appropriate Connection Fee for Junior Accessory Dwelling Units**FINANCIAL IMPACT:** Yet to Be Determined

At the February 3rd meeting, the Board received a letter from Jeanne McLeamy, Mayor of the City of Novato, advising that the Novato City Council has amended the zoning code to create a new junior accessory dwelling unit classification. That letter also requested that the North Marin Water District consider waving connection fees for junior accessory dwelling units. The Mayor's letter indicates that the City has eliminated its development impact fee for junior accessory dwelling units based on the rationale that the impact fees were originally assessed at the time the home was constructed and that repurposing of an existing bedroom would not constitute an increase in development impacts on City infrastructure or services. This is not so for NMWD, as an increase in residential population will result and will equal more water use.

The letter and supporting information listed below is attached:

- 1) Comparison table of accessory dwelling units and junior accessory dwelling units;
- 2) Code section for junior accessory dwelling units.

It's noted in the attached zoning code that "A junior accessory dwelling unit provides independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating and cooking." Thus there is no occupancy limitation; only a limitation on the size of the junior accessory unit to no more than 500 sq/ft.

NMWD Regulation 1 (also Attached) currently identifies a Facilities Reserve Charge (FRC) for a dwelling unit without kitchen facilities and landscape. This classification in NMWD Regulation 1 was established to accommodate group housing quarters. That FRC is \$6,100.

NMWD staff met in late February to review the request from the City and determined that a connection fee should be charged. That fee can range from:

- 1) \$6,100 plus a bi-monthly service charge for the meter as is currently charged for regular accessory dwelling units;
- 2) \$6,100 only;

3) a compromised amount based on a calculation of incremental water demand and equal to \$2,645; or

4) \$0 as requested by the City of Novato.

Staff recommends that junior accessory dwelling units be consistent with the existing Regulation 1 classification for a dwelling unit without kitchen facilities and landscape.

RECOMMENDATION:

Board authorize connection fee for junior accessory dwelling units in Novato equivalent to the Facilities Reserve Charge for a dwelling unit without kitchen facilities and landscape and equal to \$6,100.



THE CITY OF
NOVATO
CALIFORNIA

922 Machin Avenue
Novato, CA 94945
415/899-8900
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www.novato.org

Mayor
Jeanne MacLeamy
Mayor Pro Tem
Pat Eklund
Councilmembers
Denise Atlas
Madeline Kellner
Eric Lucan

City Manager
Michael S. Frank

January 5, 2015

Board of Directors
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

RECEIVED

JAN 12 2015

North Marin Water District

Dear President Rodoni and Directors:

At our meeting of December 9, 2014 the Novato City Council adopted amendments to our Zoning Code and fee schedule to create a new option for affordable housing in our community. This new concept is called Junior Accessory Dwelling Units, which provide for repurposing an existing bedroom in single-family dwellings with the addition of a limited size (wet bar type, kitchen to allow for separate occupancy or rental. We believe this will create additional options for elderly residents who may wish to create a semi-private space in the home for a live-in caregiver, or for households wishing to accommodate a family member or to create a small rental unit.

While Novato and most other cities encourage the creation of Accessory Dwelling Units, we find very few applicants who are able to provide the additional required parking space and who can afford the permit fees which average about \$31,000 when utility connections are included. By creating a new category of Junior Accessory Dwelling Units which would not allow expansion of an existing dwelling and would require the repurposing of an existing bedroom with the addition of a small kitchenette and exterior access, we believe that additional property owners will find this a more viable option. The City has eliminated our development impact fees for Junior Accessory Dwelling Units based on the rationale that the impact fees were originally assessed at the time the home was constructed, and the repurposing of an existing bedroom would not constitute an increase in development impacts on City infrastructure or services.

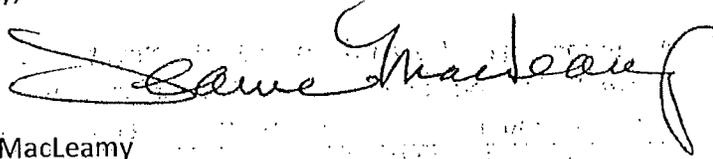
To successfully implement this housing alternative the City Council requests that our local utility districts consider their water and sewer connection fees. Connection fees exist to ensure that the cost of the infrastructure necessary to serve a new residence is covered. In the case of Junior Second Units, however, the new units make use of existing residential housing space, and do not add demand for either water or sewer services compared with the original occupancy or capacity of the single-family dwelling. No new water meter or system connection would be needed, because adequate capacity would exist in the existing structure to accommodate the new unit. In addition, the addition of a wet bar-type kitchen within a home does not typically result in increased fees from the utility districts. Consequently, we ask that your agency consider waiving connection fees for Junior Second Dwelling Units.

A comparison of the regulatory requirements of a regular Accessory Dwelling Unit and a Junior Accessory Dwelling Unit is attached. Based on feedback from other Marin jurisdictions, we believe that several other cities will adopt similar provisions to encourage the creation of a new, low impact option for affordable housing in

our communities. If your staff have questions about our new regulations and fee reductions, please have them contact Community Development Director Bob Brown at 415-899-8938.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne MacLeamy". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Jeanne MacLeamy
Mayor

cc: Chris De Gabriele

	Accessory Dwelling Unit	Junior Accessory Unit
Size	150-750 sq. ft.; up to 1,000 sq. ft. on lots over 10,000 sq. ft.	150 -500 sq. ft. – conversion of existing bedroom required, no building expansion.
Kitchen	Kitchen components not limited.	Wet-bar type kitchen only. Limits on sink and counter sizes; limit on size of drain line; no gas service and limit on electrical service (110v)
Bathroom	Required as part of the unit	Separate bathroom for unit not required – shared bathroom OK
Access	Interior access not required	External and internal access required
Parking	One additional space required	Not required if existing dwelling meets original parking standards when built
Owner Occupancy	Owner occupancy required	Owner occupancy required
Approval Process	Zoning Administrator ministerial approval unless project deviates from standards (e.g., upper story addition, exceeds size limit, etc.); Notification to adjacent property owners.	Zoning Administrator ministerial approval unless project deviates from standards; Notification to adjacent property owners.
Deed Restriction	Recordation of a deed restriction requiring owner occupancy	Recordation of a deed restriction requiring owner occupancy

Junior Accessory Dwelling Units in Zoning Section of Novato Municipal Code

19.34.031 Added

19.60.020 Amended to add Junior Accessory Dwelling Units

19.34.031 Junior Accessory Dwelling Units.

This Section provides standards for the establishment of junior accessory dwelling units, an alternative to the standard accessory dwelling unit, permitted as set forth in Section 19.34.030, and are allowed in accordance with Article 2 (Zoning Districts, Allowable Land Uses, and Zone-Specific Standards).

A. *Development Standards.* Junior accessory dwelling units shall comply with the following standards, including the standards in Table 3-13:

1. *Number of Units Allowed.* Only one accessory dwelling unit or, junior accessory dwelling unit, may be located on any residentially zoned lot that permits a single-family dwelling except as otherwise regulated or restricted by an adopted Master Plan or Precise Development Plan. A junior accessory dwelling unit may only be located on a lot which already contains one legal single-family dwelling.
2. *Owner Occupancy:* The owner of a parcel proposed for a junior accessory dwelling unit shall occupy as a principal residence either the primary dwelling or the accessory dwelling.
3. *Sale Prohibited:* A junior accessory dwelling unit shall not be sold independently of the primary dwelling on the parcel.
4. *Deed Restriction:* A deed restriction shall be completed and recorded, in compliance with Section D below.
5. *Location of Junior Accessory Dwelling Unit:* A junior accessory dwelling unit must be created within the existing walls of an existing primary dwelling, and must include conversion of an existing bedroom.
6. *Separate Entry Required:* A separate exterior entry shall be provided to serve a junior accessory dwelling unit.
7. *Kitchen Requirements:* The junior accessory dwelling unit shall include an efficiency kitchen, requiring and limited to the following components:
 - a. A sink with maximum width and length dimensions of sixteen (16) inches and with a maximum waste line diameter of one-and-a-half (1.5) inches,
 - b. A cooking facility or appliance which does not require electrical service greater than one-hundred-and-twenty (120) volts or natural or propane gas, and
 - c. A food preparation counter and storage cabinets which do not exceed six (6) feet in length.
8. *Parking:* No additional parking is required beyond that required at the existing primary dwelling was constructed.

Table 3-13
Development Standards for Junior Accessory Dwelling Units

Site or Design Feature	Site and Design Standards
Maximum unit size	500 square feet
Minimum unit size	150 square feet
Setbacks	As required for the primary dwelling unit by Article 2
Parking	No additional parking required

B. Application Processing.

1. The Zoning Administrator shall issue a junior accessory dwelling unit permit if the application provides the information required per the Submittal Requirements (Section C below) and conforms to the Development Standards (Section A above).
2. The City shall provide notice in compliance with Division 19.58 – Public Hearings.

C. Submittal Requirements. Application for a junior accessory dwelling unit shall include a completed application for a junior accessory dwelling unit permit and the following information as deemed appropriate by the Zoning Administrator:

1. *Plot Plan (Drawn to Scale):* Dimension the perimeter of parcel on which the junior accessory dwelling will be located. Indicate the location and use of all existing and proposed structures on the project site.
2. *Floor Plans:* A dimensioned plan drawn to scale of the existing primary dwelling identifying the use of each room and identifying the room(s) to be dedicated to the junior accessory dwelling unit, including an exterior entrance. The resulting floor area calculation of the proposed junior accessory dwelling unit shall be included, which shall include the area of any dedicated bathroom, if any, for the exclusive use of the junior accessory dwelling unit.
3. *Kitchen Plan:* A dimensioned plan drawn to scale indicating proposed kitchen improvements, including a kitchen sink, cooking appliance(s) food preparation counter and food storage cabinets.

D. Deed Restriction. Prior to obtaining a building permit for a junior accessory dwelling unit, a deed restriction, approved by the City Attorney, shall be recorded with the County Recorder's office, which shall include the pertinent restrictions and limitations of a junior accessory dwelling unit identified in this Section. Said deed restriction shall run with the land, and shall be binding upon any future owners, heirs, or assigns. A copy of the recorded deed restriction shall be filed with the Department stating that:

1. The junior accessory dwelling unit shall not be sold separately from the primary dwelling unit;
2. The junior accessory dwelling unit is restricted to the maximum size allowed per the development standards in Section 19.34.031;

3. The junior accessory dwelling unit shall be considered legal only so long as either the primary residence, or the accessory dwelling unit, is occupied by the owner of record of the property;
4. The restrictions shall be binding upon any successor in ownership of the property and lack of compliance with any provisions of Section 19.34.030, may result in legal action against the property owner, including revocation of any right to maintain a junior accessory dwelling unit on the property.

19.60.020 Definitions of Specialized Terms and Phrases.

Accessory Dwelling Units. A second permanent dwelling that is accessory to a legal primary dwelling on the same site. An accessory dwelling unit provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, sanitation, and parking. An accessory dwelling unit also includes manufactured homes.

Junior Accessory Dwelling Unit. A type of accessory dwelling unit that is accessory to and included within a legal primary dwelling on the same site. A junior accessory dwelling unit provides independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, and cooking. Cooking and food preparation facilities shall be limited to an efficiency kitchen as provided for in Section 19.34.031. Sanitation facilities may be independently provided for the junior accessory dwelling unit or may be shared with occupants of the primary dwelling provided interior access is available.

NORTH MARIN WATER DISTRICT
REGULATION 1
NEW SERVICE CONNECTIONS

a. Application for Service and Processing

Application for service must be made to the District in writing on the District's form by the property owner or his/her authorized agent. Applications must be supported by data as required by the District, such as a map and/or legal description of the property to be served, a description or plan showing intended water fixtures, a plan showing lawn and garden areas and an estimate of amount of water to be used. The size of the meter and service connection will be determined by the District.

Applications requiring a single service having a meter size equal to or less than one and one-half inch will be processed in the order of the date the application is received provided all requirements of the District are met. All other applications will be processed in the order of the date the application is received provided the Applicant meets all District requirements within 30 days of said date. If District requirements are not met within said 30 days, the application shall be null and void and must be resubmitted to the District except that:

the General Manager may extend the 30-day period if failure to comply with District requirements is due to workload limits of the District.

Receiving an application shall in no way represent a commitment or agreement by the District to serve water. Said commitment will be made only at the time service actually commences or when the District executes a service extension agreement whichever shall first occur. In the case of a service extension agreement, the commitment of the District to supply water shall be limited to the number of connections to be installed pursuant thereto and in accordance with the terms thereof. Additional requirements for recycled water service are included in Regulation 18.

b. Conditions Precedent to Service

Water service will be provided subject to:

- (1) The existence of a main of adequate capacity and pressure abutting the property to be served, or the construction of adequate mains, pumps and storage facilities under the provisions of Part B of these Regulations;
- (2) The advance payment of the District's initial charge for service as provided in Regulation 1 c.; and
- (3) Compliance with the other applicable provisions of these regulations.

c. Initial Charges for Service

Prior to commencement of service the Applicant shall pay an initial charge for service which shall be the total of the meter charge, the service line charge, the reimbursement fund charge and the facilities reserve charge computed as set forth below. "Est." means the actual cost of the service line as estimated by the District; "d.u." means dwelling unit. The Reimbursement Fund Charge shall not apply to recycled water service. Applications for a single service connection having a meter size equal to or less than one and one-half-inch shall pay a meter charge and a service line charge as set forth below. Applications requiring more than one meter or requiring a meter size greater than one and one-half-inch shall pay a meter charge and a service line charge based on the actual cost of said meter and service line installation(s) incurred by the District.

The Facilities Reserve Charge shall depend on the type of use as shown herein. The charge shall be based on the District's estimate of the quantity of water that will be used on the average day of the maximum month expressed in "equivalent single family dwelling units" of 636 gallons each for Novato and 295 gallons each for West Marin. The District shall determine Facilities Reserve Charges for those consumers served prior to May 1, 1973 by its estimate of gallons per day of water use on the average day of the maximum month divided by 636 for Novato, or 295 for West Marin, over the first ten years of service or less as applicable. If at any time a consumer's use exceeds the estimate used in fixing the charge the District may require the consumer to pay an additional Facilities Reserve Charge at the rate then in effect for each equivalent single family d.u. of such excess.

(1) Novato Service Area

Meter Size Inches	Meter Charge (1)	Service Line Charge (2)	Reimbursement Fund Charge (3)
5/8	\$60	\$3,500	\$ 420
1	120	3,500	1,055
1-1/2	300	3,500	1,540
2	Est.	Est.	3,140
3	Est.	Est.	4,680
4	Est.	Est.	7,310
6	Est.	Est.	14,360
8	Est.	Est.	31,250
10	Est.	Est.	41,610

Effective
12/03/13
Facilities
Reserve
Charge

Single family detached residences and duplexes (each d.u)	\$28,600
Townhouses and condominiums (3 units or more) (each d.u)	17,200
Mobile home (each d.u.)	10,000
Apartment houses - 5 units or more, (each d.u.)	11,200
Second (accessory) d.u. on a parcel in undivided ownership	10,000
d.u. with kitchen or kitchenette whose occupants receive regular meals from central kitchen/dining facility on site.....	7,600
d.u. without kitchen facilities and landscape	6,100
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine equivalent single family d.u.'s by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 636 (each equivalent single family d.u.).....	28,600

Also see Regulation 29.

(2) West Marin Service Area – Effective January 1, 2009

<u>Meter Size</u> <u>(Inches)</u>	<u>Meter Charge</u> <u>(1)</u>	<u>Service Line</u> <u>Charge</u> <u>(2)</u>	<u>Reimbursement Fund</u> <u>Charge</u> <u>(3)</u>
5/8	\$60	\$3,500	\$1,950
1	120	3,500	4,950
1-1/2	300	3,500	7,200
2	Est.	Est.	14,700
3	Est.	Est.	21,900
4	Est.	Est.	34,200

	Effective
	12/03/13
	Facilities
	Reserve
	Charge
Single family detached residences and duplexes (each d.u)	\$22,800
Townhouses and condominiums (3 units or more) (each d.u)	13,700
Mobile home (each d.u.)	8,000
Apartment houses - 5 units or more, (each d.u.)	8,900
Second (accessory) d.u. on a parcel in undivided ownership	8,000
d.u. with kitchen or kitchenette whose occupants receive regular meals from central kitchen/dining facility on site.....	6,100
d.u. without kitchen facilities and landscape	4,900
Non-residential uses and master metered residential uses with a history of water consumption: the District shall determine equivalent single family d.u.'s by its estimate of gallons per day of potential water use on the average day of the maximum month divided by 295 (each equivalent single family d.u.)	22,800

Also see Regulation 29.

(3) Charge for Annexation - All Service Areas

In addition to the other charges specified, no property shall be annexed to an improvement district unless an annexation fee is paid. The annexation fee shall be equal to the total revenue from tax on land (not improvements) that the District would have received had the property to be annexed been within the improvement district from the date of its formation, plus an amount equal to the interest revenue the District would have received on said tax revenue.

(4) Single Service Connection Requests - Deposit Requirement for Water-Saving Devices and Restrictions

A \$500 deposit must be paid to the District before a single water service connection is provided to assure compliance with all Water-Saving Devices and Restrictions for New Development pursuant to Regulation 15.e and 17.e. Upon inspection that requirements for all Water-Saving Devices and Restrictions have been met, the \$500 deposit will be refunded to the applicant.

(5) Initial charges for Affordable Housing

Payment of Initial Charges for water service to Applicant projects that include housing units affordable to lower income households, as defined in Government code Section 65589.7(d)(1), may be deferred for affordable units only until such time as a certificate of occupancy is issued by the city or county and meters thereto are authorized to be set or a period of two years from the date of the Applicant's Water Service Agreement, whichever duration is less. Said deferred payment shall include interest calculated at the rate earned on the District investment portfolio over the deferral period as determined solely by the District.

d. (This section left intentionally blank)

e. Location of Service Connection

Service will be provided at a meter abutting a major frontage of the consumer's property at a point determined by the District. The consumer may indicate the point on his property where he desires the service.

f. Facilities Reserve Charge for Public Parks - All Service Areas

The Facilities Reserve Charge for public parks shall be the amount charged for a 5/8-inch meter serving a single dwelling unit irrespective of the actual size of the meter provided each and all of the following conditions are met:

- (1) The public park is owned by a public agency and is open and accessible to the public for active recreational uses. For the purposes of this regulation landscaped areas along roadways and surrounding public buildings and landscaped areas in privately owned recreational areas or in areas where use is limited to a select group, such as a homeowners association are not public parks. Golf courses, whether privately or publicly owned or any other enterprise which charges a use fee, are not public parks.
- (2) The public agency owning the park enters into a service agreement with the District providing:
 - (a) Water shall be used only during such off-peak hours as shall be therein specified by the District with the exception that water can be used during peak periods for special limited and unusual circumstances such as system testing, germination of newly seeded turf, major turf renovation projects, irrigation following fertilization or herbicide applications, irrigation required prior to aeration and minor hand irrigation required for plant establishment, and
 - (b) Water use shall be discontinued or reduced as directed by the District at any time it determines that a threatened water shortage exists and so notifies the consumer.
 - (c) Water applied to turf areas shall be applied through a well-designed irrigation system that contains the following features as demonstrated by design drawings and specifications:
 - (i) Use of sprinkler heads, sprinkler head components and/or control schedules which achieve precipitation rates which match the water absorption capacity of the sod/soil column.
 - (ii) Sprinkler head spacing that is not greater than 50% of the diameter of the precipitation pattern thrown by the sprinkler head (i.e., head-to-head

spacing) at the minimum delivery pressure available at the site based on field measurements or pressure data supplied by the District. This 50% diameter spacing requirement can be varied provided the requirements of Section 1(f)(2)(c)(ix) are met.

- (iii) Sizing and layout of pipe laterals and selection and grouping of sprinkler heads and nozzles in a manner which assures that the pressure requirement of each sprinkler head is achieved.
 - (iv) Separation of valves such that valves serving turf sprinklers do not include sprinklers irrigating non-turf landscape which has a different water requirement.
 - (v) A valve in every head may be required by the District to control drain down and optimize distribution control.
 - (vi) Control of all turf valves by an automatic controller capable of programming each valve for the following variables:
 - (1) Irrigation days,
 - (2) Minimum of three independently scheduled start times per irrigation day
 - (3) Minutes of run time per start time cycle.
 - (vii) Controller shall contain a water budgeting feature which permits the same incremental percentage change in all run times (up or down) by changing the water budget setting, thus permitting easy irrigation scheduling as a function of changes in evapotranspiration demand.
 - (viii) Controller shall accommodate a rain shut-off feature which automatically shuts down irrigation when it is raining.
 - (ix) The irrigation distribution system shall be designed to achieve a lower quartile distribution uniformity of at least 80%. This distribution uniformity shall be verified after installation by field precipitation tests performed by a competent expert selected by the District and paid for by the applicant public agency. In the event said uniformity is not achieved, the applicant public agency shall make changes to the system until subsequent tests by said expert, and also paid for by the applicant agency, demonstrate achievement of said distribution uniformity. The lower-quartile uniformity coefficient, an approximation of overall irrigation system uniformity, shall be determined by sampling the precipitation pattern or "footprint" of the irrigation system with catch cans. The coefficient is determined by arraying the resulting data expressed as inches per catch can (or volume of water in can if cans are of uniform size) in descending order of magnitude, determining the mean of the lower one fourth of the catch-can data, and dividing it by the mean value for all of the cans.
- (d) In designing the irrigation system, the applicant agency shall conduct field tests to determine typical infiltration rates for the sub-turf soil. Design precipitation rates shall, as near as practicable, be matched to or not exceed said infiltration rates

- (e) Consumer or consumer's operator of the turf irrigation system shall apply water pursuant to an irrigation schedule developed for the site and based on applied water advice made available by the District or said turf irrigation system shall be controlled by moisture sensing devices which are operated to achieve efficient irrigation.
- (f) In the case of recycled water service, exceptions to this section may be made or additional requirements imposed as determined by the District to assure optimum soil moisture conditions are maintained and slime growth in the private distribution system is minimized.

g. Land Use Approval Established

An application for service to unimproved land shall not be processed to completion by the District unless the Applicant presents to the District a document from the city or county entity having jurisdiction verifying that a:

- (1) Valid Building Permit has been issued; or
- (2) Preliminary Division of Land has been approved; or
- (3) Tentative Subdivision Map has been approved; or
- (4) Planned Unit Development Precise Development Plan has been approved; or
- (5) Conditional Use Permit has been approved.

The word unimproved as used herein means land on which no improvements exist or land which although improved to a degree is being further improved and said further improvement is the cause for augmented water service and requires one or more of the above listed land use approvals.

h. Wastewater Disposal Established

Water service will not be furnished to any building unless it is connected to a public sewer system or to a wastewater disposal system approved by all governmental entities having regulatory jurisdiction. This subsection shall not apply to service during construction or service provided under Regulation 5.

i. Initial Charges for Service to Residential Connections With Fire Fighting Equipment

Where a meter larger than is otherwise necessary for consumption needs is installed solely to provide capacity for private fire sprinklers, fire hydrants or other fire fighting equipment in residential connections, the Reimbursement Fund Charge shown in Column (3) of subsections c.(1) and c.(2) that shall apply shall be the corresponding charge for the next smaller size meter.

j. Landscape Plans

If the city or county requires an approvable landscape plan as part of its land use approval process said plan must be submitted to the District before an application shall be processed to completion.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Receive Wastewater Operations Committee Meeting Report, March 2015	MEETING DATE: May 11, 2015 AGENDA ITEM NO.: 7.a.
RECOMMENDED ACTION: Information. Receive report.	
SUMMARY AND DISCUSSION: <p>The March 2015 reports for wastewater treatment operations, collection system operations, and reclamation facilities are attached.</p> <p>Wastewater Treatment Facility</p> <p>Novato Treatment Plant (NTP) water quality performance was excellent with all parameters well within effluent standards, and there were no NPDES violations. The Recycled Water Facility produced 7.34 MG of recycled water in March. Safety performance was excellent with another accident-free month for a total of 1,762 accident-free days at the end of March. Routine maintenance activities were performed at the NTP and the Ignacio Transfer Pump Station (ITPS). The Discharge Monitoring Report (DMR) and the Electronic Self-Monitoring Report (e-SMR) for February 2015 were submitted on March 27, 2015.</p> <p>Odor Control and Landscaping</p> <p>Operations staff continued to perform liquid phase sulfide sampling and analysis, based on recommendations from Dave McEwen of Brown and Caldwell (B&C), the District's odor consultant. The media in the large odor control bed between primary clarifiers #1 & #2 which was topped off in November appears to be performing well. Also, operations staff continued to add sodium hypochlorite to the influent flow as needed. The redwood trees originally in planter boxes along the eastern fence line of the plant site were relocated and replanted to the northeast corner of the plant site in late February/early March, and appear to be doing well. Staff will continue to monitor the landscaping, and evaluate the potential for additional tree plantings, in this area of the plant site.</p> <p>Collection System and Pump Stations</p> <p>Staff cleaned a total of 74,674 ft of sewer lines. Staff also televised 2,329 ft of sewer lines with the CCTV truck, and hand televised 706 ft with the Push Cam. CCTV production was low this month due to staff availability for this activity. Staff also conducted 260 lift station inspections. There was no outside contractor CCTV or cleaning activity on larger diameter sewers this month. Staff completed maintenance inspections on 6 air relief/vacuum (ARVs) valves.</p> <p><u>Safety:</u> No lost time accidents in March 2015 for a total of 1,477 accident-free days.</p> <p><u>Standard and Emergency Operating Procedures (SOPs & EOPs):</u> No SOPs were generated in March.</p> <p><u>Sanitary Sewer Overflows (SSOs):</u> There were three (3) SSOs in March 2015 as discussed in the attached Collections System Operations Report.</p> <p>Reclamation Facility</p> <p>The rancher continued to apply weed suppressant around sprinkler heads on Parcels in the pasture areas. The contractor for the Drainage Pump Station Improvement Project completed the work this month. Staff began the process to locate the leak on the Wildlife Pond Feed Pipeline There were no irrigation or sludge handling activities this month.</p>	
DEPT.MGR.: JB (Veolia), SRK, TMO	MANAGER-ENGINEER: SSK

NOVATO SANITARY DISTRICT

Meeting Date: April 21, 2015*

The Wastewater Operations Committee of the Novato Sanitary District will hold a meeting at **2:30 PM, Tuesday, April 21, 2015***, at the District offices, 500 Davidson Street, Novato.

**Note date and time revised from regularly scheduled date and time of 3rd Monday of the month at 2:00pm.*

AGENDA

1. AGENDA APPROVAL:

2. 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 Committee at this time as a result of any public comments made.

3. APPROVE MINUTES OF MARCH 16, 2015 MEETING

4. WASTEWATER TREATMENT FACILITIES REPORT FOR MARCH 2015:

- a. Treatment Plant Performance Report
- b. Maintenance Report
- c. Safety and training
- d. Odor control and landscaping report

5. COLLECTION SYSTEM REPORT FOR MARCH 2015:

- a. Collection System Maintenance
- b. Pump Station Maintenance
- c. Collection System Performance
- d. Safety and Training

6. RECLAMATION FACILITY REPORT FOR MARCH 2015:

- a. Ranch Operations
- b. Irrigation Parcels
- c. Irrigation Pump Station
- d. Sludge Handling and Disposal

7. OTHER ITEMS:

8. ADJOURNMENT:

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.

Materials that are public records and that relate to an open session agenda item will be made available for public inspection at the District office, 500 Davidson Street, Novato, during normal business hours.

March 16, 2015

A regular meeting of the Wastewater Operations Committee of Novato Sanitary District was held at 2:00 p.m., Monday, March 16, 2015, at the District Office, 500 Davidson Street, Novato.

MEMBERS PRESENT: Committee Members Jerry Peters and Brant Miller.

STAFF PRESENT: Sandeep Karkal, Manager-Engineer
Steve Krautheim, Field Services Manager
Tim O'Connor, Collections System Superintendent
John Bailey, Project Manager, Veolia
Julie Swoboda, Administrative Secretary

OTHERS PRESENT: Lynda Farmery, Veolia

AGENDA APPROVAL: Approved as presented.

PUBLIC COMMENT: None.

APPROVAL OF MEETING MINUTES FOR MARCH 2, 2015: The March 2, 2015 meeting minutes were approved as presented.

RECEIVE "DRAFT" 2014 ANNUAL OPERATIONS AND MAINTENANCE REPORT: The Manager-Engineer noted that the Draft 2014 Annual Operations and Maintenance Report was provided. He requested the Committee review and approve the report for submission to the Board at the next Regular Board meeting. Discussion followed.

Committee Members Peters and Miller stated that the Draft Report was ready for final publication and approved it for presentation to the Board of Directors at the March 23, 2015 Regular Board Meeting.

WASTEWATER TREATMENT FACILITIES OPERATIONS AND MAINTENANCE REPORT FOR FEBRUARY 2014:

- Treatment Plant Performance Report, Maintenance Report and Safety & Training:
Manager Engineer Sandeep Karkal introduced Veolia Project Manager John Bailey who provided an overview of treatment plant operations for the month of February. He discussed key operations and maintenance events at the Novato facility, the Ignacio Transfer Pump Station, the Recycled Water Plant, and the Sludge Lagoons. He noted that the biofilter media at the Ignacio Pump Station was replaced, removing the sand and replacing it with a wood based media.

The Project Manager discussed training events completed in February and stated that as of February 28th, Veolia employees have been accident free for a total of 1,731 days. He discussed the training Veolia employees participated in during February. He reviewed the operations and maintenance report and stated that 0.59 million gallons of recycled water were produced.

The Project Manager stated that Jerome Meter (H₂S) readings continue to be taken within the treatment plant as well as in the Lea Drive neighborhood area and no odor notifications were received in February.

- Odor control and landscaping report: The Manager-Engineer discussed odor control related activities in February: 1) operations staff reverted the converted anoxic zones in the aeration basins back to anoxic mode in February; 2) the District continues the trial operation of the Aqua-Fog system in the vicinity of the aeration basins; 3) monitoring continues of the media in the large odor control bed between primary clarifiers #1 and #2; 4) continued addition of an oxidizing agent on an as-needed basis to the influent flow.

The Manager-Engineer stated that redwood trees have been planted in the northeast corner of the plant site and noted that the District has received some positive comments from at least one Lea Drive neighbor. He stated that staff will continue to monitor the landscaping, and evaluate the potential for additional tree plantings in this area.

COLLECTION SYSTEMS OPERATION AND MAINTENANCE REPORT FOR FEBRUARY 2015:

The Collections System Superintendent presented the Collection Systems Monthly Report for February 2015. He reported that the Collection Systems crew cleaned a total of 40,553 feet of sewer pipeline and that the department completed 198 maintenance work orders which were generated for February. He stated that the District's CCTV van (Closed Circuit TV) televised 40 line segments for 6,622 feet of production and he noted that no areas were identified as needing repairs or further evaluation. He reported on the current Collection System Projects, and outlined the specialized training that the department completed. He stated that as of February 28, 2015, the Collections Department and the District have worked accident free for a total of 1,446 days.

The Collections System Superintendent stated that there were four sanitary sewer overflows in February and he provided an overview of each incident.

RECLAMATION FACILITY REPORT FOR FEBRUARY 2015:

The Field Services Manager presented the Reclamation Facilities report for February. He stated that the rancher continued to apply weed suppressant around sprinkler heads on Parcels in the pasture areas. He stated that the contractor for the Drainage Pump Station Improvement Project continued work as the weather and conditions allowed. He noted that there were no irrigation or sludge handling activities this month.

MANAGER'S ANNOUNCEMENTS:

The Manager-Engineer stated that the next Wastewater Operations Committee (WWOC) meeting would usually be scheduled for Monday, April 20th but asked if the meeting could be postponed to Tuesday, April 21st. Committee Members Peters and Miller agreed that the next WWOC meeting would take place on Tuesday, April 21st at 2:00 p.m.

ADJOURNMENT: There being no further business to come before the Committee, the meeting adjourned at 2:45 p.m.

Respectfully submitted,

Sandeep Karkal
Manager-Engineer

Julie Swoboda, Recording

DRAFT



April 9, 2015

Mr. Sandeep Karkal
Manager - Engineer
Novato Sanitary District
500 Davidson Street
Novato, CA 94545

Subject: Veolia Water Operations Report – March 2015

Dear Mr. Karkal:

I am pleased to provide the Monthly Operation Report for March 2015.

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

Best regards,

A handwritten signature in blue ink, appearing to read "John Bailey". The signature is stylized and cursive.

John Bailey
Project Manager, Veolia



**MONTHLY OPERATIONS REPORT
March 2015**

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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TREATMENT PLANT PERFORMANCE SUMMARY: March 2015:

Bay Discharge – NPDES Limits

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	4.05	4.59	N/A	N/A
Max Peak Hour, MGD – No Significant Rainfall	N/A	~ 8	N/A	N/A
Influent BOD ₅ , lb/day (month ave/max)	9,579	11,449	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	10,249	15,390	N/A	N/A
Effluent BOD ₅ , mg/L (monthly ave/weekly max)	<5	6	30	45
Effluent TSS, mg/L (monthly ave/weekly max)	<3	<3	30	45
Effluent BOD ₅ - % Removal, Minimum	98	N/A	85	N/A
Effluent TSS - % Removal, Minimum	99	N/A	85	N/A
Ammonia, mg/L – (monthly ave/daily max)	0.18	0.18	6	21
pH, su (min / max)	6.8	7.1	6.5	8.5
Enterococcus, mpn (30 day geo mean)	3.2	N/A	35	N/A
Fecal Coliform, mpn (30 day median)	6.1	N/A	140	N/A
Fecal Coliform, mpn (90 th percentile)	380	N/A	430	N/A
Total Coliform, mpn (5 Sample Median / Max)	N/A	N/A	240	10,000
Total Permit Exceedances (NPDES)	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	7.34	N/A
Average Turbidity	NTU	0.89	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	0.00	72
Minimum CT (disinfection)	mg-min/L	>450	450
Minimum Dissolved Oxygen (DO)	mg/L	8.0	1.0
Maximum Total Coliform	mpn/100 ml	<2	2

Total Rainfall. – 0.10 inches

Daily Max 3/22/15 – 0.07 inches

Note: Rainfall data from weather station readings at 500 Davidson St (WWTP)

SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTP and Ignacio Pump Station completed
- Five Minute Tailgate training is held daily with all staff.
- No safety incidents for the month of March.
- Accident Free: 6/1/10 – 3/31/15: 1,762 days
- Monthly Safety Topic and Training: Electrical Safety/General Awareness Sprains and Strains
- SOP Review: Recycle Water Plant Coliform Sampling Procedure

OPERATIONS & MAINTENANCE STATUS / REVIEW:**Key events for the period:**

No significant rainfall in March.

Novato

- Routine rounds, readings and maintenance
- Replaced anti-siphon valve on Diesel Fuel Tank
- Secondary Clarifier #1 Taken out of service
- Replaced Gravity Belt Thickener #2 tension roller and bearing
- Replaced injector, gasket cover and housing on Wet Weather Pump #1
- Replaced cross piping on Wet Weather Pump #1
- Replaced water pump manifold on Wet Weather Pump #1
- HVAC (air conditioner) Breaker – tightened line/load electrical and checked voltage and amperage
- Replaced switches on UV
- Repaired Gorman Rupp Trailered Diesel Pump & Fuel Tank

Equipment Out of Service – Due to Planned Servicing, Maintenance, or Replacement

- Aeration Basin #1 & #2 (not needed at current flows)
- Secondary Clarifier #2 (not needed at current flows)

Ignacio Transfer Pump Station

- Routine rounds, readings and maintenance
- Installed GFI receptacle in control panel of odor scrubber bed – irrigation system

Equipment Out of Service – Due to Planned Servicing, Maintenance, or Replacement

- None

Recycled Water Plant (RWP)

- Performed plant rounds and maintenance
- Replaced frozen gate valve to drain on Chlorine Contact Tank
- Replaced frozen gate valve to launder on Chlorine Contact Tank
- Rebuilt both Cl2 Analyzers

Equipment Out of Service – Due to Planned Servicing, Maintenance, or Replacement

- None

Sludge Lagoons

- Performed routine rounds and inspection
- Inspected Decant line

LABORATORY REPORT SUMMARY**Laboratory Staff:**

Kurt Hawkyard of Veolia Water came on board in February and was fully integrated in to the NSD laboratory in March. Kurt has a Grade I Laboratory certification and an Industrial Waste Treatment Plant Operator Grade 2 certification from CWEA (California Water Environment Association). Kurt will be working in the laboratory and also be conducting inspections and sampling for the NSD pretreatment program.

Pretreatment:

Bob Adamson continues to support the NSD Pretreatment Program. In preparation for the renewal of the permit for the Buck Institute for Research on Aging, Bob Adamson, Kurt Hawkyard and Liz Falejczyk went to inspect the facility on March 19th. The permit renewal is in process.

A groundwater discharge permit was issued in March and discharge began after an inspection on April 1st by Liz Falejczyk and Kevin Craig of NSD.

ADMINISTRATION:

- February Electronic Self Monitoring Report submitted on March 27, 2015
- February Electronic DMR Report submitted on March 27, 2015

ODORS:

- Jerome Meter (H2S) readings performed in neighborhood and within treatment plant.
- No odor complaints in March

MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held weekly.
- CWEA Tour – March 19th

Veolia Support Staff On/Off Site (Various Times)

John O'Hare Technical Support

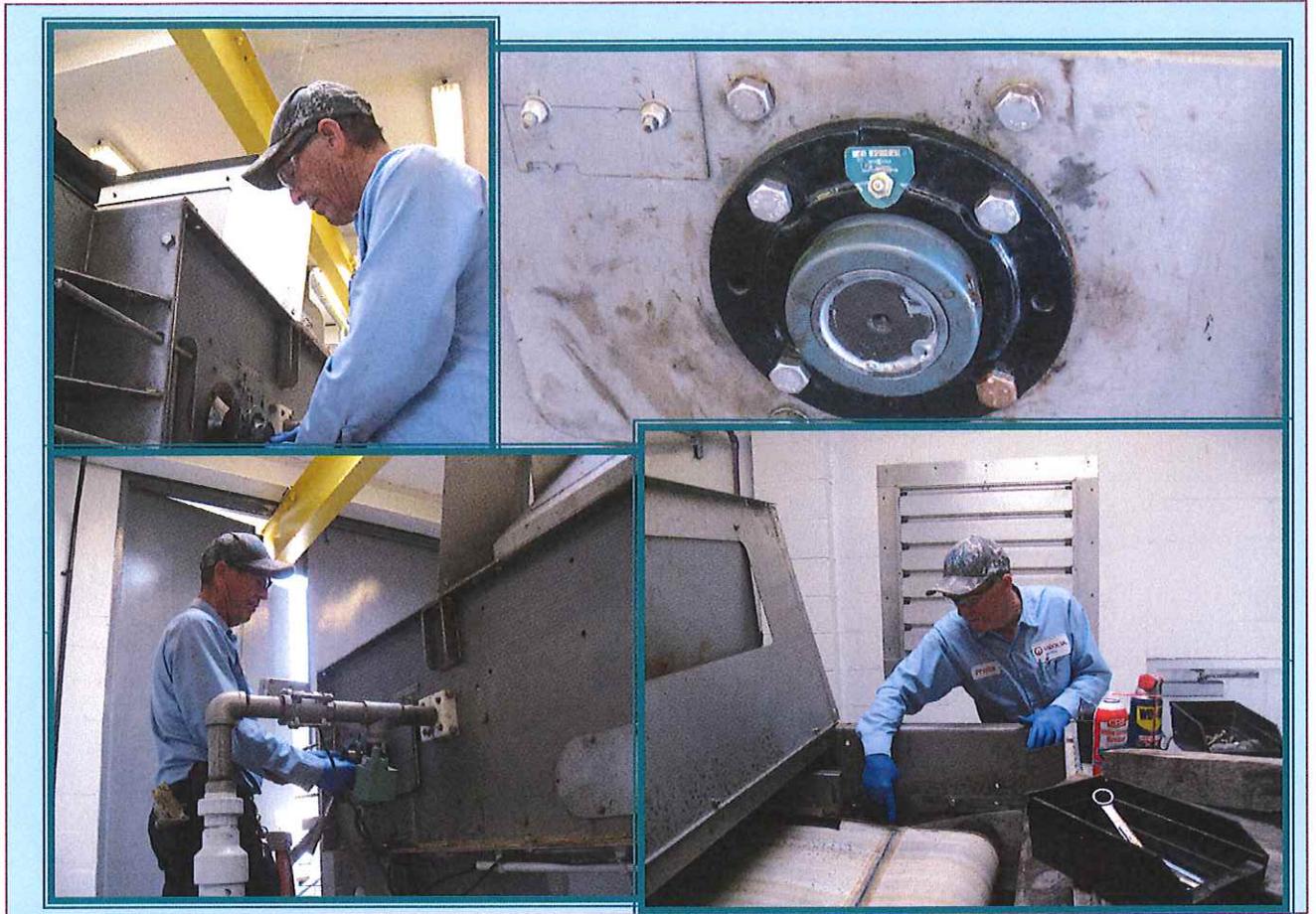
RELOCATION OF REDWOOD TREES

March 2015



Top Left – Redwood Tree Hoisted by Crane to Location on North West Perimeter of Facility
Top Right – Redwood Trees Relocated to West Perimeter of Facility
Bottom Left – Relocated Trees on North West Perimeter
Bottom Right – Crane Hoisting Redwood Tree

GRAVITY BELT THICKENER
BEARING AND ROLLER REPLACEMENT
March 2015



Top Left – Preston Ingram Removing Old Bearing

Bottom Left – Preston Installing New Bearing

Top Right – New Bearing Installed

Bottom Right – Preston Ingram Inspecting Belt Alignment on Gravity Belt Thickener

RECYCLED WATER



Top Left – Brian Exberger Measuring Sand Turnover Rate at Filters
Top Right – Installation of New Valve at Recycled Water Filters
Bottom Left – Brian Tests New Valve
Bottom Right – New Valve Installation

MEET THE LABORATORY STAFF



Top Left – Lab Director, Elizabeth (Liz) Falejczyk Pours Enterococcus Sample
Bottom Left – Lab Tech, Kurt Hawkyard Grabs an Aeration Basin Sample
Right – Liz Setting up Enterococcus Sample

Novato Sanitary District
BOD/TSS Report



March, 2015

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal PERCENT
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
03/01/15	4.33										
03/02/15	4.34	258	9,338	260	9,411	<5	<181	<3	<109	98.1	98.8
03/03/15	4.40										
03/04/15	4.59	267	10,221	231	8,843	<5	<191	<3	<115	98.1	98.7
03/05/15	4.37										
03/06/15	4.10	266	9,096	259	8,856	<5	<171	<3	<103	98.1	98.8
03/07/15	4.30										
03/08/15	4.45										
03/09/15	3.92										
03/10/15	3.96	329	10,866	466	15,390	<5	<165	<3	<99	98.5	99.4
03/11/15	3.82										
03/12/15	3.75	264	8,257	278	8,694	<5	<156	<3	<94	98.1	98.9
03/13/15	3.74	254	7,923	290	9,046	6	187	<3	<94	97.6	99.0
03/14/15	3.83										
03/15/15	4.01										
03/16/15	4.15	309	10,695	335	11,595	<5	<173	<3	<104	98.4	99.1
03/17/15	4.32	268	9,656	278	10,016	6	216	<3	<108	97.8	98.9
03/18/15	4.17										
03/19/15	4.18										
03/20/15	4.12	253	8,693	302	10,377	5	172	<3	<103	98.0	99.0
03/21/15	4.14										
03/22/15	4.30	256	9,181	282	10,113	<5	<179	<3	<108	98.0	98.9
03/23/15	3.90										
03/24/15	3.90	352	11,449	311	10,116	7	228	<3	<98	98.0	99.0
03/25/15	3.78			334	10,529			<3	<95		99.1
03/26/15	3.78										
03/27/15	3.61										
03/28/15	3.63										
03/29/15	3.72										
03/30/15	3.82										
03/31/15	4.02										
Weekly Averages											
03/07/15	Week 1	264	9,552	250	9,037	5	181	3	109		
03/14/15	Week 2	282	9,015	345	11,043	5	170	3	95		
03/21/15	Week 3	277	9,681	305	10,663	5	187	3	105		
03/28/15	Week 4	304	10,315	309	10,253	6	203	3	100		
	Week 5										
Monthly											
Minimum	3.61	253	7,923	231	8,694	<5	<156	<3	<94	98	99
Maximum	4.59	352	11,449	466	15,390	7	228	<3	<115	98	99
Total	125.45										
Average	4.05	280	9,579	302	10,249	<5	<184	<3	<102	98	99

Novato Sanitary District
Conventional Pollutants Report



March, 2015

Date	INFLUENT - A001			Effluent - E002							
	Flow Total	pH	Ammonia	Coliform / Bacteria			pH	Ammonia	Unionized Ammonia	Oil & Grease	Temp
				Fecal	Entero	Total					
	MGD	su	mg/L	MPN/100 mL			su	mg/L	mg/L		Deg C
03/01/15	4.33										
03/02/15	4.34			4.5	7.2		7.0				18.5
03/03/15	4.40						7.1				19.2
03/04/15	4.59	7.6		2.0	<1.0		7.1	0.18	0.00091	2.5	19.4
03/05/15	4.37			2.0	<1.0		7.1				19.3
03/06/15	4.10	7.3					7.0				20.2
03/07/15	4.30										
03/08/15	4.45										
03/09/15	3.92	7.0					7.0				19.4
03/10/15	3.96			2.0	2.0		7.0				19.5
03/11/15	3.82	7.0					7.0				20.1
03/12/15	3.75			6.1	<1.0		7.0				20.0
03/13/15	3.74	7.1		4.5	2.0		7.0				20.3
03/14/15	3.83										
03/15/15	4.01										
03/16/15	4.15	7.0		2.0	<1.0		7.0				20.4
03/17/15	4.32			540.0	2.0		7.0				19.9
03/18/15	4.17	7.3					7.0				19.9
03/19/15	4.18						7.0				20.2
03/20/15	4.12	6.9		<1.8	<1.0		6.9				20.0
03/21/15	4.14										
03/22/15	4.30			33.0	<1.0						
03/23/15	3.90	7.1					7.1				20.5
03/24/15	3.90			540.0	101.7		7.0				20.3
03/25/15	3.78	6.9		17.0	24.3		6.9				21.0
03/26/15	3.78			140.0	29.2		6.9				20.6
03/27/15	3.61			4.5			6.8				21.1
03/28/15	3.63										
03/29/15	3.72										
03/30/15	3.82						6.9				20.8
03/31/15	4.02						7.0				20.6
Monthly											
Minimum	3.61	6.9		<1.8	<1.0		6.8	0.18			18.5
Maximum	4.59	7.6		540.0	101.7		7.1	0.18	0.00091	2.5	21.1
Total	125.45										
Average	4.05	7.1					7.0	0.18	0.00091	2.5	20.1

Novato Plant : Bacterial Results

EFFLUENT: E-002 Station

Mar-15

Fecal Coliform		Enterococcus	
(1) 30-Day Median not to exceed 140 MPN/100 mL	(2) 90th Percentile not to exceed 430 MPN/100 mL	30-Day Geometric mean not to exceed 35 MPN/100 mL	

March 1, 2015		
March 2, 2015	4.5	
March 3, 2015		
March 4, 2015	2	
March 5, 2015	2	
March 6, 2015		
March 7, 2015		
March 8, 2015		
March 9, 2015		
March 10, 2015	2	
March 11, 2015		
March 12, 2015	6.1	
March 13, 2015	4.5	
March 14, 2015		
March 15, 2015		
March 16, 2015	2	
March 17, 2015	540	
March 18, 2015		
March 19, 2015		
March 20, 2015	< 1.8	
March 21, 2015		
March 22, 2015	33	
March 23, 2015		
March 24, 2015	540	
March 25, 2015	17	
March 26, 2015	140	
March 27, 2015	7.8	
March 28, 2015	17	
March 29, 2015		
March 30, 2015		
March 31, 2015		

90th Percentile Ranking

Sample #1	
Sample #2	
Sample #3	
Sample #4	
Sample #5	
Sample #6	
Sample #7	
Sample #8	
Sample #9	
Sample #10	
Sample #11	
Sample #12	
Sample #13	
Sample #14	
Sample #15	
Sample #16	
Sample #17	
Sample #18	
Sample #19	
Sample #20	
Sample #21	

March 1, 2015		
March 2, 2015	7.2	
March 3, 2015		
March 4, 2015	< 1.0	
March 5, 2015	< 1.0	
March 6, 2015		
March 7, 2015		
March 8, 2015		
March 9, 2015		
March 10, 2015	2.0	
March 11, 2015		
March 12, 2015	< 1.0	
March 13, 2015	2.0	
March 14, 2015		
March 15, 2015		
March 16, 2015	< 1.0	
March 17, 2015	2.0	
March 18, 2015		
March 19, 2015		
March 20, 2015	< 1.0	
March 21, 2015		
March 22, 2015	< 1.0	
March 23, 2015		
March 24, 2015	101.7	
March 25, 2015	24.3	
March 26, 2015	29.2	
March 27, 2015		
March 28, 2015		
March 29, 2015		
March 30, 2015		
March 31, 2015		

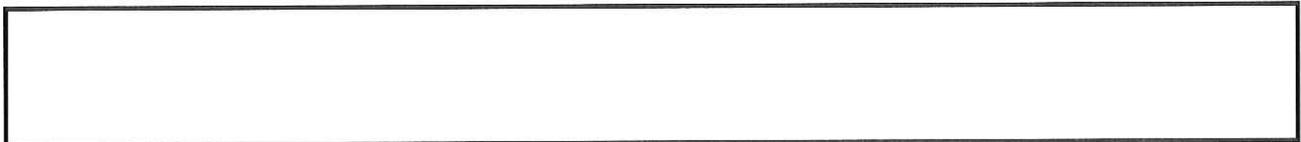
Max	540
Min	1.8
Avg	87.98
30-Day Median	6.1

90th Percentile Value **380**

Max	101.7
Min	1.0
Avg	13.4
30 Day Geo. Mean	3.2

NOVATO SANITARY DISTRICT
WATER RECLAMATION 2015
COMPLIANCE SUMMARY REPORT

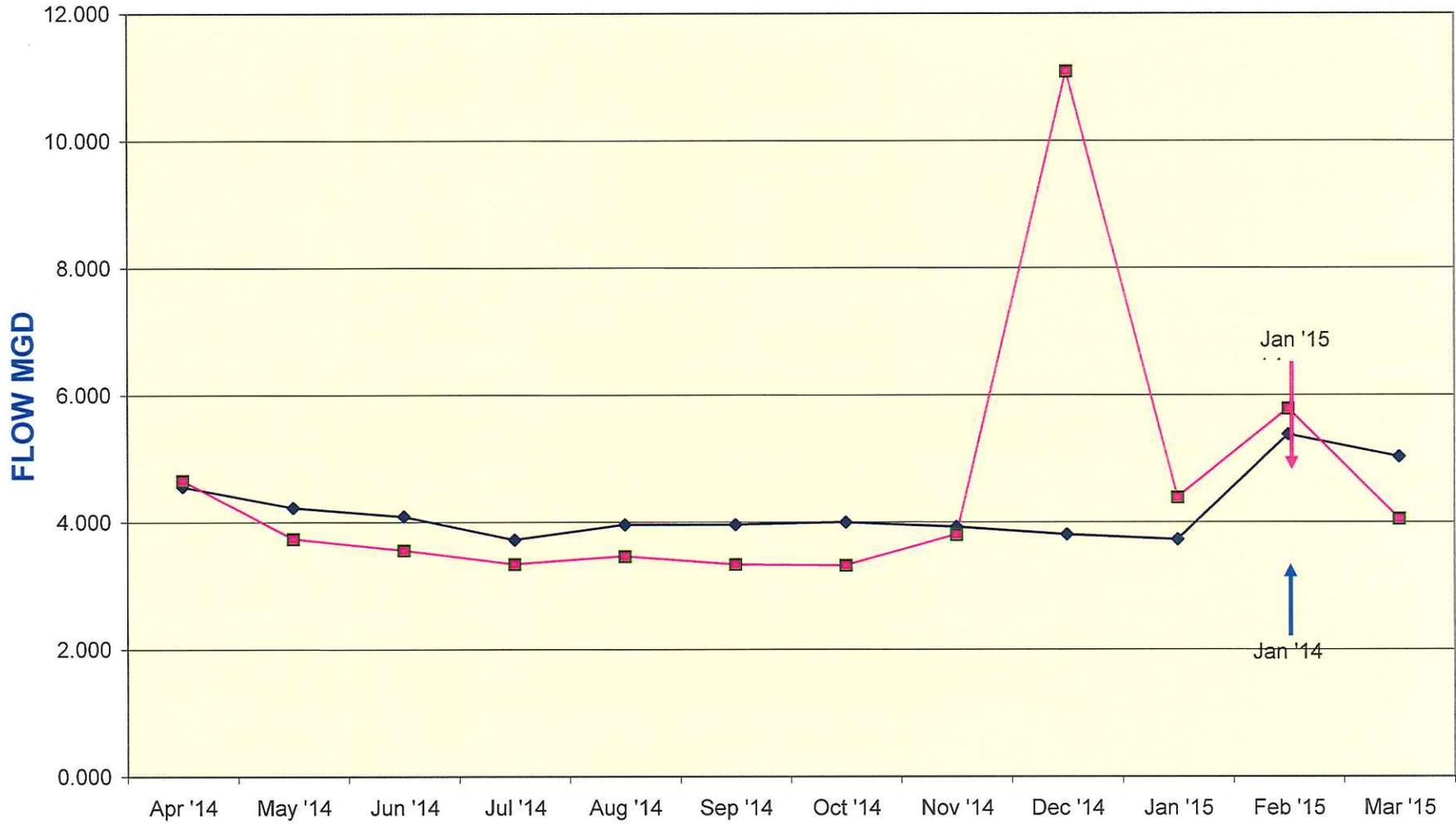
March	Fil Inf Q	Million Gallons Delivered			Influent Turbidity		Effluent Turbidity		Cl ² Dose mg/L		DO mg/L	Coliform mpn	CT Min
		Rec	Bank	Pot	Max	Ave	Min +5	Ave	Min	Ave			
March 1													
March 2													
March 3													
March 4		0.117					0	0.8			9.2		> 450
March 5		0.154					0	0.7			9.3		> 450
March 6		0.209					0	0.7			8.8		> 450
March 7													
March 8													
March 9			0.204										
March 10													
March 11		0.156					0	0.8			8.7		> 450
March 12		0.071					0	0.7			8.7		> 450
March 13		0.938					0	0.7			8.7		> 450
March 14		0.097					0	0.7					> 450
March 15			0.072										
March 16			0.429										
March 17		0.558					0	0.8			8.6		> 450
March 18		0.584					0	0.8			8.7		> 450
March 19		0.484	0.057				0	1.0			8.5		> 450
March 20		0.370					0	1.1					> 450
March 21													
March 22			0.225										
March 23			0.060										
March 24													
March 25													
March 26		0.448					0	0.9			8.0		> 450
March 27		0.600					0	0.9			8.0		> 450
March 28		0.426					0	1.1			9.0		> 450
March 29		0.156					0	1.0			8.0		> 450
March 30		0.250					0	1.0			8.8		> 450
March 31		0.675					0	1.5			8.8		> 450
Total	0.00	6.29	1.05	0.00									> 450
Min	0.00	0.07	0.06	0.00	0		< 0.0	0.7	0.0	0.0	8.0	< 0	> 450
Max	0.00	0.94	0.43	0.00	0		< 0.0	1.5	0.0	0.0	9.3	< 0	> 450
Ave		0.37	0.17			NA	<	0.89			8.7	<	> 450
Count	0	17	6	0	0	NA	16	17	0	0		0	16



Total Banked + Title 22	7.34
Potable Water Delivered	0.00
Total Water Delivered	7.34

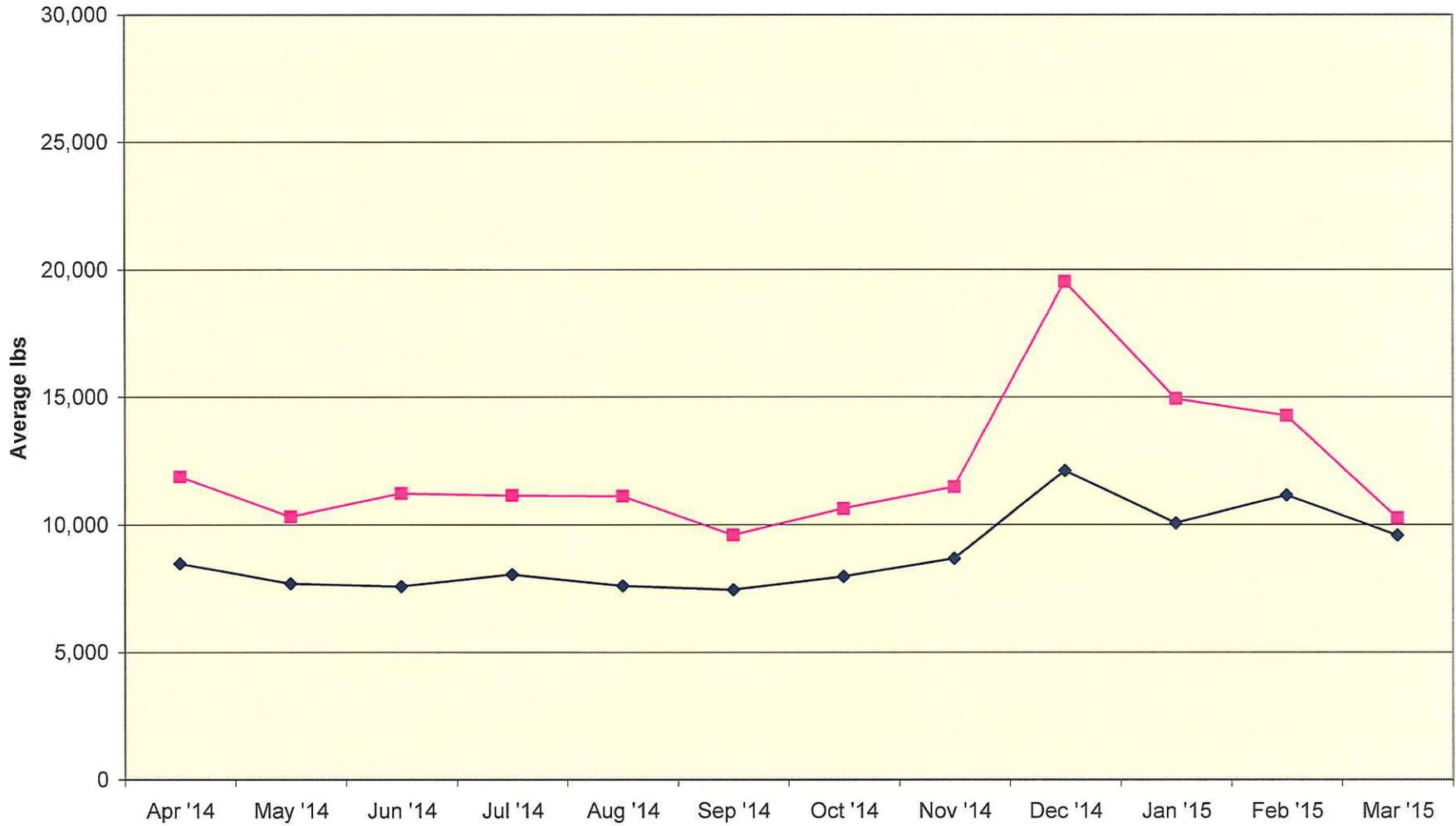
FLOW COMPARISON

—◆— 2013 / 14 —■— 2014 / 15



Influent Load BOD / TSS lbs

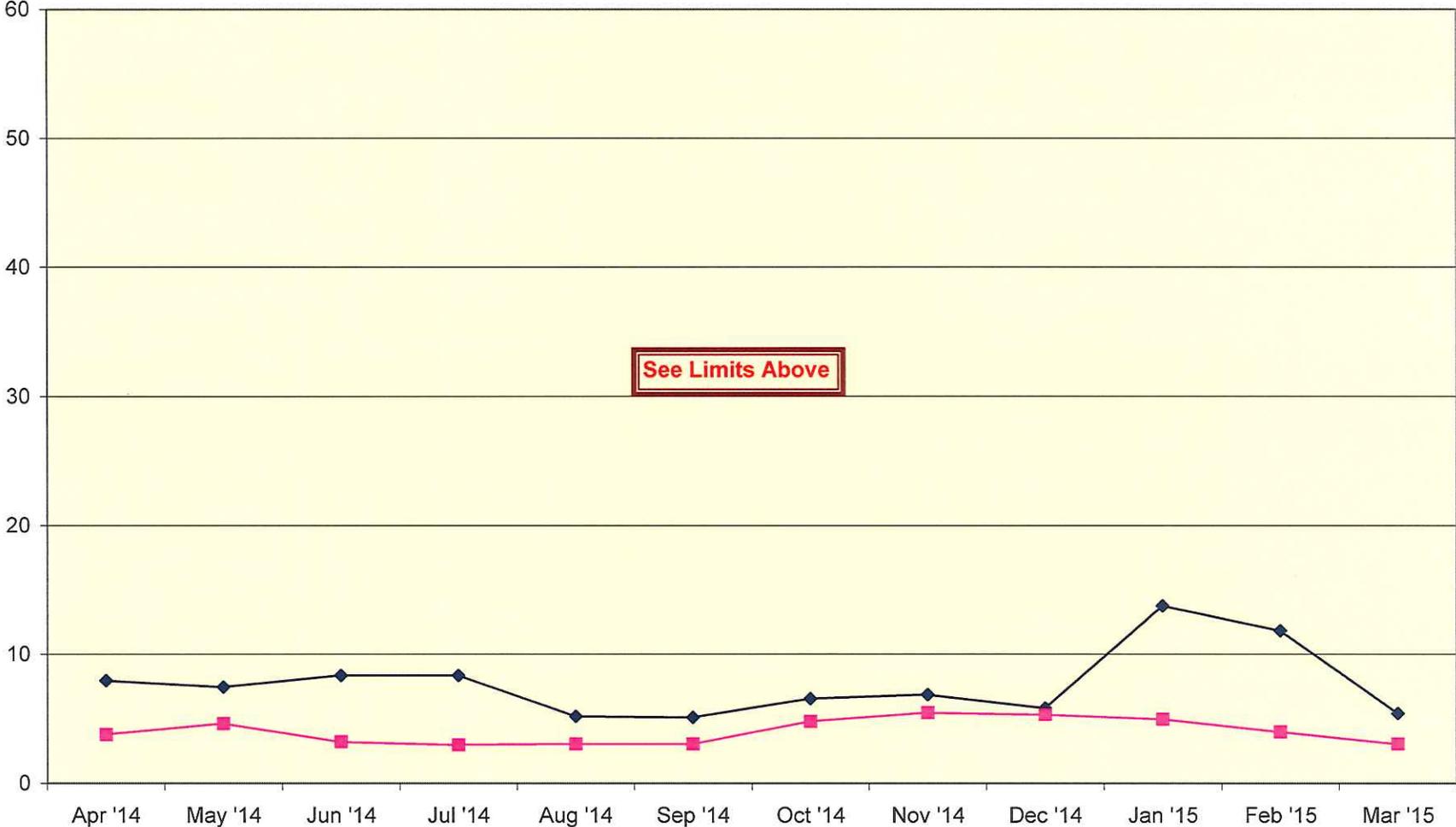
◆ BOD lbs ■ TSS lbs



Effluent BOD / TSS Concentration

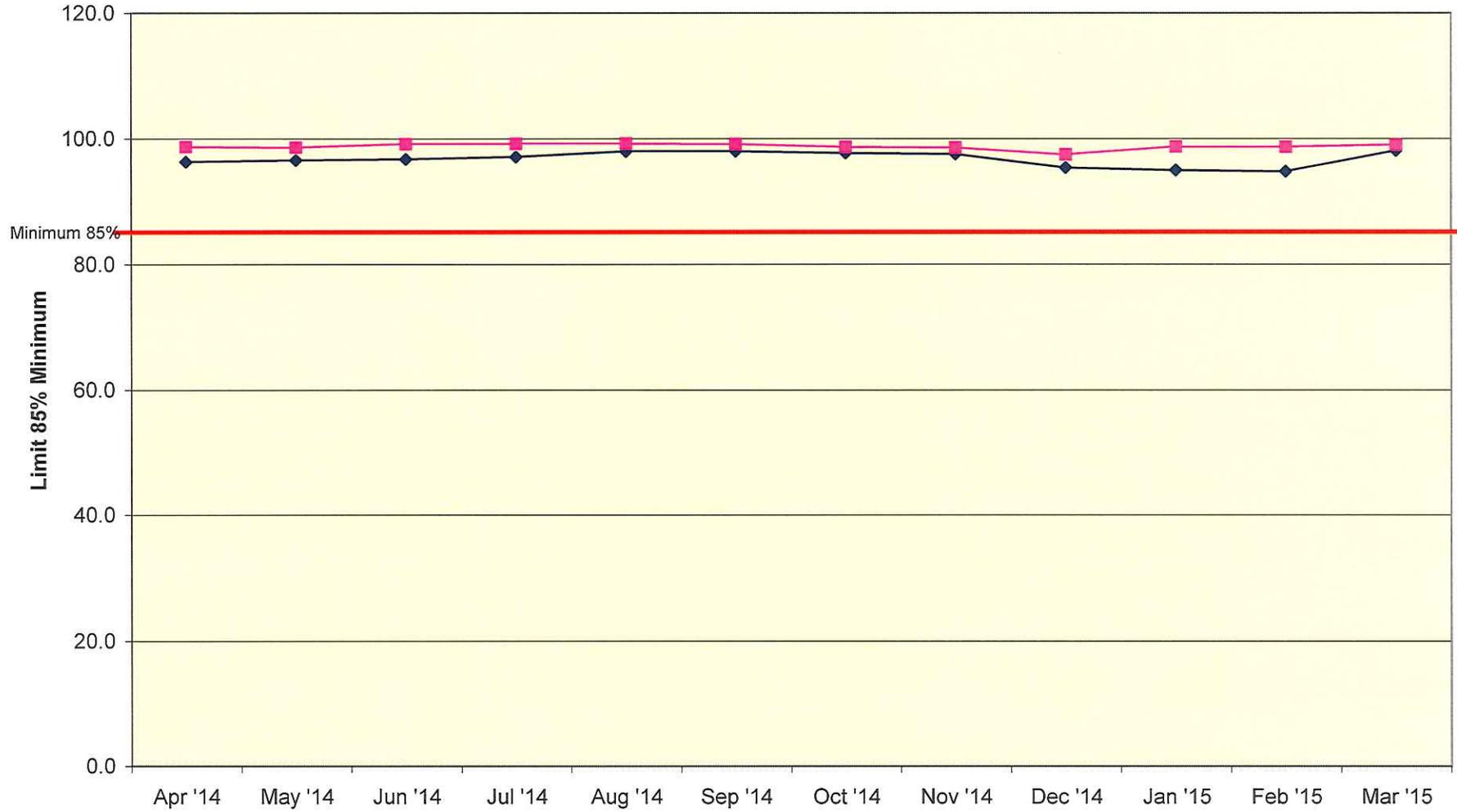
NPDES LIMITS WET SEASON
BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave
NPDES LIMITS DRY SEASON
BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave
WDR (Waste Discharge Requirements) RECLAMATION
BOD - 40 mg/L

◆ BOD ■ TSS



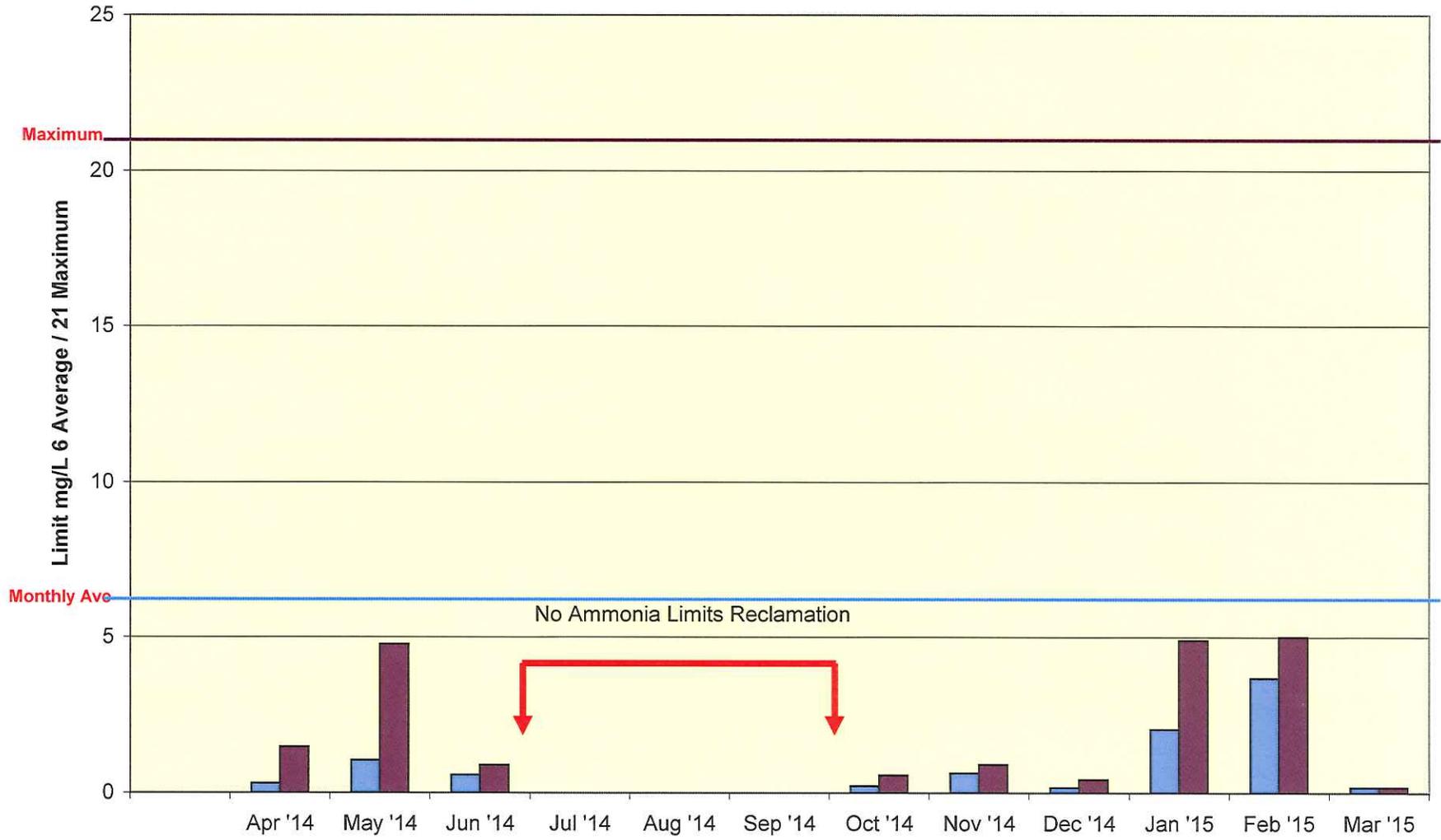
BOD / TSS Percent Removal

◆ BOD ■ TSS



Effluent Ammonia

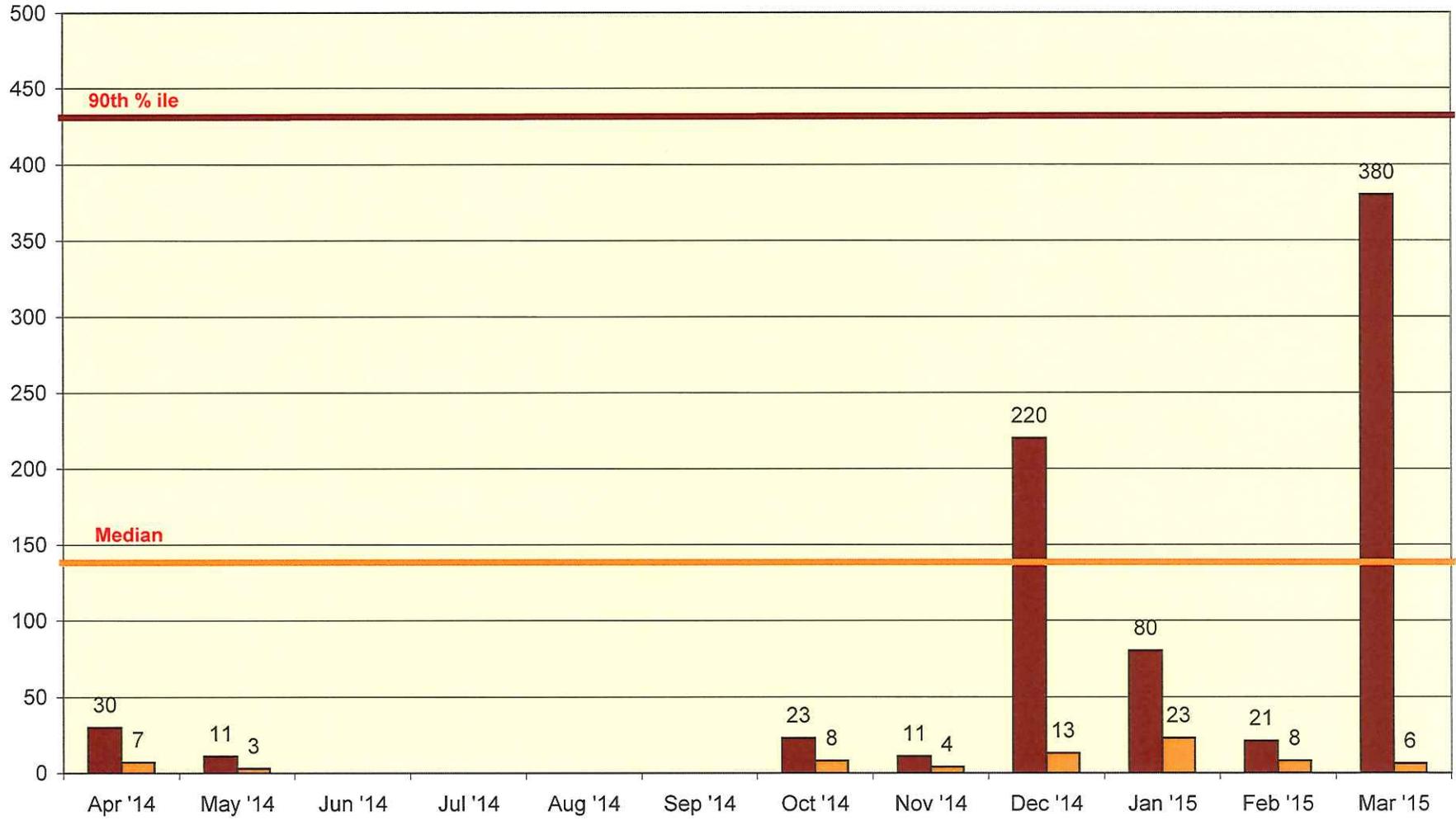
Average Maximum



Disinfection - Fecal Coliform

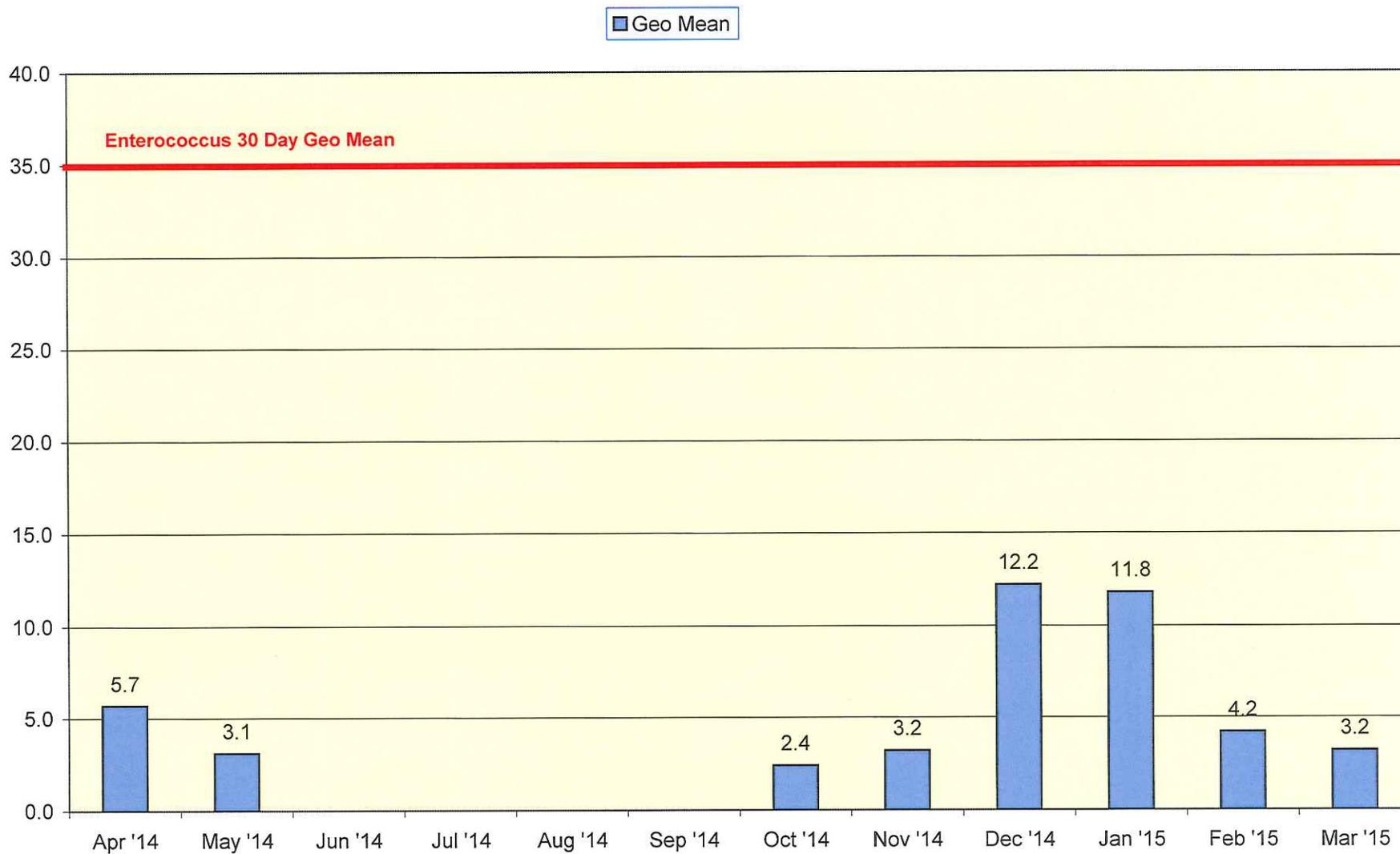
LIMITS - NPDES
Fecal 140 mpn monthly median
Fecal 430 mpn 90th percentile 30 day

90th % ile 30 day med



Disinfection - Enterococcus

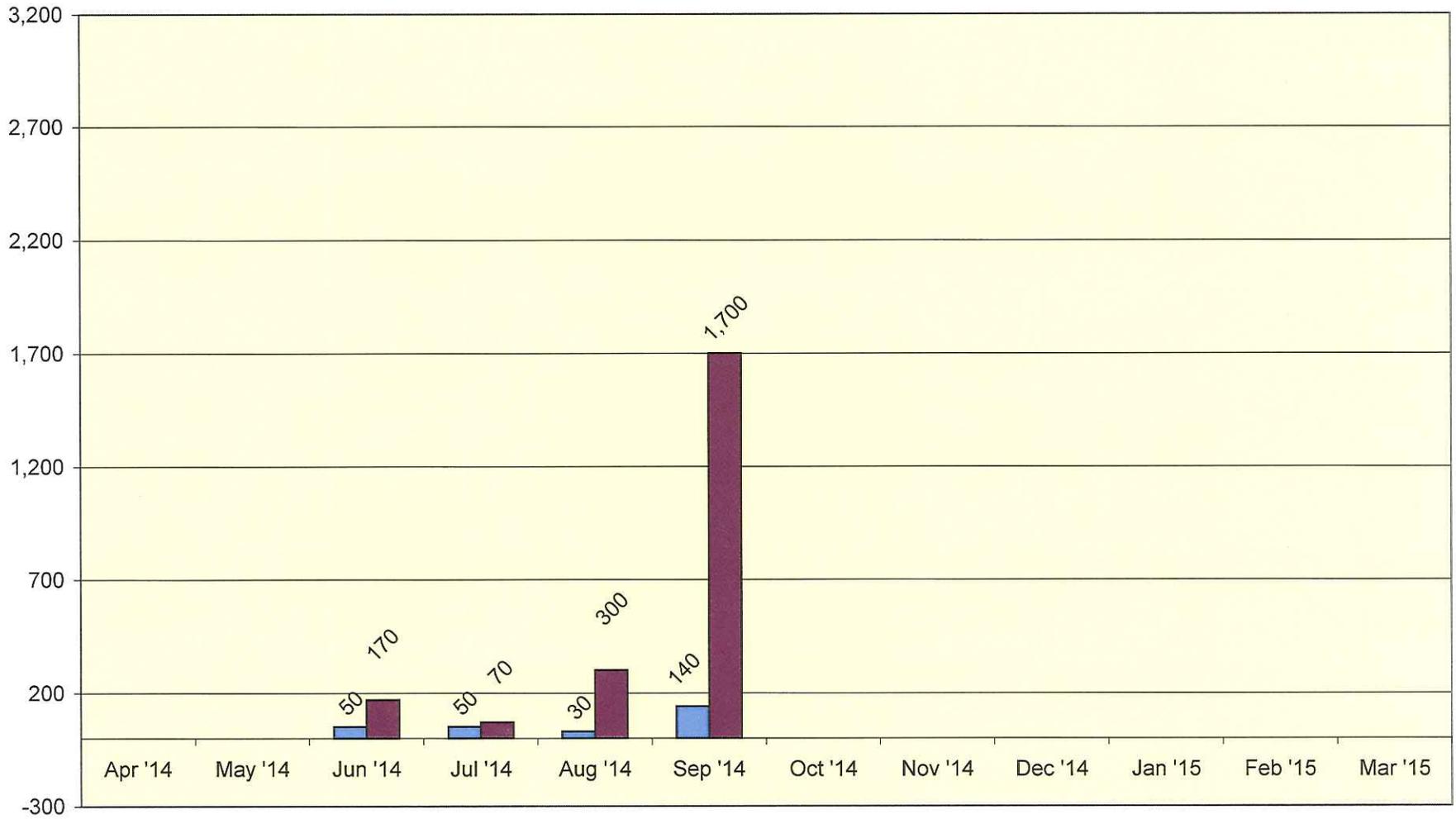
LIMITS - NPDES
Enterococcus 30 day geo mean 35 mpn /100ml



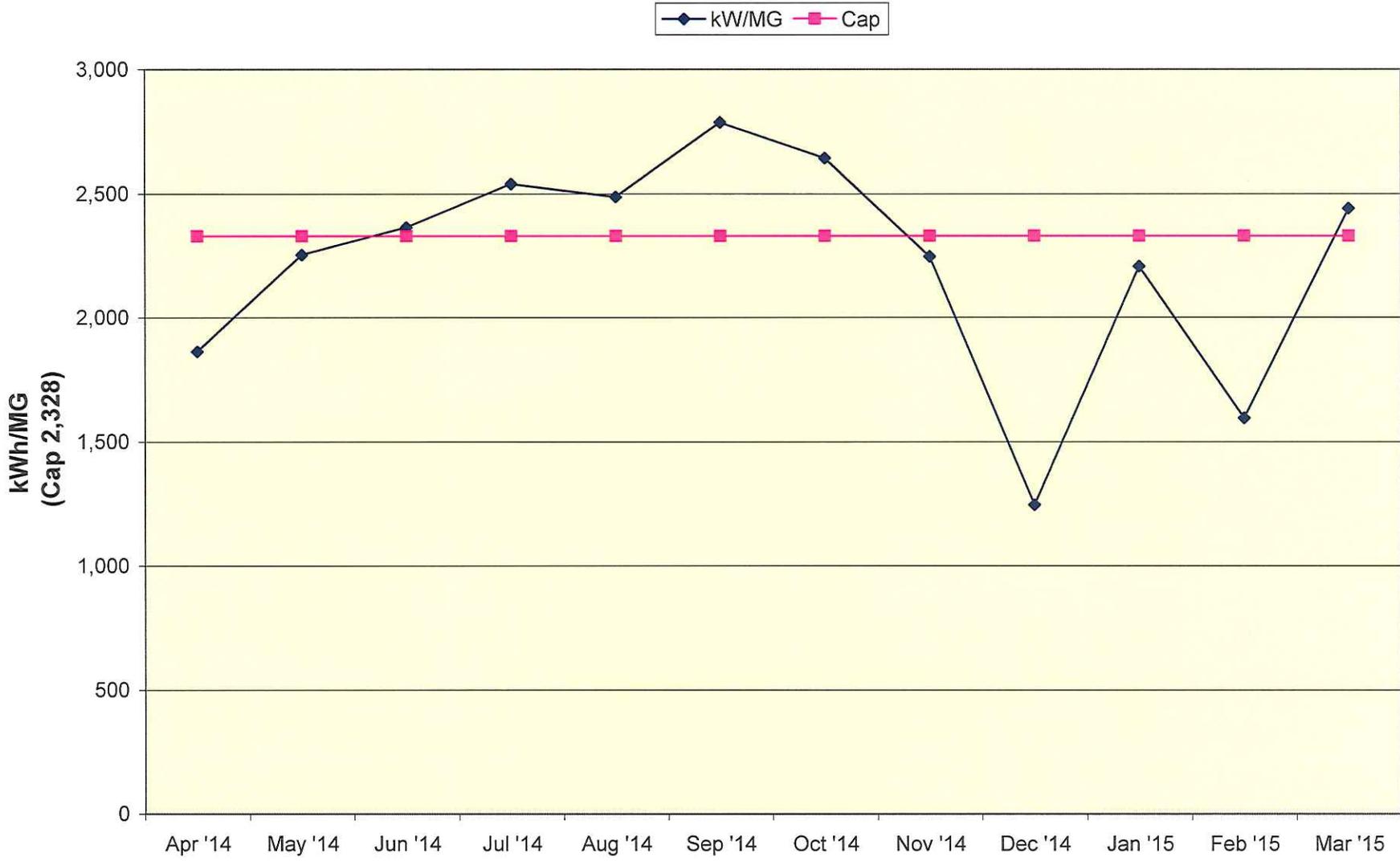
Disinfection - Total Coliform

TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml

5 Sampl Med Monthly Max

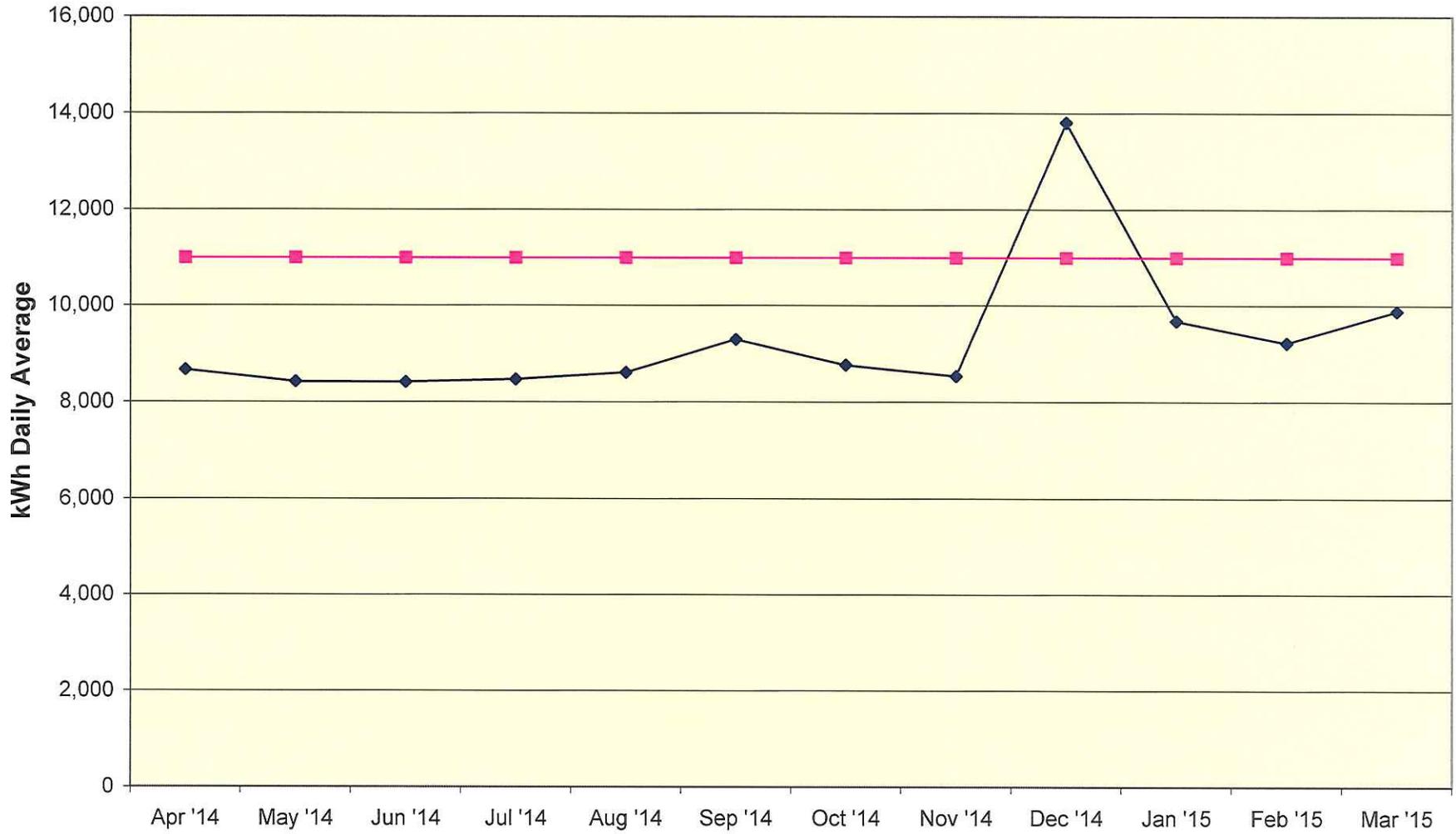


Energy kWh/MG



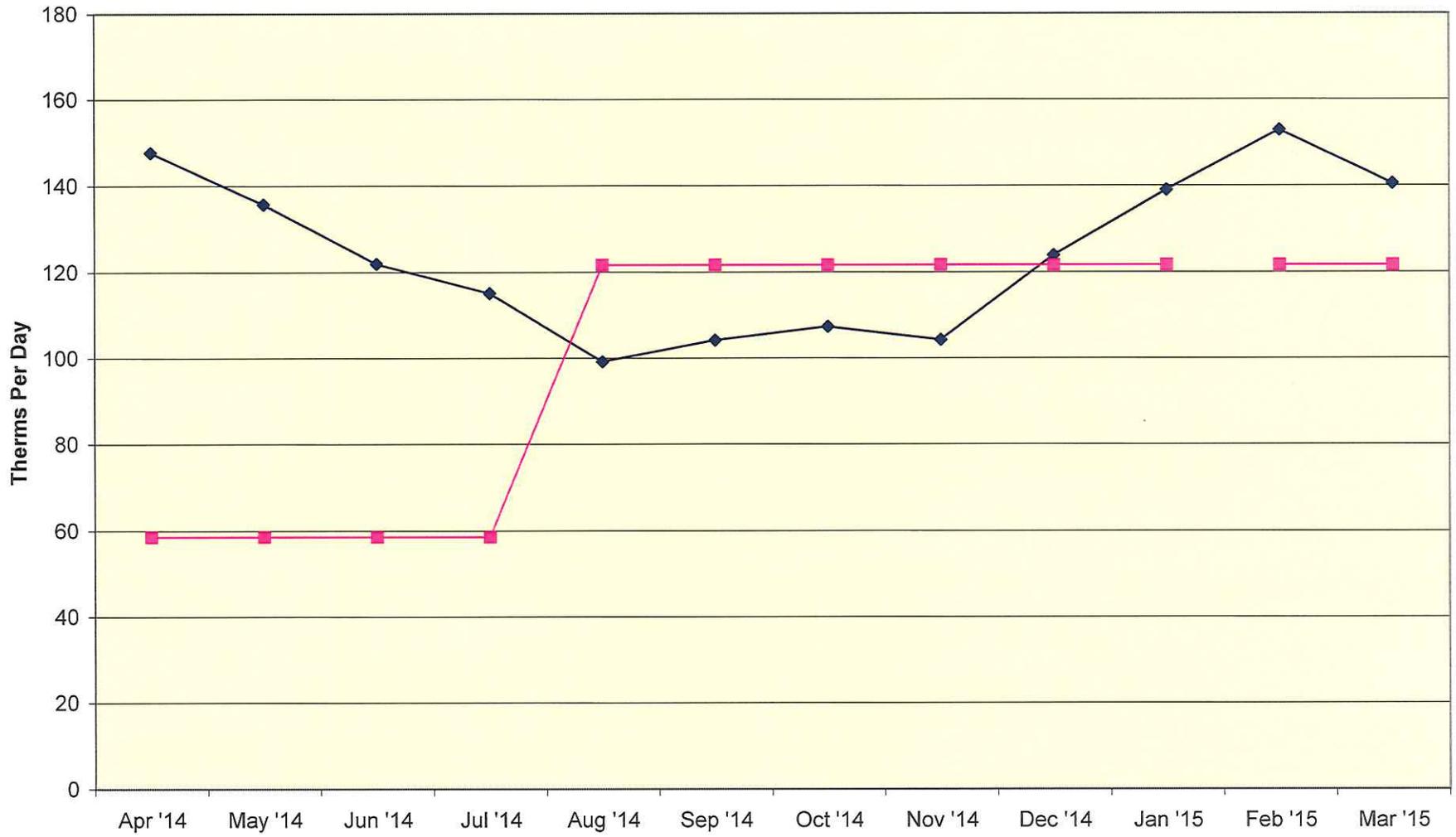
Energy kWh

◆ kWh ■ Cap

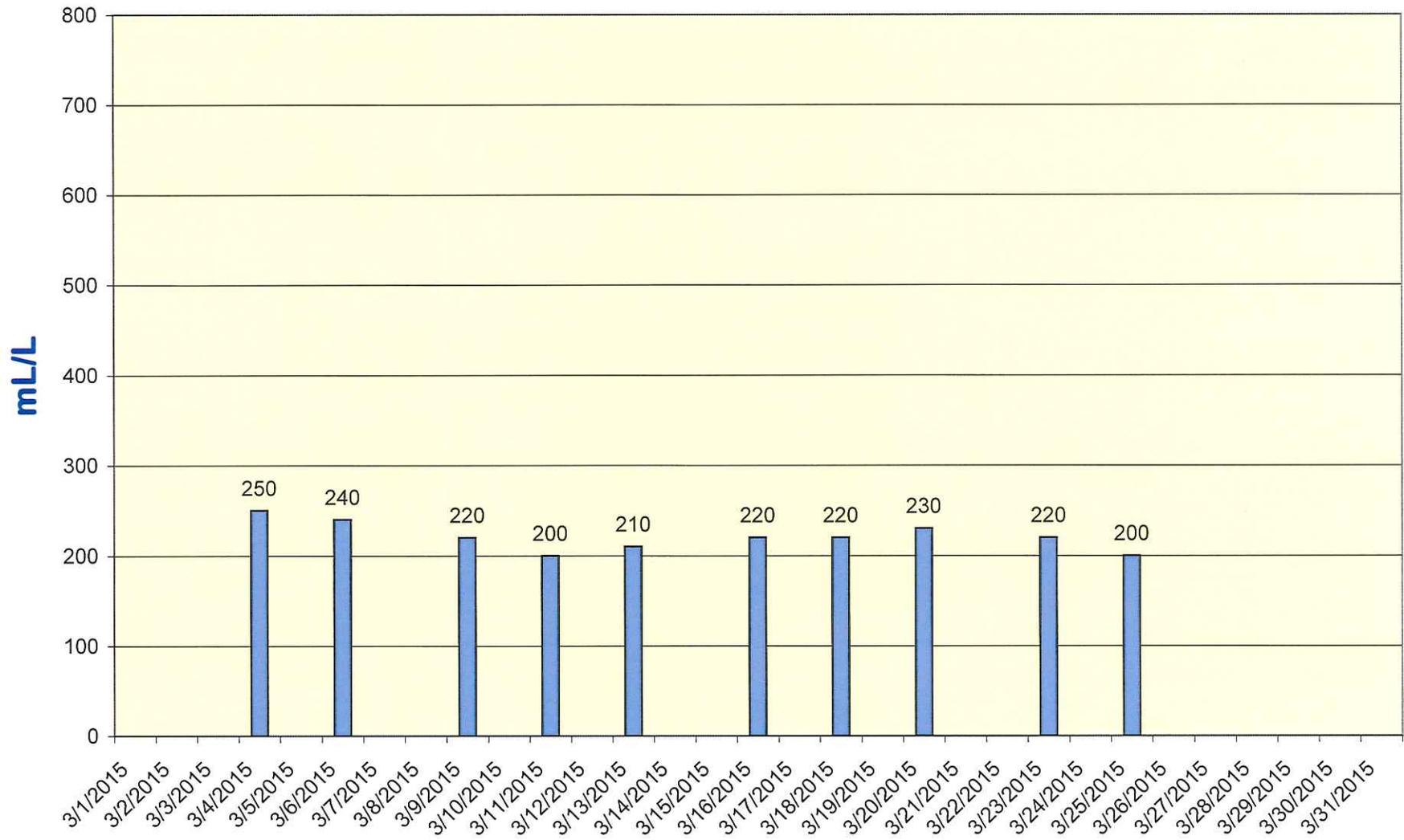


Natural Gas Use

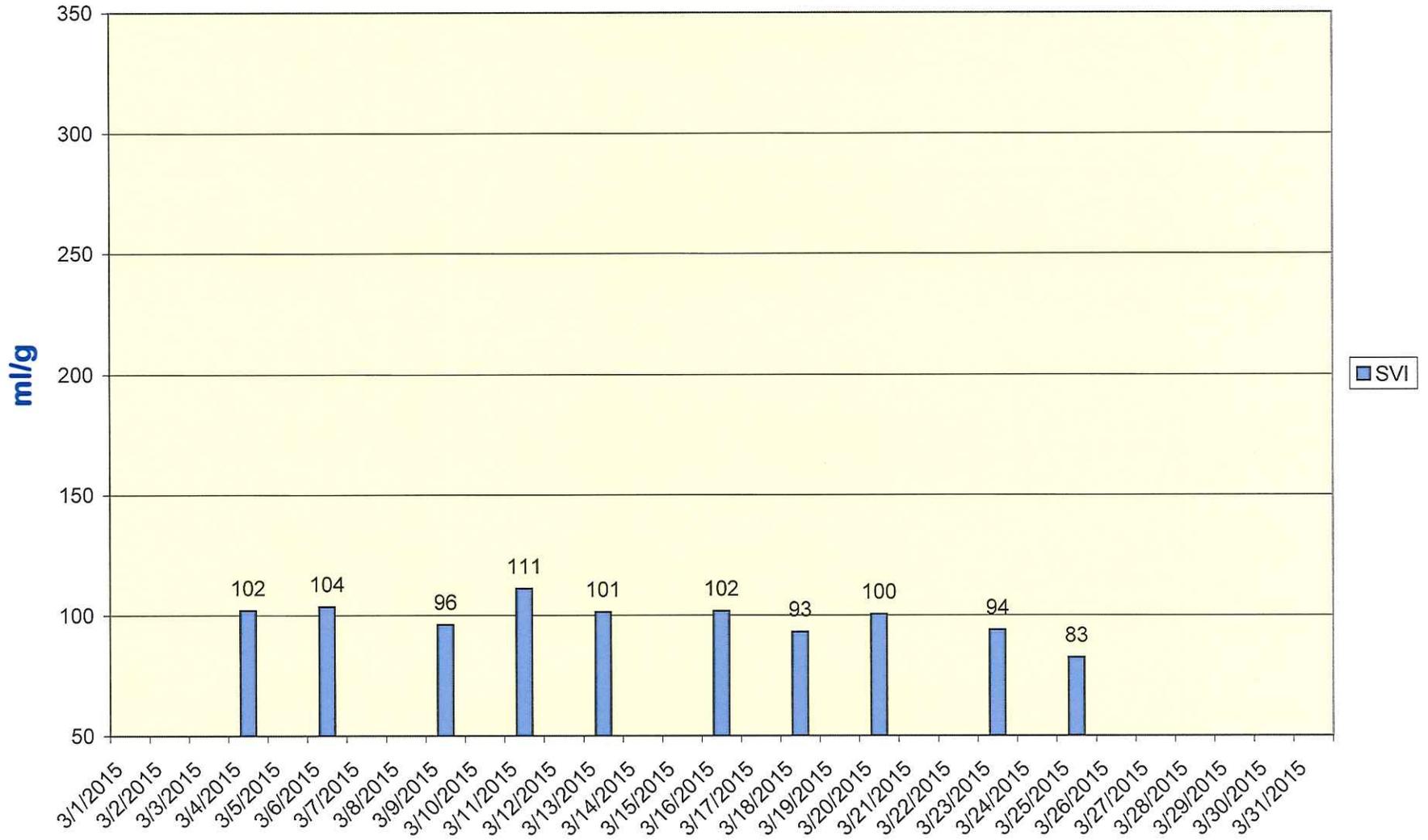
◆ Natural Gas ■ Cap



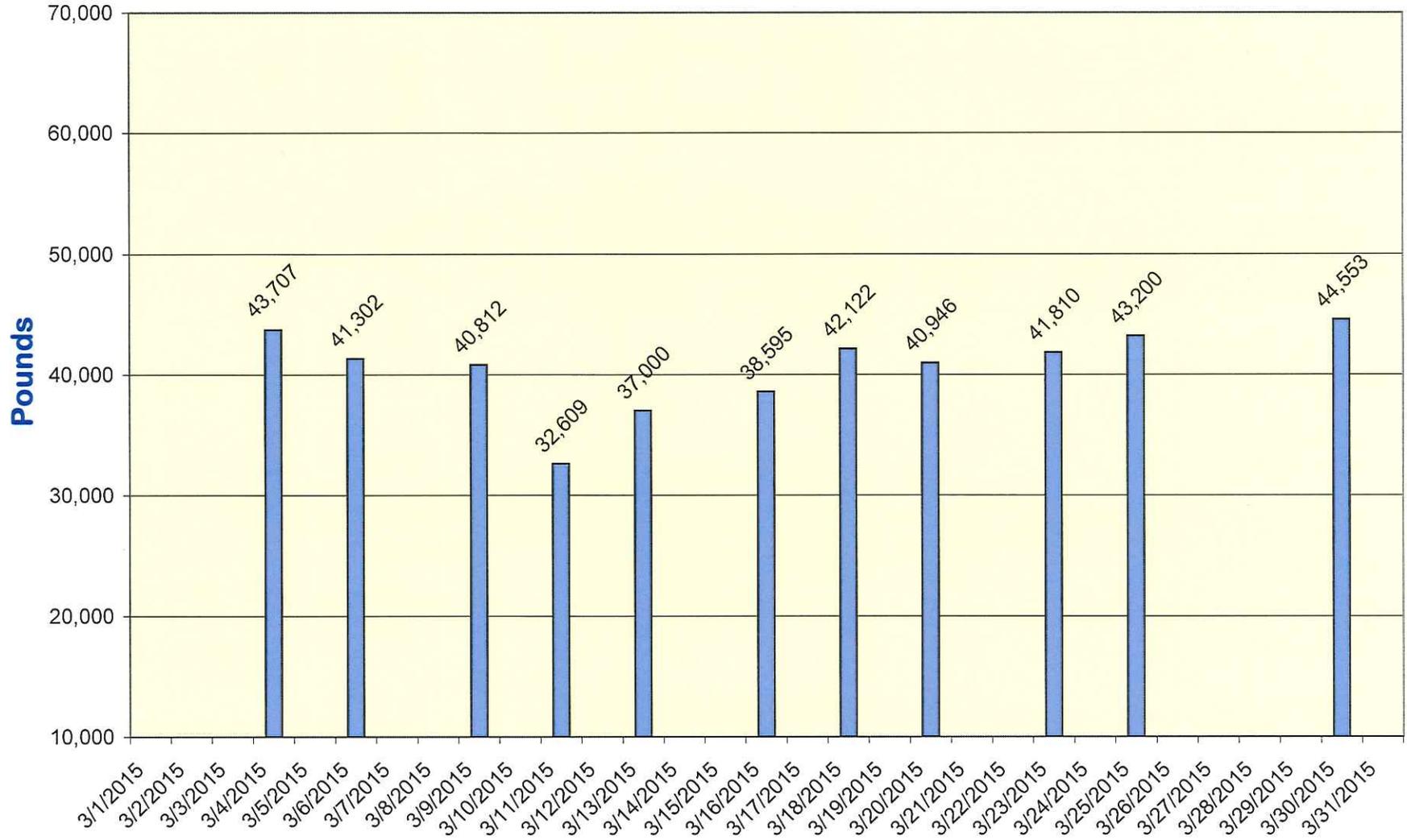
Settleability



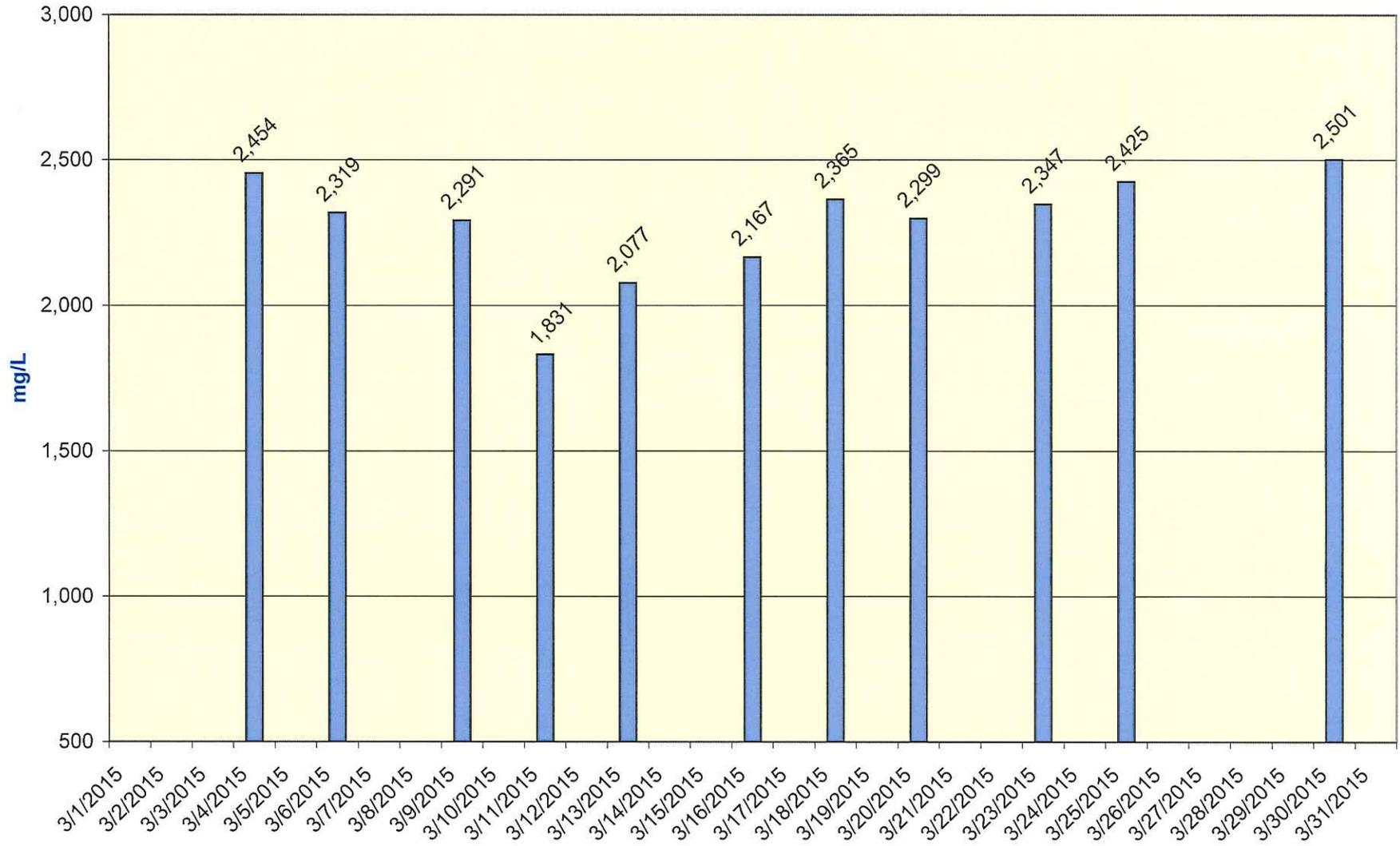
Sludge Volume Index



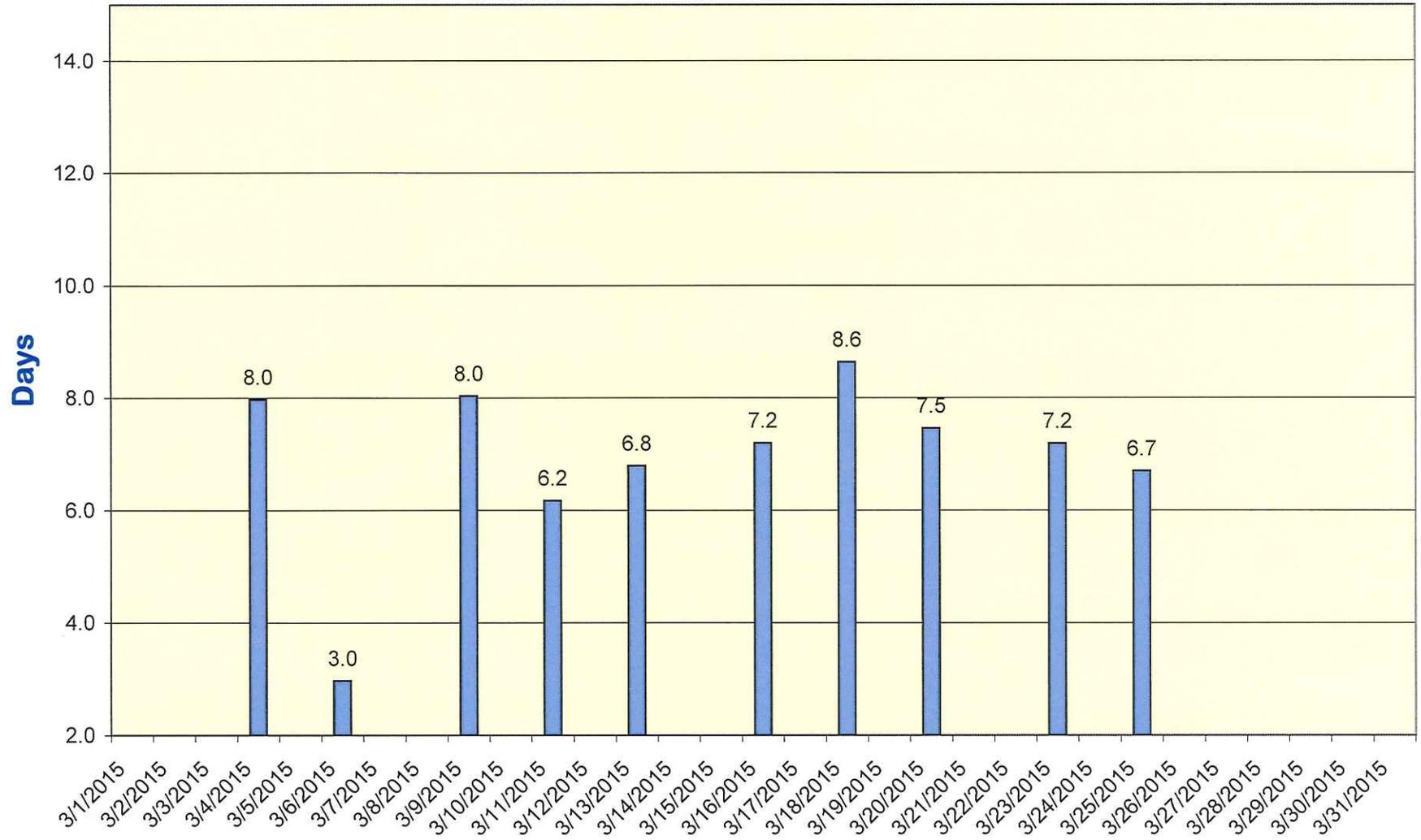
MLSS Inventory



MLSS Concentration



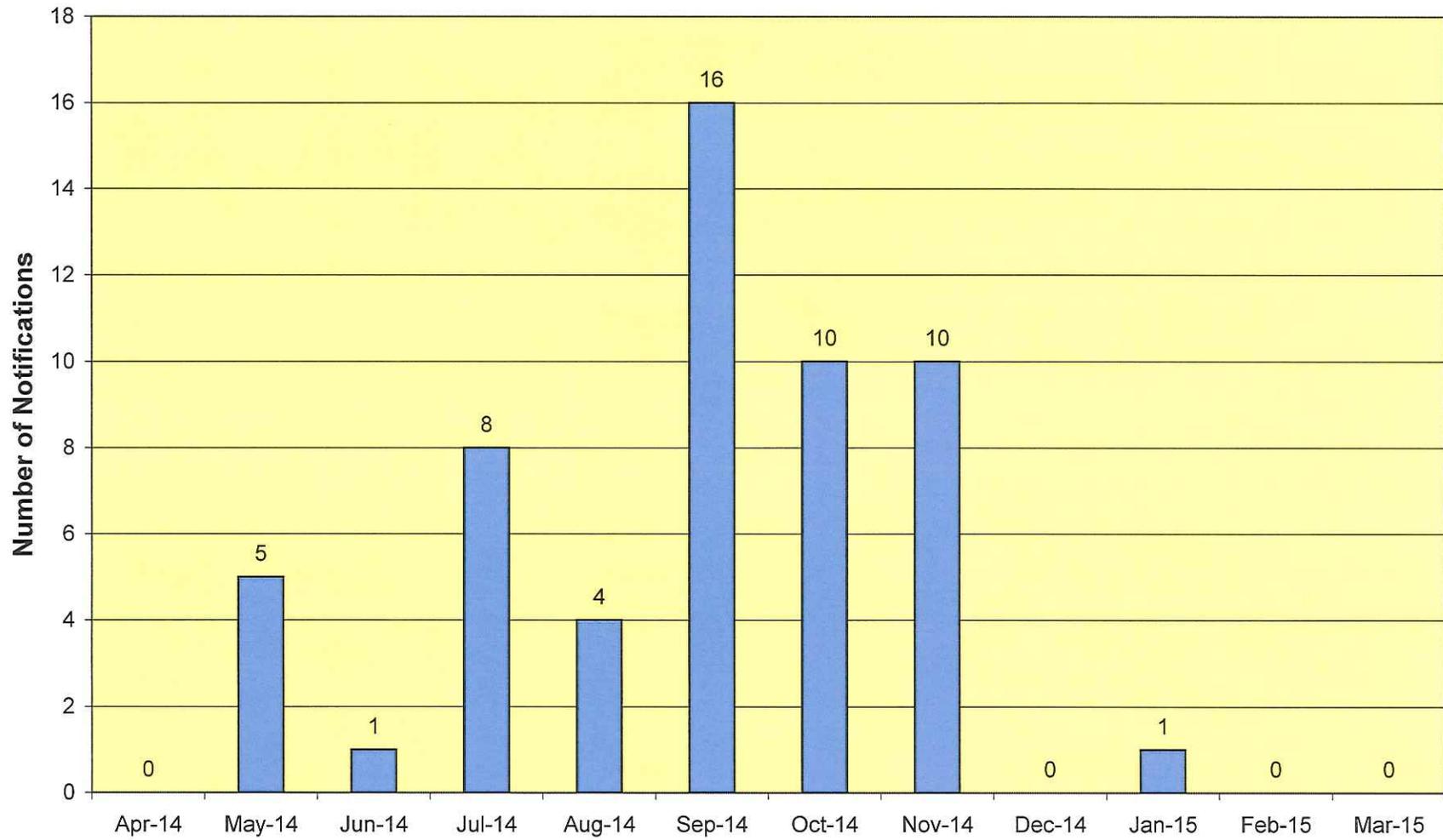
Mean Cell Residence Time



Process Control Data

	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	F:M Ratio	MCRT	SVI
3/1/2015	4.33						
3/2/2015	4.34						
3/3/2015	4.40						
3/4/2015	4.59	250	2,454	43,707	0.18	8.0	102
3/5/2015	4.37						
3/6/2015	4.10	240	2,319	41,302	0.15	3.0	104
3/7/2015	4.30						
3/8/2015	4.45						
3/9/2015	3.92	220	2,291	40,812		8.0	96
3/10/2015	3.96						
3/11/2015	3.82	200	1,831	32,609		6.2	111
3/12/2015	3.75						
3/13/2015	3.74	210	2,077	37,000	0.18	6.8	101
3/14/2015	3.83						
3/15/2015	4.01						
3/16/2015	4.15	220	2,167	38,595	0.19	7.2	102
3/17/2015	4.32						
3/18/2015	4.17	220	2,365	42,122		8.6	93
3/19/2015	4.18						
3/20/2015	4.12	230	2,299	40,946	0.18	7.5	100
3/21/2015	4.14						
3/22/2015	4.30						
3/23/2015	3.90	220	2,347	41,810		7.2	94
3/24/2015	3.90						
3/25/2015	3.78	200	2,425	43,200		6.7	83
3/26/2015	3.78						
3/27/2015	3.61						
3/28/2015	3.63						
3/29/2015	3.72						
3/30/2015	3.82		2,501	44,553			
3/31/2015	4.02						
Minimum	3.61	200.00	1,830.50	32,609	0.15	3.0	83
Maximum	4.59	250	2,454	43,707	0.19	8.6	111
Total	117.61	2,210	22,572	402,103	0.87	69.1	986
Average	4.06	221	2,257	40,210	0.17	6.9	99

Complaints / Contacts Received



WORK ORDER STATISTICS			
March 1, 2015 - March 31, 2015			
	Open Work Orders Due Prior to 3/1/15	Open Work Orders 3/1/15 - 3/31/15	Total Open Work Orders
Preventative	10	456	466
Corrective	0	28	28
Total	10	484	494
	Closed Work Orders 3/1/15 - 3/31/15		
Preventative	434		
Corrective	15		
Total	449		
Total Outstanding Work Orders as of April 1, 2015	45		

NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Odor Control and Landscaping Report
March 2015

1.0 Background

The District continues to work on odor control and landscaping, specifically at the fence-line area next to the Lea Drive neighborhood, and at the northeast portion of the Novato Treatment Plant (NTP) site. As mentioned in prior reports, the District has already invested significant amounts beyond the substantial initial investment for odor control and landscaping from the original WWTP Upgrade Project. These additional costs have included operational changes, measures related to further odor control measures, noise abatement, visual screening, wind shielding, and daily monitoring.

2.0 Odor control

Odor control related activities in March included:

- Staff continued to perform liquid phase sulfide sampling and analysis, based on recommendations from Dave McEwen of Brown and Caldwell (B&C), the District's odor consultant. As explained last month, for process and water quality reasons, operations staff had to revert the converted anoxic zones in the aeration basins, back to anoxic mode in February. This process change will fortuitously enable staff to provide Mr. McEwen with liquid phase sulfide data for this process mode of operation.
- As-needed use from a trial installation of the new Aqua-Fog system which utilizes an odor counteractant technique to broadcasts a water based non-toxic odor neutralizer in the vicinity of the aeration basins.
- Monitoring the media in the large odor control bed between primary clarifiers #1 & #2 which was topped off in November, and appears to be performing very well.
- An oxidizing agent, sodium hypochlorite, continues to be added on an as-needed basis to the influent flow, with staff monitoring performance.

3.0 Landscaping

Staff continues to work with the District's landscaping contractor Cagwin and Dorward (C&D) on vegetation at the District's fence-line on Lea Drive and at the northeast corner area of the NTP. The redwood trees originally in planter boxes along the eastern fence line of the plant site were relocated and replanted to the northeast corner of the plant site in late February/early March, and appear to be doing well. Staff will continue to monitor the landscaping, and evaluate the potential for additional tree plantings, in this area of the plant site.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

1.0 General:

The breakdown of Collection System department staff time for March 2015, in terms of equivalent full-time employee (FTE) hours utilized, works out approximately as follows:

- 1.5 FTE field workers for Sewer Maintenance (main line cleaning)
- 1.2 FTE field workers for Pump Station Maintenance
- 0.0 FTE field workers for Closed Circuit Television (CCTV) work
- 1.8 FTE field workers for time spent on data input, training, service calls, overflow response, or any other activity that does not directly relate to main line cleaning, CCTV work or pump station maintenance, and
- 1.5 FTE field workers Vacation/Sick Leave/Holiday

2.0 Collection System Maintenance:

Performance metrics for the department are presented in the attached graphs showing the length of line cleaned/month, footage cleaned/hour worked, overflows/month, and the CCTV footage achieved. A brief discussion is also provided below.

Line Cleaning Performance:

A total of 430 work orders were generated for March by the ICOM3 Computerized Maintenance Management System (CMMS). Staff completed 397 work orders leaving 33 work orders outstanding. The 397 maintenance work orders completed in March resulted in 74,674 feet of sewer pipelines cleaned by staff. The 33 outstanding work orders are all work orders for hydro-flushing which will be completed in April. Outside contractors did not clean any trunk sewer main lines during the month.

For rodding work orders in easement areas, the crew inspected 6 line segments (706 feet) using the push camera in lieu of hand rodding, a more efficient, effective and less labor intensive method to assure that the sewer main is clear.

CCTV Performance:

The District's CCTV van was in the field for approximately four (4) hours over a two (2) day period inspecting 9 line segments totaling 1,795 feet. Staff also televised 706 feet using the Push Cam. Outside contractors did not televise any trunk sewer main lines during the month.

CCTV production was low this month due to staff availability for this activity.

CCTV Findings:

- Infrastructure related: The March CCTV work did not find any line segments that will require repair.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

- O&M related: The March CCTV work did not identify any areas that require a change in sewer line operations.

3.0 Pump Station Maintenance:

The Collection System Department conducted 260 lift station inspections this month. 167 of the inspection visits were generated through the District's JobsCal Plus CMMS system. There are 13 outstanding work orders for the month that will be completed in April.

District and contract staff also completed the following repairs/upgrades to District pump stations:

Bahia Main Pump Station:

- Repaired breaker in electric panel for Pump 2,
- Completed testing of the winding for three sewage pump motors,
- Removed motors for Pumps 1 and 2 after windings failed test. Motors were rewound and replaced.

East Hamilton Pump Station:

The eye wash station in the Odor Control Room was replaced.

A Collection Systems (Pump Stations) Work Order Statistics summary is attached.

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on 6 air relief/vacuum valves.

5.0 Safety and Training:

General:

Collection System staff attended five safety tailgate meetings. Topics included: Active Shooter, Earthquake, and Flood Response, as well as Basic Electrical Testing and Safety, and Emergency Eye wash/shower training.

Specialized training:

Collection System staff attended Lock Out/Tag Out and Energized Electrical training in March.



Figure 1 - Active Shooter Training provided by Novato Police Department

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

Safety performance: There were no lost time accidents this month for a total of 1,477 accident free days since the last lost time accident.

6.0 Minor Projects:

The District did not complete any repair projects under the informal contract provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA) this month.

7.0 Standard Operating Procedures (SOPs):

Department staff did not generate any SOPs during the month of March. Staff is developing a Core Competency Checklist to use for tracking training of employees which will be a tool for developing SOP's.

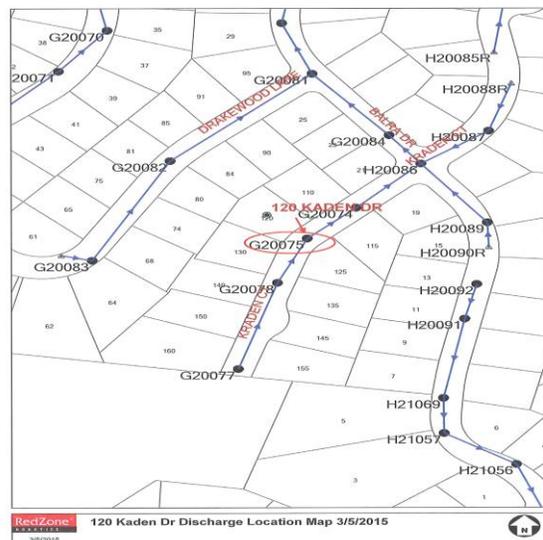
8.0 Sanitary Sewer Overflows (SSOs):

There were three (3) SSO's this month as follows:

No.	Date	Location	Amount, gal	Cause/Probable Cause
1.	3/5/2015	120 Kaden Dr.	12	Homeowners metal sewer snake
2.	3/8/2015	734 Sutro Ave.	1,550	Root Intrusion/Debris
3.	3/9/2015	1130 Ferris Dr.	41	Root Intrusion/Debris

1. SSO at 120 Kaden Dr.: This event was determined to be a Category III event due to the low volume, estimated at twelve (12) gallons or less, and the discharge did not reach a storm drain. District staff used eyewitness interviews, spill footprint re-creation, and pictures taken during cleanup activities to determine the duration and volume of this event.

On Thursday, March 5, 2015 at 08:41, Tim O'Connor, Collection System Superintendent, received a call from Corey Reed, North Marin Water District (NMWD), reporting a possible overflow at 120 Kaden Dr. Tim notified Dasse de longh, Collection System Lead Worker, then drove to the site. Dasse got the hydro-flusher and went to the reported overflow site. Dasse called Javier Vega, CSW III, and PJ Siragusa, CSW I, and directed them to respond immediately to the site.



Javier and PJ arrived on site at 08:55 and found manhole G20075 (overflow manhole) surcharged, but not overflowing. They checked the downstream manhole G20074 and

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

noted active flow in the channel indicating a partial stoppage. Dasse arrived at the site at 09:00 with the hydro-flusher. Javier and PJ took over operation of the hydro-flusher and relieved the stoppage at 09:04 and then began cleanup operations. Staff determined that the cause of this discharge was the result of a homeowner's small diameter metal sewer snake, approximately eleven (11) feet long, that had become lodged in the sewer main line trapping debris in the line segment.

Tim arrived on site at approximately 09:15 and interviewed Cory Reed, NMWD to get details on the callout. Tim interviewed Charisse Heath, the original reporting party and discovered that she and her son had noticed the overflow about 19:30 on March 4, 2015. She stated that she and her son had observed the overflow manhole barely weeping and that it had created a stain in the street, never reaching the gutter. Ms. Heath called the NMWD thinking the water in the street was related to a recent project the water district had completed on Kaden Dr.



Tim also interviewed four residents in the immediate area of the discharge. Only one resident, Jamie Davis, at 135 Kaden Drive saw the discharge/stain, at approximately 18:30 on March 4, 2015. Mr. Davis also said that the manhole was barely weeping and did not see any water in the gutter pan. Based on these interviews, Tim estimated a start time of 18:00, but was unable to establish a discharge volume at the time, and determined that a spill footprint recreation/simulation was needed.

The initial determination of this event was Category III event because the overflow water remained in the paved area of the street, was very low volume, and did not reach a storm drain or waterway.

Dasse de longh returned to the overflow site at about 13:00 and applied enough water to recreate/simulate the spill footprint, compare the result to pictures taken during the overflow response, and measure the amount of water used during the simulation. As a result of this effort, Dasse estimated that no more than twelve (12) gallons of sewage discharged during this event.



This line segment was last cleaned on schedule on April 30, 2012 using a hydro-flusher and was on a thirty-six (36) month cleaning frequency. The cleaning schedule has not been changed due to the nature of the blockage.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
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This event was determined to be a Category I event because it reached a separate storm drain and potentially entered Novato Creek.

Jennifer Snow of Marin County Environmental Health Services (MCEHS) was notified of this event on March 8, 2015 at 19:30 and Sibyl Clark of CAL-EMA was notified on March 8, 2015 at 19:24 meeting the two hour reporting requirement for a Category I Discharge event.

Ms. Snow of MCEHS directed District staff to post Public Notification signs along the drainage ditch where the storm drain discharged north of Michelle Circle and flows to Novato Creek at points of public access. Ms. Snow also directed District staff to begin water sampling on Monday, March 9, 2015 for this discharge. Seven signs were posted by staff after cleanup operations were complete.



Figure 2 - Overflowing manhole, 734 Sutro Ave.

Staff began taking water samples on March 9, 2015 (samples were not collected on Saturday or Sunday, March 14 & 15 at Ms. Snow's direction). The water samples showed consistently high levels for Enterococcus, Total Coliform, and E. Coli throughout the sampling process. Tim discussed the situation with Ms. Snow and it was determined that the samples demonstrated that these high levels were the norm for this body of water. At the direction of Ms. Snow, water sampling was discontinued on Tuesday, March 17, 2015.



Figure 3 - Storm drain creek outlet near Michelle Circle

Javier Vega, CSW III, conducted follow up interviews on March 9, 2015 in an attempt to establish a more accurate start time for this event. Javier found one resident in the immediate area of the discharge who confirmed manhole C15019 was not overflowing at 17:20 and one resident who saw the discharge at 17:30. As a result of these interviews, Tim O'Connor was able to establish an estimated start time for this event at

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Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

17:25. The original estimated start time was 17:00. Using this information and the original 25 gpm discharge rate allowed Tim to recalculate the original estimate and establish a total approximate discharge volume of 1,550 gallons for this event.

Staff determined that the cause of this discharge was the result of root intrusion and wipes in the line segment. This line segment was last cleaned on schedule, April 9, 2013 using a hydro-flusher and was on a thirty-six (36) month cleaning frequency. The cleaning schedule has been changed to a 12 month cleaning frequency as a precautionary measure.

CCTV inspection following the discharge event showed the line segment to have root intrusion at several points in the line segment. This line segment will be added to the 2014/15 root abatement schedule. The Public Notification signs were removed on March 17, 2015.

This event was reported into the CIWQS database on March 18, 2015 as a Category I event, SSO Event ID # 813949 and was certified in CIWQS on March 18, 2015, Certification ID # 883789.

The Collection System Superintendent failed to meet the State Water Board three day initial reporting requirement for this event. As a result of this oversight, staff has established a protocol that all required reporting to CIWQS will be completed the same day as the spill unless there are circumstances that prevent submittal of the report. Any delays in reporting must also be reported to the Manager-Engineer.

3. SSO at 1130 Ferris Dr.: This event was determined to be a Category I event because the discharge entered a separate storm drain and potentially entered Novato Creek.

On Monday, March 9, 2015 at 21:00, PJ Siragusa, CSW I, received a call from Novato Police Department, reporting a possible overflow at 1130 Ferris Dr. PJ contacted Tim O'Connor, Collection System Superintendent, to notify him of the potential discharge. He then contacted Javier Vega, CSW III, and asked him to respond to the reported discharge site with the hydro-flusher. All three employees proceeded directly to the location.

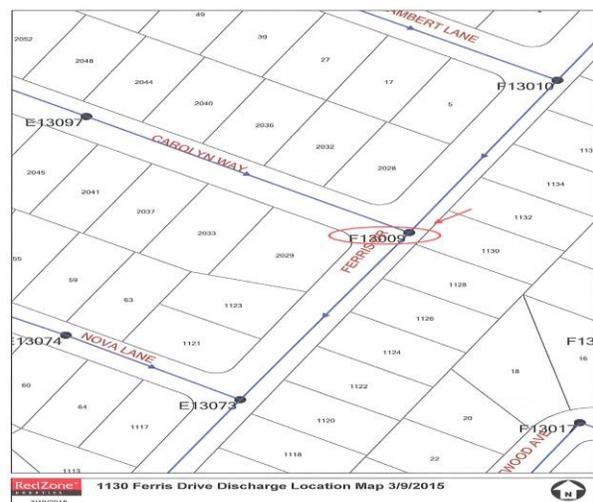


Figure 4 - Discharge Location Map

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Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

PJ proceeded to the site and arrived at 21:26, at which time he took pictures and implemented containment protocols. Javier arrived on site with the hydro-flusher and setup at manhole E13073 on Ferris Dr. to relieve the stoppage. During setup, they noticed flow in the downstream manhole indicating a partial stoppage. PJ and Javier relieved the blockage at 21:45 and began cleanup operations.

Tim interviewed the reporting party, Rick Knight, who said he noticed the discharge at about 20:45 and called it in immediately. Tim also interviewed two other residents in the immediate area of the discharge. Mr. Peter Towey of 1132 Ferris stated he parked his truck on the overflow manhole at about 19:00 and the manhole was not overflowing at that time. Based on this information, Tim estimated a start time of 19:00 based on these interviews and a discharge rate of 1/4 gallon per minute using Visual



Figure 5 - Discharge Manhole, 1130 Ferris Dr.

Estimation for a total initial estimated discharge volume of 41 gallons. Tim calculated the volume of the wastewater captured in the gutter pan and recovered to be 12 gallons.

Rebecca Ng of Marin County Environmental Health Services (MCEHS) was notified of this event on March 9, 2015 at 22:38 and Brad Ahlm of CAL-EMA was notified on March 9, 2015 at 22:31 meeting the two hour reporting requirement for a Category I Discharge event.

Ms. Ng of MCEHS directed District staff to post Public Notification signs along Novato Creek at points of public access in the vicinity of the storm drain outfall but did not require water sampling due to the low volume of the discharge. Two (2) signs were posted by staff after cleanup operations were complete.

Staff determined that the cause of this discharge was the result of root intrusion and grease in the line segment. This line segment was last cleaned on schedule, May 9, 2012 using a hydro-flusher and was on a thirty-six (36) month cleaning frequency. The cleaning schedule has been changed to a 12 month cleaning frequency as a precautionary measure.

CCTV inspection following the discharge event showed the line segment to have root intrusion at several points in the line segment. This line segment will be added to the 2014/15 root abatement schedule. The Public Notification signs were removed on March 17, 2015.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
March 2015**

Bob Stiles, CSW I, and PJ Siragusa, CSWI, distributed seventy four (74) grease abatement fliers to homes tributary to the discharge location on March 10, 2015 (Figure 6).

This event was reported into the CIWQS database on March 18, 2015 as a Category I event, SSO Event ID # 813951 and was certified in CIWQS on March 18, 2015, Certification ID # 859896.

The Collection System Superintendent failed to meet the State Water Board three day initial reporting requirement for this event. As a result of this oversight, staff has established a protocol that all required reporting to CIWQS will be completed the same day as the spill unless there are circumstances that prevent submittal of the report. Any delays in reporting must also be reported to the Manager-Engineer.

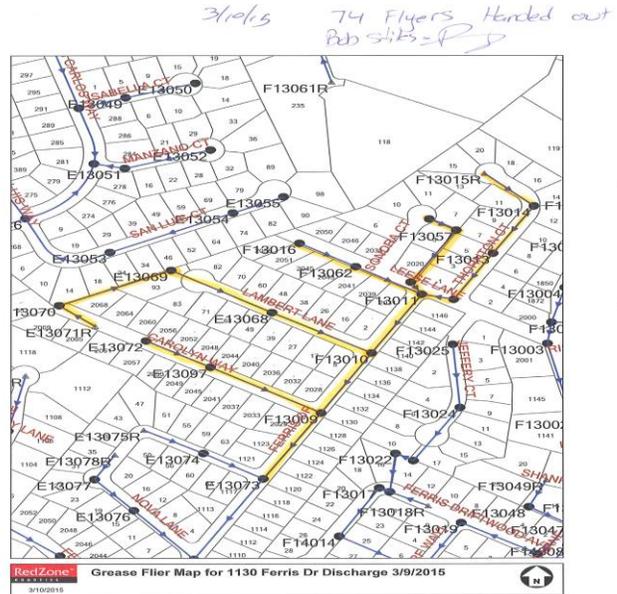


Figure 6 - Grease Flier Distribution Map

Novato Sanitary District
Collection System Monthly Report For March 2015 (as of March 31, 2015)

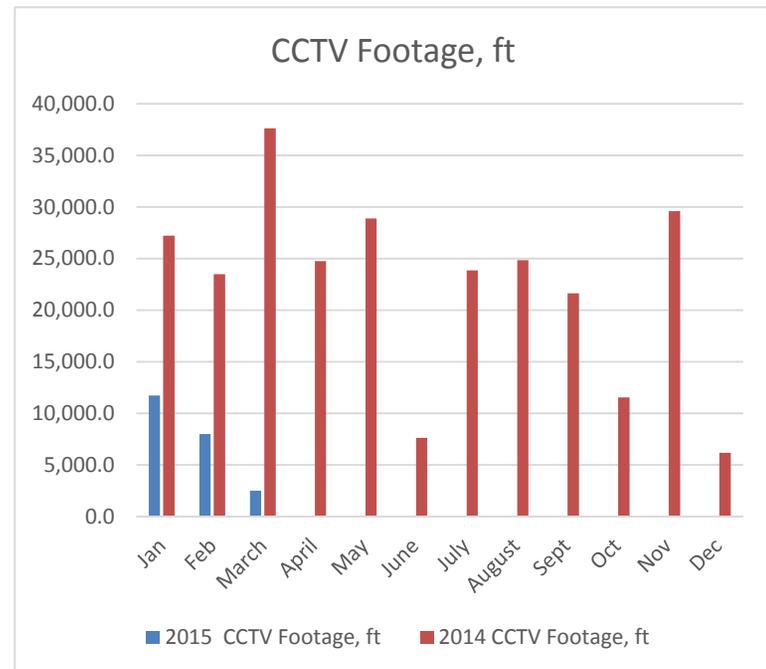
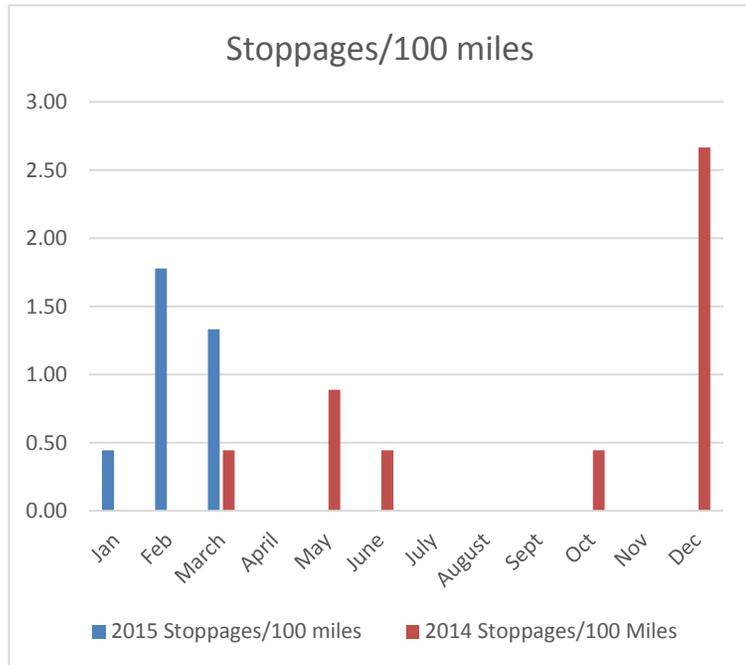
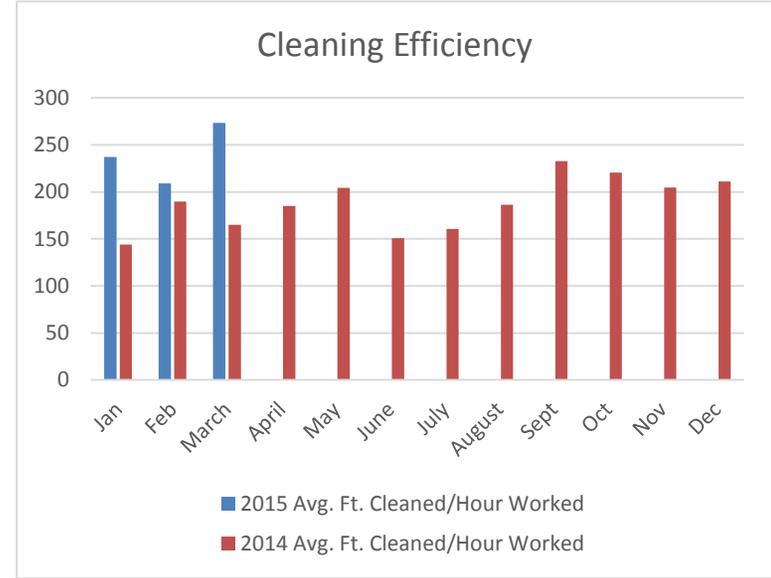
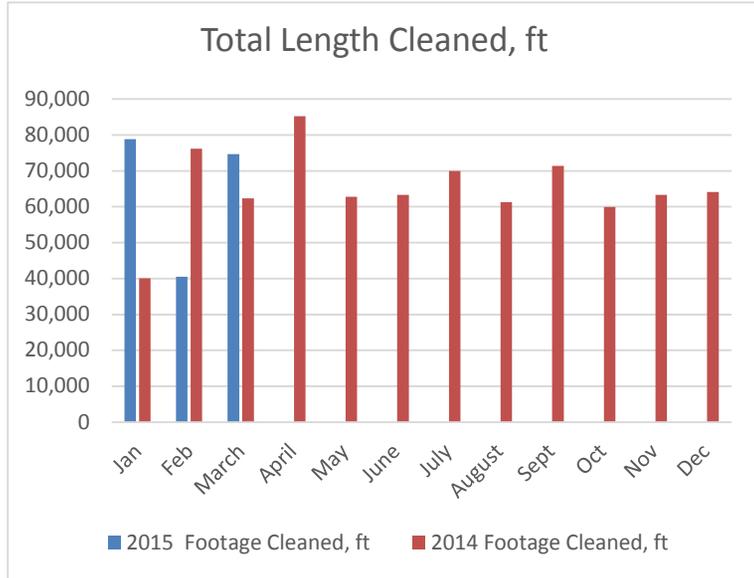
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.9	1.2	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.4
Number of FTEs (other)	1.6	2.1	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.5
Number of FTEs (CCTV)	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0
Total, FTEs	3.6	3.5	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.9
Regular Time Worked, (main line cleaning), hrs	333	194	273											
Regular Time Worked on Other, hrs (1)	281	329	320											
Regular Time Worked on CCTV (2)	15	36	4											
Total Regular time, worked, hrs	628	559	597	0	0	0	0	0	0	0	0	0	1,783	149
Total Vacation/Sick Leave/Holiday, hrs	403	356	271										1,029	343
Vacation/Sick Leave/Holiday, FTEs	2.3	2.2	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	0.5
Overtime Worked on Coll. Sys., hrs	3	0	16										18	6
Overtime Worked on Other, hrs (1)	14	45	31										90	30
Overtime Worked on CCTV (2)	0	0	0										0	0
Total Overtime, hrs	17	45	46	NA	NA	NA	NA	NA	NA	NA	NA	NA	108	36
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	90	31	42										163	54
Rodder 3208 ft. cleaned	15,611	6,776	7,657										30,044	10,015
Rodder - outside services, ft cleaned	0	0	0										0	0
Flusher Work Orders generated	340	183	388										911	304
Truck 3205V ft. cleaned	107	4,165	2,352										6,624	2,208
Truck 3206V ft. cleaned	63,145	29,612	64,665										157,422	52,474
Flusher - outside services, ft. cleaned	1,349	553	0										1,902	
Total Footage cleaned(3)	78,863	40,553	74,674	NA	NA	NA	NA	NA	NA	NA	NA	NA	194,090	64,697
Work Orders completed	416	198	397										1,011	337
Work Orders backlog	14	16	33	NA	NA	NA	NA	NA	NA	NA	NA	NA	63	21
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0										0	
CCTV Truck 3126T, ft. videoed	3,998	6,622	1,795										12,415	4,138
CCTV (hand cam), ft. videoed	6,378	806	706										7,890	
CCTV Inspection - outside services, ft. videoed	1,349	553	0										1,902	
Total CCTV footage(3)	11,725	7,981	2,501	NA	NA	NA	NA	NA	NA	NA	NA	NA	22,207	
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	1	4	3										8	NA
Major (Category II)	1	1	1										3	NA
Major (Category I)	0	0	0										0	NA
Major (Category I)	0	3	2										5	NA
Overflow Gallons	126	2,419	1,603										4,148	NA
Volume Recovered	0	0	98										98	NA
Percent Recovered	0%	0%	6%	NA	NA	NA	NA	NA	NA	NA	NA	NA	2%	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	10	11	7										28	9
Normal hours S.C. response time, mins (avg.)	22	20	15										57	19
Service Callouts, after hours, #	1	1	1										3	1
After Hours S.C. response time, mins (avg.)	33	35	40										108	36
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	237	209	274	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	240
Total Stoppages/100 Miles	0.4	1.8	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	NA
Average spill response time (mins)	28	5	22										NA	18
Callouts/100 Miles	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.1
Overtime hours/100 Miles	1	0	7	0	0	0	0	0	0	0	0	0	8.00	1
Overflow Gallons/100 Miles	55	1052	697	0	0	0	0	0	0	0	0	-	1,803	150

(1) This category includes time spent on: Data input, Training, Service Calls, Overflow Response, as well as any other activity that does not directly relate to main line cleaning or CCTV work.

(2) This category separates time spent on CCTV from other Collection System maintenance activities.

(3) Does not include outside services (tracked separately)

Collection System 2014-15 Graphs



**NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
March 2015**

1.0 Summary:

The rancher continued to apply weed suppressant around sprinkler heads on Parcels in the pasture areas. The contractor for the Drainage Pump Station Improvement Project completed the work this month. Staff began the process to locate the leak on the Wildlife Pond Feed Pipeline. There were no irrigation or sludge handling activities this month.

2.0 Ranch Operations:

The rancher continued to apply weed suppressant around sprinkler heads on various Parcels throughout Reclamation. 2,500 sprinkler heads were ordered and received for the Rancher to replace old, failing sprinklers.

3.0 Irrigation Parcels:

As previously reported, staff determined that a culvert, which is either plugged or collapsed, is causing rainwater to accumulate in the ditch along the line of eucalyptus trees on Site 2. Staff used a portable pump to move the accumulated water around the culvert because this water was backing up and flowing across an access road and into Parcel 1. After the water was pumped out of the ditch for a second time, a Work Order was issued to a local contractor to locate the culvert ends with a backhoe to determine the problem. During the work it was determined that the culvert is full of silt and failing; the culvert is constructed of corrugated metal pipe and when pushing a metal probe into the ground over the pipe the probe penetrates the wall of the metal culvert without much effort. Staff will try to work to have this culvert replaced this summer or fall.

The Drainage Pump Stations pumped approximately 8.53 MG of rainwater in February.

The contractor for the Drainage Pump Station Improvement Project completed the work this month and the project is ready for acceptance. The last item of work completed was fabricating and installing new debris fence panels around the pump station structure to prevent debris from getting into the pumps (see photos below). This project was completed without Change Orders.



Figure 1 - Installation of Debris Panels



Figure 2 - Finished Panel Installation

NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
March 2015

4.0 Irrigation Pump Station:

There was no irrigation activity this month. The Irrigation Storage Ponds lost 3.8 MG of water this month due to evaporation. Staff turned on the Wildlife Pond Feed Pump mid-month to see if the leak in the pipeline would surface near the leak location. Unfortunately, the leak surfaced in the same location as before, several hundred feet away from the nearest point on the pipeline. Staff will hire a leak detection company to try to find the leak by listening device.

5.0 Sludge Handling & Disposal:

There was no sludge handling activity this month.

NOVATO SANITARY DISTRICT
Reclamation Facility - Monthly Statistics for Calendar Year 2015, as of March, 2015

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)		0	0	0									-	0.00
Irrigation (MG)		0	0	0.0									-	0.00
Irrigation Pump 1 Hours													-	0.00
Irrigation Pump 2 Hours													-	0.00
Irrigation Pump 3 Hours													-	0.00
Washdown Water Pump Hours													-	0.00
Wildlife Feed Pump Hours			331.5										331.5	27.63
Water Circulated through Wildlife Pond (MG)		0	0	20.8845	0	0	0	0	0	0	0	0	20.9	1.74
Strainer No. 1 Hours													-	0.00
Strainer No. 2 Hours													-	0.00
Pond 1 Gauge @ Beginning of Month	5.4	5.4	5.6											
Pond 1 Gauge @ End of Month	5.4	5.6	5.4											
Pond 1 Gallons Stored @ End of Month(MG)	39.2	41	39.2											
Pond 2 Gauge @ Beginning of Month	5.5	5.5	5.7											
Pond 2 Gauge @ End of Month	5.5	5.7	5.5											
Pond 2 Gallons Stored @ End of Month(MG)	52	54	52											
Total Irrigation Water Stored	91.2	95	91.2	0	0	0	0	0	0	0	0	0		
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours		0	133.1	2.4										
Drainage Pump No. 2 Hours		0	0	2.1										
Drainage Pump No. 3 Hours	100.3	127.1	0.6											
Total Gallons Stormwater Pumped (MG)	30.09	78.06	1.53	0	0	0	0	0	0	0	0	0	109.68	9.14
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	331.6	46.2	13.3											
Drainage Pump No. 2 Hours	0	0	0											
Drainage Pump No. 3 Hours	0	1.5	2.7											
Total Gallons Stormwater Pumped (MG)	149.22	21	7	0	0	0	0	0	0	0	0	0	177.885	14.82

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Resolution to Tax Defer Member Paid Contributions – IRC 414(h)(2)	MEETING DATE: May 11, 2015 AGENDA ITEM NO.: 8.a.
RECOMMENDED ACTION: Adopt Resolution No. 3084 formalizing CalPERS Member Paid Contributions to be tax-deferred under Internal Revenue Code, IRC section 414(h)(2).	
SUMMARY AND DISCUSSION: <p>The District does not have a resolution on file with CalPERS that formalizes the tax-deferred nature of employee contributions to the CalPERS defined benefit pension plan. Under Internal Revenue Code (IRC) § 414(h)(2), state and local governmental employers can “pick-up” all or portions of the mandatory employee contributions in such a way that these employee contributions are tax deferred. These contributions can also include amounts that are deducted from an employee’s salary on a pre-tax basis and are credited to the employee’s CalPERS Member Account in accordance with California Government Code 20691.</p> <p>A copy of the District resolution as prepared from the CalPERS template is attached. CalPERS has advised that adopting employers such as the District may not make any changes to the wording of the Resolution, as any changes will cause CalPERS to reject the adopted resolution.</p> <p>Therefore, it is recommended that the Board adopt the attached Resolution No. 3084 formalizing CalPERS Member Paid Contributions to be tax-deferred per Internal Revenue Code, IRC section 414(h)(2).</p>	
BUDGET INFORMATION: No budget impact.	
DEPT. MGR.: lc, ssk	MANAGER-ENGINEER:

RESOLUTION NO. 3084

NOVATO SANITARY DISTRICT

**RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS – IRC 414(h)(2)
EMPLOYER PICK-UP**

WHEREAS, the governing body of the Novato Sanitary District (NSD) has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the NSD has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to NSD (All Employees, or All Employees In A Recognized Group or Class of Employment) who are members of the California Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

- I. That the NSD will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
- II. That the contributions made by the NSD to the California Public Employees' Retirement System, although designated as employee contributions, are being paid by the NSD in lieu of contributions by the employees who are members of the California Public Employees' Retirement System.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the NSD to the California Public Employees' Retirement System.
- IV. That the NSD shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the NSD to the California Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 20000, et seq.).
- VI. That the contributions designated as employee contributions made by NSD to the California Public Employees' Retirement System shall be treated for all purposes, other

than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

PASSED AND ADOPTED by the governing body of the Novato Sanitary District this 11th day of May, 2015.

BY

(Signature of Official)

(Title of Official)

RETURN ADDRESS:

FOR CALPERS USE ONLY

RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS - IRC 414(h)(2)

Approved by: _____

Title: _____

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Maintenance Building, Account No. 73003 - Phase 1, Site Demolition, Project No. 73003-01.	MEETING DATE: May 11, 2015 AGENDA ITEM NO.: 9.a.										
RECOMMENDED ACTION: Review bids received, approve contract award to West Bay Builders, Inc., and authorize Manager-Engineer to execute the contract in the bid amount of \$473,500.00.											
SUMMARY AND DISCUSSION: <p>At its March 9, 2015 meeting the District Board authorized staff to advertise for bids for this project. On April 21, 2015, four (4) bids were received as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;"><u>Bidder</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>West Bay Builders:</td> <td style="text-align: right;">\$473,500.00</td> </tr> <tr> <td>Maggiora & Ghilotti:</td> <td style="text-align: right;">\$614,614.00</td> </tr> <tr> <td>Bowen Engineering:</td> <td style="text-align: right;">\$621,000.00</td> </tr> <tr> <td>Team Ghilotti:</td> <td style="text-align: right;">\$874,373.00</td> </tr> </tbody> </table> <p>As seen above, West Bay Builders (Novato, CA) submitted the apparent lowest bid of \$473,500. The Engineer's Estimate of Probable Cost was \$400,000. West Bay Builder's bid documents were reviewed and they appear to be in order. Staff then contacted West Bay to discuss their bid, and they are comfortable and confident with their bid.</p> <p>The FY14-15 budget includes \$1,000,000 for Administration Building Upgrade/Maintenance Building Improvements, Account No. 73003. Therefore, at this time, it is recommended that the Board approve contract award to West Bay Builders, and authorize the Manager-Engineer to execute the contract in the bid amount of \$473,500.00.</p>		<u>Bidder</u>	<u>Amount</u>	West Bay Builders:	\$473,500.00	Maggiora & Ghilotti:	\$614,614.00	Bowen Engineering:	\$621,000.00	Team Ghilotti:	\$874,373.00
<u>Bidder</u>	<u>Amount</u>										
West Bay Builders:	\$473,500.00										
Maggiora & Ghilotti:	\$614,614.00										
Bowen Engineering:	\$621,000.00										
Team Ghilotti:	\$874,373.00										
BUDGET INFORMATION: This work will be funded from the Administration Building Upgrade/Maintenance Building Improvements, Account No. 73003, which has a FY14-15 budget of \$1,000,000, and a budget balance of \$952,367.22 as of April 30, 2015											
DEPT.MGR.: srk, ssk	MANAGER-ENGINEER:										

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Collection System Improvements, Account No. 72706 - Olive Pump Station Parallel Force Main Project	MEETING DATE: May 11, 2015 AGENDA ITEM NO.: 9.b.
RECOMMENDED ACTION: Authorize the Manager-Engineer to execute a revised Agreement in the amount of \$46,850.00 with the North Marin Water District (NMWD) for modifications to Water District facilities required for the Force Main Project.	
SUMMARY AND DISCUSSION: <p>On August 25, 2014 the District awarded the Olive Pump Station Parallel Force Main Project to Argonaut Constructors of Santa Rosa and issued the Notice to Proceed on November 10, 2014. The late start was due to the lack of availability of pipeline materials for the project.</p> <p>As work progressed it was determined that a 6-inch water main had to be relocated around the new force main discharge manhole at the south end of Railroad Ave. Staff negotiated the cost of this relocation with NMWD staff, and the Manager-Engineer executed an Agreement with NMWD dated January 16, 2015 in the amount of \$16,888.00 to relocate the water main.</p> <p>As the District's work progressed north on Railroad Avenue, the sewer force main alignment was changed to accommodate other existing utilities encountered along the route that were not identified adequately during design (due to incomplete "as-built" information). As a result of the route change, two 4-inch fire hydrant supply lines had to be removed and modified to accommodate the new force main. In order to keep the District's Contractor on schedule and not cause a delay, staff agreed to reimburse the costs to NMWD, and revise the existing Agreement to include the additional work.</p> <p>The revised Agreement was received on March 9, 2015 but was not processed immediately due to a disagreement between the two Districts' staff on an unrelated matter (cost of relocation of certain other water services) that was arranged between the NMWD and the Contractor, not the Sanitary District.</p> <p>Staff will continue to work with the Contractor and NMWD to resolve the outstanding issue of the relocation of the water services. At this time, staff recommends that the Board authorize the Manager-Engineer to execute the revised Agreement between the NMWD and the District in the amount of \$46,850.00 to address the issues of the relocation of the water main and the fire hydrant supply lines.</p>	
BUDGET INFORMATION: The FY14-15 Budget includes a budget amount of \$1,435,621 for Collection System Improvements, Account No. 72706, and has a budget balance of \$312,578.26 as of April 30, 2015.	
DEPT.MGR.: srk, ssk	MANAGER-ENGINEER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: District Board of Directors: November 2015 Election	MEETING DATE: May 11, 2015 AGENDA ITEM NO.: 10.a.
RECOMMENDED ACTION: Adopt Resolution No. 3085 proposing that an election be held and that it be consolidated with other elections.	
SUMMARY AND DISCUSSION: Three seats on the District Board of Directors are up for election in 2015 - two regular term positions (4 years), and one short term position (2 years). In order to be included in the Uniform District Election to be held on November 3, 2015, the District Board must adopt the attached resolution and submit it to the Marin County Registrar of Voters by June 26, 2015. The filing period is July 13 to August 7, 2015. If all incumbents do not file, the filing period is extended to August 12, 2015 for non-incumbents only.	
BUDGET INFORMATION: The cost of the election is approximately \$1.50 - \$2.50 per registered voter and will be included in the FY2015-16 District budget. It is estimated that there are approximately 31,000 registered voters in the District.	
DEPT. MGR.: ssk	MANAGER-ENGINEER: SSK

RESOLUTION NO. 3085

RESOLUTION OF THE GOVERNING BODY OF THE

Novato Sanitary District

**PROPOSING AN ELECTION BE HELD IN ITS JURISDICTION;
REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY
OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTING
ELECTION SERVICES BY THE MARIN COUNTY ELECTIONS DEPARTMENT**

WHEREAS, it is the determination of said governing body that the Uniform District Election to be held on the 3rd day of November, 2015, at which election the issue to be presented to the voters shall be:

To elect members to the Board of Directors:

Number of Regular Term Positions (4 year) 2 (two)

Number of Short Term Positions (2 year) 1 (one)

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Marin is hereby requested to:

- 1) Consolidate said election with any other applicable election conducted on the same day;
- 2) Authorize and direct the Elections Department at District expense, to provide all necessary election services and to canvass the results of said election.

Payment for the publication of a candidate's statement of qualification is the responsibility of the: Candidate

(District or candidate)

PASSED AND ADOPTED this 11th day of May, 2015 by the following vote, to wit:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST: _____
Secretary

Informational Item
Following:

Editorial: State audit shines light on Ross Valley

Posted: 04/18/15, 2:20 PM PDT Updated: 2 weeks, 3 days ago

marinij.com

On April 10, Marin property owners paid their property taxes. Besides the checks they wrote, they entrusted government to make sure their hard-earned tax dollars would be spent responsibly and with careful restraint.

They expect those elected to represent them will fulfill that reasonable trust.

There have been too many instances where that trust has been broken. It is particularly troubling when it occurs close to home, where the expectation is that a representative is closer to the people he or she represents.

Part of that important responsibility is making sure public dollars are spent wisely with safeguards to make sure they are not wasted or lost.

On Thursday, the state auditor released the results of its investigation into the Ross Valley Sanitary District's financial scandal. It has become clear that some elected representatives failed to perform their important role in the checks and balances of running a public agency.

The audit's findings are disturbing.

"This audit confirms the past gross, derelict and criminal mismanagement of the district," said Assemblyman Marc Levine, who was instrumental in bringing state auditors to take an independent look at the district's books and practices.

Today's board members, most of whom were elected to replace the board that was in place for most of the problems detailed in the audit, now has the task of fixing problems from the past and implementing business practices to make sure they are not repeated in the future.

The audit should be must reading for every elected public official across our county.

It details what can happen when elected officials, although well meaning, fail to provide prudent and careful oversight. It details the need for training and experience, both of which were lacking on Ross Valley's board.

The sad irony is that those board members had been elected on a political platform to correct reported excesses and shortcomings of those whom they replaced. Instead, despite their reform agenda, they themselves fell far short in doing their jobs of making sure there was proper oversight of how public funds were being used carefully.

They handed out generous raises during the depth of the recession, when most public agencies were imposing "freezes" on pay increases and laying off workers. The audit shows the pay levels for many district jobs exceed those offered by larger agencies with greater responsibilities. One administrative manager got a 56 percent raise. That employee resigned nine months later, but with a "generous" three-month severance of \$37,000, the audit found.

Advertisement

In many cases, board members approved pay levels without first requiring comparative data, a good-government practice.

“We do not believe that the district’s practice of offering excessive compensation to its employees is an appropriate use of revenue generated from fees and taxes paid by its ratepayers,” the audit stated.

Ratepayers likely will remember that finding the next time the district seeks their support for a rate increase.

District board members, who are paid \$299 per meeting, did not use competitive bidding processes that could have saved ratepayers money.

Board members also didn’t make sure the district followed appropriate human resources policies and practices in place, including employee evaluations and required conflict-of-interest rules.

The audit also mentions the 2013 arrest of the district’s former general manager, who was arrested in the Philippines on suspicion of misappropriation of public funds and embezzlement as part of his failure to use a \$350,000 loan he got from the district board toward buying a home in the Bay Area. He is awaiting trial.

The audit also provides a detailed checklist of what measures the district needs to take to bring the district into compliance with good-government standards.

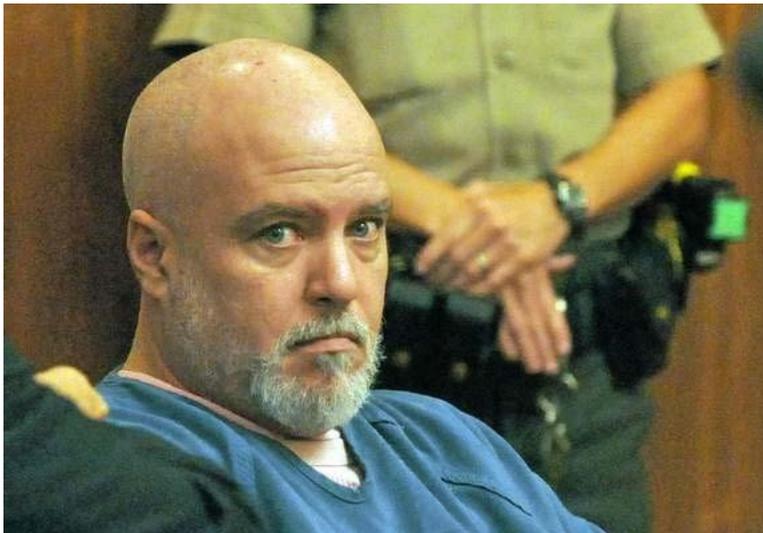
The current board is working to correct a sad legacy of slipshod management and oversight, but the report and checklist likely would be helpful to any all elected board members.

Their taxpaying constituents deserve their interest in avoiding Ross Valley’s costly mistakes.

Ross Valley Sanitary District state audit faults past financial management

By Richard Halstead , Marin Independent Journal

marinij.com



Brett Richards, the former Ross Valley Sanitary District manager, faces nine felony counts. A state audit criticized management of the district during Richards' time in the top post. Robert Tong — Marin Independent Journal

The Ross Valley Sanitary District board failed to implement important controls over the district's finances and administration until recently, and weaknesses in the district's procedures still exist that could result in fraud and

abuse of public funds, according to a state audit of the district released Thursday.

The audit determined that compensation for district employees is high relative to salaries at comparable sanitation agencies and that in the past the board failed to appropriately review two of the district's costly emergencies to determine if it should continue the work without seeking competitive bids. The audit also concluded that the district had not always used a competitive process for procuring professional services, and that the district has not properly managed its human resources.

Former manager jailed

Nearly all of the actions criticized in the audit occurred during the tenure of the district's former general manager, Brett Richards. Richards, who resigned in July 2012 and was arrested in the Philippines in July 2013, is in Marin County Jail awaiting trial on charges that he misused a \$350,000 housing loan from the district. He faces nine felony counts, including misappropriation of public funds and money laundering.

The district's new general manager, Greg Norby, said the state audit was initiated at the request of the district's current board under the State Auditor's high risk local agency program, which was created after the city of Bell scandal.

"We reached out to our local representative Assemblyman Marc Levine, and he sponsored the request," Norby said.

In a letter to the state, Ross Valley Sanitary District board president Tom Gaffney wrote, "The RVSD board unanimously concurs with all of the audit recommendations, and will make their implementation a top priority moving forward."

"We're really trying to turn things around," Gaffney said Thursday.

Levine, in a prepared statement, said, "This audit confirms the past gross, derelict, and criminal mismanagement of the District. The audit report highlights several significant weaknesses in the District's financial and administrative policies and practices."

Levine added, "The audit report also indicates that the District agrees with all recommendations and is in the process of taking corrective actions. The District is on the right path, but has more work to do."

Generous salaries

The audit states that in the past the board's oversight of employee compensation was lax, resulting in high salaries for district employees. The audit found that the top salary ranges of some of the district's key management positions are 12 to 18 percent higher than those for comparable positions at larger sanitation agencies. The audit also questioned the district's decision to give employees cost-of-living-adjustments of between 3 and 5 percent that were not tied to changes in any actual cost-of-living index, and to award longevity pay without justification.

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The audit cited two instances during which the board failed to appropriately review earlier decisions to authorize costly emergency repairs without seeking competitive bids. State law allows districts to do emergency repairs without seeking bids, but it requires boards overseeing such work to reapprove the emergency on a monthly basis after that to determine if the emergency has ended.

The emergencies cited in the audit involved the replacement of a pressurized main pipe carrying sewage through Kentfield between December 2010 and May 2011, when Richards was in charge. The project ended up costing less than the original \$9 million estimate, but the auditors said additional money might have been saved if more of the work had been competitively bid.

Professional services

The audit also states that the district has not always used a competitive process for procuring professional services. For example, it notes that in July 2010, the board approved a sole-source contract not to exceed \$84,000 for one year for marketing-related services and after the contract expired the district continued to pay for the marketing services for several months, ultimately paying this contractor more than \$175,000.

The audit also reports that in August 2013 the district entered into a one-year agreement not to exceed \$100,000 for human resources management services using a sole-source contract. While state law does not require competitive bids for professional service, the auditors said it is a good business practice. The audit notes the district approved a policy requiring competitive bidding for such services whenever reasonably feasible in September 2014.

To-do list

The audit contains a long list of recommendations for the district to implement. The list includes making it clear that the activities of approving invoices, recording invoices, preparing checks, and reconciling bank statements to the district's records should be performed by separate individuals; requiring a periodic review to ensure that only appropriate personnel are included as authorized signers on financial accounts; establishing an appropriate system for tracking and valuing inventory; requiring all employees, including managers, to complete time sheets to track time worked and any compensated time off and developing and documenting a policy that requires board members and designated employees to attend ethics training biannually and a process for monitoring attendance.

Gaffney said that many of the recommendations contained in the audit have already been implemented; but he said the audit didn't always credit the district for doing so because the changes haven't been written into formal policies yet.

Regarding the audit, Michael Boorstein, who was elected to the district board in June together with Gaffney, said, "I think it was a fair, honest, balanced assessment of where the district has been through its tumultuous past. That's not where we are now. Many of the things they dinged us on have already been implemented but not proceduralized."



Richard Halstead

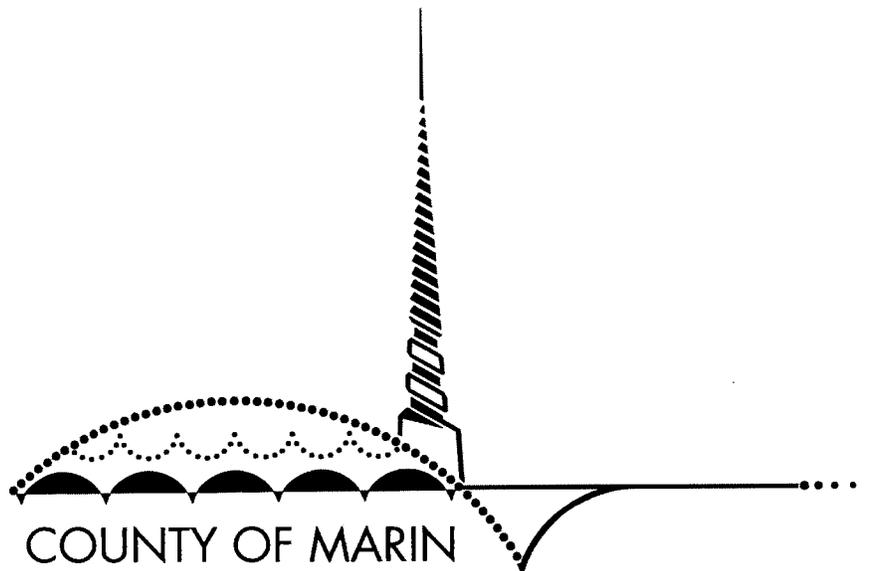
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2014/2015 MARIN COUNTY CIVIL GRAND JURY

**Pension Enhancements: A Case of Government Code
Violations and A Lack of Transparency**

Report Date: April 9, 2015
Public Release Date: April 16, 2015



Pension Enhancements: A Case of Government Code Violations and A Lack of Transparency

SUMMARY

Unfunded pension liabilities are a concern for county and city governments throughout California. Reviewing this problem in Marin County, the Grand Jury examined four public employers that participate in the Marin County Employees' Retirement Association (MCERA): County of Marin, City of San Rafael, Novato Fire Protection District, and the Southern Marin Fire Protection District, hereafter collectively referred to as "Employer(s)".

The Grand Jury interviewed representatives of the County of Marin, sponsors of MCERA administered retirement plans, representatives of MCERA, and members of the various Employer governing boards and staff. It also consulted with actuaries, various citizen groups, and the Grand Jury's independent court-appointed lawyers.

In so doing, the Grand Jury found that those Employers granted no less than thirty-eight pension enhancements from 2001- 2006, each of which appears to have violated disclosure requirements and fiscal responsibility requirements of the California Government Code.

The Government Code contains specific requirements that must be met before local governments can increase the pension benefits for public employees. At the time of consideration of the enhancements at issue, the Employers were required to: (a) provide notice to the public of any potential pension increases on the Employer's board meeting agenda for public discussion; (b) obtain an actuarial evaluation of the future costs of the enhancement; (c) present that actuarial analysis at a public meeting two weeks before approving the increase; (d) explain the impact of the proposed increases on the pension's financial health and funding.

The Grand Jury found that the public Employers appear to have violated these requirements in a variety of ways—providing little, if any, notice to the citizens of Marin County that they would be responsible in the future for hundreds of millions of dollars of pension costs. In each case, the public Employers appear not to have provided proper public notice about the proposed pension enhancements. Not only were no public meetings noticed two weeks prior to approval, those meetings were never held. Most of the pension increases were approved through a consent agenda item at each Employer's board or council meeting. (Consent agendas are typically used for approving items that may not merit any discussion at the meeting and the consent items are approved together as a package through a single vote.) So, even if members of the public were in attendance at the board or council meeting, they might not realize that a pension increase was being approved or not realize the financial impact thereof.

The public Employers commissioned a single generalized actuarial study and then used that same study for a variety of different pension enhancements for multiple, diverse bargaining groups. The Employers continued to use the same study to justify pension increases even when that study was up to four years old. This financial information was not provided to the public. Additionally, although the Employers were required to disclose to the public the financial implications of each study two weeks prior to the public meeting at which the increases were approved, they appear not to have done so. The Grand Jury learned that, through a citizens Public Records Act request, this study was released in 2013. It is not known by the Grand Jury if a public request was made prior to this date.

All of these actions appear to have violated the legal obligations of the public Employers under the Government Code and the rights of the citizens of Marin County.

One result of these pension enhancements is that they contributed to the increase of the unfunded pension liability of MCERA; this unfunded liability increased from a surplus of \$26.5 million in 2000 to a deficit of \$536.8 million in 2013. This increase may expose the citizens of Marin County to additional tax burdens to cover the unfunded costs and may place the future financial viability of the pension plans at significant risk. Additionally, such an impact may impair the governments' ability to provide the broad range of essential services that citizens are expecting; instead those funds may be used to pay for employee pensions.

The Grand Jury recommends that the Employers adopt policies and procedures to ensure further compliance with legal requirements, with legal counsel responsible for ensuring compliance with the Government Code, and to establish a Citizens Pension Oversight Committee

This report is limited to those employers who participate in MCERA. It is beyond the resources of this Grand Jury to investigate all other Marin public employers (cities, towns, special districts) who participate in the California Public Employees' Retirement System (CalPERS). Given the pattern and practice by the Employers who sponsor MCERA, the Grand Jury expects that such an investigation might result in the same findings and recommendations as found in this report.

BACKGROUND

The Grand Jury received a citizen complaint that certain public Employers in Marin County had not properly disclosed pension enhancements to the public in the "early/mid 2000s" and that those enhancements had violated the California Government Code. In prior reports in 2005 and 2011, the Marin County Grand Jury had found that the unfunded liability for public pensions was continuing to grow. With this information the Grand Jury reviewed the Attorney General's opinions and case law that support propriety of a Grand Jury concluding violation of law. The Grand Jury therefore decided to investigate the complaint about statutory violations and the impact of those potential violations on the county and its citizens.

INVESTIGATIVE PROCESS

A. Interviews and Documents

The Grand Jury interviewed representatives of the County of Marin, various public Employers who sponsor MCERA, representatives of MCERA, and members of the various Employer governing boards and staff. It also consulted with actuaries, various citizen groups, and the Grand Jury's independent court-appointed lawyers.

Among other documents, the Grand Jury reviewed: (a) all available agendas, minutes, and staff letters and reports to the Board of Supervisors that dealt with collective bargaining agreements during 2001- 2006; (b) all available agendas and minutes for each of the MCERA plan sponsors' (Employers') from 2001- 2006; (c) Retirement Benefit Studies prepared by MCERA's actuary at the time, William M. Mercer ¹; (d) MCERA's Annual Actuarial Reports each year from 2000 through 2013 and the bi-annual Active & Retired Experience Analysis for the same period; (e) various published reports, studies and papers related to the topic of public employee pensions. The bibliography contains a more complete listing of all reports, studies and papers reviewed.

The Grand Jury also carefully reviewed the relevant provisions of the California Government Code that were in effect during 2001- 2006.

B. Relevant Provisions of the California Government Code

The Grand Jury carefully reviewed Sections 7507, 23026, 31515.5, and 31516 of the California Government Code, which address noticing and actuarial requirements for approving salary and enhanced benefit increases.² Because the Government Code has changed over time, the Grand Jury was careful to review provisions of the Government Code that were in place at the time the pension enhancements were approved.

These statutes impose specific obligations on Employers when they consider pension increases. The purpose of these statutes is to ensure timely public disclosure, allow for a public discussion at board meetings, and to require a reasoned decision-making process based on actuarial input.

1. Section 7507

Cal. Gov't Code § 7507 (2001) requires city and county entities to "...secure the services of an enrolled actuary to provide a statement of the actuarial impact upon future annual

¹ These studies (see Appendix A) estimated the future annual actuarial cost of the pension enhancements. A separate study was conducted for the County of Marin (including special districts under the control of the County), City of San Rafael, Southern Marin Fire Protection District and the Novato Fire Protection District.

² Government Code Section 7507 is found in Title 1 of the Government Code under the Public Pension and Retirement Plans division. Government Code Section 23026 is found in Division 1 of Title 3 of the Government Code, which pertains to county governance. Sections 31515.5 and 31516 are found under the County Employees Retirement Law of 1937 ("CERL").

costs before authorizing increases in public retirement plan benefits. The future annual costs as determined by the actuary shall be made public at a public meeting at least two weeks prior to the adoption of any increases in public retirement plan benefits.” (Note that Section 7507 was amended in 2009 to require that an actuary be present at the public meeting and that the adoption of any benefit be on a regular calendar, as opposed to a consent calendar.)

2. *Section 23026*

Cal. Gov’t Code § 23026 (2001) contains four separate requirements that a board of supervisors of any local pension system must fulfill before enhancing pension benefits. It states that the board of supervisors

- “shall make public, at a regularly scheduled meeting of the board, all salary and benefit increases that affect either or both represented employees and non-represented employees;”
- “shall” include “[n]otice of any salary or benefit increase . . . on the agenda for the meeting as an item of business;”
- “shall” provide that notice “prior to the adoption of the salary or benefit increase;” and
- “shall include an explanation of the financial impact that the proposed benefit change or salary increase will have on the funding status of the county employees’ retirement system.”

The Grand Jury notes that these notice provisions provide citizens the opportunity to know what is being offered to the public employees and to understand exactly how much those new benefits will cost them.

3. *Section 31515.5*

Consistent with Section 23026, Cal. Gov’t Code § 31515.5 (2001) requires the board of supervisors to notice, at a regularly scheduled meeting, all salary and benefit increases. It authorizes the preparation of an actuarial estimate on the impact of the salary and benefit requirements. Specifically, the mandatory language provides that the board of supervisors:

- “shall make public, at a regularly scheduled meeting of the board, all salary and benefit increases that affect either or both represented employees and nonrepresented employees;”
- “shall” include “[n]otice of any salary or benefit increase . . . on the agenda for the meeting as an item of business;”

- “shall” provide “[n]otice . . . prior to the adoption of the salary or benefit increase;” and
- “shall include an explanation of the financial impact that proposed benefit change or salary increase will have on the funding status of the county employees’ retirement system.”

4. *Section 31516*

Like Section 7507, Cal. Gov’t Code § 31516 (2001) requires that the board of supervisors “shall” hire an “actuary to provide a statement of the actuarial impact upon future annual costs before authorizing benefits.” It also provides that the actuary’s report “shall be made public at a public meeting at least two weeks prior to the adoption of any increases in benefits.”

DISCUSSION

A. The Statutory Violations Uncovered by the Grand Jury Investigation

Government Code provisions require a public airing of proposed pension increases for public employees and the actual costs of those increases. Government Code provisions provide an internal brake for public Employers by forcing them to consider the real cost of the increases. The Grand Jury found that the Employer sponsors of MCERA did not comply with these sections of the Government Code and appear to have added millions of dollars to their unfunded pension liabilities.

The evidence reviewed by the Grand Jury shows that none of the Employers appear to have complied with the Government Code in any of the thirty-eight pension enhancements analyzed during 2001-06:

- Employers appear not to have given proper notice that there would be a public meeting regarding the pension enhancements.
- Employers appear not to have disclosed their actuarial studies to the public before the meeting when the pension enhancements were approved. They appear to have violated the law requiring disclosure two weeks prior to a public meeting. Most of the actuarial studies were not made public until a records request in August 2013—*more than a decade after most of the increases!*
- Only five actuarial studies were performed to support the thirty-eight pension enhancements (see Appendix A). The first study in 1999 was used to justify a pension enhancement in 2001. The four other studies were performed in 2001, one for each of the four Employers in MCERA. Of the 2001 studies, one was used to justify *twenty-two* different pension enhancements for diverse

bargaining groups through June 2005. The second 2001 study was used for nine enhancements for many different employee groups. The third 2001 study was used to justify two enhancements in 2001. The final 2001 study was used to justify pension enhancements in November 2005 and September 2006, even though the analysis appears to have been out-of-date.

- The repeated use of a single actuarial report to justify sweeping changes across many different negotiating groups over a multi-year period is a statutory violation of the Government Code.³ The studies only contained a breakdown between “safety” and “miscellaneous” employees, and did not break the costs down by the individual bargaining units that would be receiving the changes. Appendix A contains a breakdown of all 38 pension enhancements, including the date of the actuarial study used to justify those increases.

These previously mentioned violations are summarized in the following table. Every pension enhancement reviewed by the Grand Jury appears to have violated a section of the California Government Code, as displayed in Table I.

Table I: Previously Mentioned Violations of The California Government Code				
	<i>Section 7507</i>	<i>Section 23026</i>	<i>Section 31515.5</i>	<i>Section 31516</i>
Marin County Board of Supervisors	23	23	23	23
City Council of San Rafael	9			
Novato Fire Protection District Board	2			
Southern Marin Fire Protection District Board	4			
Grand total of procedural violations:				107

The citizens of Marin County essentially had little or no notice of the pension enhancements, little or no ability to give input into the enhancements, little or no information about the financial impact of the pension enhancements, and little or no opportunity by which they could discuss, provide input or consider the impact on the health of the MCERA pension fund.

³ The attached appendices at the end of the report contain the supporting data gathered by the Grand Jury.

Despite public statements that the enhancements were necessary to attract new employees, all of these enhancements were done on a retroactive basis. The employees' enhanced pension benefits were essentially recalculated back to the employee's first date of hire, no matter how long ago that was.

In sum, the Grand Jury found that the Employers did not comply with the Government Code.

B. Potential Impact of the Violations on the Validity of the Pension Enhancements

The Grand Jury believes that the statutory violations outlined in this report may require the Employers to reconsider whether or not benefits under those enhancements have vested. There is a question as to whether any of the procedural irregularities described in the report affect the vesting of retirement benefits. This is a legal question, beyond the scope of the Grand Jury's review

The Grand Jury is aware of assertions that many pension enhancements cannot be challenged because of the so-called California Rule, which essentially provides that the state retirement statutes create contracts, and that they do so on the first day of employment.⁴

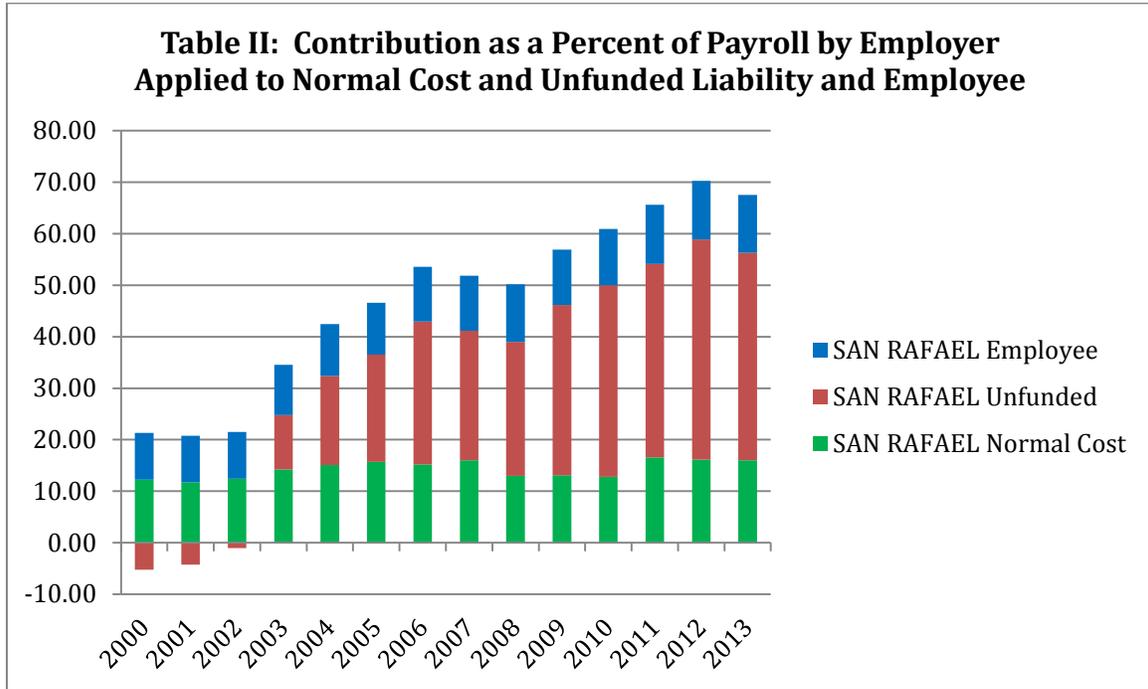
The violations discussed above may have prevented the formation of a valid contract, which means that the future benefits under the collective bargaining agreement may or may not have vested under the California Rule. It appears to the Grand Jury that valid contracts may or may not have been created to provide for vested retirement benefits under the California Rule. In addition to the question of vesting of retirement benefits, there is also a question as to whether valid contracts were created. Again, these are legal questions, beyond the scope of the Grand Jury's review.

Action on this issue should not be delayed, as the effects of any improperly enhanced pensions grow each year. Annual Employer contributions grew over 379% from \$18.40 million to \$69.85 million between 2000 and 2013 (see Appendix B). The corresponding employee contributions increased 258%, from \$6.85 million to \$17.66 million. Marin County also made a supplemental payment of \$32.20 million in 2013 to reduce the unfunded liability, in addition to the \$109.80 million supplemental payment in 2003 when the County issued a Pension Obligation Bond. The pension costs are increasing the payroll.

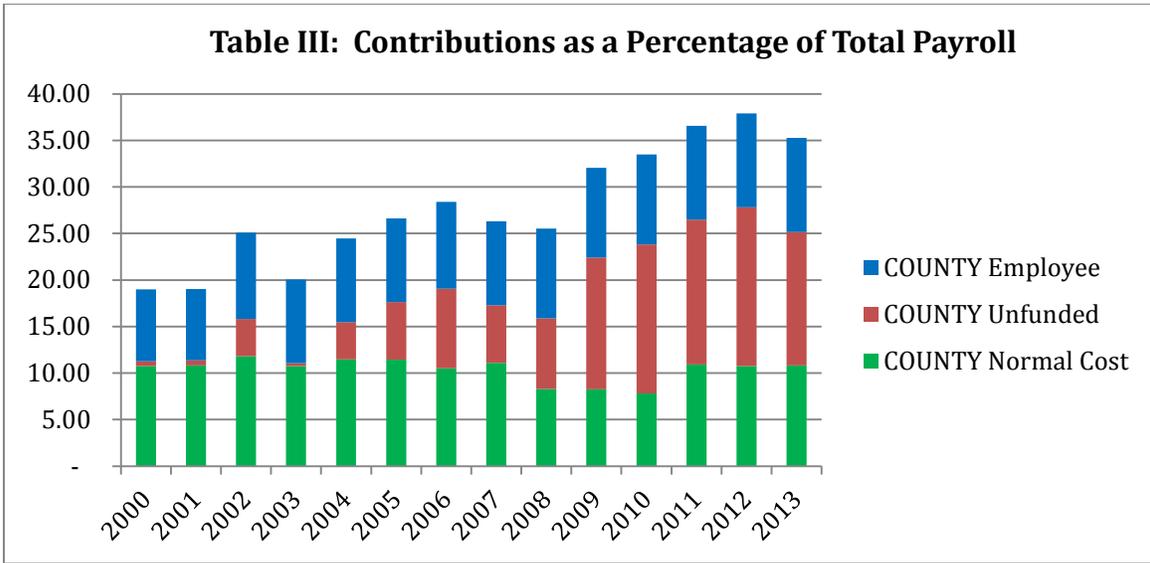
For example, the pensions enacted by the City Council of San Rafael constitute an additional 70% to the payroll costs. So, for every dollar paid in payroll, an additional 70

⁴ Professor Amy B. Monahan discusses the California Rule in depth in *Statutes as Contracts? The "California Rule" and Its Impact on the public Pension Reform*, 97 Iowa Law Review 1029 (2012).

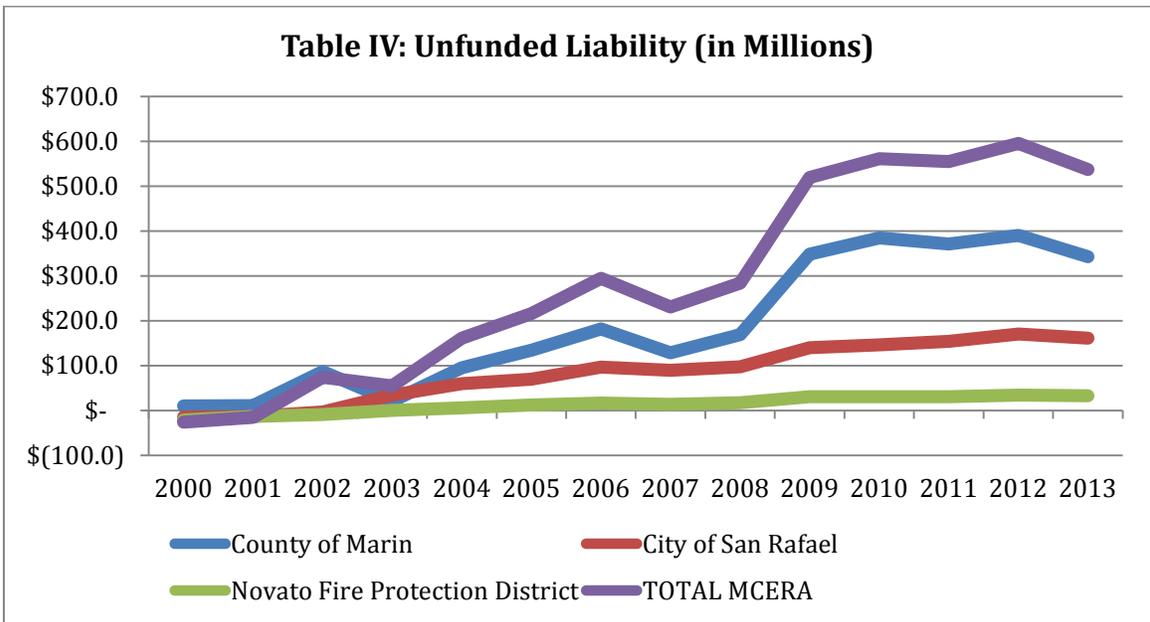
cents is needed to pay for pensions—most of which is to pay the unfunded liability, as can be seen in Table II:



The pensions for the employees of the County of Marin constitute fully an additional 35% of the payroll cost. Again, most of these costs are to pay the unfunded liability as shown in Table III (also see Appendix C):



Even though public employees and public Employers are paying more, the unfunded liability continues to grow. The MCERA’s unfunded liability grew from the 2000 surplus of \$26.5 million to a deficit of \$536.8 million as of 2013⁵. The unfunded liability is the sole responsibility of the Employers and, therefore, the taxpayers of Marin County. The following chart (Table IV) demonstrates the extent of the problem (also see Appendix D):



⁵ NOTE: Between the approval of this report by the Marin Grand Jury Plenary on Feb 12, 2015 and the date of its publication, the MCERA Board accepted the Actuarial Valuation Report as of June 30, 2014. This report has no effect on the premise of this Pension report, which focuses predominately on the procedural violations of the Gov. Code.

FINDINGS

The Marin County Civil Grand Jury finds that in connection with thirty-eight pension enhancements from 2001- 2006, the Employers appear to have repeatedly violated Cal. Gov't Code § 7507, 23026, 31515.5, and 31516. Specifically:

- F1. The Employers appear to have repeatedly violated Cal. Gov't Code § 7507 by using the same actuarial evaluation report for many different pension increases and by failing to publicly disclose those increased costs before adopting them. The evaluations did not review the proposed increases for each individual bargaining unit; the Employers continued using the evaluation after years had passed. These factors appear to have contributed to the current unfunded liabilities of MCERA.
- F2. The County appears to have violated Cal. Gov't Code § 23026 by (a) failing to make the pension increases public through a “regularly scheduled meeting” of the Board, including through the use of consent agendas; (b) failing to provide public notice of that increase on a board agenda; (c) failing to provide a public notice of the “financial impact” that the increase would have on MCERA. These violations excluded the public from examining the fiscal impact of the pension increases and from participating in the board’s decision process.
- F3. The County appears to have violated Cal. Gov't Code § 31515.5 by (a) failing to make the pension increases public through a “regularly scheduled meeting” of the board, including through the use of consent agendas, (b) failing to provide prior public notice of that increase on board agendas, and (c) failing to provide a public notice of the “financial impact” that the increase would have on MCERA. The public appears to have been excluded from examining the fiscal impact of the pension increases and from participating in the approval process. It also appears that the public was unaware of potential future financial obligations.
- F4. The County appears to have violated Cal. Gov't Code § 31516 by (a) failing to secure an actuarial statement that explains the financial impact of the specific pension increase on MCERA and by (b) failing to make that actuarial report public at least two weeks prior to the adoption of the increase of benefits. This appears to have excluded the public from examining the fiscal impact of the pension increases, from participating in the board’s decision-making process, and from understanding their potential future financial obligations.
- F5. If the pension increases were not made in accordance with the California Government Code, the citizens of Marin County were never given proper notice about pension increases that are now costing them millions of dollars. These increases and associated liabilities are a contributing factor to why MCERA has a collective unfunded pension liability of approximately \$536.8 million.

- F6. Because there appear to have been statutory violations, the future pension benefits provided for by the enhancements may or may not have vested as rights of the public employees under California law.

RECOMMENDATIONS

- R1. The Employers develop, adopt and implement a policy and procedures (including staff training) to prevent future violations of the California Government Code when increases in pension benefits are proposed. The Employers should consider making their legal counsel responsible for ensuring compliance with the Government Code.
- R2. The Employers develop, adopt and implement a policy for “reporting out” to the public regarding the employment and pension costs in terms of the amount and the Employer’s ability to pay on a current cash flow basis.
- R3. Each Employer establish a Citizens’ Pension Oversight Committee comprised of resident tax payers who would: 1.) review pension funding levels in light of the Employer’s ability to pay; 2.) review proposed pension changes before final Employer approval of any collective bargaining agreement; 3.) review the Employer’s compliance with Government Codes related to pensions; 4.) develop written quarterly reports for the public as to the financial security of the pension fund.

REQUIRED RESPONSES

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

- Marin County Board of Supervisors: All Findings and Recommendations.
- City Council of San Rafael: All Findings and Recommendations.
- Novato Fire Protection District Board: All Findings and Recommendations.
- Southern Marin Fire Protection District Board: All Findings and Recommendations.

The governing 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 Brown Act.

The 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 agenda'd public meeting.

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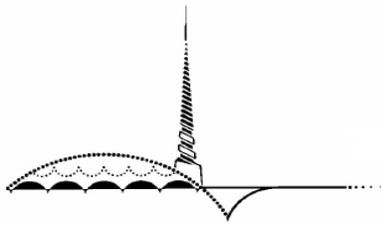
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Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information 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 investigation

NOTE: Civil Grand Jury reports do not identify individuals interviewed pursuant to Penal Code Section 929.



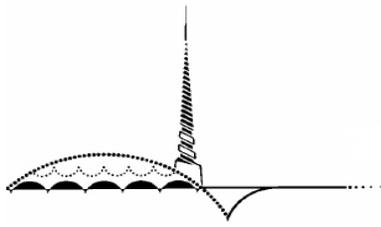
Marin County Civil Grand Jury

APPENDIX A – Part 1

Approval Summary by Employer by Board Date and Bargaining Group

Employer	Board Meeting Date	Agenda Item	Bargaining Unit	Actuarial Study Date	Public Meeting 2 weeks Prior	New Tier					
						Formula	Max. COLA	FAC* Period	Benefits Retroactive	Govt. Code	Effective Date
MC	1/9/2001	13	PMA - Teamsters Local 856	2/23/1999	NO	3% @ 55	2%	3 Years	YES	31664.2	7/1/2001
MC	5/14/2002	CA-6	MCFFA - Safety	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	6/4/2002	CA-5a	MCFFA - Miscellaneous	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/4/2002	CA-5b	MCFOB	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	6/18/2002	CA-5b	Non-Rep Miscellaneous	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/18/2002	CA-5b	Non-Rep Safety	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	6/18/2002	CA-5c	Teamsters 856 - Misc.	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/18/2002	CA-5c	Teamsters 856 - Safety	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	6/18/2002	CA-5d	MCMEA	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/18/2002	CA-5e	IATSE, Local 16	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/18/2002	CA-5f	PMA - Misc.	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/18/2002	CA-5f	PMA - Safety	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	6/25/2002	19	Non-Rep Miscellaneous	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	6/25/2002	19	Non-Rep Safety	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	7/9/2002	CA-7d	MAPE	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	7/9/2002	CA-7e	SEIU Local 535	6/5/2001	NO	2% @ 55	2%	3 Years	YES	31676.16	7/7/2002
MC	7/9/2002	CA-7f	MCDSA	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	7/9/2002	CA-7f	MCDSA	6/5/2001	NO	3% @ 50	2%	3 Years	YES	31664.1	1/2/2005
MC	7/16/2002	CA-4	MCSSO	6/5/2001	NO	3% @ 55	2%	3 Years	YES	31664.2	7/7/2002
MC	7/16/2002	CA-4	MCSSO	6/5/2001	NO	3% @ 50	2%	3 Years	YES	31664.1	1/2/2005
MC	7/27/2004	16a	MCDFDA	6/5/2001	NO	3% @ 50	2%	3 Years	YES	31664.1	1/2/2005
MC	7/27/2004	16b	MCFOCA	6/5/2001	NO	3% @ 50	2%	3 Years	YES	31664.1	1/2/2005
MC	6/28/2005	23	MCFFA - Safety	6/5/2001	NO	3% @ 50	2%	3 Years	YES	31664.1	1/2/2005
CSR	10/21/2002	CA-8	MME	4/30/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	7/1/2004
CSR	10/21/2002	CA-8	SRPMMA	4/30/2001	NO	3% @ 55	2%	1 Year	YES	31664.2	7/1/2004
CSR	10/21/2002	CA-9	SRFCOA	4/30/2001	NO	3% @ 55	2%	1 Year	YES	31664.2	7/1/2004
CSR	11/18/2002	CA-7	SRPA - Misc.	4/30/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	7/1/2004
CSR	11/18/2002	CA-7	SRPA - Safety	4/30/2001	NO	3% @ 55	2%	1 Year	YES	31664.2	7/1/2004
CSR	12/2/2002	CA-6	SEIU Local 949	4/30/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	7/1/2004
CSR	12/2/2002	CA-6	MAPE	4/30/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	7/1/2004
CSR	9/5/2006	CA-7	SRFA - Misc.	4/30/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	7/1/2007
CSR	9/5/2006	CA-7	SRFA - Safety	4/30/2001	NO	3% @ 55	2%	1 Year	YES	31664.2	7/1/2007
NFD	6/6/2001	K-2	Non-Rep Miscellaneous	1/19/2001	NO	2% @ 55	4%	1 Year	YES	31676.16	1/1/2002
NFD	6/6/2001	K-3	Non-Rep Safety	1/19/2001	NO	3% @ 50	4%	1 Year	YES	31664.1	1/1/2002
SMF	5/23/2001	3	SMFFA - Misc.	3/16/2001	NO	2% @ 55	4%	1 Year	YES	31676.16	7/1/2001
SMF	5/23/2001	3	SMFFA - Safety	3/16/2001	NO	3% @ 50	4%	1 Year	YES	31664.1	7/1/2001
SMF	11/22/2005	1	SMFC&C	3/16/2001	NO	3% @ 55	2%	1 Year	YES	31664.2	7/1/2005
SMF	9/27/2006	1	Non-Rep Miscellaneous	3/16/2001	NO	2.7% @ 55	2%	1 Year	YES	31676.19	1/1/2007

* Final Annual Compensation



Marin County Civil Grand Jury

APPENDIX A – Part 2

Approval Summary by Employer by Board Date and Bargaining Group

Employer ¹	Board Meeting Date	Agenda Item ²	Bargaining Unit	Old Tier				Bargaining Unit - County
				Formula	Max. COLA ³	FAC Period ⁴	Govt. Code	
MC	1/9/2001	13	PMA - Teamsters Local 856	2% @ 61 1/4	2%	3 Years	31676.1	Probation Managers Association - Teamsters Local 856
MC	5/14/2002	CA-6	MCFFA - Safety	2% @ 50	4%	1 Years	31664	Marin County Firefighters Association - Safety
MC	6/4/2002	CA-5a	MCFFA - Miscellaneous	2% @ 61 1/4	2%	3 Years	31676.1	Marin County Firefighters Association - Miscellaneous
MC	6/4/2002	CA-5b	MCFOB	2% @ 50	4%	1 Years	31664	Marin County Fire Operations Battalion Chiefs
MC	6/18/2002	CA-5b	Non-Rep Miscellaneous	2% @ 61 1/4	2%	3 Years	31676.1	Marin County Non-Representative Employees - Miscellaneous
MC	6/18/2002	CA-5b	Non-Rep Safety	2% @ 50	4%	1 Years	31664	Marin County Non-Representative Employees - Safety
MC	6/18/2002	CA-5c	Teamsters 856 - Misc.	2% @ 61 1/4	2%	3 Years	31676.1	Teamsters 856 - Miscellaneous
MC	6/18/2002	CA-5c	Teamsters 856 - Safety	2% @ 50	4%	1 Years	31664	Teamsters 856 - Safety
MC	6/18/2002	CA-5d	MCMEA	2% @ 61 1/4	2%	3 Years	31676.1	Marin County Management Employees Association
MC	6/18/2002	CA-5e	IATSE, Local 16	2% @ 61 1/4	2%	3 Years	31676.1	International Association of Theatrical and Stage Employees - Local 16
MC	6/18/2002	CA-5f	PMA - Misc.	2% @ 61 1/4	2%	3 Years	31676.1	Marin County Probation Association - Miscellaneous
MC	6/18/2002	CA-5f	PMA - Safety	2% @ 50	4%	1 Years	31664	Marin County Probation Association - Safety
MC	6/25/2002	19	Non-Rep Miscellaneous	2% @ 61 1/4	2%	3 Years	31676.1	Marin County Non-Representative Employees - Miscellaneous
MC	6/25/2002	19	Non-Rep Safety	2% @ 50	4%	1 Years	31664	Marin County Non-Representative Employees - Safety
MC	7/9/2002	CA-7d	MAPE	2% @ 61 1/4	2%	3 Years	31676.1	Marin Association of Public Employees
MC	7/9/2002	CA-7e	SEIU Local 535	2% @ 61 1/4	2%	3 Years	31676.1	SEIU Local 535 - H&HS Service Workers and Marin County Nurses
MC	7/9/2002	CA-7f	MCDSA	2% @ 50	4%	1 Years	31664	Marin County Deputy Sheriffs Association
MC	7/9/2002	CA-7f	MCDSA	3% @ 55	2%	3 Years	31664.2	Marin County Deputy Sheriffs Association
MC	7/16/2002	CA-4	MCSSO	2% @ 50	4%	1 Years	31664	Marin County Sheriffs' Staff Officers Association
MC	7/16/2002	CA-4	MCSSO	3% @ 55	2%	3 Years	31664.2	Marin County Sheriffs' Staff Officers Association
MC	7/27/2004	16a	MCFDFA	3% @ 55	2%	3 Years	31664.2	Marin County Fire Department Firefighters Association
MC	7/27/2004	16b	MCFOCA	3% @ 55	2%	3 Years	31664.2	Marin County Fire Operations Battalion Chiefs Association
MC	6/28/2005	23	MCFFA - Safety	3% @ 55	2%	3 Years	31664.2	Marin County Fire Chief & Deputy Fire Chief
CSR	10/21/2002	CA-8	MME	2% @ 58 1/2	3%	1 Year	31676.11	Mid-Management Employees
CSR	10/21/2002	CA-8	SRPMMMA	2% @ 50	3%	1 Year	31664	San Rafael Mid-Management Association
CSR	10/21/2002	CA-9	SRFCOA	2% @ 50	3%	1 Year	31664	San Rafael Fire Chief Officers Association
CSR	11/18/2002	CA-7	SRPA - Misc.	2% @ 58 1/2	3%	1 Year	31676.11	San Rafael Police Association - Miscellaneous
CSR	11/18/2002	CA-7	SRPA - Safety	2% @ 50	3%	1 Year	31664	San Rafael Police Association - Safety
CSR	12/2/2002	CA-6	SEIU Local 949	2% @ 58 1/2	3%	1 Year	31676.11	SEIU Local 949
CSR	12/2/2002	CA-6	MAPE	2% @ 58 1/2	3%	1 Year	31676.11	Marin Association of Public Employees
CSR	9/5/2006	CA-7	SRFA - Misc.	2% @ 58 1/2	3%	1 Year	31676.11	San Rafael Fire Fighters Association - Misc.
CSR	9/5/2006	CA-7	SRFA - Safety	2% @ 50	3%	1 Year	31664	San Rafael Fire Fighters Association - Safety
NFD	6/6/2001	K-2	Non-Rep Miscellaneous	2% @ 58 1/2	4%	1 Year	31676.11	Novato Fire - All Miscellaneous
NFD	6/6/2001	K-3	Non-Rep Safety	2% @ 50	4%	1 Year	31664	Novato Fire - Safety
SMF	5/23/2001	3	SMFFA - Misc.	2% @ 58 1/2	4%	1 Year	31676.11	Southern Marin Fire Fighters Association - Misc.
SMF	5/23/2001	3	SMFFA - Safety	2% @ 50	4%	1 Year	31664	Southern Marin Fire Fighters Association - Safety
SMF	11/22/2005	1	SMFC&C	2% @ 50	4%	1 Year	31664	Southern Marin Fire Chiefs & Captains
SMF	9/27/2006	1	Non-Rep Miscellaneous	2% @ 58 1/2	4%	1 Year	31676.11	Southern Marin Unrepresented Miscellaneous

¹ Employer:

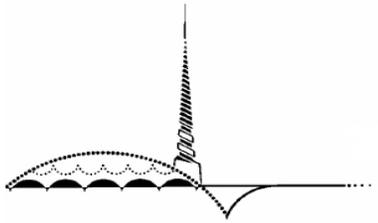
- MC - Marin County
- CSF - City of San Rafael
- NFD - Novato Fire Protection District
- SMF - So. Marin Fire Protection District

² Agenda Item

- CA - Consent Agenda

³ COLA - Cost of Living Adjustment

⁴ FCA - Final Annual Compensation



Marin County Civil Grand Jury

Appendix B Dollar Contributions By Employer and Employee By Fiscal Year

	COUNTY/SPECIAL DISTRICT		SAN RAFAEL		NOVATO		Employer	Employee	Grand Total
	Employer Paid	Employee Paid	Employer Paid	Employee Paid	Employer Paid	Employee Paid			
2000	15,768,000	5,271,228	2,358,000	1,162,419	273,000	415,204	18,399,000	6,848,851	25,247,851
2001	15,576,000	5,706,639	2,187,000	1,166,351	301,000	451,476	18,064,000	7,324,465	25,388,465
2002	18,723,000	6,587,047	2,880,000	1,244,094	383,000	485,648	21,986,000	8,316,789	30,302,789
2003	131,158,143 ¹	8,284,908	3,233,937	1,517,195	568,400	546,810	134,960,480	10,348,913	145,309,393
2004	21,581,008	8,328,127	4,184,515	1,764,708	1,125,442	154,210	26,890,965	10,247,046	37,138,011
2005	22,085,000	8,930,513	7,653,000	2,556,394	2,343,000	504,326	32,081,000	11,991,233	44,072,233
2006	36,870,000	9,556,254	4,231,000	3,024,285	2,526,000	462,290	43,627,000	13,042,829	56,669,829
2007	35,317,874	9,897,919	11,187,614	3,207,738	3,611,546	383,090	50,117,034	13,488,747	63,605,782
2008	39,656,000	11,842,237	14,068,000	3,542,034	4,366,000	496,802	58,090,000	15,881,073	73,971,073
2009	36,638,000	13,114,001	13,702,000	3,769,257	4,215,000	514,557	54,555,000	17,397,815	71,952,815
2010	39,437,000	13,283,850	12,700,000	3,610,423	4,134,000	525,411	56,271,000	17,419,684	73,690,684
2011	46,777,000 ²	12,898,325	14,996,000	3,335,501	4,484,000	566,477	66,257,000	16,800,303	83,057,303
2012	47,541,000 ³	12,425,725	14,244,000	2,960,485	4,405,000	488,414	66,190,000	15,874,624	82,064,624
2013	82,141,000 ⁴	14,040,595	16,544,000 ⁵	3,146,837	4,332,000	476,704	103,017,000	17,664,136	120,681,136

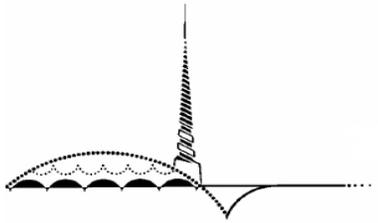
¹ For the FYE 6/30/2003 includes Pension Obligation bond of \$109,826,000 from Conty of Marin

² For the FYE 6/30/2011, the Courts made a contribution of \$1.0 million and the Mosquito District made a contribution if \$0.5 million, both in addition to the Annual Required Contribution.

³ For the FYE 6/30/2012, the Courts made a contribution of \$1.0 million and the Mosquito District made a contribution if \$0.5 million, both in addition to the Annual Required Contribution.

⁴ For the FYE 6/30/2013, the County of Marin made a contribution of \$32.2 million in addition to the Annual Required

⁵ For the FYE 6/30/2013, the City of San Rafael made a contribution of \$1.0 million in addition to the Annual Required



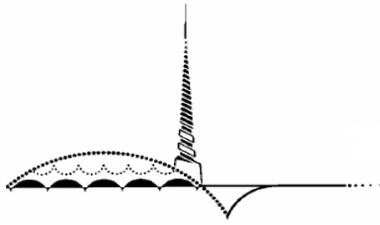
Marin County Civil Grand Jury

Appendix C

Contributions By Employer and Employee By Fiscal Year as a Percent of Payroll

	COUNTY / SPECIAL DISTRICTS			SAN RAFAEL				NOVATO				
	Employer		Employee	Employer			Employee	Employer			Employee	
	Normal Cost	Unfunded Liability	Total	Normal Cost	Normal Cost	Unfunded Liability	Total	Normal Cost	Normal Cost	Unfunded Liability	Total	Normal Cost
2000	10.74	0.52	11.26	7.73	12.24	-5.25	6.99	9.07	15.33	-15.33	0.00	11.31
2001	10.81	0.55	11.36	7.66	11.75	-4.23	7.52	9.04	22.13	-17.47	4.66	11.86
2002	11.80	4.01	15.81	9.28	12.40	-1.05	11.35	9.14	23.22	-12.66	10.56	12.00
2003	10.75	0.31	11.06	9.01	14.19	10.59	24.78	9.78	23.49	-0.03	23.46	11.14
2004	11.48	4.00	15.48	9.00	15.10	17.31	32.41	10.02	25.08	6.74	31.82	11.21
2005	11.45	6.19	17.64	8.99	15.70	20.82	36.52	10.07	25.16	12.86	38.02	11.17
2006	10.50	8.57	19.07	9.33	15.24	27.73	42.97	10.60	24.78	17.79	42.57	12.28
2007	11.09	6.21	17.30	9.03	16.01	25.17	41.18	10.65	24.87	14.35	39.22	12.48
2008	8.30	7.60	15.90	9.63	12.98	26.02	39.00	11.15	22.78	16.28	39.06	12.75
2009	8.25	14.17	22.42	9.64	13.08	33.07	46.15	10.77	19.47	24.10	43.57	13.12
2010	7.82	16.01	23.83	9.66	12.82	37.18	50.00	10.92	19.21	24.45	43.66	13.36
2011	10.94	15.56	26.50	10.09	16.59	37.56	54.15	11.46	23.03	22.97	46.00	13.34
2012	10.76	17.06	27.82	10.09	16.15	42.72	58.87	11.36	22.19	26.59	48.78	13.66
2013	10.82	14.33	25.78*	10.11	16.02	40.26	57.70*	11.27	21.59	27.54	50.37*	13.57

*Includes Phased In Administrative Expense



Marin County Civil Grand Jury

Appendix D

Assets and Liabilities by Employer and Total by Year

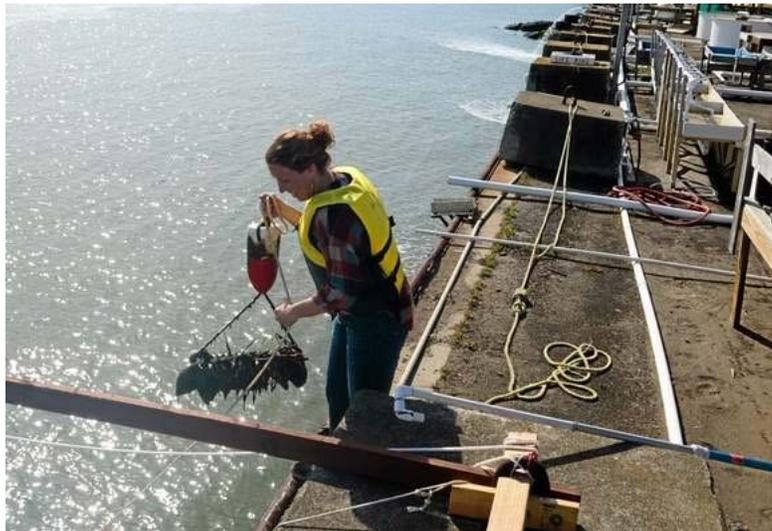
Year (*)	TOTAL MCERA				County of Marin				City of San Rafael				Novato Fire Protection District			
	Actuarial Value of Assets (\$ Million's)	Actuarial Value of Liabilities (\$ Million's)	Unfunded Liability (\$ Million's)	Funding Ratio (%)	Actuarial Value of Assets (\$ Million's)	Actuarial Value of Liabilities (\$ Million's)	Unfunded Liability (\$ Million's)	Funding Ratio (%)	Actuarial Value of Assets (\$ Million's)	Actuarial Value of Liabilities (\$ Million's)	Unfunded Liability (\$ Million's)	Funding Ratio (%)	Actuarial Value of Assets (\$ Million's)	Actuarial Value of Liabilities (\$ Million's)	Unfunded Liability (\$ Million's)	Funding Ratio (%)
2000	883.7	857.3	(26.5)	103.1%	634.4	644.3	9.8	98.5%	171.7	156.8	(14.9)	109.5%	77.6	56.2	(21.4)	138.2%
2001	961.2	945.6	(15.6)	101.6%	690.3	701.2	10.9	98.4%	186.1	172.9	(13.1)	107.6%	84.8	71.5	(13.3)	118.7%
2002	989.8	1,063.7	73.8	93.1%	711.8	798.4	86.6	89.2%	190.6	187.1	(3.4)	101.8%	87.5	78.2	(9.3)	111.9%
2003	1,098.9	1,153.7	54.7	95.3%	828.4	849.0	20.5	97.6%	185.6	219.8	34.2	84.4%	84.9	84.8	(0.0)	100.0%
2004	1,116.9	1,277.7	160.8	87.4%	843.2	938.2	95.0	89.9%	189.0	248.7	59.7	76.0%	84.8	90.9	6.0	93.3%
2005	1,140.7	1,356.2	215.5	84.1%	858.2	992.2	134.0	86.5%	195.7	265.2	69.5	73.8%	86.8	98.8	11.9	87.9%
2006	1,210.9	1,505.6	294.6	80.4%	908.8	1,090.3	181.6	83.3%	209.8	306.1	96.3	68.5%	92.4	109.1	16.7	84.7%
2007	1,352.0	1,582.9	231.0	85.4%	1,013.5	1,141.7	128.2	88.8%	235.8	325.2	89.5	72.5%	102.7	116.0	13.3	88.5%
2008	1,485.9	1,769.6	283.7	84.0%	1,111.1	1,280.2	169.1	86.8%	262.7	360.3	97.6	72.9%	112.1	129.1	17.0	86.8%
2009	1,343.3	1,862.4	519.2	72.1%	1,002.2	1,350.5	348.3	74.2%	239.8	379.8	140.0	63.1%	101.2	132.1	30.9	76.6%
2010	1,368.7	1,929.7	561.0	70.9%	1,018.1	1,402.4	384.3	72.6%	248.5	394.9	146.4	62.9%	102.1	132.4	30.3	77.1%
2011	1,430.3	1,985.1	554.8	72.1%	1,065.3	1,436.0	370.8	74.2%	259.0	412.7	153.8	62.7%	106.1	136.3	30.3	77.8%
2012	1,477.8	2,072.8	594.9	71.3%	1,101.4	1,491.9	390.5	73.8%	267.3	437.8	170.5	61.1%	109.1	143.1	33.9	76.3%
2013	1,619.7	2,156.6	536.9	75.1%	1,217.7	1,560.7	342.9	78.0%	286.3	447.6	161.3	64.0%	115.6	148.3	32.6	78.0%

* As of 6/30

Romberg Tiburon Center researcher studies potential for plastics hosting metals in bay

By Mark Prado , Marin Independent Journal

marinij.com



Heather Richard hauls her research apparatus out of the water at Romberg Tiburon Center for Environmental Research. The plastic beads in the bags help her understand how plastic attracts sea life. Frankie Frost — Marin Independent Journal

Heather Richard uses a toothbrush to brush away algae on a bag of plastic beads. Frankie Frost — Marin Independent Journal



How toxic heavy metals might attach themselves to plastics floating in San Francisco Bay is the subject of an ongoing research effort at the Romberg Tiburon Center for Environmental Studies.

Given the plethora of plastic in the bay and waterways around the world, the study could indicate a dangerous relationship between metals and its consumption by fish and birds that could harm species and the aquatic environment.

Environmental contaminants and organisms that live on plastic have been studied, but no one has looked at how biofilms might attract metals to plastics — that is until now.

Graduate student researcher Heather Richard is focusing in on how and if metals such as lead, iron, mercury, copper, silver and others might cling to plastic — plastic that can be ingested by a variety of species.

Bacteria in the water looks for a hard surface to grow on. Once it lands on plastic it creates a mucus called biofilm. The biofilm then changes the surface chemistry of the plastic and may create a landing strip for the metals in the bay that come from a variety of sources, from the historic mining of gold (mercury) to material from car brakes (copper).

“Biofilm is good food for a lot of things,” said Richard, as she pulled a colored netted bag from along a seawall at the Romberg site — part of San Francisco State University — as she pointed to a tiny isopod. “But if the plastic is accumulating biofilm, and then metal, these critters will absorb the biofilm and get metal in them.”

Richard checks the bags to determine what has been growing on the plastic inside. To measure biofilm in the lab, Richard pours a liquid into a beaker that contains the plastic control beads used for her research. The brighter the purple solution, the more biofilm there is. After using a corrosive acid and shaking the beads to loosen particles, Richard will then use a spectrometer to calculate the metal content.

If Richard finds metal content on the plastic via the biofilm, it's cause for concern.

Tiny creatures like the isopod Richard saw on her test bag are on the lower end of the food chain — part of the diet of crabs, fish and birds — so any metal they absorb could be passed up to those species. More directly, larger animals can mistake plastic for food.

San Francisco State University professor Ed Carpenter — who pioneered research into the effects of plastic in oceans in the early 1970s — said the problem has become more widespread in recent decades.

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“Given that there is so much more plastic in the water, there could be great opportunity for metals to be transferred to organisms that eat the plastic, and there are a lot that do that: from albatrosses to fish to bivalves,” said Carpenter, an adviser on Richard’s project. “Her research is really important.”

Richard — who lives in Marin onsite — began her work about 18 months ago and she hopes to have it completed by December.

The issue of ocean trash is a growing problem with grim statistics. For every square mile of ocean, there are 46,000 bits of plastic, according to scientists, who have also documented the Pacific gyre, a floating garbage patch twice the size of Texas in the eastern Pacific Ocean. The gyre was discovered about a decade ago between Hawaii and California, and there is similar phenomena elsewhere around the globe.

The debris is harmful for fish, sea mammals — and, at the top of the food chain, potentially humans. Much of the plastic has broken into such tiny pieces they are nearly invisible, especially as it floats in water columns below the water’s surface.

Because Marin and other Bay Area residents are so close to San Francisco Bay, a funnel to the oceans, they in particular have to be aware of what gets into the water, according to scientists.

“People are concerned about this issue,” Richard said. “There are a lot of things which end up in the water. But there are things we can do and I have a lot of faith in the progress we are making to help with this problem.”

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Marin-Sonoma water agencies will not be able to join forces to fight drought

By Mark Prado , Marin Independent Journal

marinij.com



Gov. Jerry Brown called for \$10,000 fines for residents and businesses that waste the most water as California cities try to meet mandatory conservation targets during the drought. AP Photo — Steve Yeater

An opportunity for Marin and Sonoma counties' water agencies to join forces to address drought conditions has been withdrawn by the state Water Resources Control Board.

In a recent iteration of water-cutting rules, the state board left open the possibility of a region banding together to save water. As it so happens, the North Bay established the Sonoma-Marine Water Saving Partnership in 2010. The group includes nine cities and water districts that use Russian River water, including the two largest Marin water agencies.

The partnership wrote the state board last week asking for the regional approach to address the drought, with officials saying it would be more effective than water agencies and cities going it alone.

But after looking at the proposal in more depth, the state board has decided not to allow water agencies to coalesce, officials said Tuesday.

"We did ask for water providers for ideas on how to make it work and we gave it a lot of thought," said Max Gomberg, senior staff scientist with the water board. "But as we looked at how it would work, and the accounting, it got very complex, and we have withdrawn that element."

In hopes of reducing conservation mandates, the partnership's letter also asked that the water board consider that local water supplies are relatively healthy. The main reservoirs in Marin and Sonoma are at about 90 percent and 87 percent of capacity, respectively. Those supplies are limited for local use and there is no mechanism for that water to be sent to other areas of the state that are more acutely affected by the drought.

But new guidelines issued late Tuesday were unchanged. The North Marin Water District must cut water use by 24 percent and Marin Municipal Water District by 20 percent. State water board meetings on May 5 and 6 will determine final percentages.

Because of the changing requirements, the North Marin board decided to hold off on voting in restrictions for its 60,000 customers in Novato and West Marin until its May 19 meeting.

The agency was looking at a plan to require homes and buildings with odd-numbered addresses to limit the use of irrigation systems to Monday, Wednesday and Friday. Even-numbered addresses would water Tuesday, Thursday and Saturday.

Marin Municipal's board approved restrictions April 7. Customers with irrigation systems will only be allowed to use them three days a week. It also banned using the systems 48 hours after measurable rainfall. The district has 190,000 customers between Sausalito and San Rafael.

Advertisement

Meanwhile, Gov. Jerry Brown on Tuesday called for \$10,000 fines for residents and businesses that waste the most water as California cities face mandatory conservation targets during the drought.

The recommendation was part of a legislative proposal Brown said he would make to expand enforcement of water restrictions.

Presently, Marin Municipal has an enforcement provision that includes fines of \$250 for violating regulations and restrictions on water use.

North Marin can disconnect water service if rules are violated. If water service is disconnected, a re-connection fee of \$50 is assessed. If another violation occurs, a re-connection fee of \$75 is imposed. Any water service that is disconnected twice is reconnected with a flow-restricting device and a fee of \$100 is charged.

While the districts have fines in place, both have focused on education over financial penalties.

Last summer, state regulators authorized \$500 fines for outdoor water waste, but few water agencies have levied such high amounts.

Brown said steep fines should still be a last resort and "only the worst offenders" that continually violated water rules would be subject to \$10,000 penalties. It was unclear what kind of violations those would be. His proposal would also provide enforcement power to water departments that currently can't fine customers.

"We've done a lot. We have a long way to go," Brown said after meeting with the mayors of 14 cities. "So maybe you want to think of this as just another installment on a long enterprise to live with a changing climate and with a drought of uncertain duration."

The Associated Press contributed to this report.

Reach the author at mprado@marinij.com or follow Mark on Twitter: [@MarkPradoIJ](https://twitter.com/MarkPradoIJ).

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Marin IJ Editorial: Marin-Sonoma approach to drought restrictions is better

Posted: 04/29/15, 1:35 PM PDT

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A proposal that Marin and Sonoma counties band together to address the state's emergency water restrictions makes a lot of sense. It also reflects the realities of the two counties.

Preliminary guidelines issued by the state Water Resources Control Board would require ratepayers in the Marin Municipal Water District to cut household, commercial and institutional water use by 20 percent. The state wants North Marin Water District to cut water use by 24 percent.

Both Marin districts rely on water piped from the Russian River-fed Lake Sonoma. MMWD gets 25 percent of its water from Sonoma County, and North Marin relies on 80 percent of its supply from Lake Sonoma. Leaders of the two Marin agencies and water districts in Sonoma County have been working together since 2010, when they created the Sonoma-Marín Saving Water Partnership, aimed at promoting conservation among communities that rely on water from the Russian River.

Building on that partnership to set regional restrictions makes sense and is a recognition of Marin's reliance on Lake Sonoma water.

The partnership is proposing the state set 20 percent as the amount of water-use restriction for the region.

But state water officials say it is too complicated for their agency-by-agency approach to restrictions.

Local officials and our state representatives should continue to advance the proposal.

The restrictions also should recognize that the reservoirs in the two counties are almost full. Not only that, the region's success in water conservation has reduced usage by 30 percent since 2000, even though the area's population has grown by 10 percent.

Both Marin and North Marin are right to approach the state restrictions in a way that sees beyond just their nearly full reservoirs. Local ratepayers need to be cognizant that they not only need to conserve now, taking into account that this is a prolonged drought. They also need to be protective of Marin reservoirs and Lake Sonoma.

That means cutting back on our use of water.

A key to the success of reductions is giving households and communities the means to see and track how they are doing in meeting the 20 percent requirement. That should be a regional objective, regardless of the state's formula for drought restrictions, as agencies in the two counties combine forces to create a regional partnership of conservation.