

NOVATO SANITARY DISTRICT

Meeting Date: July 9, 2012

The Board of Directors of Novato Sanitary District will hold a closed session at 6:00 p.m. followed by a regular meeting at 6:30 p.m., *Monday, July 9, 2012*, at the District Offices, 500 Davidson Street, Novato.

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

AGENDA

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

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

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

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

4. **REVIEW OF MINUTES:**
 - a. Consider approval of minutes of the June 25, 2012 meeting.

5. **CONSENT CALENDAR:**

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

- a. Review accounts receivable report.
 - b. Approve regular disbursements.
6. **PUBLIC HEARING – 2012-13 SEWER SERVICE CHARGE REPORT:**
 - a. Open hearing.

- b. Consider protests regarding sewer service charge report.
 - c. Close hearing.
7. **RESOLUTION CONFIRMING REPORT ON SEWER SERVICE CHARGES:**
- a. Consider adoption of resolution confirming sewer service charge report and electing to collect on tax rolls.
8. **BOARD OF DIRECTORS:**
- a. Review and consider modifying Policy 4060 Committee organization to add the New Facilities and Finance Committees.
 - b. Consider board member compensation for delegate to the North Bay Watershed Association.
 - c. Presidential appointment of Committee members for 2012-13.
9. **CALIFORNIA SPECIAL DISTRICTS ASSOCIATION:**
- a. Consider voting for a candidate for Region 3, Seat A.
10. **PUMP STATION REHABILITATION PROJECT 72403:**
- a. Consider authorizing contract award for Unit 4 to the lowest, responsive bidder, W.R. Forde & Assoc. and authorize Manager-Engineer to execute contract.
11. **STAFF REPORTS:**
- a. North Bay Watershed Association.
12. **BOARD MEMBER REPORTS:**
13. **MANAGER'S ANNOUNCEMENTS:**
14. **ADJOURNMENT:**

Next resolution no. 3046

Next regular meeting date: Monday, July 23, 2012, 6:30 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA

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

June 25, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, June 25, 2012, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Bob Guinan, Novato resident
Joe Carlomagno, Novato resident
Dasse de longh, NSD employee, Novato resident
John Bailey, Project Manager, Veolia Water
Brant Miller, Novato resident
Steve McCaffrey, Novato Disposal Service
Dan Ryan, Veolia Water North America
John O'Hare, Veolia Water North America

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long approved the agenda as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the June 11, 2012 meeting.

Member Mariani noted that her comments on page 4, paragraph 6 were inaccurate. She requested the minutes be revised to read: **"Member Mariani suggested that the District request bids for an "as needed" list of consultants to be used to bid on projects throughout the year."**

On motion of Member Di Giorgio, seconded by Member Peters, and carried unanimously, the minutes of the June 11, 2012 Board meeting were approved as amended.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$154,277.42, capital project disbursements in the amount of \$731,332.11, and payroll and payroll-related disbursements in the amount of \$232,038.50.

SEWER SERVICE CHARGES:

- Consider adoption of Ordinance No. 116 setting the sewer service charges for fiscal years 2012-13 through 2015-16: The Manager gave a summary of the Public Hearing that was held at the June 11th Board meeting and noted that no verbal protests were received. She stated that the District had received 25 written protests.

The Manager presented the Board and audience with a revised copy of Ordinance 116, noting that District Counsel had included a paragraph which outlined the progression of this Ordinance adoption (page 1, 5th *Whereas*). The Manager stated that adoption of Ordinance No. 116 approves and sets forth the specific sewer service charge rates for fiscal years 2012-13, 2013-14, 2014-15 and 2015-16.

District Counsel Kent Alm discussed Ordinance No. 116, *Table 2 - Non-Residential Rates* which illustrates the background information necessary to establish the non-residential sewer service rates. He requested that *Table 2 - Non-Residential Rates* be included as part of the official record of the June 25, 2012 Board meeting minutes.

Member Mariani requested that Board action for Ordinance No. 116 be suspended until after discussion of agenda item No. 9a: *Consider adoption of Preliminary Budget for fiscal year 2012-13.*

President Long moved agenda item No. 9a. for immediate discussion.

BUDGET:

- Consider adoption of Preliminary Budget for fiscal year 2012-13. The Manager stated that revisions were made to the Preliminary Budget and she presented the Board and audience with corrections for the following pages of the Budget: page 1: *Summary of Working Capital and Capital Improvement Reserve Fund Balances*; page 2: *2012-14 Preliminary Operating Budget Revenue Summary*; and page 20: *Capital Improvement Budget-Revenue Summary*. Board discussion followed.

Member Mariani noted that the required debt coverage ratio is 1.2% but currently the District's debt coverage ratio is at 1.4%. She stated that she felt the District's reserves were high and that the District could reduce their reserves and still be adequately funded.

The Board discussed the option of dropping the initial sewer service charge rate increase to 6% instead of the proposed increase of 6.7% which would lower the District's reserves to 1.2%. The Manager stated that the 0.7% rate decrease would equate to a sewer service charge reduction of approximately \$3 per year per homeowner.

On motion of Member Di Giorgio, seconded by Member Peters and carried with the following vote, the Board approved the Preliminary Budget for Fiscal Years 2012-14: Ayes: Di Giorgio, Long, Peters, Welsh. Noes: Mariani.

President Long stated that the Board would now return to Agenda Item 6a.

SEWER SERVICE CHARGES:

- Consider adoption of Ordinance No. 116 setting the sewer service charges for fiscal years 2012-13 through 2015-16: District Counsel Kent Alm reviewed the proposed maximum rate increases as outlined in Ordinance No. 116 which are as follows: 6.7% in 2012-13, 3.8% in 2013-14, 3.7% in 2014-15, and 3.6% in 2015-16.

On motion of Member Di Giorgio, seconded by Member Peters and carried with the following vote, the Board approved the proposed sewer service charge increase and adopted Ordinance No. 116: AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2012-13, 2013-14, 2014-15, 2015-16. Ayes: Di Giorgio, Long, Peters, Welsh. Noes: Mariani.

SOLID WASTE:

- Report on route reorganization. The Manager introduced Steve McCaffrey, Director of Governmental Affairs, Novato Disposal. Mr. McCaffrey stated that Novato Disposal had recently streamlined their route collections to Novato customers and noted that this change has minimized the time that collection trucks are on the Novato streets. He discussed the economic, safety and environmental benefits of the route changes.

WASTEWATER OPERATIONS:

- Wastewater Operations Committee report. The Manager reviewed the May 2012 Operations Report for the wastewater treatment, collection and reclamation facilities. She gave an update on the landscaping at the Lea Drive neighborhood area. The Manager stated that she has received a report from Mr. Scofield, Exponent, Inc., and that the report will be placed on the District website. She stated that odor consultant Mr. James Joyce visited the District to evaluate the biofilter odor beds. She noted that the District has not yet been provided with the results of the testing and stated that the report will be posted on the District website when it is available.

A resident questioned what the District intended to do about the aeration basin odors and stated he felt the basins are the primary source of odors. The Manager stated that the District is still proceeding with the Mr. Joyce's proposed plans. She stated that no secondary action will be taken until Mr. Joyce's initial recommendations have been completed.

- Progress report on implementation of an Environmental Management System at the Novato Wastewater Treatment Facility. The Manager introduced Dan Ryan, EVP, Veolia Water. Mr. Ryan gave a PowerPoint presentation of Veolia's Management Systems and Health & Safety program. He stated that Veolia's integrated environmental management system contains all elements within the ISO 14001 certification, except the actual certification process. The Board discussed the details of the program with Mr. Ryan.

- Consider transferring electricity accounts from PG&E to Marin Clean Energy. The Manager stated that the District was investigating transferring electrical services from PG&E to Marin Clean Energy. She stated that the District was not in a position to make the transfer at this time because a requested rate analysis from both PG&E and Marin Clean Energy has not been received. She requested the Board delay the decision to change providers until the analyses are completed.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the Board directed staff to remain with the current electrical provider, PG&E, until an accurate cost comparison with Marin Clean Energy can be completed.

BUDGET:

- Staff report on property taxes. The Manager outlined the County of Marin's methodology for property tax revenue calculations and distributions.

BOARD OF DIRECTORS:

- Election of officers for 2012-13.

Member Peters nominated Member Di Giorgio as President. Vote as follows:
Ayes: Di Giorgio, Long, Peters. Abstain: Welsh, Mariani.

Member Welsh nominated Member Mariani as President. Vote as follows:
Ayes: Welsh. Abstain: Di Giorgio, Long, Mariani, Peters.

Member Di Giorgio nominated Member Mariani as President Pro-tem. Vote: all ayes.

Appointment of Secretary/Treasurer and Secretary/Treasurer Pro-tem for 2012-13.

Member Peters nominated Manager Beverly James as Secretary/Treasurer and Administrative Secretary Julie Swoboda as Secretary/Treasurer Pro-tem. Vote: all ayes.

DESIGNATE AND AUTHORIZE BOARD AND STAFF MEMBERS TO SIGN DISTRICT CHECKS:

The Manager stated that the Board typically authorizes District check signers at the same meeting in which officers are elected. She requested that Deputy Manager-Engineer Sandeep Karkal become an authorized check signer in place of Administrative Services Manager June Penn Brown.

Member Di Giorgio requested Member Mariani be added as an authorized check signer.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board authorized the following individuals as District check signers:

*Manager-Engineer Beverly B. James
Deputy Manager-Engineer Sandeep Karkal
Board Member Michael Di Giorgio
Board Member Jean Mariani
Board Member Dennis Welsh*

RECYCLED WATER PROJECT:

- New Facilities Committee report on joint Recycled Water Subcommittee meeting. The Manager stated that the Las Gallinas Valley Sanitary District and the Novato Sanitary District projects are scheduled to be completed and delivering recycled water to some customers by the grant deadline of September 30, 2012. She noted that dedication ceremonies at each of the treatment facilities will be coordinated with North Marin Water District. The Manager discussed the project's funding provisions based on the North Bay Water Reuse Authority Memorandum of Understanding.

- Consider approval of a proposal from Veolia Water to provide systemization and operation and maintenance services for 2012. The Manager stated that the Adhoc Wastewater Treatment Plant Services Agreement Update Committee met on June 14th to review a proposal from Veolia Water to provide systemization, operations and maintenance, and annual shutdown of the new Novato Recycled Water Facility. She stated that Veolia Water has submitted a proposal for Board approval for the above services on a time and materials basis for an amount not to exceed \$37,620. The Manager confirmed that the costs would be tracked and billed separately from the current Veolia treatment plant operation contract. She explained that North Marin Water would pay all of the District's operational costs of the recycled water facility and that the capital costs would be the District's responsibility.

On motion of Member Peters, seconded by Member Mariani and passed unanimously, the Board approved a proposal from Veolia Water for time and materials in an amount not to exceed \$37,620 to provide systemization and operation and maintenance services for the Novato Recycled Water Facility for 2012.

PUMP STATION REHABILITATION PROJECT 72403:

- Consider authorizing agreement for water main relocation. The Deputy Manager-Engineer stated that in order to complete Pump Station Rehabilitation Project Unit 4, a 12-inch North Marin Water District water main must be relocated. The Deputy Manager-Engineer stated that the cost of relocation is estimated at \$51,687. He requested the Board authorize staff to execute the agreement to allow for the relocation construction.

On motion of Member Peters, seconded by Member Di Giorgio and carried unanimously, the Board authorized the Manager-Engineer to execute an Agreement with North Marin Water District (NMWD) in the amount of \$51,687 for NMWD to relocate a 12-inch water main to enable District construction of Pump Station Rehabilitation Project Unit 4.

BOARD MEMBER REPORTS:

Member Mariani discussed a recent *New York Times* article that she would like included in the Board meeting packet on July 9th. The article discussed public/private partnerships.

Member Peters commented that he was recently walking in the Lea Drive neighborhood and noted that the vegetation on District property at Lea Dr. was much improved. He also noted that there was little noise from the treatment facility.

President Long thanked the Board members for their support during his term as Board President.

Members of the Board and staff thanked President Long for his years of dedicated service as Board President.

MANAGER'S ANNOUNCEMENTS:

- The District office will be closed in observance of the July 4th Holiday.
- The North Bay Watershed Association will hold a meeting at the Marin Community Foundation on July 6th at 9:30 a.m.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 9:02 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Accounts Receivable Aging Summary	MEETING DATE: July 9, 2012 AGENDA ITEM NO.: 5.a.
RECOMMENDED ACTION: Information Only	
SUMMARY AND DISCUSSION: <p>The attached Accounts Receivable Summary shows the following receivables:</p> <p><u>1 – 45 days - \$622,255.53:</u> Current.</p> <p><u>46 - 90 days - \$0.00:</u> No delinquent accounts for this time period.</p> <p><u>91 - 120 days - \$1,523.72:</u> This is for septic tank hauling fees for one hauler. Staff will make enquiries regarding the delinquent account.</p> <p><u>>120 days - \$7,054.23:</u> \$6,584.33 is for septic tank hauling fees for one hauler who is no longer permitted to use District facilities until the debt is clear. This hauler reduced the original debt by \$2,000 and has promised to pay the remaining balance in full the week of July 9, 2012.</p> <p>\$431.40 is for pass-through Used Oil and Beverage Grant fees owed by the City of Novato to the District. Last month, the outstanding balance was \$30,071.40. However, the City has now remitted all but \$431.40 to the District.</p> <p><u>Summary:</u> Receivables over 90 days old amount to \$8,577.95. This represents 0.096% of the District's total budgeted operating revenue of \$8,954,956.00 for fiscal year 2011/12.</p>	
ALTERNATIVES: N/A – Information only.	
BUDGET INFORMATION: N/A	
DEPT.MGR.:	MANAGER:

Novato Sanitary District
A/R Aging Summary
As of July 6, 2012

Name	Description	<u>Current</u>	<u>46 - 90</u>	<u>91 - 120</u>	<u>> 120</u>	<u>TOTAL</u>
Bay Area Clean Water Agencies	Prop. 84 Grant Funds - Recycled Water Project	308,500.00	0.00	0.00	0.00	308,500.00
City of Novato - Used Oil	Used Oil/Beverage Grants	0.00	0.00	0.00	431.40	431.40
Fireman's Fund	Non-Domestic Discharger Permit	126.93	0.00	0.00	0.00	126.93
Joes Farmers Septic	Septic Tank Hauling	0.00	0.00	0.00	6,584.33	6,584.33
Petaluma Septic	Septic Tank Hauling	807.40	0.00	0.00	0.00	807.40
Quality Septic Systems	Septic Tank Hauling	4,747.49	0.00	1,523.72	0.00	6,271.21
Roto Rooter	Septic Tank Hauling	873.40	0.00	0.00	0.00	873.40
Roy's Sewer Service, Inc.	Septic Tank Hauling	1,220.78	0.00	0.00	0.00	1,220.78
Sonoma County Water Agency	NBWRA ARRA Grant - Recycled Water Project	292,370.00	0.00	0.00	0.00	292,370.00
United Site Services	Septic Tank Hauling	1,597.53	0.00	0.00	0.00	1,597.53
USCG	Sewer Service Charges - 1 month	12,012.00	0.00	0.00	38.50	12,050.50
	Total:	<u>622,255.53</u>	<u>0.00</u>	<u>1,523.72</u>	<u>7,054.23</u>	<u>630,833.48</u>

Novato Sanitary District Operating Check Register

July 9, 2012

Date	Num	Name	Credit
Jul 9, 12			
7/9/2012	54625	Veolia Water North America, ...	161,142.45
7/9/2012	54597	CSRMA-	97,424.64
7/9/2012	54601	Duke's Root Control, Inc	30,000.00
7/9/2012	54612	Marin County Office	8,967.00
7/9/2012	54609	Johnson, Dee	6,595.60
7/9/2012	54593	Caltest Analytical Lab Inc.	5,984.05
7/9/2012	54587	Alliant Insurance Services, Inc	5,387.59
7/9/2012	54606	HACH/American Sigma Inc	4,759.83
7/9/2012	54620	Rauch Communication Cons...	3,575.37
7/9/2012	54613	Meyers, Nave, Riback, Silver ...	3,525.85
7/9/2012	54619	Preferred Benefit	3,367.60
7/9/2012	54599	Dearborn National	2,720.88
7/9/2012	54614	North Marin Water District	2,249.22
7/9/2012	54624	U.S. Bank Card (2)(June)	1,945.72
7/9/2012	54595	Cintas Corporation	1,287.78
7/9/2012	54596	Comet Building Maintenance,...	1,242.50
7/9/2012	54628	Willis Professional Land Surv...	1,146.25
7/9/2012	54627	WaterSavers Irrigation Inc.	1,026.00
7/9/2012	54607	IEDA, INC	1,020.00
7/9/2012	54594	CDW Government, Inc.	637.88
7/9/2012	54626	Vision Service Plan	545.24
7/9/2012	54608	Irvine Consulting Services Inc.	495.00
7/9/2012	54591	Bartle Wells Assoc, Inc	450.00
7/9/2012	54616	Oratech Controls, Inc.	448.93
7/9/2012	54602	Eaton Corporation	282.10
7/9/2012	54603	EOA, Inc.	276.56
7/9/2012	54598	Datco Billing Inc.	273.00
7/9/2012	54588	American Sentry Systems, Inc.	270.00
7/9/2012	54611	Levy, Larry	250.00
7/9/2012	54592	BoundTree Medical, LLC	247.81
7/9/2012	54621	Ricoh USA, Inc.	216.16
7/9/2012	54618	Pini Hardware	215.56
7/9/2012	54610	Leonardi Automotive & Electr...	207.65
7/9/2012	54605	Fisher-Scientific	204.56
7/9/2012	54589	Aquatic Biosystems Inc.	173.00
7/9/2012	54600	Don Johnsons Pool Service	130.18
7/9/2012	54617	Orkin Pest Control, Inc.	116.00
7/9/2012	54590	Barnett Medical LLC	90.00
7/9/2012	54622	T-Mobile	23.01
7/9/2012	54615	Novato Car Wash	21.98
7/9/2012	54623	U.S. Bank Card (1)(Bev)	8.00
7/9/2012	54604	Federal Express	6.52
Jul 9, 12			348,957.47

Novato Sanitary District
Operations Check Register Detail
 July 9, 2012

	<u>Account</u>	<u>Debit</u>
Alliant Insurance Services, Inc		
	66070 · Insurance	5,387.59
Total Alliant Insurance Services, Inc		<u>5,387.59</u>
American Sentry Systems, Inc.		
	66150 · Repairs & Maintenance	270.00
Total American Sentry Systems, Inc.		<u>270.00</u>
Aquatic Biosystems Inc.		
	64100 · Operating Supplies	173.00
Total Aquatic Biosystems Inc.		<u>173.00</u>
Barnett Medical LLC		
	64170 · Pollution Prevention/Public Ed	90.00
Total Barnett Medical LLC		<u>90.00</u>
Bartle Wells Assoc, Inc		
	66123 · O/S Contractual	450.00
Total Bartle Wells Assoc, Inc		<u>450.00</u>
BoundTree Medical, LLC		
	64170 · Pollution Prevention/Public Ed	247.81
Total BoundTree Medical, LLC		<u>247.81</u>
Caltest Analytical Lab Inc.		
	64160 · Research & Monitoring	5,984.05
Total Caltest Analytical Lab Inc.		<u>5,984.05</u>
CDW Government, Inc.		
	66124 · IT/Misc Electrical	637.88
Total CDW Government, Inc.		<u>637.88</u>
Cintas Corporation		
	64100 · Operating Supplies	267.32
	66100 · Engineering Supplies	431.83
	60100 · Operating Supplies	588.63
Total Cintas Corporation		<u>1,287.78</u>
Comet Building Maintenance, Inc.		
	66150 · Repairs & Maintenance	1,242.50
Total Comet Building Maintenance, Inc.		<u>1,242.50</u>
CSRMA-		
	66071 · Insurance Claim Expense	1,117.90
	66020 · Employee Benefits	79,204.00
	66070 · Insurance	17,102.74
Total CSRMA-		<u>97,424.64</u>
Datco Billing Inc.		
	66123 · O/S Contractual	273.00
Total Datco Billing Inc.		<u>273.00</u>
Dearborn National		
	66020 · Employee Benefits	2,720.88
Total Dearborn National		<u>2,720.88</u>
Don Johnsons Pool Service		
	65100 · Operating Supplies	130.18
Total Don Johnsons Pool Service		<u>130.18</u>

Novato Sanitary District
Operations Check Register Detail
 July 9, 2012

	<u>Account</u>	<u>Debit</u>
Duke's Root Control, Inc		
	60153 · Outside Services	<u>30,000.00</u>
Total Duke's Root Control, Inc		30,000.00
Eaton Corporation		
	66124 · IT/Misc Electrical	<u>282.10</u>
Total Eaton Corporation		282.10
EOA, Inc.		
	64160 · Research & Monitoring	<u>276.56</u>
Total EOA, Inc.		276.56
Federal Express		
	66090 · Office Expense	<u>6.52</u>
Total Federal Express		6.52
Fisher-Scientific		
	64100 · Operating Supplies	<u>204.56</u>
Total Fisher-Scientific		204.56
HACH/American Sigma Inc		
	64091 · Software Maintenance	<u>4,759.83</u>
Total HACH/American Sigma Inc		4,759.83
IEDA, INC		
	66123 · O/S Contractual	<u>1,020.00</u>
Total IEDA, INC		1,020.00
Irvine Consulting Services Inc.		
	66124 · IT/Misc Electrical	<u>495.00</u>
Total Irvine Consulting Services Inc.		495.00
Johnson, Dee		
	67530 · Used Oil Program	310.84
	67400 · Consulting Services	<u>6,284.76</u>
Total Johnson, Dee		6,595.60
Leonardi Automotive & Electric, Inc.		
	60150 · Repairs & Maintenance	<u>207.65</u>
Total Leonardi Automotive & Electric, Inc.		207.65
Levy, Larry		
	66123 · O/S Contractual	<u>250.00</u>
Total Levy, Larry		250.00
Marin County Office		
	65201 · Permits & Fees	<u>8,967.00</u>
Total Marin County Office		8,967.00
Meyers, Nave, Riback, Silver & Wilson		
	66122 · Attorney Fees	<u>3,525.85</u>
Total Meyers, Nave, Riback, Silver & Wilson		3,525.85
North Marin Water District		
	65192 · Water	24.97
	61000-4 · Water/Permits/Telephone	2,073.39
	65192 · Water	<u>150.86</u>
Total North Marin Water District		2,249.22

Novato Sanitary District
Operations Check Register Detail
 July 9, 2012

	<u>Account</u>	<u>Debit</u>
Novato Car Wash		
	66150 · Repairs & Maintenance	21.98
Total Novato Car Wash		<u>21.98</u>
Oratech Controls, Inc.		
	64150 · Repairs & Maintenance	448.93
Total Oratech Controls, Inc.		<u>448.93</u>
Orkin Pest Control, Inc.		
	66150 · Repairs & Maintenance	116.00
Total Orkin Pest Control, Inc.		<u>116.00</u>
Pini Hardware		
	60100 · Operating Supplies	49.80
	65100 · Operating Supplies	165.76
Total Pini Hardware		<u>215.56</u>
Preferred Benefit		
	66020 · Employee Benefits	3,266.24
	21074 · Health Insurance Payable	101.36
Total Preferred Benefit		<u>3,367.60</u>
Rauch Communication Consultants. Inc.		
	66123 · O/S Contractual	1,938.75
	67520 · Permanent HHW Facility	1,636.62
Total Rauch Communication Consultants. Inc.		<u>3,575.37</u>
Ricoh USA, Inc.		
	66090 · Office Expense	216.16
Total Ricoh USA, Inc.		<u>216.16</u>
T-Mobile		
	65193 · Telephone	23.01
Total T-Mobile		<u>23.01</u>
U.S. Bank Card (1)(Bev)		
	66170 · Travel, Meetings & Training	8.00
Total U.S. Bank Card (1)(Bev)		<u>8.00</u>
U.S. Bank Card (2)(June)		
	66124 · IT/Misc Electrical	89.65
	66090 · Office Expense	12.99
	66070 · Insurance	38.00
	66150 · Repairs & Maintenance	112.50
	21016 · U.S. Bank Visa	1,692.58
Total U.S. Bank Card (2)(June)		<u>1,945.72</u>
Veolia Water North America, Inc.		
	61000-1 · Fixed Fee	153,063.95
	61000-2 · Insurance & Bonds	4,298.50
	64160 · Research & Monitoring	3,780.00
Total Veolia Water North America, Inc.		<u>161,142.45</u>
Vision Service Plan		
	66020 · Employee Benefits	545.24
Total Vision Service Plan		<u>545.24</u>

Novato Sanitary District
Operations Check Register Detail
July 9, 2012

	<u>Account</u>	<u>Debit</u>
WaterSavers Irrigation Inc.		
	63150 · Repairs & Maintenance	<u>1,026.00</u>
Total WaterSavers Irrigation Inc.		1,026.00
Willis Professional Land Surveying		
	66123 · O/S Contractual	<u>1,146.25</u>
Total Willis Professional Land Surveying		<u>1,146.25</u>
TOTAL		<u><u>348,957.47</u></u>

Novato Sanitary District Capital Projects Check Register

July 9, 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Jul 9, 12			
7/9/2012	2343	North Marin Water District Jo...	280,440.50
7/9/2012	2344	Nute Engineering Inc.	19,000.25
7/9/2012	2345	Quest	4,031.64
7/9/2012	2342	Exponent, Inc.	2,550.00
7/9/2012	2341	Comet Building Maintenance,...	152.50
Jul 9, 12			<u><u>306,174.89</u></u>

Novato Sanitary District
Capital Projects
Check Register Detail - July 9, 2012

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Comet Building Maintenance, Inc.			
	06/21/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	152.50
Total Comet Building Maintenance, Inc.			<u>152.50</u>
Exponent, Inc.			
	06/18/2012	72609 · WWTP Upgrade - Contract B	2,550.00
Total Exponent, Inc.			<u>2,550.00</u>
North Marin Water District Jobsite			
	07/01/2012	72508 · N. Bay Water Recycling Auth	280,440.50
Total North Marin Water District Jobsite			<u>280,440.50</u>
Nute Engineering Inc.			
	06/18/2012	72403 · Pump Station Rehabilitation	11,175.25
	06/18/2012	72804 · Annual Reclamation Fac Imp	417.00
	06/18/2012	72706 · 2008 Collection System Improv	847.00
	06/18/2012	72805 · Annual Trtmt Plnt/Pump St Impr	1,009.50
	06/18/2012	72706 · 2008 Collection System Improv	5,551.50
Total Nute Engineering Inc.			<u>19,000.25</u>
Quest			
	06/26/2012	72805 · Annual Trtmt Plnt/Pump St Impr	4,031.64
Total Quest			<u>4,031.64</u>
TOTAL			<u><u>306,174.89</u></u>

**Novato Sanitary District
Board Check Register for June 2012**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Jul 5, 12			
7/5/2012	3146	Di Giorgio, Michael	922.09
7/5/2012	2133	Mariani, Jean M	819.88
7/5/2012	2134	Peters, A. Gerald	777.15
7/5/2012	2132	Long, William C	754.47
7/5/2012	3147	Welsh, Dennis J	486.86
Jul 5, 12			<u><u>3,760.45</u></u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Sewer Service Charge Report	MEETING DATE: July 9, 2012
	AGENDA ITEMS NO.: 6
RECOMMENDED ACTION: Public Hearing: Adoption of resolution confirming sewer service charge report and electing to collect on tax rolls	
SUMMARY AND DISCUSSION: <p>At the public hearing of June 25, 2012, the Board adopted Ordinance No. 116 setting sewer service charges for 2012-13 through 2015-16. The public hearing of July 9, 2012 is for the hearing on the sewer service charge report and to adopt a resolution to collect the sewer service charges on the Marin County tax rolls. District staff will have a computerized database at the meeting so that anyone may request what their individual sewer service rate will be in the coming year and have an opportunity to protest.</p> <p>The public hearing was noticed twice in the Marin IJ. Following the public hearing the board will consider adoption of resolution no. 3046, "A Resolution Prescribing and Providing for the Collection of Sewer Service Charges for Novato Sanitary District on the Tax Rolls of the County of Marin for the Fiscal Year 2012-13".</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: No impact	
	MANAGER:

RESOLUTION NO. 3046

**A RESOLUTION PRESCRIBING AND PROVIDING FOR THE COLLECTION OF SEWER
SERVICE CHARGES FOR NOVATO SANITARY DISTRICT
ON THE TAX ROLLS OF THE COUNTY OF MARIN
FOR THE FISCAL YEAR 2012-2013**

NOVATO SANITARY DISTRICT

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

WHEREAS, The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charges for the fiscal year 2012-13, established by said District, collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

WHEREAS, Monday, the 9th day of July, 2012, at the hour of 6:30 p.m. at the regular meeting place of said District, Novato Treatment Plant, 500 Davidson Street, Novato, California, was fixed as the time and place for hearing on the sewer service charge report filed with the Secretary of this District, pursuant to law, and the Secretary published a notice of said hearing and of the filing of said report, once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for said hearing, in the Independent Journal, a newspaper of general circulation printed and published in the County.

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

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

WHEREAS, all written protests and other written communications, if any, were publicly read at said meeting and all persons desiring to be heard were fully heard;

NOW, THEREFORE, IT IS ORDERED, as follows:

1. That objections to and protests against said report were not made by the owners of a majority of the separate parcels of property described in the report against which charges for the services and facilities provided by the District were fixed.
2. No objections to, or protests against, said report were made at the hearing.
3. That said report be, and it is hereby, adopted in full as revised, changed, reduced or modified by the Board, and that said charges shall be collected on the tax roll of the County of Marin, in the manner provided by law.
4. That the Secretary of this District be, and she is hereby, directed to file a copy of said report with the County Controller of Marin County on or before the 10th day of July, 2012, upon which shall be endorsed, over her signature, a statement that the report has been finally adopted by the Board of Directors of the Novato Sanitary District.
5. The County Controller of Marin County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2012-13.
6. For all premises connected to the sewer system of the District, the sewer service rate per Service Unit for fiscal year 2012-13 shall be **FOUR HUNDRED AND NINETY-THREE AND 00/100 DOLLARS (\$493.00)** as established by Novato Sanitary District Ordinance No. 116, adopted June 25, 2012. Said rate shall be subject to modification and change, from time to time, as may be required to permit the District to meet State and Federal revenue program guidelines and as the total number of Service Units and the budgetary requirements of the District change. Service Units shall be calculated for various types of sewer users as described in Novato Sanitary District Ordinance No. 116 adopted June 25, 2012.

Said charges are established pursuant to Article 13B of the Constitution, as amended and

statutory provisions relating thereto.

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

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 9th day of July 2012, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

President, Novato Sanitary District

COUNTERSIGNED:

Secretary

s:\board resolutions\ssc2012-13.res.doc

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Committees	MEETING DATE: July 9, 2012
	AGENDA ITEM NO.:
RECOMMENDED ACTION:. Consider revising Board Policy 4060 to add the New Facilities and Finance Committees.	
SUMMARY AND DISCUSSION:	
<p>The District had three standing committees and five adhoc committees in 2011-12. In addition, there were four appointments of delegates to represent the District at regional or statewide organizations. The committees and their assigned Board members are shown in the attachment. District Policy 4060 addresses the formation of Standing Committees and the assignment of delegates. Adhoc Committees are single purpose and automatically dissolve once their mission is completed.</p> <p>Adhoc Committees Two of the adhoc committees – Audit and Finance were formed for the 2010-11 Audit and are no longer active. However, since there is an annual audit and a Finance Committee could also work on the budget format, it is suggested that Audit and Finance functions be combined into one standing Finance Committee.</p> <p>The Marin County Council of Mayors and Councilmembers Adhoc Committee on Pensions and OPEB has finished its work and issued the report and is no longer active.</p> <p>The Adhoc Wastewater Service Agreement Update and 2012 Labor Negotiations Committees are single purpose committees still working on their assignments and should continue until they are completed.</p> <p>Standing Committees The District names two Standing Committees in Policy 4060: Joint City/District Solid Waste Committee and Wastewater Operations Committee. A third standing committee: New Facilities was established in July 2010. As noted above it is proposed to establish a fourth standing committee: Finance.</p> <p>Delegates The District names delegates to four organizations as noted in the attached Policy 4060.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

Novato Sanitary District

2011-12 Committees

Ad Hoc Committee Assignments:

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

William C. Long
Michael Di Giorgio

Audit Committee:

Dennis Welsh
Jean Mariani

Finance Committee: (appointed 8/8/2011)

William C. Long
Jean Mariani
Dennis Welsh, Alternate

Wastewater Service Agreement Update Committee: (appointed 3/26/12)

Jean Mariani
Jerry Peters

Labor Negotiations Committee: (appointed 5/29/12)

Michael Di Giorgio
Jerry Peters

Standing Committees:

Joint City/District Solid Waste Committee:

~~George C. Quesada~~ Jerry Peters (appointed 12/12/11)
Jean Mariani
William C. Long, Alternate

Wastewater Operations Committee:

Michael Di Giorgio
Dennis Welsh
~~George C. Quesada, Alternate~~ Jean Mariani, Alternate (appointed 12/12/11)

New Facilities Committee:

William C. Long
Jean Mariani
Dennis Welsh, Alternate

Regular Committees:

California Association of Sanitation Agencies:

William C. Long, Delegate
Michael Di Giorgio, Alternate

California Sanitation Risk Management Authority:

Beverly B. James, Delegate
William C. Long, Alternate

North Bay Water Reuse Authority:

William C. Long, Delegate
Michael Di Giorgio, Alternate

North Bay Watershed Association:

Michael Di Giorgio, Delegate
Beverly B. James, Alternate

Novato Sanitary District

POLICY HANDBOOK

POLICY TITLE: Committees of the Board of Directors
POLICY NUMBER: 4060

4060.1 The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

4060.2 The following shall be standing committees of the Board:

4060.2.1 Solid Waste Committee

4060.2.2 Wastewater Operations Committee

4060.2.3 New Facilities Committee

4060.2.4 Finance Committee

4060.2.5 In addition, appointments of delegates and alternates will be made to the following organizations:

California Association of Sanitation Agencies
California Sanitation Risk Management Authority
North Bay Water Reuse Authority
North Bay Watershed Association

4060.3 The Board President shall appoint and publicly announce the members of the standing committees for the ensuing year no later than the Board's second regular meeting in July.

4060.4 The Board's standing committees may be assigned to review District functions, activities, and/or operations pertaining to their designated concerns, as specified below. Said assignment may be made by the Board President, a majority vote of the Board, or on their own initiative. Any recommendations resulting from said review should be submitted to the Board via a written or oral report.

4060.4.1 All meetings of standing committees shall conform to all open meeting laws (e.g., "Brown Act") that pertain to regular meetings of the Board of Directors.

4060.5 The Board's standing Solid Waste Committee shall be concerned with overseeing the implementation of local action programs necessary to satisfy the mandates of AB 939, including solid and hazardous waste, education and outreach, school programs, permanent household facility activities, etc.

4060.6 The Board's standing Wastewater Operations Committee shall be concerned with reviewing Operation and Maintenance Reports and NPDES monitoring reports. They will receive reports from District staff, facilities contract operations, and outside experts on contractor performance and make recommendations to the Board of Directors.

4060.7 The Board's standing New Facilities Committee shall be concerned with the formulation of plans for major capital improvements, receiving and commenting on progress reports from staff on major developments, including regional projects such as Recycled Water Projects.

4060.8 The Board's standing Finance Committee shall be concerned with the financial management of the District, including recommendations from staff on the preparation of an annual budget, capital financing, major expenditures, and annual audit review.

DRAFT REVISION

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Committees	MEETING DATE: July 9, 2012
	AGENDA ITEM NO.: 8.b.
RECOMMENDED ACTION: Consider authorizing compensation for the Board member delegate to the North Bay Watershed Association.	
SUMMARY AND DISCUSSION: The District appoints a delegate to the North Bay Watershed Association (NBWA) who serves on the Board of Directors of the NBWA. Their monthly meetings are publicly noticed and take place either in Novato or in Petaluma. Currently, the District does not compensate the delegate for attendance at the Board meetings of NBWA. Under the Compensation and Reimbursement Policy effective July 1, 2006 (attached) Directors are eligible to receive compensation for "Other District -business-related activities for which there has been pre-approval by the board." Board members currently receive compensation for participation at Board meetings, District Adhoc and Standing Committees and attendance at North Bay Water Reuse Authority Board meetings.	
ALTERNATIVES: NA	
BUDGET INFORMATION: The potential additional \$2,250 cost would be paid from the budget for Director's fees of \$45,000.	
DEPT.MGR.:	MANAGER:

**NOVATO SANITARY DISTRICT
Compensation and Reimbursement Policy**

EFFECTIVE: July 1, 2006

1. **PURPOSE:** The purpose of the policy is to prescribe the manner in which District employees and Directors may be reimbursed for expenditures related to District business, and how Directors may be compensated for their service. This policy implements Resolution No. 2936.

3. **SCOPE:** This policy applies to all District Directors and employees. Directors and employees shall only be reimbursed for expenses incurred in the performance of official duties, including attending conferences, meetings and luncheons.

4. **RESPONSIBILITY:** Individual claimants are responsible for maintaining and submitting a record of all personal expenses incurred on behalf of the District and for documenting said costs by receipts. The Administrative Services Manager is responsible for providing and receiving expense claims, classifying the expenses, verifying travel authorization certifying the authorization for and certifying the completeness and accuracy of the amount claimed. The District Manager, or his or her designee, is responsible for reviewing and approving expense claims for District staff. The District Manager, or his or her designee, is responsible for presenting claims from Directors for approval of payment to the District Board President.

2. **DIRECTOR COMPENSATION:** Directors are eligible to receive compensation for the following:

- a. A meeting of the legislative body;
- b. A meeting of an advisory body
- c. Other District-business-related activities for which there has been pre-approval by the board.

5. **MEALS:** Any Director or employee who travels pursuant to this policy or who is required to attend a District related business even which extends beyond a normal workday period and at which a meal is not served shall be reimbursed for the cost of said meal as follows:

- a. *Meal Allowance.* Directors and employees are to be reimbursed for the actual amount expended, not to exceed the IRS Guidelines.
- b. *Room Service.* If a Director or employee has no practical choice of where meals may be eaten, the District shall reimburse the actual cost of room service meals up to the IRS Guidelines.

- a. Alcoholic beverages
- b. Movie rentals
- c. Personal telephone calls
- d. Spouse/companion meals or travel
- e. All other personal expenditures not directly related to travel.

13. DOCUMENTATION REQUIREMENTS: The expense report form shall document that the expenses are proper under this Reimbursement Policy. Directors and employees must file expense report forms within a reasonable time after incurring the expense. Expense report forms filled by employees and Directors shall be accompanied by receipts documenting each expense.

All documents related to reimbursable agency expenditures shall be considered public records subject to disclosure under the California Public Records Act.

14. DISTRICT BOOKING FOR SPOUSE OR COMPANION: The District staff may on occasion book reservations for the spouse or companion of an employee or Director who is traveling on District business for the convenience of the employee or Director. All costs associated with any such booking for a spouse or companion shall be assumed by the employee or Director and to the extent any booking cost or deposit is paid by the District, the employee or Director shall immediately reimburse the District and in no event shall the reimbursement occur more than seven (7) days after the District's payment of the booking or deposit.

15. BRIEF REPORT TO LEGISLATIVE BODY: Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors. Such reports may be made orally or in writing.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: California Special District Association (CSDA)	MEETING DATE: July 9, 2012
	AGENDA ITEM NO.: 9.a
RECOMMENDED ACTION: Designate the candidate to receive the District's vote for Region 3, Seat A.	
SUMMARY AND DISCUSSION: Novato Sanitary District is a member of CSDA Region 3. Each Region has three seats on the CSDA Board of Directors. There is currently only one candidate for Seat A: Vince Ferrante. He is a current Commissioner of the Moss Landing Harbor District and is an incumbent on the CSDA Board of Directors. He is currently serving as Board Secretary. His resume is attached.	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

May 30, 2012

CSDA

Candidate Statement Region 3 (Seat A)

1112 I Street, Suite 200

Sacramento, CA 95814

Vince Ferrante, Commissioner Moss Landing Harbor District

I am well qualified for this position, having served as an elected official on the Moss Landing Harbor District Board of Harbor Commissioners since 2003, running unopposed as an incumbent in the last two elections. I am currently serving as the Board Secretary.

I have served on the following committees: Live Aboard, Budget and I chair the Personnel and Finance Committee. I represent the MLHD at the Monterey Special District Association, where I am the Past Secretary-Treasurer. I also served on the committee for the 20th CSDA State Conference held in Monterey, Ca. For the past several years, I have served on the CSDA Membership, Fiscal, Education and By-Laws Committees.

I was appointed to the Monterey County Overall Economic Development Commission by the Monterey County Board of Supervisors.

I have completed the CSDA Special District Governance Academy in Governance Foundations, Setting Direction/Community Leadership, Board's Role in Finance and Fiscal Accountability and Board's Role in Human Resources.

I am very experienced in budgeting, project management, report preparation, public speaking, legislative issues and participate in the SDA of Monterey County. I believe my dedication to Special Districts makes me an excellent choice to represent local government agencies' interests at CSDA.

Sincerely,

Vincent C. Ferrante

Commissioner Moss Landing Harbor District

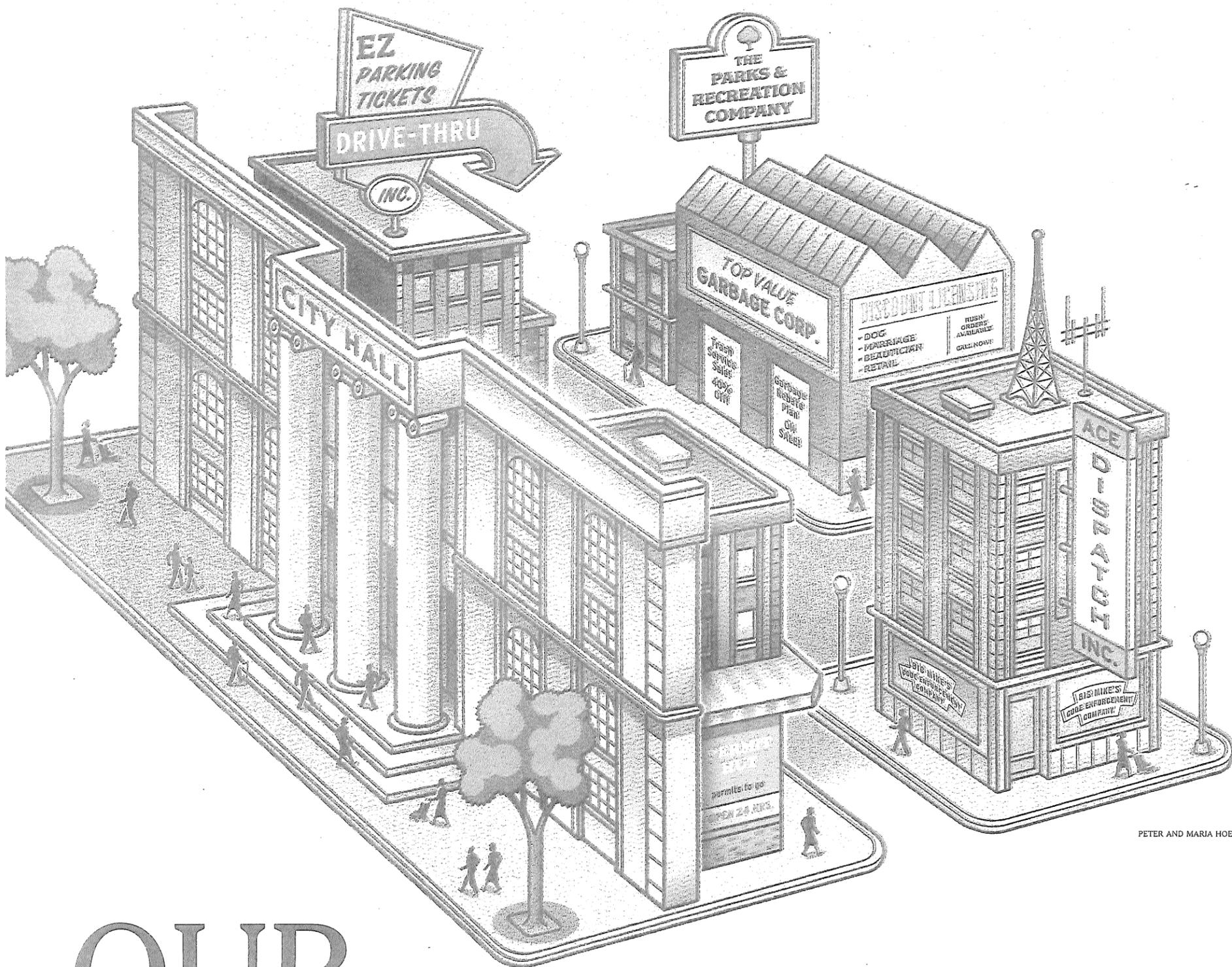
NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Pump Station Rehabilitation Project; Project Unit 4, Bel Marin Keys 9 & 10 & Hamilton No. 1 Pump Stations; Account No. 72403	MEETING DATE: July 9, 2012 AGENDA ITEM NO.: 10.a.
RECOMMENDED ACTION: Review bids received, authorize contract award to the lowest responsive bidder, WR Forde & Associates, and authorize Manager-Engineer to execute contract.	
SUMMARY AND DISCUSSION: At its May 28, 2012 meeting the District Board made CEQA findings and authorized staff to advertise for bids for the project. On June 27, 2012, 4 bids were received as follows: <ol style="list-style-type: none"> 1. W.R. Forde & Associates: \$1,377,000.00 2. Pacific Infrastructure: \$1,408,000.00 3. Maggiora & Ghilotti: \$1,543,210.00 4. Valentine Corporation: \$1,587,369.00 <p>WR Forde & Associates of Richmond submitted the lowest responsive bid of \$1,377,000.00 or \$27,000.00 (1%) above the engineer's estimate of probable construction cost of \$1,350,000.00 for this work, and \$31,000.00 (2%) below the next highest bidder. WR Forde & Associate's bid documents have been reviewed and they are in order. WR Forde & Associate's references have also been contacted and they have all provided positive feedback.</p> <p>The Preliminary FY12-13 Budget includes \$1,350,000 for the Pump Station Rehabilitation Projects. The FY11-12 budget for this Account No. 72403 was \$1,500,000 and the estimated FY11-12 expenditures are approximately \$1,150,000, for a balance of approximately \$350,000. The Final FY12-13 Budget will be adjusted to accommodate the bid amount, engineering services during construction, and construction management costs.</p> <p>Accordingly, it is recommended that the Board award the Unit 4 – Bel Marin Keys 9 & 10 & Hamilton No. 1 Pump Stations of the Pump Stations Rehabilitation Project to WR Forde & Associates with a bid of \$1,377,000.00, and authorize the Manager-Engineer to execute the contract.</p>	
ALTERNATIVES: None.	
BUDGET INFORMATION: This work will be funded from the budget for Pump Station Rehabilitation Project, Account No. 72403, which has a current FY1-12 preliminary budget of \$1,350,000. The final FY2012-13 budget will be adjusted as required to accommodate this project.	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Staff Report: North Bay Watershed Association	MEETING DATE: July 9, 2012 AGENDA ITEM NO.: 11.a.
RECOMMENDED ACTION: NA	
SUMMARY AND DISCUSSION: North Bay Watershed Association meeting on July 6, 2012 featured presentations on the Phase II Stormwater Permit and the Integrated Regional Water Management Plan (IRWMP). Phase II Stormwater Permit The second draft of the Phase II Stormwater Permit has been released for public comments. Comments are due by noon on July 23 rd . There will be a public hearing in Sacramento on August 8 th . The second draft incorporated some of the NBWA comments on the first draft but the current draft but significant issues remain with the feasibility and cost of implementing the proposed new requirements. The NBWA Board voted to submit a letter commenting on specific elements of the proposed regulations, as well as the need to recognize that there is no funding available for implementation on the federal, state, or local level. Bay Area IRWMP The process of updating the IRWMP is well underway. The first chapter on governance is available for general review. The second chapter on goals and objectives is being drafted. The deadline for submitting projects to include in the plan is September 1, 2012. The template for project submittal is on the BAIRWMP.org website. There will be a workshop for participating agencies on July 23 rd from 4 to 6 pm at the ABAG offices in Oakland. The full presentations will be available online at: http://www.nbwatershed.org/v2/pages/meetings_nbwa.php?meetingID=21#PRES	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

The New York Times



PETER AND MARIA HOEY

OUR TOWN INC.

Taking the People's
Business Private

By DAVID SEGAL

SANDY SPRINGS, Ga.

IF your image of a city hall involves a venerable building, some Roman pillars and lots of public employees, the version offered by this Atlanta suburb of 94,000 residents is a bit of shocker.

The entire operation is housed in a generic, one-story industrial park, along with a restaurant and a gym. And though the place has a large staff, none are on the public payroll. O.K., seven are, including the city manager. But unless you chance into one of them, the people you meet here work for private companies through a variety of contracts.

Applying for a business license? Speak to a woman with Severn Trent, a multinational company based in Coventry, England. Want to build a new deck on your house? Chat with an employee of Collaborative Consulting, based in Burlington, Mass. Need a word with people who oversee trash collection? That would be the URS Corporation, based in San Francisco.

Even the city's court, which is in session on this May afternoon, next to the revenue division, is handled by a private company, the Jacobs Engineering Group of Pasadena, Calif. The company's staff is in charge of all administrative work, though the judge, Lawrence Young, is essentially a legal temp, paid a flat rate of \$100 an hour.

"I think of it as being a baby judge," says Mr. Young, who spends most of his time drafting trusts as a lawyer in a private practice, "because we don't have to deal with the terrible things that you find in Superior Court."

With public employee unions under attack in states like Wisconsin, and with cities across the country looking

to trim budgets, behold a town built almost entirely on a series of public-private partnerships — a system that leaders around here refer to, simply, as "the model."

Cities have dabbled for years with privatization, but few have taken the idea as far as Sandy Springs. Since the day it incorporated, Dec. 1, 2005, it has handed off to private enterprise just about every service that can be evaluated through metrics and inked into a contract.

To grasp how unusual this is, consider what Sandy Springs does not have. It does not have a fleet of vehicles for road repair, or a yard where the fleet is parked. It does not have long-term debt. It has no pension obligations. It does not have a city hall, for that matter, if your idea of a city hall is a building owned by the city. Sandy Springs rents.

The town does have a conventional police force and fire department, in part because the insurance premiums for a private company providing those services were deemed prohibitively high. But its 911 dispatch center is operated by a private company, iXP, with headquarters in Cranbury, N.J.

"When it comes to public safety, outsourcing has always been viewed with a kind of suspicion," says Joseph Estey, who manages the Sandy Springs 911 service in a hushed gray room a few miles from city hall. "What I think really tipped the balance here is that they were outsourcing just about everything else."

Does the Sandy Springs approach work? It does for Sandy Springs, says the city manager, John F. McDonough, who points not only to the town's healthy balance sheet but also to high marks from residents on surveys

Continued on Page 4

Taking the People's Business Private

From Page 1

about quality of life and quality of government services.

But that doesn't mean "the model" can be easily exported — Sandy Springs has the built-in advantage that comes from wealth — or that its widespread adoption would enhance the community. Critics contend that the town is a white-flight suburb that has essentially seceded from Fulton County, a 70-mile-long stretch that includes many poor and largely African-American areas, most of them in Atlanta and points south.

The prospect of more Sandy Springs-style incorporations concerns people like Evan McKenzie, author of "Privatopia: Homeowner Associations and the Rise of Residential Private Government." He worries that rich enclaves may decide to become gated communities with large, walled themselves off from areas that are economically distressed.

"You could get into a 'two Americas' scenario here," he says. "If we allow the more affluent to institutionally isolate themselves, then the poor are supposed to do — what? They're supposed to have all the poverty and all the social problems and deal with them?"

The champions of Sandy Springs counter that they still send plenty of tax dollars to the county and that race had nothing to do with the decision to incorporate. (The town's minority population is now 30 percent and growing, they note.) Leaders here say they had simply grown tired of the municipal service offered by Fulton County.

"We make no apologies for being more affluent than other parts of the metro area," says Eva Galambos, the mayor of Sandy Springs. And what does she make of the attitude of the town's detractors? "Pure envy," she says.

NOTHING about Sandy Springs hints that it is one of the country's purest examples of a contract city. Even those city hall employees betray no sign that they work for a jumble of corporations. Drive around and you'll see a nondescript upscale suburb, where the most notable features are traffic lights that seem to take five minutes to turn green. There is no downtown, or at least anything that looks like a main street. Instead, there are strip malls with plenty of usual-suspect franchises — although one strip mall, oddly enough, includes a small museum that tells the story of Anne Frank.

The town is home to offices of United Parcel Service, Hardee's and other corporations, and it also serves as a bedroom community for Atlanta. Residents include Herman Cain, members of the Atlanta Braves and the Atlanta Falcons, and executives at Delta Air Lines, CNN

and other companies. This is also home to rapper and producer Akon, whose opulent tastes were featured in an episode of "Cribs" on MTV.

"A few years ago, I got a call from his head of security," says Kenneth DeSimone, the deputy chief of police, who is giving a tour of the town one May afternoon. It turned out that somebody had stolen a pistol and a laptop from Akon's home.

"He seemed really focused on the laptop and I was looking around this guy's house thinking, 'What is the big deal with this laptop? He can afford another one.' Turns out, there was a bunch of new Lady Gaga demos on it. Worth millions."

That crime was solved when an informant helped lead the police to some young people who, Mr. DeSimone said, had no idea whose home they had entered and what was stored on the computer.

The car driven by Mr. DeSimone says "Sandy Springs" on the side, which is one reason that this town can't claim to be the most outsource city in the United States. That distinction probably be-

A town that owns no work trucks, has no pension plan and rents its city hall.

longs to Maywood, Calif., eight miles southeast of Los Angeles, which in 2010 fired all but one employee, its city manager. Maywood is now operated, from top to bottom, through contracts. The police officers are members of the Los Angeles County Sheriff's Department, paid a combined \$3.5 million a year to patrol the streets, according to Felipe Aguirre, a council member.

But Maywood was pushed to extreme measures after it flirted with bankruptcy and lost insurance coverage for its public work force. Sandy Springs went the public-private partnership route by about its success.

Few have more zeal than Oliver W. Porter, a founding father and architect in chief.

With his gray beard and thick gray hair, Mr. Porter is a beanie version of John Updike with a Southern drawl and a pipe. He is sitting one morning in a tiny room in his basement, which has a small desk, a chair and a psychiatrist's couch. A parachute is spread out along the ceiling, like a canopy, and a mural of an ancient Roman landscape — Mr. Por-

ter's handiwork — adorns one wall.

This unassuming nook is where every element of Sandy Springs was conceived and designed. With the title of interim city manager, Mr. Porter drafted requests for proposals and fielded calls here, often from people who imagined him in charge of a small battalion of employees.

"One day a lady called and said: 'Oh, Mr. Porter, I didn't mean to interrupt you. May I speak to your staff?'" he recalls. Reliving the moment, he picks up the phone, puts it to one ear and then switches to the other.

"Staff speaking," he told the caller, in a slightly deeper voice.

Mr. Porter, a retired AT&T engineer, was an advocate of the town when it was a hopeless cause, during the many years when Democrats blocked efforts to let a largely Republican and white suburb cleave itself from Fulton County. One Democratic legislator vowed that Sandy Springs would incorporate "when pigs fly," a phrase that Mayor Galambos has since adopted as the name of her blog.

After an election in 2004, both houses of Georgia's legislature were controlled by Republicans for the first time since Reconstruction.

"It was like a dog that's been chasing a train for years and finally catches it,"

Mr. Porter says. "The question was, what do I do with it now?"

As a fan of Ronald Reagan and the economist Friedrich Hayek, Mr. Porter came naturally to the notion that Sandy Springs could push "the model" to its nth degree. His philosophical inclinations were formed by a life spent in private enterprise, and cemented by a visit to Weston, Fla., a town that had begun as a series of gated communities.

Mr. Porter tells this and other stories in "Creating the New City of Sandy Springs," a book that will leave readers with one indelible lesson: Incorporating a city is dull. Superduper dull. The book is composed mostly of the codicils, requests for proposals and definitions of duties that were required to jolt Sandy Springs to life. Without a love of minutiae and a very long attention span, forget it. But this is intended as a blueprint, not a gripping narrative. Mr. Porter regards the success of Sandy Springs as a way out of the financial morass that has engulfed so many cities in the aftermath of the Great Recession.

"Many are on the verge of bankruptcy," Mr. Porter says. "They have significant unfunded liabilities, like pensions and other benefits. It's almost like a poison that a lot of people are unaware of, and this model could be an answer."

HOVERING around the debate about privatization is a basic question: What is local government for? For years, one answer, at least implicitly, was "to provide steady jobs with good wages." But that answer is losing its political tenability, says John D. Donahue of the John F. Kennedy School of Government at Harvard. "A lot of jobs in government are middle-class jobs that in the private sector are not middle-class jobs," he says. "People aren't willing to support conditions for public workers that they themselves no longer enjoy."

In a way, what Sandy Springs and other newly incorporated towns have done harks back to a 19th-century notion of taxation, which was much less about cross-subsidies and much more about fee for service.

"It was normal from around 1830 through the end of the Civil War for cities to be run like businesses," says Mr. McKenzie, the "Privatopia" author. "When people paid property taxes, it was to get something that benefited them directly — like butchers wanting a certain area cleaned up."

Sandy Springs residents still send roughly \$190 million a year to Fulton County through property taxes, about half of which goes to schools, including those in Sandy Springs. But by incorporating, the town gets to keep \$90 million in taxes a year to spend as it pleases.

Has this financially hurt the rest of Fulton County? It has, says the county manager, Zachary Williams, who calculates that the incorporation of Sandy Springs, and neighboring towns that incorporated after it, cost the county about \$38 million a year. Mr. Williams described the figure as "significant," especially given the strains imposed by the economic downturn.

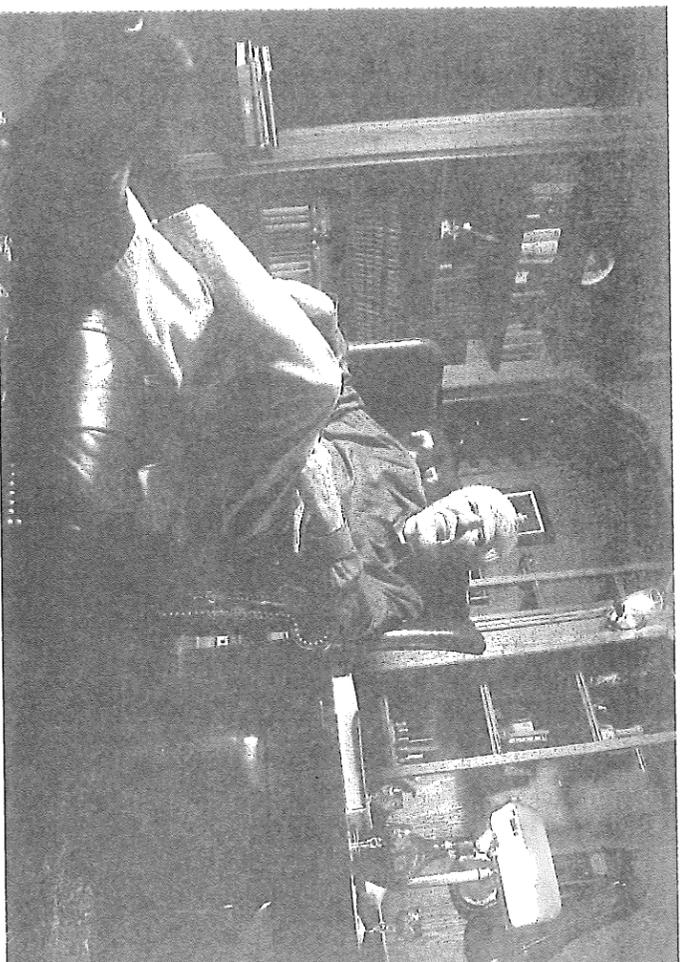
"I would bet that Atlanta is top five in the country in terms of foreclosures," he says. "I think our vacancy rate is 14 to 18 percent."

Some Georgia politicians outside Sandy Springs regard it and other breakaway towns as "the first shot in the battle to destroy Fulton County," as State Senator Vincent Fort, a Democrat whose district includes part of Atlanta, put it.

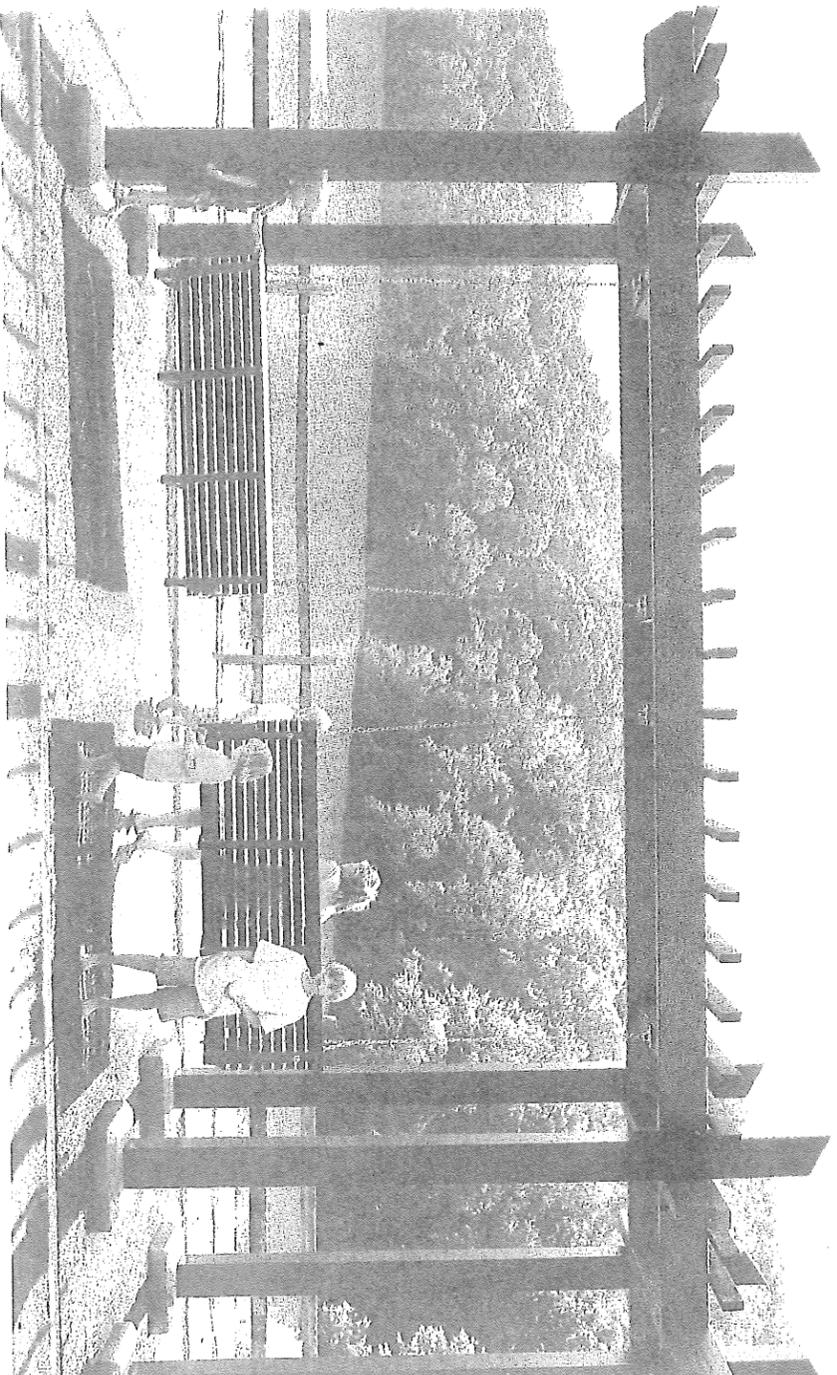
"What you have is the northern section of the county," he went on, "which is mostly white, seeking to leave the rest of Fulton County, and doing so with what I think are racially tinged arguments about the corruption and inefficiency of local government."

Town leaders say race had nothing to do with it. Mayor Galambos said, "A 94 percent vote in favor of incorporation speaks to the broad community support for self-government and a desire to have local dollars remain local."

BUT leave aside questions of fairness and race. Many cities that have dipped a toe or two into the privatization pool, and others that have plunged in, have had awful results. Recently, the company that has a contract to manage Chicago's parking meters sent the city a series of bills, totaling nearly \$50 million, to make up for revenue lost from people with disability parking placards and from street clos-



Oliver Porter in his home library. As interim city manager, he helped draft the initial plans for privatization for the town, which incorporated in 2005. Mr. Porter later recounted the story in a book, "Creating the New City of Sandy Springs." Below, the town's Morgan Falls Overlook Park along the Chattahoochee River.



ings. Mayor Rahm Emanuel has refused to pay.

New York City's comptroller released a report in late May that said that Hewlett-Packard, a major contractor in the city's emergency dispatch service, was paid \$113 million for work considered subpar.

In Maywood, Calif., going private has driven up the cost of running the town, says Mr. Aguirre, the council member, and the quality of municipal service has gone down.

"I let's say a tree falls on a car," Mr. Aguirre says. "Previously, we had an employee who would deal with it. Now, you have to make an appointment and they'll come out when they can. They're not our people to control any more."

Mr. McDonough, the Sandy Springs city manager, says the town has sidestepped such problems. The key, he explains, lay in the fine art of drafting contracts.

Initially, and for the first five and a half years of its life, Sandy Springs used just one company, CH2M Hill, based in Englewood, Colo., to handle every service it delivered. Mr. McDonough says CH2M saved the town millions compared with the cost of hiring a conventional public work force, but last year Sandy Springs shed the work into pieces and solicited competitive bids.

When the competition was over, the town had spread duties to a handful of corporations and total annual outlays dropped by \$7 million. (Representatives of CH2M, which still has a call-center contract, said at the time that they were "deeply disappointed" by the results, but wished the city well, according to a local news report.)

To dissuade companies from raising prices or reducing the quality of service, the town awarded contracts to a couple of losing bidders for every winner it hired. The contracts do not come with any pay or any work — unless the winning bidder that prevailed fails to deliver. It's a bit like the Miss America pageant announcing the runner-up as the one who will fulfill the

winner's duties if, for some reason, Miss America cannot.

"In most cases, Miss America serves her whole term," Mr. McDonough says, warning to the analogy. "But every once in a while something happens and they don't have to run a whole new competition."

The privatized approach saves money, he continues, because corporations hire superior workers and give them better training. Work handled by 15 public employees can be done by 12 privately employed workers, he says.

"It's all about the caliber of employee and the customer focus that comes out of the private sector."

During a tour of city hall, Mr. McDonough bumps into Kevin Walter, the deputy director of public works. Mr. Walker has good news. Currently, Sandy Springs pays for two people to operate two road maintenance trucks five days a week — in effect, 10 days of work every two weeks. Well, Mr. Walker has just figured out a way to reduce the number to nine days every two weeks, saving \$50,000 a year.

Does Mr. Walker, or rather his company, URS, get to keep a portion of that \$50,000?

"No," Mr. Walker says. "But I get to keep my job. Our job is to run all these projects and programs very efficiently."

And your contract? "It is renewed every year," Mr. Walker says. "It can be renewed every year," Mr. McDonough clarifies.

"It can be renewed every year," says Mr. Walker, correcting himself.

Any anxiety that you will not be renewed?

"No," Mr. Walker says. He quickly reconsiders. "A little bit," he says. "Enough so that we do an excellent job. We know we can do an excellent job and we have faith in the city. And we know it would not be easy for them to change so we'd have to really mess up for them to change. But we're not going to mess up." □



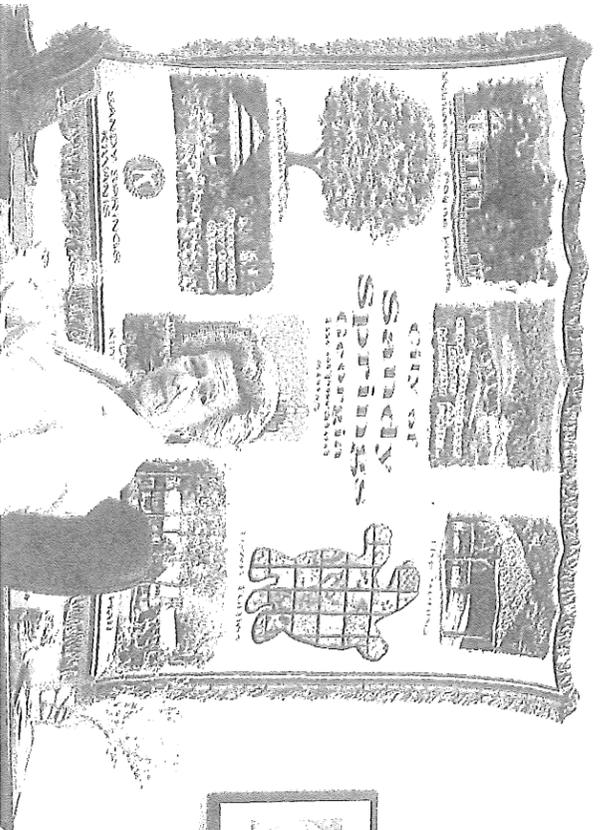
PHOTOGRAPHS BY T. LYNNE FIKLEY FOR THE NEW YORK TIMES

State Senator Vincent D. Fort, in his office at the Georgia Capitol, has criticized the privatization of Sandy Springs as part of an effort to destroy Kenneth DesSimone, far left, the town's deputy police chief, talking to residents at a sandwich shop. Sandy Springs has contracted most of its services, but has its own police and fire departments.



PHOTOGRAPHS BY T. LYNNE FIKLEY FOR THE NEW YORK TIMES

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PHOTOGRAPHS BY T. LYNNE FIKLEY FOR THE NEW YORK TIMES

Eva Galambos, the mayor of Sandy Springs, at her desk in the town's rented offices. "We make no apologies for being more affluent than other parts of the metro area," she said, adding that critics of the town's privatization were merely envious. The city manager, John McDonough, said Sandy Springs was saving taxpayers money and earning high ratings for quality of life from its residents.