

NOVATO SANITARY DISTRICT

Meeting Date: May 13, 2019

The Board of Directors of Novato Sanitary District will hold a regular meeting at 5:30 p.m. Monday, May 13, 2019, at the District Offices, 500 Davidson Street, Novato.

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.

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. CEREMONIAL MATTERS:

- a. Adopt Resolution No. 3132 recognizing District General Counsel Ms. Robin Donoghue on her retirement.
- b. Introduction of Ms. Lauren Quint of the Meyers/Nave law firm as District General Counsel upon retirement of Ms. Robin Donoghue.

5. REVIEW OF MINUTES:

- a. Approve minutes of the April 8, 2019 regular meeting.

6. CONSENT CALENDAR:

The General Manager-Chief 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. Ratify/approve regular disbursements, April 8 – May 13, 2019.
- b. Ratify additional payroll and payroll related disbursements, April 2019.
- c. Receive deposit summary, April 2019.
- d. Receive 3rd Quarter Investment Report, Fiscal Year (FY) 2018-19.
- e. Receive FY 18-19, 3rd Quarter Financial Report.
- f. Cancel regular meeting of July 8, 2019.
- g. Adopt updated District Statement of Investment Policy, Policy No. 3120 - Investment of District Funds.
- h. Approve contract in not-to-exceed amount of \$80,700 with Duke's Root Control, Inc. (Duke's), and authorize the General Manager-Chief Engineer to execute it.

7. WASTEWATER OPERATIONS:

- a. Receive report on new Reclamation Pastures ("Ranch") lease agreement, and authorize the General Manager-Chief Engineer to execute it.

- b. Receive Wastewater Operations Report, April 2019:
 - i. Collection Systems
 - ii. Treatment Facilities
 - iii. Reclamation Facilities

8. CAPITAL PROJECTS:

- a. *Cogeneration/Alt Energy, Account No. 72708*: Receive presentation on Cogeneration System implementation alternatives from the District's Consultant Woodward & Curran, and provide direction, if any.
- b. Receive Capital Projects Update, April 2019.

9. ANNUAL BUDGET:

- a. Receive Preliminary Budget for Fiscal Year (FY) 19-20 and FY 20-21.
- b. Review FY 19-20 Preliminary Annual Operating and Capital budgets and budget elements.

10. BOARD MEMBER REPORTS AND REQUESTS:

- a. North Bay Watershed Association (NBWA) meeting, May 3, 2019.

11. INFORMATIONAL ITEMS:

These items are for information only - no action will be taken on these items as a result of any comments made.

- a. Marin Independent Journal article, May 7, 2019: "Marin warned to prepare for wildfire prevention power shutdowns".

12. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

13. ADJOURN:

Next Resolution No. 3133.

Next meeting date: **SPECIAL MEETING - Tuesday, May 28, 2019, 5:30 p.m. 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.

RESOLUTION OF APPRECIATION

Resolution No. 3132

A Resolution Commending Ms. Robin Donoghue for Distinguished Service as District Counsel of the Novato Sanitary District

Whereas, Ms. ROBIN DONOGHUE,

was appointed District Counsel of the Novato Sanitary District on January 1, 2019, and served as such until May 2019; and

Whereas, even as Ms. Donoghue was District Counsel for a relatively short period, she faithfully served the District with efficiency and dedicated service, and contributed to its continued successful operation; and

Whereas, her genuine concern for Novato Sanitary District and its constituents made her a valuable asset to the District; and

Whereas, the Members of this Board wish to give public recognition to her valuable contributions to the District;

NOW, THEREFORE, SAID DISTRICT BOARD OF DIRECTORS DOES HEREBY ORDER, as follows:

- 1. That this Board of Directors on its behalf, and on behalf of the people of this District, does hereby express appreciation and gratitude to MS. ROBIN DONOGHUE for her loyal and dedicated service as District Counsel.*
- 2. That the Secretary of the District transmit a copy of this Resolution to MS. ROBIN DONOGHUE with the sincere good wishes of every member of this Board of Directors.*

UNANIMOUSLY ADOPTED by the Board of Directors of the Novato Sanitary District at a meeting thereof held on May 13, 2019.

Attest: _____
Secretary

President

Member

Member

Member

Member

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: April 8, 2019

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:31 p.m., Monday, April 8, 2019, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Carole Dillon-Knutson. Directors Jean Mariani, Brant Miller and Jerry Peters. Director William C. Long was absent (excused).

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, District Counsel Robin Donoghue, and Administrative Secretary Julie Hoover.

ALSO PRESENT:

Jeff Boheim, Field Services Manager, Novato Sanitary District
Jeff Andress, Collection System Superintendent, Novato Sanitary District
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Erik Brown, Deputy General Manager, Novato Sanitary District
John O'Hare, Project Manager, Veolia
Karin Mac Donald, Principal Consultant, Q2 Data and Research, LLC
Rene Rosario, Translator from Ubiquis, arrived at 5:55 p.m. and left at 6:30 p.m.

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented. The General Manager stated that Director Long was absent due to illness.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the March 18, 2019 special meeting.

- Consider approval of minutes of the April 1, 2019 special meeting.

On motion of Director Miller, seconded by Director Peters, and carried unanimously by those Directors present, the March 18th and April 1st, 2019 Board meeting minutes were approved.

CONSENT CALENDAR:

President Dillon-Knutson called for a motion on the Consent Calendar items as follows:

- a. Approval of Board member disbursements in the amount of \$1,237.15, operating check disbursements in the amount of \$277,324.17, and capital project disbursements in the amount of \$8,422.06. Ratify March 25th disbursements as follows: operating check disbursements in the amount of \$241,612.81, and capital project disbursements in the amount of \$209,187.66.

- b. Ratify March 2019 payroll and payroll-related disbursements in the amount of \$270,550.95.
- c. Receive Deposit Summary, March 2019.
- d. Receive Accounts Receivable (A/R) Summary Report as of March 31, 2019.
- e. Receive copy of 2018 National Association of Clean Water Agencies (NACWA) Peak Performance Award Application as submitted to NACWA (information only).
- f. Approve the General Manager-Chief Engineer to attend the National Association of Clean Water Agencies Utility Leadership Conference and Awards Ceremony in Minneapolis, MN, July 16 – 19, 2019.

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

PUBLIC HEARING PURSUANT TO CALIFORNIA ELECTIONS CODE 10010 – DISTRICT BOUNDARIES:

- Open public hearing. At 5:34 p.m., President Dillon-Knutson opened the public hearing.

- Receive “Proposed Timeline for Consideration and Implementation of District-Based Elections”, and report(s) from District Counsel, staff, and consultants. The General Manager stated that he would defer this matter to District Counsel Robin Donoghue.

District Counsel stated that the meeting was the first public hearing under the CA Voting Rights Act. She stated that the purpose of the hearing was to obtain information on Communities of Interest (COI) within the District. She asked if there was anyone in attendance who would request the meeting discussion be translated into Spanish. No one present indicated the necessity for a translator, and she stated that if members of the public arrived at a later time, she would address the issue again. She stated that the meeting would proceed.

District Counsel stated that at the Special Board meeting on April 1, 2019, the District began a discussion of the process to transition to a ‘by-district’ Board member election process. She stated that a process was laid out that needs to be followed under the law, and that the current meeting was the first step. She stated that the proposed timeline was before the Board, and she requested the Board approve the proposed schedule.

District Counsel stated that Karin MacDonald, Consultant with Q2 Data and Research, was in attendance to provide a presentation outlining the process of discerning and mapping the District’s zones. She identified Ms. MacDonald as a demographic consultant, very experienced in the CA Voting Rights Act, the Federal Voting Rights Act, and had provided services for a number of public entities. She stated that Ms. MacDonald would detail the process of mapping and describing the requirements to determine legally viable zone areas within the District.

Ms. MacDonald began her PowerPoint presentation and discussed ‘at-large’ versus ‘by-district’ elections. She discussed the five districting criteria used to create zones: 1) equal

population; 2) compliance with Federal Voting Rights Act (FVRA); 3) contiguity; 4) compactness; and 5) respect for Communities of Interest.

At 5:59 p.m., District Counsel stated that the translator had arrived, and asked if anyone present would like to have Spanish translation services. No one requested translation services.

Ms. MacDonald proceeded with an overview of the districting process, stating that the key factors to facilitate success were outreach, collaboration, and participation between the District, Board members, and Novato residents. A timeline of District events was presented, listing Public Hearing dates on April 8 and 15, May 6 and 28, and June 10, 2019. She continued, stating that the first draft map with composition of district election zones would be published on April 29th, and at the final Public Hearing on June 10, the Board would adopt an ordinance establishing by-district elections based on the final district election map.

- Receive Public comments. None

- Receive Board comments. Director Mariani stated that it would be beneficial for the District to see how the Novato City Council and the Novato Unified School District establish election zones, noting that this information may assist the District moving forward with our own zoning process. The General Manager stated that he and District Counsel have discussed this, and that District Counsel has been monitoring similar proceedings in the community. Discussion continued regarding the zone-drawing process and establishing zone boundaries. District Counsel stated that a popular method to receive public feedback was to post the draft map on the District website, and announce on social media sights such as Novato Patch and Facebook that boundary mapping comments are needed.

- Close public hearing. At 6:30 p.m., President Dillon-Knutson closed the public hearing.

Rene Rosario, Translator from Ubiquis, left the meeting.

President Dillon-Knutson announced that upon close of the Public Hearing, the Board would take the following actions:

- Adopt the "Proposed Timeline for Consideration and Implementation of District-Based Elections", and

On motion of Director Peters, seconded by Director Miller, and carried unanimously by those Directors present, the Board approved the Notice of Public Hearings for the Novato Sanitary District: Proposed Timeline for Consideration and Implementation of District-Based Elections.

- Provide further direction to District Counsel, staff, and consultants, if any. None.

Q2 Data and Research Consultant Karin Mac Donald left the meeting at 6:32 p.m.

PUBLIC HEARING PURSUANT TO SECTION 6514.1 OF THE CALIFORNIA HEALTH AND SAFETY CODE – LEASE AGREEMENT FOR PASTURES (COLLECTIVELY “RANCH”) AT RECLAMATION FACILITY.

- Open public hearing. President Dillon-Knutson opened the public hearing at 6:33 p.m.

- Review staff summary report and recommendations. Deputy General Manager Erik Brown stated that the District currently leases a total of approximately 790 acres of irrigated pasture to a single rancher who has leased the property for the past 10 years. He stated that the current lease expired March 31, 2019, and that the rancher has indicated he is not interested in continuing to lease the property. He stated that the District would enter into a new lease agreement with a new lessee, and was therefore holding a Public Hearing to afford all persons interested an opportunity to be heard with respect to the proposed lease. The Deputy General Manager stated that staff has prepared a draft lease agreement for the property, and that with board approval, will authorize staff to negotiate a new Ranch lease agreement for a duration of up to then (10) years.

The Board discussed details of the lease agreement with District Counsel and staff.

- Receive Public comments. None

- Receive Board comments. None

- Close public hearing. President Dillon-Knutson closed the public hearing at 6:42 p.m.

President Dillon-Knutson announced that upon close of the Public Hearing, the Board would take the following actions:

- Make findings that:

- i. The term of the lease will not exceed ten (10) years,
- ii. The property use will be for District compatible uses, and
- iii. The property use will serve the public interest.

- Authorize staff to negotiate a new Reclamation Pastures (“Ranch”) lease agreement with a duration of up to ten (10) years.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously by those Directors present, the Board took the following actions:

(a) Determined that:

- (i) the term of the lease will not exceed ten (10) years;*
- (ii) the property use will be for District compatible uses; and that*
- (iii) the property use will serve the public interest,*

(b) Authorized staff to negotiate a new Reclamation Pastures (“Ranch”) lease agreement with a duration of up to ten (10) years.

At 6:47 p.m., President Dillon-Knutson declared a short recess.

District Counsel Robin Donoghue left the meeting.

At 6:58 p.m., President Dillon-Knutson resumed the meeting.

WASTEWATER OPERATIONS:

- Receive and accept Wastewater Treatment Facilities Calendar Year (CY) 2018 Annual Operations and Maintenance Report, subject to minor edits. The General Manager stated that Veolia annually prepares a report outlining the operations and maintenance for the Novato Sanitary District, and he stated that Project Manager John O'Hare would present the draft report.

Before beginning his presentation, Veolia Project Manager John O'Hare requested that agenda item 8.c. (Treatment Facilities monthly report) be moved to immediately follow his Annual Report presentation. President Dillon-Knutson stated no objection.

The Project Manager stated that the continued priorities for 2018 were to meet the goals of zero lost time incidents and no treatment plant effluent violations, and that he was happy to report that both goals were met. He continued, reviewing the treatment plant performance, and noting that the percentage of BOD (biochemical oxygen demand) and TSS (total suspended solids) for 2018 were at 98%, which was an improvement over the previous year. He reviewed the Environmental Service Program activities for 2018, reviewing wildlife pond and reclamation activities, the NPDES and WDR Permit Monitoring Program, and Public Education activities. He stated that the U.S. EPA MDR-QA 38 Proficiency Testing Study was conducted in 2018 and that 100% acceptable results were achieved. He continued his report, reviewing the Asset Management Program and outlining the equipment maintenance activities funded by the District and those funded by Veolia. He concluded his report with an overview of Veolia's Safety and Training program, and stated that Veolia Water employees were recognized for the achievement eight (8) years with no loss time incidents as a team.

Director Miller stated that he continues to be impressed with the reports, and with Veolia's commitment to the District's operation. Director Peters stated that he appreciated the level of reporting and the level of detail contained in the report. President Dillon-Knutson and Director Mariani stated that they appreciate the level of detail in the report.

- Treatment Facilities monthly Operations Report, March 2019: Veolia Project Manager John O'Hare provided the March 2019 Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance, stating that the average flow for March was 8.33 MGD (million gallons per day), with a maximum flow of 14.11 MGD. He continued, stating that there were no discharge violations in the month, and that the Recycled Water Facility (RWF) produced 0.278 million gallons of recycled water.

The Project Manager summarized environmental services activities for March, noting that the acute and chronic toxicity testing results were both very good. He reviewed the monthly routine inspections, maintenance activities, and key events for the Novato treatment facility, the Ignacio transfer pump station, and the recycled water facility. He discussed pretreatment and pollution prevention activities, and concluded his report, stating that no odor contacts were received in March.

- Approve a consulting services agreement with Woodard & Curran, Inc. in an amount up to \$107,385 for 2020 NPDES Permit renewal assistance, and authorize the General Manager-Chief Engineer to execute it. The General Manager stated that the District's National Pollutant Discharge Elimination System (NPDES) discharge permit renewal application is due to the San Francisco Bay Regional Water Quality Control Board on December 2, 2019. He stated that the permit renewal process is a complex regulatory process that requires the assistance of an experienced consultant who routinely provides NPDES permitting services. He stated that the District has worked with Woodard and Curran (formerly RMC Water Environment), for many years with W&C/RMC assisting the District with its prior NPDES permit negotiations including the 2015 NPDES permit renewal. He recommended that the Board approve a Consulting Services Agreement with Woodard & Curran, Inc. in an amount up to \$107,385 for 2020 NPDES Permit renewal assistance.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by those Directors present, the Board approved a Consulting Services Agreement with Woodard & Curran, Inc. in an amount of \$107,385 for 2020 NPDES Permit renewal assistance, and authorized the General Manager-Chief Engineer to execute the agreement.

- Receive Wastewater Operations Report, March 2019.

Collection System Report: Collection System Superintendent Jeff Andress provided the Collection System Report for March 2019. He stated that the Collection Department cleaned 83,906 lineal feet of sewer pipelines, and that 11,678 feet of sewer main were televised. He noted that CCTV (closed circuit TV) work did not identify any areas that required follow-up maintenance. He stated that staff completed 451 maintenance work orders, leaving zero (0) work orders outstanding. Furthermore, he noted that staff conducted 153 lift station inspections and completed maintenance inspections on seven (7) air relief/vacuum valves.

The Collection System Superintendent then outlined the training provided in March, noting that the Collection Department staff attended four (4) safety tailgate meetings, and participated in five (5) specialized training events. He stated that there were no lost time accidents in the month. He concluded his presentation, stating that there were no sanitary sewer overflows in March.

Reclamation Facilities Report: Field Services Manager Jeff Boheim summarized the Reclamation Facilities report for March. He stated that all plant effluent was discharged to the bay, as per the NPDES permit. He stated that the flood waters at Site 3 were pumped down through the first weeks of March, and that this restored vehicular access to Drainage Pump Station 3. He stated that Marin Sonoma Mosquito and Vector Control sprayed various flooded areas of reclamation land. He concluded his report, stating that there were no irrigation activities and no biosolids handling or disposal performed in March.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706: Golden Gate-Rush Creek Sewer Phase I; Grant Final Acceptance of the Project, and authorize staff to file the Notice of Completion (NOC). The General Manager stated that the contract for the Golden Gate

Rush Creek Sewer Phase I Project was awarded to Maggiora & Ghilotti, Inc. (M&G) on November 14, 2018, for a low bid amount of \$146,810. He stated that the project began on November 19, 2018 and was substantially complete on January 24, 2019. The General Manager stated that the final cost of the project is \$210,114.04 or \$63,304.04 over the bid amount as a result of five (5) total contract change orders over the course of the project. He stated that the project encountered multiple challenges (poor soil conditions, conflicting utilities, thicker than anticipated replacement asphalt, etc.), as reported in previous capital project updates to the Board. He requested that the Board grant final acceptance of the project and authorize staff to file the Notice of Completion.

On motion of Director Peters, seconded by Director Miller, and carried unanimously by those Directors present, the Board granted final acceptance of the Golden Gate-Rush Creek Sewer Phase I Project, and authorized staff to file the Notice of Completion.

- Receive Capital Projects Update, March 2019. The Deputy General Manager provided an update of the Capital Projects. He discussed the four ongoing Collection System Improvements projects, noting that the Redwood Blvd. sewer rehabilitation project is at 100% design and expected to begin in Spring of this year. He stated that the Bel Marin Keys Blvd. sewer rehabilitation project was awarded to Michels Pipeline Construction on March 18th, and is expected to be substantially complete in August. He continued, noting that a draft report of the Collection System Master Plan (CSMP), prepared by Wood and Curran, was received on January 30th, and that the report is undergoing staff review.

The Deputy General Manager stated that the Administration Building Upgrades/Maintenance Building project is progressing, with the delivery of three modular buildings, which will provide a new temporary maintenance building. He stated that occupancy is expected for late Spring/early Summer of 2019. He concluded his report, stating that two replacement vehicles (both Ford F250 4x4's), and a 45kW towable generator have been received. He stated that a Nissan Frontier 4x4 should be delivered later this month.

ANNUAL BUDGET:

- Set the date of June 10, 2019 for public hearing on individual sewer service charges, and adoption of a resolution confirming report on sewer service charges and collection on county tax rolls. The General Manager stated that each year the District must hold a public hearing in order to determine individual rates and collect the sewer service charges on the tax rolls. He stated that at its meeting of June 13, 2016, the Board adopted Ordinance No. 120, establishing sewer service charges for fiscal years 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21. He stated that at this time it was necessary to determine the individual customer rates for fiscal year 2019-20 prior to the proposed June 10, 2019 public hearing. He stated that the public hearing will be 'noticed' twice in the Marin IJ, and that following the public hearing, the Board will consider adoption of a resolution to collect the sewer service charges on the county tax rolls.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by those Directors present, the Board set the date of June 10, 2019 for a public hearing on

individual sewer service charges, and adoption of a resolution confirming report on sewer service charges and collection on county tax rolls.

- Receive Schedule of Committee meetings to review Annual Solid Waste, Operating, and Capital Improvements Program (CIP) Budgets. The General Manager stated that the Board traditionally reviews each of the Solid Waste, Operating, and Capital Improvement Program budgets by Committee. He requested the Board receive the following schedule for the individual Committees, noting that all meetings will be held at 3:00 p.m.

- Solid Waste Committee: Monday, May 20th. Directors Mariani and Peters
- Wastewater Operations Committee: Tuesday, May 28th. Directors Dillon-Knutson and Miller
- Capital Improvements Committee: Monday, June 3rd. Directors Long and Dillon-Knutson

- Workshop overview of anticipated FY 19-20 Preliminary Annual Operating and CIP budgets and budget elements. The General Manager gave a Powerpoint presentation titled "Budget Workshop FY 19-20". He provided a summary of the potential or anticipated scope of work for projects and project work included within the various Accounts of the Capital Improvements Program (CIP) budget for fiscal years 2019-2021. He provided a summary of revenues and expenditures for FY 18-19 to date through 2/28/2019. During his presentation, he discussed the Collection System Master Plan (CSMP), and stated that the Draft CSMP had identified a group of projects that the District will need to undertake in the coming years. The General Manager stated that after the District receives the final CSMP, the potential next step would be to prepare a strategic implementation document to address the recommended projects through Collection System – Capital Improvements Strategic Plan (CISP). He stated that this document would prioritize the projects for completion, based on the Districts objectives of safety, environmental responsiveness, and financial responsibility.

The General Manager continued his presentation, discussing the Cogeneration/Alternative Energy Project, as well as Collection System and Treatment Facility project highlights.

BOARD OF DIRECTORS:

- Subsequent to direction provided by the Board at its meeting of March 18, 2019, approve a five percent (+5%) merit adjustment effective January 1, 2019, to the General Manager-Chief Engineer's base salary, thereby increasing the salary from \$20,121/month to \$21,127/month. President Dillon-Knutson read the requested action.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by those Directors present, the Board approved a five percent (+5%) merit adjustment increase effective January 1, 2019, to the General Manager-Chief Engineer's base salary, thereby increasing the salary from \$20,121/month to \$21,127/month.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA) meeting, April 5, 2019. Director Mariani reported on her attendance at the April 5th NBWA meeting at North Marin Water District,

and stated that two speakers discussed the results and lessons of the February floods. She stated that the NBWA Strategic Plan was distributed and was placed on their website.

INFORMATIONAL ITEMS: The General Manager stated that the following articles were for informational purposes:

-New York Times article, March 17, 2019: "As Costs Skyrocket, More U.S. Cities Stop Recycling".

- Marin Independent Journal article, March 30, 2019: "Marin supervisors approve 8.9 percent hike in garbage rates".

- Marin Independent Journal article, March 31, 2019: "Mill Valley Refuse seeks vote on double-bin recycling".

- Marin Independent Journal article, March 31, 2019: "Novato creates trust fund to ease pension jam".

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- The next Special Board meeting will be held on Monday, April 15th at 5:30 p.m. and will be the Second Public Hearing to discuss District boundaries and the implementation of District-based elections.

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 8:07 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

Novato Sanitary District Board Fees Check Register

For April 2019

Date	Num	Name	Credit
May 10, 19			
05/10/2019	6042	Dillon-Knutson-, Carole	822.36
05/10/2019	6043	Long, William C	521.58
05/10/2019	6044	Mariani, Jean M	873.15
05/10/2019	6045	Miller, Brant	
05/10/2019	6046	Peters, Arthur Gerald	587.36
May 10, 19			<u>2,804.45</u>

Novato Sanitary District Operating Check Register

April 22, 2019

Date	Num	Name	Credit
Apr 22, 19			
04/22/2019	62902	Pacific, Gas & Electric	61,471.65
04/22/2019	62883	Citi Visa (Costco)	9,703.31
04/22/2019	62875	Aqua Science	5,850.00
04/22/2019	62900	Novato, City	3,151.00
04/22/2019	62906	Roto Rooter-(Inc.)	2,573.02
04/22/2019	62896	North Marin Water District	2,249.26
04/22/2019	62894	Meyers, Nave, Riback, Silver &...	2,075.00
04/22/2019	62898	Novato Chamber of Commerce	1,750.00
04/22/2019	62882	Caltest Analytical Lab Inc.	1,729.96
04/22/2019	62897	North Marin Water District Payroll	1,680.75
04/22/2019	62888	Frontier California Inc EQ	1,366.14
04/22/2019	62890	Irvine Consulting Services Inc.	1,092.50
04/22/2019	62885	ERA	992.55
04/22/2019	62907	RP Equipment previously MBE	912.38
04/22/2019	62887	Frontier Analytical Laboratory, I...	800.00
04/22/2019	62874	American Highway Products, L...	771.78
04/22/2019	62909	Stiles, Bob	665.40
04/22/2019	62880	Brown, Erik.	630.09
04/22/2019	62878	Boheim, Jeff-	511.31
04/22/2019	62873	Alpha Analytical Lab, Inc.	507.00
04/22/2019	62879	BoundTree Medical, LLC	470.45
04/22/2019	62881	Cagwin & Dorward Inc.	461.00
04/22/2019	62904	Pitney Bowes Reserve Account	400.00
04/22/2019	62889	Grainger	379.67
04/22/2019	62884	CWEAmembers	367.00
04/22/2019	62905	Recology Sonoma Marin	334.06
04/22/2019	62877	AutoSonics	320.07
04/22/2019	62893	Medical Center of Marin-Novato	316.00
04/22/2019	62886	Evoqua Water Technologies - ...	277.44
04/22/2019	62891	Lightning Services, Inc.	253.75
04/22/2019	62892	McMaster-Carr Supply Co.	234.57
04/22/2019	62899	Novato Chevrolet	231.06
04/22/2019	62876	AT&T internet	223.00
04/22/2019	62903	Pitney Bowes	202.20
04/22/2019	62910	UniFirst Corporation	160.54
04/22/2019	62901	Orkin Pest Control, Inc.	151.84
04/22/2019	62895	MSA Redwood Empire Chapter	50.00
04/22/2019	62908	Staples Advantage	33.74
Apr 22, 19			<u>105,349.49</u>

Novato Sanitary District Operating Check Register

May 13, 2019

Date	Num	Name	Credit
May 13, 19			
05/13/2019	62946	Veolia Water North America, Inc.	179,366.05
05/13/2019	62947	Veolia Water North America, Lab	29,537.34
05/13/2019	62940	Shape Incorporated	22,971.71
05/13/2019	62948	Veolia Water Recycled Water ...	14,215.29
05/13/2019	62938	PARS-PSRP-Post Employment...	12,084.00
05/13/2019	62918	Central Marin Sanitation District	9,506.84
05/13/2019	62937	PARS-OPEB-Post Employment...	9,125.96
05/13/2019	62943	U.S. Bank Corporate	8,668.10
05/13/2019	62929	Johnson, Dee	8,100.00
05/13/2019	62933	Meyers, Nave, Riback, Silver &...	6,375.00
05/13/2019	62920	Dearborn National	2,651.67
05/13/2019	62912	Applied Technology Group, Inc.	2,112.38
05/13/2019	62922	Environmental Dynamics	1,581.00
05/13/2019	62924	Fire King Fire Protection, Inc.	824.35
05/13/2019	62951	Woodard & Curran formerly RMC	810.25
05/13/2019	62945	UniFirst Corporation	787.56
05/13/2019	62914	B.W.S. Distributors, Inc.	596.86
05/13/2019	62949	Vision Service Plan	583.59
05/13/2019	62931	MarinScope Inc.	550.00
05/13/2019	62950	WECO	547.49
05/13/2019	62917	California Utilities Emergency ...	500.00
05/13/2019	62926	Fisher-Scientific	490.73
05/13/2019	62935	NAPA Auto Parts	455.63
05/13/2019	62928	IDEXX Distributing Corp.	438.76
05/13/2019	62919	Claremont EAP, Inc.	250.00
05/13/2019	62944	U.S. Bank Equipment Finance	228.48
05/13/2019	62932	McMaster-Carr Supply Co.	187.56
05/13/2019	62934	Moreno, Joe	170.00
05/13/2019	62941	Staples Advantage	148.42
05/13/2019	62915	Barnett Medical LLC	135.00
05/13/2019	62942	Steven Engineering Inc.	129.82
05/13/2019	62921	Department Of Consumer Affairs	115.00
05/13/2019	62923	Fastsigns	84.57
05/13/2019	62930	Leonardi Automotive & Electric,...	66.04
05/13/2019	62911	American Messaging	62.52
05/13/2019	62927	Grainger	62.33
05/13/2019	62913	AT&T Mobility	61.88
05/13/2019	62939	Sebastopol Bearing & Hydraulic	44.10
05/13/2019	62925	First Alarm	42.34
05/13/2019	62936	North Marin Water District	33.23
05/13/2019	62916	Buck's Saw Service, Inc.	28.16
May 13, 19			<u>314,730.01</u>

Novato Sanitary District Capital Projects Check Register

April 22, 2019

Date	Num	Name	Credit
Apr 22, 19			
04/22/2019	3423	Industrial Electrical Co.	43,122.03
04/22/2019	3421	Downtown Ford Sales	32,273.04
04/22/2019	3426	Selma Nissan	25,355.98
04/22/2019	3425	R & B Company	7,269.55
04/22/2019	3424	Lateral-Bertucci	2,000.00
04/22/2019	3422	Grainger	71.61
Apr 22, 19			<u>110,092.21</u>

Novato Sanitary District Capital Projects Check Register

May 13, 2019

Date	Num	Name	Credit
May 13, 19			
05/13/2019	3427	Design Space Modular Buil...	192,291.00
05/13/2019	3431	Nute Engineering Inc.	39,873.25
05/13/2019	3430	Maggiora & Ghilotti Inc.	10,503.01
05/13/2019	3429	Linscott Engineering Contr...	2,818.02
05/13/2019	3428	GHD Inc.	1,787.50
May 13, 19			<u>247,272.78</u>

**Novato Sanitary District
Payroll and Payroll Related Disbursements
April - 2019**

Item 6.b.

Date	Description	Amount
04/30/2019	April Payroll	123,546.76
04/30/2019	United States Treasury	22,137.55
04/30/2019	EDD	7,516.07
04/19/2019	CalPERS Health	30,134.59
04/19/2019	April Retiree Health Benefits	14,395.53
04/19/2019	PARS-OPEB Contribution	9,125.96
04/19/2019	PARS-Pension Contribution	12,084.00
04/19/2019	CALPERS Retirement	11,803.60
04/19/2019	CALPERS Retirement	14,259.12
04/19/2019	CalPers Supplemental Income Plan	3,433.33
04/19/2019	Lincoln Financial Group 457	8,606.85
04/19/2019	Lincoln Financial Group Roth 457	100.00
04/19/2019	Lincoln Financial Group-401a Plan	8,756.88
04/19/2019	Local Union 315	480.00
04/19/2019	California State Disbursement Unit	621.00
04/19/2019	Delta Dental	3,061.68
04/19/2019	ICMA-RC Retiree Health Program	1,462.13
Total for April 2019		<u>271,525.05</u>

Novato Sanitary District
Deposit Detail
April 2019

Type	Date	Name	Account	Amount
Deposit	04/05/2019		Westamerica Bank-Operations	
		Descalso, Kathryn	41040 · Permit & Inspection Fee	60.00
		Energuy	41040 · Permit & Inspection Fee	40.00
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		United VI Plumbing	41040 · Permit & Inspection Fee	40.00
		Johnson, Barbara	41040 · Permit & Inspection Fee	40.00
		Norby, Rob	41040 · Permit & Inspection Fee	25.00
		Evans & Son, Inc.	41040 · Permit & Inspection Fee	60.00
		Evans & Son, Inc.	51020 · Connection Charges	4,612.00
		Buck Institute	11200 - Accounts Receivable (1)	592.48
		Roto Rooter	11200 - Accounts Receivable	1,084.74
				<u>6,594.22</u>
TOTAL				6,594.22
Deposit	04/12/2019			
		USCG	11200 - Accounts Receivable	15,835.85
				<u>15,835.85</u>
TOTAL				15,835.85
Deposit	04/15/2019			
		County of Marin	51010 · Sewer Service Charges (2)	3,246,532.88
		County of Marin	41010 · Sewer Service Charges (2)	3,967,984.63
		County of Marin	51015 · Property Taxes (2)	848,469.64
		County of Marin	21045 · Novato Heights Debt Service (2)	69,136.03
		County of Marin	66202 · County Fees - Property Taxes (2)	-16,349.49
		County of Marin	66203 · County Fees - Sewer Service Chg (2)	-7,202.24
		County of Marin	21045 · Novato Heights Debt Service (2)	-94.50
				<u>8,108,476.95</u>
TOTAL				8,108,476.95
Deposit	04/16/2019			
		USCG	11200- Accounts Receivable	51.10
				<u>51.10</u>
TOTAL				51.10
Deposit	04/16/2019			
		Miscellaneous	66170 · Travel, Meetings & Training	105.00
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		JLL Builders Inc.	41040 · Permit & Inspection Fee	60.00
		JLL Builders Inc.	51020 · Connection Charges	1,343.25
		Costco	66090 · Office Expense	1,319.66
		Cardona, Jose	41040 · Permit & Inspection Fee	60.00
		Peter Levi Plumbing	41040 · Permit & Inspection Fee	40.00
		Dye Guy	11200 - Accounts Receivable (1)	250.00
		Norcal Dye Works	11200 - Accounts Receivable (1)	250.00
				<u>3,467.91</u>
TOTAL				3,467.91
Deposit	04/16/2019			
		County of Marin	51015 · Property Taxes	5,599.12
		Rosenthal, Michael	41040 · Permit & Inspection Fee	60.00
		Rosenthal, Michael	51020 · Connection Charges	8,071.00
				<u>13,730.12</u>
TOTAL				13,730.12

Novato Sanitary District Deposit Detail April 2019

Deposit	04/26/2019			
	Mountain Cascade Inc.	72706 · Collection System Improv		20.00
	County of Marin	51015 · Property Taxes		56.83
	Peter Levi Plumbing	41040 · Permit & Inspection Fee		40.00
	Marin H2O Inc	41040 · Permit & Inspection Fee		40.00
	Gjevik, Asmund	21045 · Novato Heights Debt Service	(3)	4,334.05
	SMART	11200-Accounts Receivable		165.87
TOTAL				4,656.75
Deposit	04/29/2019			
	Ben Franklin Plumbing	41040 · Permit & Inspection Fee		40.00
	Ben Franklin Plumbing	41040 · Permit & Inspection Fee		40.00
	Madden, James	41040 · Permit & Inspection Fee		40.00
	North Marin Water District-	11200 - Accounts Receivable	(4)	20,516.98
TOTAL				20,636.98
Total Deposits for April 2019				8,164,136.38

- (1) Collection on receivables for non-domestic discharge permit fees for Buck Institute and the Dye Guy.
- (2) Second installment of property taxes and sewer services charges.
- (3) Collection of Novato Heights special assessment district for property located on Ridge Road.
- (4) Collection of Recycled Water Facility billing for December 2018 from North Marin Water District.

Novato Sanitary District

29-Apr-19

QUARTERLY INVESTMENT REPORT -- For Quarter Ended March 31, 2019

INVESTMENT	ACTIVITY	January	February	March	QTR TOTAL
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	456,873	390,000	150,000	996,873
	Total transfers out	1,953,000	590,000	840,000	3,383,000
Current Yield 2.436%	Minimum daily balance	22,213,817	22,013,817	22,013,817	22,013,817
	Maximum daily balance	23,709,944	22,213,817	21,323,817	23,709,944
	Interest earned	0	0	140,295	140,295
TRUST ACCOUNTS					
For 2017 Refunding Wastewater Bond Funds (Note 3)	Total deposits/transfers in	1,125,250	0	0	1,125,250
	Total transfers out	0	1,125,250	0	1,125,250
	Minimum daily balance	0	0	0	0
	Maximum daily balance	1,125,250	1,125,250	0	1,125,250
	Interest earned	0	0	0	0
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Cosde Section 53646 (e)					
CHECKING ACCOUNTS					
Interest Rate	Operations Account				
0.02%	Total deposits & transfers in	2,249,269	1,236,511	1,215,083	4,700,863
	Total checks & transfers out	2,280,211	1,283,535	1,322,486	4,886,232
	Minimum daily balance	39,628	26,860	108,913	26,860
	Maximum daily balance	1,550,733	676,290	505,472	1,550,733
	Interest earned	5	3	4	12
	Payroll Account				
	Total transfers in	135,400	136,500	144,500	416,400
	Total checks & transfers out	127,189	144,172	142,219	413,580
	Minimum daily balance	196	305	154	154
	Maximum daily balance	118,248	122,292	124,757	124,757
	Project Account				
	Total transfers in	1,225,000	113,500	244,400	1,582,900
	Total checks & transfers out	6,692,310	142,564	66,403	6,901,277
	Minimum daily balance	2,857	2,607	2,605	2,605
	Maximum daily balance	5,422,680	84,955	211,805	5,422,680
	Interest earned	14	0	1	15

- NOTES:** (1) The above investments are consistent with the annual Statement of Investment Policy approved by the District Board, most recently July 2018.
The District has the ability to meet six months cash needs.
- (2) LAIF interest rate is currently 2.436% which is an increase from 2.291% in December, 2.063% in September, 1.854% in June of 2018, and 1.524% in March of 2018.
- (3) New bond fund accounts consist of debt service payments, no balance required in these accounts until debt service payments are funded which are due in February and August.



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/25/19	2.44	2.39	175
03/26/19	2.44	2.39	174
03/27/19	2.44	2.39	175
03/28/19	2.44	2.39	176
03/29/19	2.44	2.39	181
03/30/19	2.44	2.39	181
03/31/19	2.44	2.39	179
04/01/19	2.44	2.44	179
04/02/19	2.44	2.44	184
04/03/19	2.44	2.44	182
04/04/19	2.44	2.44	179
04/05/19	2.44	2.44	179
04/06/19	2.44	2.44	179
04/07/19	2.44	2.44	179
04/08/19	2.44	2.44	181
04/09/19	2.45	2.43	182
04/10/19	2.45	2.43	181
04/11/19	2.45	2.43	181
04/12/19	2.45	2.43	182
04/13/19	2.45	2.44	182
04/14/19	2.45	2.44	182
04/15/19	2.45	2.44	182
04/16/19	2.45	2.44	182
04/17/19	2.45	2.44	181
04/18/19	2.45	2.44	184
04/19/19	2.45	2.44	183
04/20/19	2.45	2.44	183
04/21/19	2.45	2.44	183
04/22/19	2.45	2.44	182
04/23/19	2.45	2.44	181
04/24/19	2.45	2.44	180

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

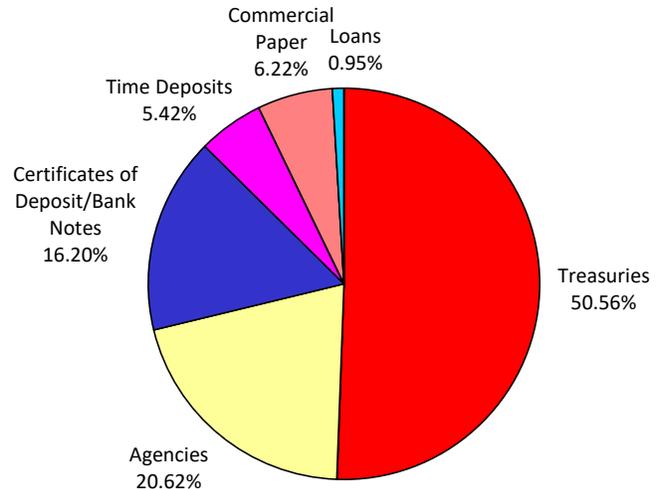
Quarter Ending 03/31/19

Apportionment Rate: 2.55
 Earnings Ratio: 0.00006976322349099
 Fair Value Factor: 1.000146954
 Daily: 2.44%
 Quarter to Date: 2.39%
 Average Life: 179

PMIA Average Monthly Effective Yields

Mar 2019 2.436
 Feb 2019 2.392
 Jan 2019 2.355

Pooled Money Investment Account Portfolio Composition 03/31/19 \$86.9 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 04/24/2019



State of California Pooled Money Investment Account Market Valuation 3/31/2019

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
1* United States Treasury:				
Bills	\$ 18,268,335,075.90	\$ 18,421,895,178.00	\$ 18,429,875,500.00	NA
Notes	\$ 25,650,500,423.41	\$ 25,640,314,068.85	\$ 25,649,099,000.00	\$ 105,035,099.00
1* Federal Agency:				
SBA	\$ 685,086,049.69	\$ 685,086,049.69	\$ 677,449,271.41	\$ 1,575,687.26
MBS-REMICs	\$ 23,500,952.01	\$ 23,500,952.01	\$ 24,042,372.38	\$ 109,926.43
Debentures	\$ 2,242,313,243.48	\$ 2,242,253,139.31	\$ 2,242,445,400.00	\$ 9,207,506.20
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 100,000,000.00	\$ 100,000,000.00	\$ 99,959,500.00	\$ -
Discount Notes	\$ 14,136,370,014.06	\$ 14,231,832,485.95	\$ 14,231,987,000.00	NA
1* Supranational Debentures	\$ 589,090,035.96	\$ 588,653,024.84	\$ 590,131,500.00	\$ 2,789,751.00
1* Supranational Debentures FR	\$ 150,282,570.93	\$ 150,282,570.93	\$ 150,509,181.43	\$ 877,279.89
2* CDs and YCDs FR	\$ 575,000,000.00	\$ 575,000,000.00	\$ 575,048,000.00	\$ 1,833,890.28
2* Bank Notes	\$ 800,000,000.00	\$ 800,000,000.00	\$ 800,000,661.88	\$ 8,034,486.09
2* CDs and YCDs	\$ 12,700,000,000.00	\$ 12,700,000,000.00	\$ 12,700,302,887.53	\$ 77,895,083.28
2* Commercial Paper	\$ 5,404,503,333.42	\$ 5,427,427,944.55	\$ 5,428,198,069.44	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 4,712,240,000.00	\$ 4,712,240,000.00	\$ 4,712,240,000.00	NA
AB 55 & GF Loans	\$ 823,411,000.00	\$ 823,411,000.00	\$ 823,411,000.00	NA
TOTAL	\$ 86,860,632,698.86	\$ 87,121,896,414.13	\$ 87,134,699,344.07	\$ 207,358,709.43

Fair Value Including Accrued Interest

\$ 87,342,058,053.50

* Governmental Accounting Standards Board (GASB) Statement #72

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 (**1.000146954**).
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 \$20,002,939.08 or \$20,000,000.00 x 1.000146954.



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	\$ 1,750	\$ 3,250	\$ 4,700	\$ 3,350	\$ 5,750	\$ 2,300	\$ 2,150	\$ 3,800	\$ 5,750	\$ 11,300	\$ 200		
REPO													
TDs	\$ 1,449	\$ 1,192	\$ 1,184	\$ 429	\$ 317	\$ 143							
AGENCY	\$ 3,335	\$ 4,750	\$ 2,050	\$ 2,600	\$ 235	\$ 2,050	\$ 400	\$ 477	\$ 150	\$ 2,408	\$ 723		
CP	\$ 1,900	\$ 1,550	\$ 1,150	\$ 350	\$ 50	\$ 300	\$ 150						
CDs + BNs	\$ 4,750	\$ 2,400	\$ 1,725	\$ 1,450	\$ 350	\$ 1,150	\$ 1,550	\$ 600	\$ 100				
CORP BND													
TOTAL													
\$ 87,716	\$ 13,184	\$ 13,142	\$ 10,809	\$ 8,179	\$ 6,702	\$ 5,943	\$ 4,250	\$ 4,877	\$ 6,000	\$ 13,708	\$ 923	\$ -	\$ -
PERCENT	15.0%	15.0%	12.3%	9.3%	7.6%	6.8%	4.8%	5.6%	6.8%	15.6%	1.1%	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.

NOVATO SANITARY DISTRICT

MEMORANDUM

BOARD

MEETING DATE: May 13, 2019

TO: District Board of Directors

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

SUBJECT: Fiscal Year (FY) 18-19 Third Quarter Financial Report (Unaudited)

INTRODUCTION

This memorandum presents a summary unaudited year-to-date financial report for the District as of the FY18-19 Third Quarter ended March 31, 2019. The following items are presented as three sections herein:

1. Revenue and Expenditure Report (for the quarter ended March 31, 2019).
2. Debt Service Schedule as of March 31, 2019.
3. Operating and Capital Cash Flow for July 1, 2018 – March 31, 2019.

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 FY 18-19. A more detailed summary is presented in the attached tables titled “DRAFT – Revenues and Expenditures – Budget vs. Actual”. A brief discussion and analysis of items displaying variance from the final budget is also provided below, as appropriate.

OPERATING FUND

Table 1: OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Overage	Pct. Received
Total Operating Revenues	\$6,697,589	\$11,282,802	\$4,585,213	59.4%

Discussion

Overall, operating revenues are approximately 59.4% 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.

Table 2: OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenditures	\$ 7,018,161	\$10,740,490	\$3,722,329	65.3%

Discussion

Overall, operating expenditures are at approximately 65.3% of budget, with 75% of the year complete. Variances in individual expenditure accounts are discussed below:

Collection System (61.8%)

General: Overall, no significant variances are noted for this cost center for the third quarter. Significant variances in individual expenditure accounts are discussed below:

Gas, Oil & Fuel: 89.8% Per review of account, significant variance due to the timing of fuel purchases resulting in expenditures being approximately \$1,900 ahead of expenditures last fiscal year at this time. The account is expected to stay within budget over the remainder of the fiscal year.

Safety: 90.0%. Per review of account, significant variance due to the replenishment of the District's safety rain gear and the purchasing of safety gear for new employees. The account is expected to stay within budget over the remainder of the fiscal year.

Treatment Facilities - Contract Operations: (63.6%)

General: Overall, no significant variances noted for this cost center for the third quarter.

Reclamation/Disposal Facilities: (81.7%)

General: Overall, significant variances noted for this cost center for the third quarter. Significant variances in individual expenditure accounts are discussed below.

Gas, Oil & Fuel: 90.6% Per review of account, significant variance due to the timing of fuel purchases similar to Collection cost center. The account is expected to stay within budget over remainder of the fiscal year.

Safety: 92.7%. Per review of account, significant variance due to small amount allocated to this account item. Also, most purchases in this account have occurred for this fiscal year. The account is expected to stay within budget over remainder of the fiscal year.

Sludge Disposal: 94.9%. Sludge Disposal operations have been completed for the fiscal year. Account expected to stay within budget over remainder of the fiscal year.

Ditch/Dike Maintenance: 85.4%. Ditch/dike vegetation maintenance operations have been primarily completed for the fiscal year. Account expected to stay within budget over remainder of the fiscal year.

Permits & Fees: 79.0%. Significant variance since the annual permit fees for Bay Area Air Quality Management District were paid at the beginning of the fiscal year. The account is expected to stay within budget over the remainder of the fiscal year.

Laboratory/Monitoring: (69.4%)

General: Overall, no significant variances noted for this cost center for the third quarter. Variances in individual expenditure accounts are discussed below.

Gas, Oil & Fuel: 90.6% Per review of account, significant variance due to the timing of fuel purchases similar to the Collection cost center. The account is expected to stay within budget over remainder of the fiscal year.

Permits & Fees: 88.2%. Significant variance due to the annual permit fee paid for the California Environmental Laboratory Accreditation Program (ELAP) in the second quarter. The account is expected to stay within budget over the remainder of the fiscal year.

Pump Stations: (65.0%)

General: Overall, no significant variances noted for this cost center for the third quarter. Variances in individual expenditure accounts are discussed below.

Employee Benefits: 79.0% Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Gas, Oil & Fuel: 83.9% Per review of account, significant variance due to the timing of fuel purchases similar to the Collection cost center. The account is expected to stay within budget over remainder of the fiscal year.

Safety Expense: 105.1% Per review of account, significant variance due to purchase of safety equipment for new employees and maintenance for the gas detectors including replacement of batteries, cylinders, and filters. As the overall cost center is within budget (at 65%), staff will continue to carefully monitor this budget line item, and adjust budget line items within the overall cost center at fiscal year-end, consistent with District Policy No. 3512: Annual Budget – Non-Personnel Related Changes to Budget Amounts.

Software Maintenance: 140.2%. Significant variance due to an emergency replacement of the SCADA server for approximately \$4,400. This replacement was originally scheduled for the next fiscal year, but was unfortunately required in the current fiscal year. As the overall cost center is within budget (at 65%), staff will continue to carefully monitor this budget line item, and adjust budget line items within the overall cost center at fiscal year-end, consistent with District Policy No. 3512: Annual Budget – Non-Personnel Related Changes to Budget Amounts.

Administration and Engineering: (66.5%)

General: Overall, no significant variances noted for this cost center for the third quarter. Variances in individual expenditure accounts are discussed below.

Gas, Oil & Fuel: 97.6% See explanation in Collection Cost Center. The account is expected to stay within budget over remainder of the fiscal year.

Agency Dues: 85.2%. Variance due to significant portion of agency dues have been paid for the current fiscal year. The account is expected to stay within budget over the remainder of the fiscal year.

Memberships/Certifications: 80.0%. Per review of account, no significant items noted. The account is expected to stay within budget over the remainder of the fiscal year.

Safety Expenses: 91.5%. Per review of account, no significant items noted. The account is expected to stay within budget over the remainder of the fiscal year.

Accounting & Auditing: 82.0%. Significant variance due to completion of annual audit for FY 2017/18; account expected to stay within budget for the current fiscal year.

Repairs & Maintenance: 95.8%. Per review of account, the current overage is due to a number of necessary unscheduled repairs to the roof, plumbing, and HVAC systems. Due to the need to perform regularly scheduled maintenance the remainder of the fiscal year, it is anticipated this account may exceed the budget. As the overall cost center is within budget (at 66.5%), staff will continue to carefully monitor this budget line item, and adjust budget line items within the overall cost center at fiscal year-end, consistent with District Policy No. 3512: Annual Budget – Non-Personnel Related Changes to Budget Amounts.

AB 939 Solid Waste Programs: (45.5%)

General: Overall, no significant variances noted for this cost center for the third quarter. Consistent with prior years, expenses are lower (at about 45.5% of budget) with 75% of the year complete, primarily due to:

(a) Lower than anticipated consulting oversight and management services required from the Solid Waste Coordinator; and

(b) Given that significant expenses for outreach and public education events related to E-waste, School Fuel, Business Showcase, etc. typically occur in the second half.

Recycled Water: (92.9%)

General: Overall, significant variances noted for this cost center for the third quarter. Significant variances in individual expenditure accounts are discussed below.

O&M Services: 152.1%. Significant variance as the Recycled Water Facility (RWF) was operated longer than anticipated to address additional recycled water users coming on-line with the first year of the expanded recycled water distribution system. Also, note that while the cost center is within budget (at 92.9%), and these costs are pass-through costs reimbursed by North Marin Water District (NMWD), it is anticipated that a year-end reconciliation and rationalization of budget revenue/expenditure amounts for this cost center will be required in the upcoming FY 19-20 budget.

Repairs & Maintenance: 87.6%. Please refer to discussion above (under O&M Services).

CAPITAL FUND

Table 3: CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under) Budget	Pct. Received
Sewer Service Charges	\$4,742,778	\$ 7,940,160	(\$3,197,382)	59.7%
Property Taxes-RDA	46,061	0	46,061	100.0%
Property Taxes	1,359,337	2,335,914	(976,577)	58.2%
Connection Charges	98,250	461,200	(362,950)	21.3%
Collector Sewer/Special Equalization Charges	32	2,000	(1,968)	3.2%
Interest	177,318	125,000	52,319	141.9%
Other Revenue	0	20,000	(20,000)	0.0%
Grant Revenue	150,149	151,000	(851)	99.4%
Total Revenue	\$6,573,925	\$11,035,274	(\$4,461,349)	59.6%

Discussion

Overall capital revenues are 54.7% of budget at the close of the second quarter, consistent

with the District receiving the bulk of its revenue in December and April.

Table 4: CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$9,463,385	\$13,642,456	(\$4,179,071)	69.4%

Discussion

The list of capital project accounts is shown in the attached tables. Overall expenses are 69.4% of budget.

Attachments:

1. Draft Revenue and Expenditure Reports:
 - a. Operating, July 2018-March 2019.
 - b. Capital, July 2018-March 2019.
2. Debt Service Schedule as of March 31, 2019
3. Operating and Capital Cash Flow, July 2018-March 2019.

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2018 through March 2019

	Jul '18 - Mar 19	Budget	\$ Over Budget	% of Budget
41000 - OPERATING INCOME				
41010 - Sewer Service Charges	5,797,226.28	10,145,760.00	(4,348,533.72)	57.14%
41030 - Plan Check & Inspection Fee	25.00	500.00	(475.00)	5.0%
41040 - Permit & Inspection Fee	4,150.00	6,000.00	(1,850.00)	69.17%
41060 - Interest Income	216,708.77	120,000.00	96,708.77	180.59%
41080 - Engineering & Admin Charges	0.00	165,000.00	(165,000.00)	0.0%
41090 - Non-domestic Permit Fees	37,218.66	25,000.00	12,218.66	148.88%
41100 - Garbage Franchise Fees	28,994.50	55,041.00	(26,046.50)	52.68%
41105 - AB 939 Collector Fees	300,579.00	400,772.00	(100,193.00)	75.0%
41107 - Oil/Bev/Tire Grants	36,175.00	62,729.00	(26,554.00)	57.67%
41130 - Ranch Income	39,997.32	70,000.00	(30,002.68)	57.14%
41135 - Recycle Water Facility Revenue	187,680.96	202,000.00	(14,319.04)	92.91%
41140 - Other Revenue	9,387.74	20,000.00	(10,612.26)	46.94%
41142 - Gain/Loss on disposal of assets	39,446.00	10,000.00	29,446.00	394.46%
Total 41000 - OPERATING INCOME	6,697,589.23	11,282,802.00	(4,585,212.77)	59.36%
Expense				
60000 - COLLECTION SYSTEM				
60010 - Salaries & Wages	481,054.44	666,060.00	(185,005.56)	72.22%
60020 - Employee Benefits	243,200.04	318,682.00	(75,481.96)	76.31%
60060 - Gas, Oil & Fuel	13,468.08	15,000.00	(1,531.92)	89.79%
60085 - Safety	3,150.44	3,500.00	(349.56)	90.01%
60091 - Software Maint	19,391.74	50,000.00	(30,608.26)	38.78%
60100 - Operating Supplies	6,158.08	25,000.00	(18,841.92)	24.63%
60150 - Repairs & Maintenance	34,967.66	75,000.00	(40,032.34)	46.62%
60152 - Small Tools	574.03	2,000.00	(1,425.97)	28.7%
60153 - Outside Services	26,490.02	120,000.00	(93,509.98)	22.08%
60192 - Water	6,076.25	12,000.00	(5,923.75)	50.64%
60193 - Telephone	1,293.47	4,000.00	(2,706.53)	32.34%
60200 - Other(Garbage Coll)	57.85	700.00	(642.15)	8.26%
60201 - Permits & Fees	12,259.00	80,000.00	(67,741.00)	15.32%
Total 60000 - COLLECTION SYSTEM	848,141.10	1,371,942.00	(523,800.90)	61.82%
61000 - TREATMENT FACILITIES				
61000-0 - Contract Operations				
61000-1 - Fixed Fee	1,604,617.20	2,262,043.00	(657,425.80)	70.94%
61000-2 - Insurance & Bonds	7,518.83	14,000.00	(6,481.17)	53.71%
61000-3 - Major Repair/Replacement	13,028.23	150,000.00	(136,971.77)	8.69%
61000-4 - Water/Permits/Telephone	65,388.60	85,000.00	(19,611.40)	76.93%
61000-5 - Gas & Electricity	388,242.41	755,586.00	(367,343.59)	51.38%
Total 61000 - TREATMENT FACILITIES	2,078,795.27	3,266,629.00	(1,187,833.73)	63.64%
63000 - RECLAMATION/DISPOSAL				
63010 - Salaries & Wages	64,819.62	86,021.00	(21,201.38)	75.35%
63020 - Employee Benefits	15,913.67	22,950.00	(7,036.33)	69.34%
63060 - Gasoline & Oil	1,811.52	2,000.00	(188.48)	90.58%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2018 through March 2019

	Jul '18 - Mar 19	Budget	\$ Over Budget	% of Budget
63085 · Safety	463.65	500.00	(36.35)	92.73%
63091 · Software Maintenance	1,000.00	2,000.00	(1,000.00)	50.0%
63100 · Operating Supplies	25.98	2,000.00	(1,974.02)	1.3%
63115 · Sludge Disposal	208,815.00	220,000.00	(11,185.00)	94.92%
63150 · Repairs & Maintenance	40,983.63	60,000.00	(19,016.37)	68.31%
63152 · Small Tools	169.39	500.00	(330.61)	33.88%
63157 · Ditch/Dike Maintenance	8,540.00	10,000.00	(1,460.00)	85.4%
63191 · Gas & Electricity	52,958.71	75,000.00	(22,041.29)	70.61%
63192 · Water - Reclamation	1,495.59	5,000.00	(3,504.41)	29.91%
63201 · Permits & Fees	3,951.80	5,000.00	(1,048.20)	79.04%
Total 63000 · RECLAMATION/DISPOSAL	400,948.56	490,971.00	(90,022.44)	81.66%
64000 · LABORATORY/MONITORING				
64010 · Contract Lab Services	269,614.32	378,910.00	(109,295.68)	71.16%
64060 · Gasoline & Oil	1,358.64	1,500.00	(141.36)	90.58%
64085 · Safety	0.00	1,000.00	(1,000.00)	0.0%
64091 · Software Maintenance	0.00	1,000.00	(1,000.00)	0.0%
64100 · Operating Supplies	10,150.14	20,000.00	(9,849.86)	50.75%
64150 · Repairs & Maintenance	4,188.97	10,000.00	(5,811.03)	41.89%
64160 · Research & Monitoring	87,039.30	125,000.00	(37,960.70)	69.63%
64170 · Pollution Prevention/Public Ed	27,387.63	40,000.00	(12,612.37)	68.47%
64201 · Permits & Fees	5,294.00	6,000.00	(706.00)	88.23%
Total 64000 · LABORATORY/MONITORING	405,033.00	583,410.00	(178,377.00)	69.43%
65000 · PUMP STATIONS				
65010 · Salaries & Wages	245,523.68	345,078.00	(99,554.32)	71.15%
65020 · Employee Benefits	113,800.42	144,148.00	(30,347.58)	78.95%
65060 · Gasoline & Oil	4,196.09	5,000.00	(803.91)	83.92%
65085 · Safety Expenses	2,101.39	2,000.00	101.39	105.07%
65091 · Software Maintenance	9,811.50	7,000.00	2,811.50	140.16%
65100 · Operating Supplies	3,394.57	10,000.00	(6,605.43)	33.95%
65101 · Operating Chemicals	0.00	2,000.00	(2,000.00)	0.0%
65150 · Repairs & Maintenance	64,211.97	120,000.00	(55,788.03)	53.51%
65152 · Small Tools	207.68	2,000.00	(1,792.32)	10.38%
65153 · Outside Services, Electrical	7,027.67	55,000.00	(47,972.33)	12.78%
65191 · Gas & Electricity	66,959.66	105,000.00	(38,040.34)	63.77%
65192 · Water	4,669.03	7,000.00	(2,330.97)	66.7%
65193 · Telephone	15,887.61	24,000.00	(8,112.39)	66.2%
65201 · Permits & Fees	4,933.00	7,000.00	(2,067.00)	70.47%
Total 65000 · PUMP STATIONS	542,724.27	835,226.00	(292,501.73)	64.98%
66000 · ADMIN/ENGINEERING				
66010 · Salaries & Wages	883,952.03	1,208,103.00	(324,150.97)	73.17%
66020 · Employee Benefits	402,094.35	541,496.00	(139,401.65)	74.26%
66021-1 · Retiree Health Benefits (Trust)	157,390.29	212,146.00	(54,755.71)	74.19%
66021 · Retiree Health Benefits	149,972.14	218,550.00	(68,577.86)	68.62%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2018 through March 2019

	Jul '18 - Mar 19	Budget	\$ Over Budget	% of Budget
66022 · Pension Expense (Trust)	217,512.00	290,016.00	(72,504.00)	75.0%
66030 · Director's Fees	14,850.00	34,000.00	(19,150.00)	43.68%
66040 · Election Expense	17,270.52	90,000.00	(72,729.48)	19.19%
66060 · Gasoline & Oil	4,881.06	5,000.00	(118.94)	97.62%
66070 · Insurance	126,592.98	180,500.00	(53,907.02)	70.14%
66071 · Insurance Claim Expense	487.95	45,000.00	(44,512.05)	1.08%
66075 · Agency Dues	56,236.82	66,000.00	(9,763.18)	85.21%
66080 · Memberships	11,204.25	14,000.00	(2,795.75)	80.03%
66085 · Safety	1,830.24	2,000.00	(169.76)	91.51%
66090 · Office Expense	14,948.61	28,000.00	(13,051.39)	53.39%
66100 · Engineering Supplies	2,122.04	5,000.00	(2,877.96)	42.44%
66121 · Accounting & Auditing	22,967.20	28,000.00	(5,032.80)	82.03%
66122 · Attorney Fees	7,777.84	50,000.00	(42,222.16)	15.56%
66123 · O/S Contractual	79,878.76	231,000.00	(151,121.24)	34.58%
66124 · IT/Misc Electrical	27,651.25	43,000.00	(15,348.75)	64.31%
66125 · Safety & Wellness Incentive Pro	0.00	10,000.00	(10,000.00)	0.0%
66130 · Printing & Publications	9,679.93	24,000.00	(14,320.07)	40.33%
66150 · Repairs & Maintenance	47,883.58	50,000.00	(2,116.42)	95.77%
66170 · Travel, Meetings & Training	39,279.79	70,000.00	(30,720.21)	56.11%
66193 · Telephone	9,575.87	13,000.00	(3,424.13)	73.66%
66202 · County Fees - Property Taxes	16,349.50	33,000.00	(16,650.50)	49.54%
66203 · County Fees - Sewer Service Chg	21,606.76	30,000.00	(8,393.24)	72.02%
66250 · Service Charge Sys Exp	0.00	5,000.00	(5,000.00)	0.0%
Total 66000 · ADMIN/ENGINEERING	2,343,995.76	3,526,811.00	(1,182,815.24)	66.46%
67000 · AB 939 SOLID WASTE PROGRAMS				
67400 · Consulting Services	68,490.00	142,464.00	(73,974.00)	48.08%
67500 · Household Hazardous Waste	134,417.61	260,000.00	(125,582.39)	51.7%
67530 · Used Oil/Beverage Cont Grant	4,050.00	22,537.00	(18,487.00)	17.97%
67540 · Outreach/Publicity/Education	3,884.21	23,500.00	(19,615.79)	16.53%
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	210,841.82	463,501.00	(252,659.18)	45.49%
68000 · Recycled Water				
68010 · O & M Services	83,645.25	55,000.00	28,645.25	152.08%
68100 · Operating Supplies	667.00	4,400.00	(3,733.00)	15.16%
68101 · Operating Chemicals	41,536.25	60,100.00	(18,563.75)	69.11%
68150 · Repairs & Maintenance	26,702.67	30,500.00	(3,797.33)	87.55%
68160 · Research & Monitoring	9,997.00	14,000.00	(4,003.00)	71.41%
68191 · Gas & Electricity	25,132.79	38,000.00	(12,867.21)	66.14%
Total 68000 · Recycled Water	187,680.96	202,000.00	(14,319.04)	92.91%
Total Expense	7,018,160.74	10,740,490.00	(3,722,329.26)	65.34%
Net Income	(320,571.51)	542,312.00	(862,883.51)	(59.11%)

Novato Sanitary District
DRAFT Revenues & Expenditures - Capital
 July 2018 through March 2019

	Jul '18 - Mar 19	Budget	\$ Over Budget	% of Budget
Income				
51000 · CAPITAL IMPROVEMENT INCOME				
51010 · Sewer Service Charges	4,742,777.91	7,940,160.00	(3,197,382.09)	59.73%
51015-1 · Property Tax - RDA Funds	46,060.93	0.00	46,060.93	100.0%
51015 · Property Taxes	1,359,336.84	2,335,914.00	(976,577.16)	58.19%
51020 · Connection Charges	98,250.50	461,200.00	(362,949.50)	21.3%
51030 · Collector Sewer Charges	0.00	1,000.00	(1,000.00)	0.0%
51040 · Special Equalization Charge	31.50	1,000.00	(968.50)	3.15%
51060 · Interest	177,318.69	125,000.00	52,318.69	141.86%
51070 · Other Revenue	0.00	20,000.00	(20,000.00)	0.0%
51072 · Grant Revenue	150,148.78	151,000.00	(851.22)	99.44%
Total 51000 · CAPITAL IMPROVEMENT INCOME	6,573,925.15	11,035,274.00	(4,461,348.85)	59.57%
Expense				
72000 · CAPITAL IMPROVEMENT PROJECTS				
72403 · Pump Station Rehabilitation	0.00	50,000.00	(50,000.00)	0.0%
72508 · N. Bay Water Recycling Auth	78,772.00	80,000.00	(1,228.00)	98.47%
72706-1 · Lateral Replacement Program	20,000.00	80,000.00	(60,000.00)	25.0%
72706 · Collection System Improv - Other	637,431.59	2,450,000.00	(1,812,568.41)	26.02%
72707 · Hamilton Wetlands/Outfall Integ	0.00	10,000.00	(10,000.00)	0.0%
72708 · Cogeneration/Alt Energy	15,322.35	350,000.00	(334,677.65)	4.38%
72802 · Annual Sewer Adj. for City Proj	0.00	25,000.00	(25,000.00)	0.0%
72803 · Annual Collection Sys Repairs	58,325.35	225,000.00	(166,674.65)	25.92%
72804 · Annual Reclamation Fac Imp	8,000.00	175,000.00	(167,000.00)	4.57%
72805 · Annual Treatment Plnt Improv	22,873.03	300,000.00	(277,126.97)	7.62%
72806 · Annual Pump Station Improv	94,428.13	140,000.00	(45,571.87)	67.45%
72807 · Annual Ignacio Facility Improv	34,394.68	50,000.00	(15,605.32)	68.79%
72808 · Strategic Plan Update	0.00	20,000.00	(20,000.00)	0.0%
72809 · Novato Creek Watershed	0.00	5,000.00	(5,000.00)	0.0%
73003 · Admin Bldg/Maint.Bldg Upgrades	16,539.17	350,000.00	(333,460.83)	4.73%
73004 · Odor Control & NTP Landscaping	74,986.59	100,000.00	(25,013.41)	74.99%
73005 · RWF Expansion	1,455,185.93	2,020,000.00	(564,814.07)	72.04%
73006 · NTP Corrosion Control	0.00	233,000.00	(233,000.00)	0.0%
73090 · Vehicle Replacement	107,669.76	140,000.00	(32,330.24)	76.91%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS	2,623,928.58	6,803,000.00	(4,179,071.42)	38.57%
78400 · Principal and Interest				
78500 · Interest - Capital Projects	2,097,623.31	2,097,623.00	0.31	100.0%
78501 · Principal - Capital Projects	4,741,832.88	4,741,833.00	(0.12)	100.0%
Total 78400 · Principal and Interest	6,839,456.19	6,839,456.00	0.19	100.0%
Total Expense	9,463,384.77	13,642,456.00	(4,179,071.23)	69.37%
Net Income(Loss)	(2,889,459.62)	(2,607,182.00)	(282,277.62)	110.83%

**Novato Sanitary District
State Revolving Fund Loan Payable
and 2017 Wastewater Revenue Refunding Bonds Payable Balances**

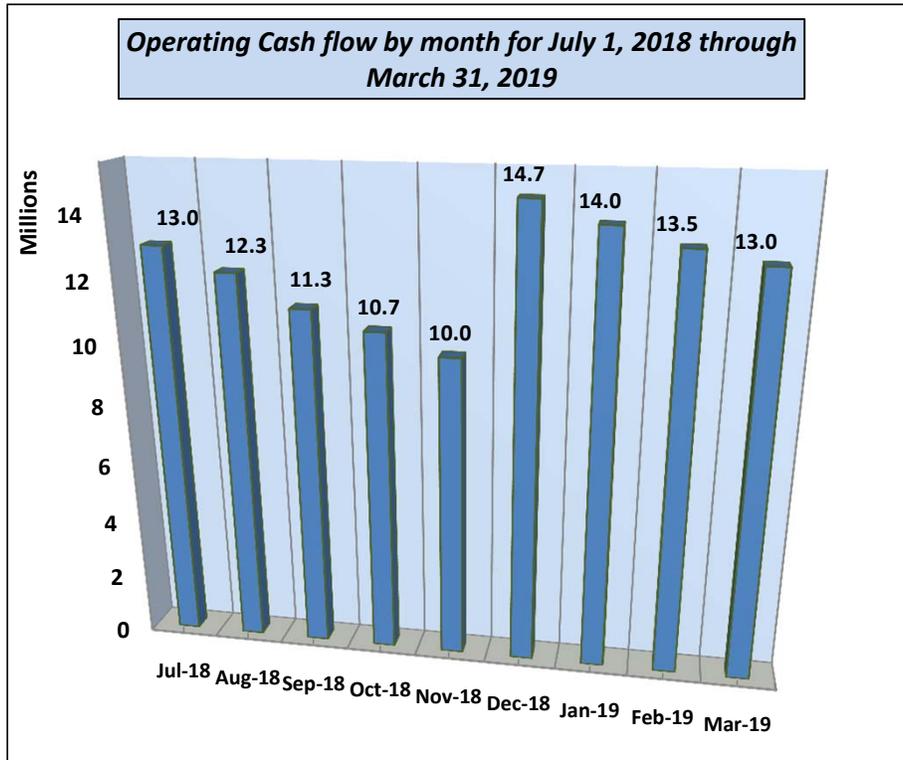
2.0 Debt Service Schedule as of March 31, 2019

	<u>State Revolving Fund (SRF) Loan</u>		
		Principal	Interest
	SRF Loan Payable 7/1/2018.....	59,463,471	
	Principal Payment 2018-19	(3,951,833)	
	Interest payments 2018-19		(1,427,123)
	SRF Loan Balance/Interest Paid 3/31/2019.....	55,511,638	(1,427,123)
	<u>2017 Wastewater Revenue Refunding Bonds</u>		
	Revenue Bond Payable Balance 7/1/2018.....	13,410,000	
	Principal payments 2018-19	(790,000)	
	Interest payments 2018-19		(670,500)
	Revenue Bond Payable Balance/Interest Paid 3/31/2019	12,620,000	(670,500)
	Note: Principal and Interest payment for SRF Loan paid in December 2018.		
	Principal and Interest payments for the Wastewater Revenue Bonds paid in August 2018 and February 2019.		

3.0 OPERATING AND CAPITAL CASH FLOW

Operating:
Cash Flow For Novato Sanitary District
July 1, 2018 - March 31, 2019
Dated: May 13, 2019

Month Earned	Operating Revenue	Monthly Operating Expenditures	Cash Balance
			* \$ 13,835,003
Jul-18	\$ 102,971	\$ 908,709	13,029,265
Aug-18	29,346	777,900	12,280,711
Sep-18	105,033	1,119,530	11,266,214
Oct-18	171,990	769,218	10,668,986
Nov-18	252,023	927,723	9,993,286
Dec-18	5,565,912	850,916	14,708,282
Jan-19	114,025	788,376	14,033,931
Feb-19	113,951	693,093	13,454,789
Mar-19	397,159	813,906	13,038,042

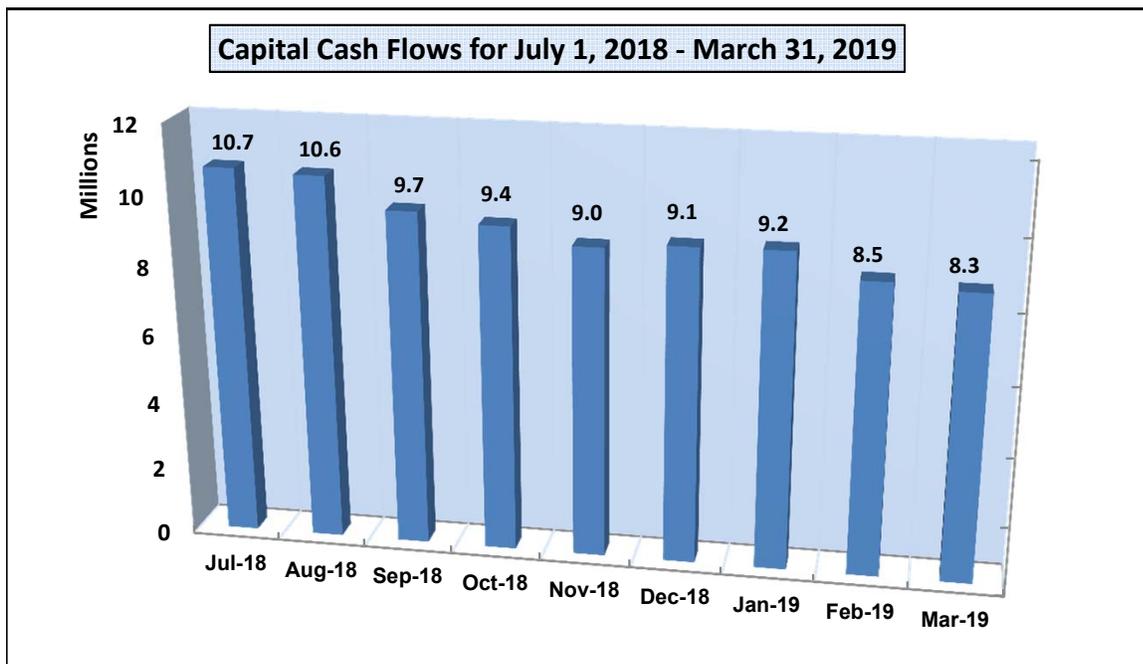


Note: Cash balances at year end split 55/45 - Operating/Capital based on split sewer service charges.

* Beginning balance adjusted for accrual vs cash basis differences.

Capital:
Cash Flow For Novato Sanitary District
July 1, 2018 - March 31, 2019
Dated: May 13, 2019

Month Earned	Monthly Operating Expenditures	Debt Service	Capital Revenue	Cash Balance
Jul-18	\$ 670,224	\$ 335,250	\$ 98,970	\$ 11,599,992
Aug-18	138,153		34,534	10,693,488
Sep-18	941,925		76,260	10,589,869
Oct-18	413,028		132,555	9,724,204
Nov-18	518,671		63,740	9,443,731
Dec-18	178,081	5,378,956	5,705,430	8,988,800
Jan-19	100,623		130,341	9,137,193
Feb-19	97,168	1,125,250	518,226	9,166,911
Mar-19	243,494		84,811	8,462,719



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: District Statement of Investment Policy – Policy No. 3120: Investment of District Funds	MEETING DATE: May 13, 2019 AGENDA ITEM NO.: 6.g.
RECOMMENDED ACTION: Adopt updated District Statement of Investment Policy, Policy No. 3120 - Investment of District Funds.	
SUMMARY AND DISCUSSION: <p>The District Board periodically reviews and adopts, (or ratifies), the District's Statement of Investment Policy in accordance with Government Code Section 53600. The policy was adopted in its current form as Policy No. 3120 – Investment of District Funds, in December 2012, and updated in March 2014.</p> <p>There are proposed updates to the Policy at this time. A redline copy of the draft updated Policy is attached. It is recommended that the Board review and adopt the updated Statement of Investment Policy, Policy No. 3120 - Investment of District Funds.</p>	
ATTACHMENTS: 1. Draft updated District Statement of Investment Policy, Policy 3120 - Investment of Public Funds.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long-Range Outlook) of the latest Strategic Plan Update.	
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK

Novato Sanitary District

POLICY HANDBOOK

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 3120
ADOPTED/REVISED: December 10, 2012; March 24, 2014; May 13, 2019

3120.1 PREMISE

The legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) 53600.6 and 53630.1)

CGC Sections 5921 and 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,

The fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (CGC 53646(a))

For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the Novato Sanitary District (District) to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

3120.2 SCOPE

This investment policy applies to all financial assets of Novato Sanitary District, including Operating Funds, Capital Improvement Funds and Bond Funds.

3120.2.1 Regular Warrants Account: As cash is received, it is deposited in the District's Money Market Checking Account with Westamerica Bank. Cash on hand is reviewed daily and all inactive or reserve funds above the minimum balance are wire transferred periodically to the State Local Agency Investment Fund (LAIF), or invested locally in certificates of deposit. When the District writes checks, for whatever purpose, funds are withdrawn from LAIF to cover the checks written.

3120.2.2 Payroll Account: The District's payroll is prepared in-house. All pay checks and pay vouchers (for direct deposit) are processed through the District's Payroll Account with Westamerica Bank. After the checks and vouchers are reconciled, funds to cover payroll are transferred from the Operating Account to the Payroll Account.

3120.2.3 Petty Cash Account: The District maintains a Petty Cash account with a balance not to exceed \$1,000.00. This account is for small purchases.

3120.2.4 Capital Projects Account: This account is used to track capital project expenditures

3120
Adopted 12/10/12
Revised 03/24/14
Revised 05/13/19

throughout the year. Any excess balance above the minimum balance is wire transferred to LAIF. When the District writes checks for project expenses funds are withdrawn from LAIF to cover the checks written. Funds are transferred from the regular warrants account after this account has been funded by LAIF, for operating and project expenses.

3120.2.5 ARRA Grant Project Account: ~~This account is established to receive grant funds under the American Reinvestment and Recovery Act for partial financing of the District's Recycled Water Project. The project is part of the regional recycled water project administered by the North Bay Water Reuse Authority. This account is closed.~~

3120.2.6 Local Agency Investment Account: Operating, Cash flow, and Capital reserves are invested in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand.

3120.2.7 Certificates of Participation (COP) Bond Fund: ~~The District must maintain the unspent proceeds of the COP with trustees or fiscal agents under the terms of the debt issue. The COP proceeds are administered by the Bank of New York Mellon and are invested with LAIF. This account is closed.~~

3120.2.8 Debt Service Fund: Includes the District's State Revolving Fund (SRF) Loan debt account and the 2017 Wastewater Revenue Refunding Bonds debt account.

3120.2.8.1: The SRF debt account tracks debt repayment on the District's 2009 SRF loan, and is administered by the District. Funds in this account are intended solely for SRF loan principal and debt service payments twice per fiscal year, and the District does not maintain any reserve balance(s) in this account.

3120.2.8.2: The 2017 Wastewater Revenue Refunding Bonds account tracks debt payment on the 2017 Wastewater Revenue Refunding Bonds. These bonds were issued to refinance the 2011 Certificates of Participation (COPs) with cost savings to the District. Funds in this account are administered by the Bank of New York Mellon Trust Co. NA., as Trustee of Indenture (Trustee) for the issuance. Funds in this account are intended solely for bond principal and interest debt service payments twice per fiscal year, and the District does not maintain any reserve balance(s) in this account.

3120.2.98 Excluded investments: Funds not included in the policy include deferred compensation funds since the assets of the plan are held for the exclusive benefit of plan participants and their beneficiaries and the individual plan participants are responsible for the investment of these accounts.

3120.3 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard as stated in CGC Section 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3120.4 OBJECTIVES

As specified in CGC Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities

shall be:

3120.4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

3120.4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3120.4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

3120.5 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the Treasurer, Sandeep S. Karkal, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The following employees are authorized to telephone instructions for deposits and withdrawals from the District bank account to the State Treasurer and vice versa:

Sandeep S. Karkal, General Manager-Chief Engineer, Treasurer
Laura M. Creamer, Finance Officer

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of CGC 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard. The District maintains a public officials' surety bond in the amount of \$200,000.

3120.6 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

3120.7 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the

District that are appropriate under the terms and conditions of the Investment Policy.

3120.8 AUTHORIZED AND SUITABLE

It is the practice of the District to invest inactive operating and capital improvement funds only with the State Treasurer's Local Agency Investment Fund and/or with local banks and savings and loans. *Prohibited Investments.* Under the provisions of CGC Section 53601.6 and 53631.5, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

3120.9 COLLATERALIZATION

All certificates of deposit must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC Section 53601(i)(2).

3120.10 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC Section 53601.

3120.11 DIVERSIFICATION

The District will diversify its investments by security type and institution. It is the policy of the District to remit money not required for immediate needs to LAIF for purposes of investment. Assets in the pooled money account are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

3120.12 REPORTING

In accordance with CGC Section 53646(b)(1), Treasurer shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC Section 53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions.

The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by CGC Section 53646(b)(2) and (3) respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

3120.13 INVESTMENT POLICY REVIEW

The Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Collection System Maintenance, 2019 Root Control Treatment - Account No. 60153 (Outside Services)	MEETING DATE: May 13, 2019 AGENDA ITEM NO.: 6.h.
RECOMMENDED ACTION: Approve contract in the not-to-exceed amount of \$80,700 with Duke's Root Control, Inc., (Duke's), and authorize the General Manager-Chief Engineer to execute it.	
SUMMARY AND DISCUSSION: <p>An important part of the District's annual collection system maintenance activities is to control and abate tree roots that intrude into its sewers. If left unchecked, these roots can grow within the sewers to a point where they can impede or completely block flow in the sewers, either by themselves or in combination with grease, rags, and debris build-up, and potentially result in sanitary sewer overflows (SSOs).</p> <p>Based on maintenance history records, staff has identified approximately 58,571 feet of sewer mains ranging in size from 6-inch to 15-inch, and fifteen (15) manholes that will benefit from root abatement this year. Duke's can provide root abatement services using a chemical root control foaming agent to control this problem. Staff has verified that the use of this chemical will not affect the District's ability to meet its discharge permit requirements. Duke's has performed this work for the District in previous years.</p> <p>Staff has negotiated a scope of services with Duke's on a time-and-materials basis in the not-to-exceed amount of \$80,700 to accomplish this work. The unit costs negotiated have increased from the costs negotiated last year, (i.e. from \$1.09/ft to \$1.19/ft for 6" and 8" pipe, from \$1.76/ft to \$1.86/ft for 10", from \$1.92/ft to \$2.02/ft for 12", from \$2.73/ft to \$2.83/ft for 15" pipe and from \$125.00 to \$150.00 per manhole). Staff therefore recommends that the Board approve a contract with Duke's in the not-to-exceed amount of \$80,700 and authorize the General Manager-Chief Engineer to execute it.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence), and Goal 2 (Reliable and Efficient Facilities), of the latest Strategic Plan Update.	
BUDGET INFORMATION: This work will be funded from Account No. 60153 - Outside Services. The FY18-19 budget amount for this account is \$120,000. As of April 30, 2019, the budget balance for this account is \$88,560, and there are no other known commitments or related expenditures for Account No. 60153 at this time.	
DEPT. MGR.: JA, EB	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<p>TITLE: Reclamation: Lease Agreement for Pastures (Collectively “Ranch”) at Reclamation Facility.</p>	<p>MEETING DATE: May 13, 2019</p> <p>AGENDA ITEM NOS.: 7.a.</p>
<p>RECOMMENDED ACTION(S): Receive report on new Reclamation Pastures (“Ranch”) lease agreement, and authorize the General Manager-Chief Engineer to execute it.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>At its April 8, 2019 meeting, the District Board held the required public hearing and authorized staff to negotiate a new Reclamation Pastures (Ranch) lease agreement for a duration of up to ten (10) years, consistent with California Health and Safety Code Section 6514.1.</p> <p>To assist with the selection of a potential lessee, staff issued a Request for Proposals (RFP) incorporating the draft lease agreement presented to the Board at the April 8, 2019 meeting.</p> <p>On May 3, 2019, the District received two (2) RFP responses/proposals: (a) Auburn Ravine Ranch, Inc. (ARR), and (b) John Oneto and Cheryl Clark (Oneto/Clark).</p> <p>Staff sought guidance in reviewing the submitted proposals from Stephanie Larson, PhD, County Director/Livestock & Range Management Advisor of the University of California Cooperative Extension in Santa Rosa. Upon review, it was concluded that while both proposals were sufficiently responsive to the District’s needs, the proposal from ARR is more favorable to the District. It was also noted that the Auburn Ravine Ranch proposal listed four exceptions. Staff was able to resolve three of these items to the satisfaction of Auburn Ravine Ranch and the District. The remaining exception states: <i>“ARR would like to put a “not to exceed amount” to the Lessee on the first year of the lease for deferred maintenance, and damage from flooding of sections 3 & 7, for the cost to repair irrigation sprinklers, waterlines, and valves.”</i></p> <p>District staff believe the exception is reasonable for the first year of the lease, and proposes to modify the lease agreement accordingly with a not-to-exceed amount of \$5,000; subject to the following conditions:</p> <p>(a) Lessee shall provide documentation for the repair expenses and, (b) Lessee shall not perform any repairs anticipated to be over the not-to-exceed amount without written authorization from the Lessor (District).</p> <p>Staff will be present at the meeting to provide an overview and respond to any questions.</p> <p>At this time, it is recommended that the Board award the lease to Auburn Ravine Ranch and authorize the General Manager-Chief Engineer to execute it.</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.</p>	
<p>DEPT. MGR.: JB, EB</p>	<p>GENERAL MANAGER: SSK</p>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, April 2019.	MEETING DATE: May 13, 2019 AGENDA ITEM NO.: 7.b.
RECOMMENDED ACTIONS: Receive Wastewater Operations Reports for April 2019: <ul style="list-style-type: none">• Collection System• Treatment Facilities• Reclamation Facilities	
SUMMARY AND DISCUSSION: <p>The April 2019 Wastewater Operations Report incorporating operations reports for collections system, wastewater treatment facilities, and the reclamation facilities is attached.</p> <p>District and Veolia staff will be present at the meeting to provide overviews of the reports for their operational areas, and be available to discuss the reports or respond to any questions.</p>	
ATTACHMENTS: 1. Wastewater Operations Reports for the month of April 2019.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: JO (Veolia), JA, JJB	GENERAL MANAGER: SSK

Novato Sanitary District
Wastewater Operations - Collection System Operations Report
April 2019

1.0 General:

The equivalent of about seven (7) full time employees (FTEs) worked on collection system maintenance activities during the month. The breakdown of staff time for the month in terms of equivalent FTE hours utilized, works out approximately as follows:

- 1.9 FTE field workers for Sewer Maintenance (main line cleaning)
- 1.1 FTE field workers for Pump Station Maintenance
- 0.1 FTE field workers for Closed Circuit Television (CCTV) work
- 0.0 FTE field workers for Underground Service Alert Mark and Locate (USA)
- 3.0 FTE field workers for time spent on data input, training, service calls, overflow response, or any other activity that does not directly relate to the activities listed above, or special activities (for e.g. smoke testing of mainlines), and
- 0.8 FTE field workers for vacation, holiday or sick leave.

2.0 Collection System Maintenance:

Performance metrics 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:

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 390 work orders for the month. Collections staff completed 390 work orders, leaving zero (0) work orders outstanding. The completed work orders resulted in 75,273 feet of sewer pipelines cleaned by staff.

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for nine (9) working days and televised a total of 15,927 feet of sewer main.

CCTV Findings:

- Infrastructure-related: CCTV work Identified one new issue related to infrastructure. This is a hinged crack the full length of a 5-foot section of 6-inch Vitrified Clay Pipe (VCP). This has been added to the current Minor Project list.
- O&M related: CCTV work did not identify any area that would require a change in sewer line maintenance operations.

3.0 Pump Station Maintenance:

Collections staff conducted 190 lift station inspections this month. 48 of the inspections were generated through the District's JobsCal Plus CMMS system. There are no outstanding work orders for the month.

A Pump Stations' Work Order Statistics summary is attached.

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
April 2019**

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on four (4) air relief/vacuum valves this month.

5.0 Safety and Training:

General:

Collections staff attended five (5) safety tailgate meetings in April.

Specialized Training:

- Forklift Refresher Training
- BAYWORK North Bay Cross Training.
- Injury and Illness training.
- CWEA Annual Conference.
- Mobile Crane Operator Qualification and Certification Requirements
- BAYWORK North Bay Training A La Carte 2019



Safety performance:

There were no lost time accidents for the month of April.

Heavy roots like this will be treated by a contractor in an upcoming root foaming project

6.0 Miscellaneous Projects:

- New pump cords installed at Canyon Road Pump Station.
- Pre-Root Treatment has begun in the Collection System preparing for a Root Foaming project this summer.

7.0 Sanitary Sewer Overflows (SSOs):

There were no (zero) sanitary sewer overflow in April. The No Spills certification ID is #2542530.

Novato Sanitary District
Collection System Monthly Report For April 2019 (as of April 30, 2019)

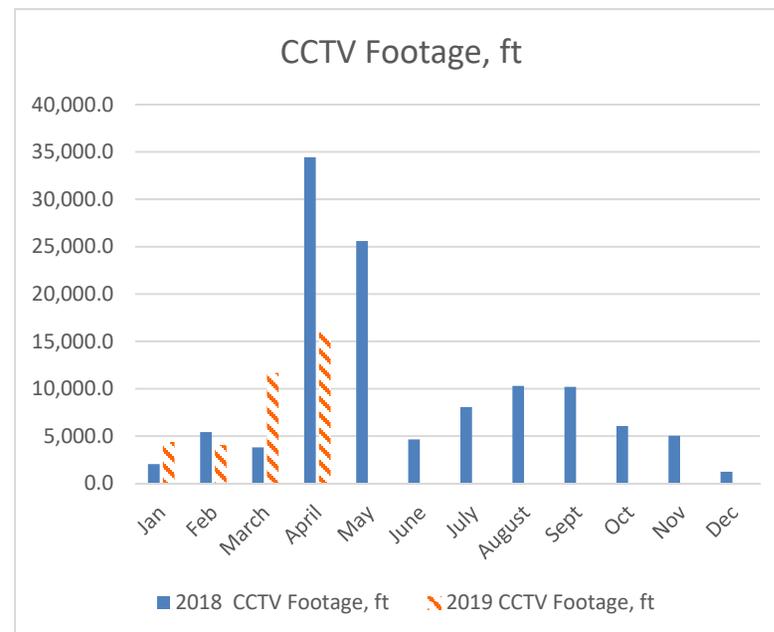
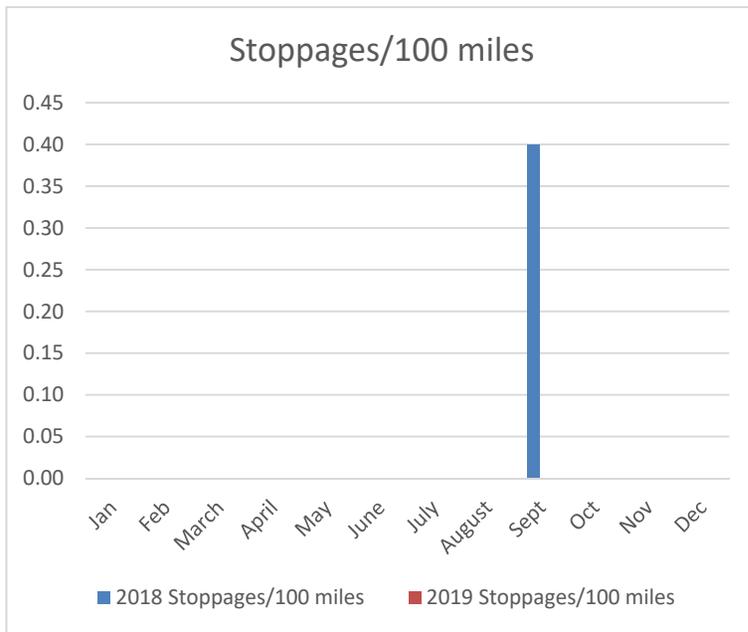
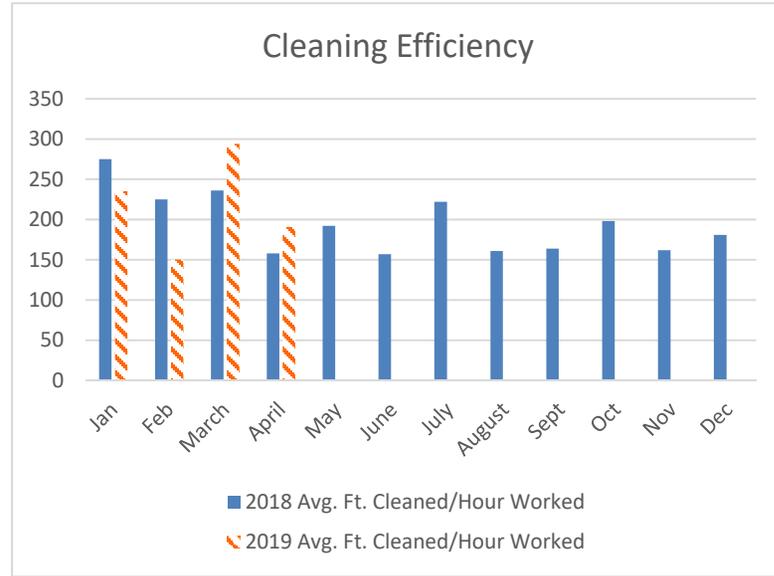
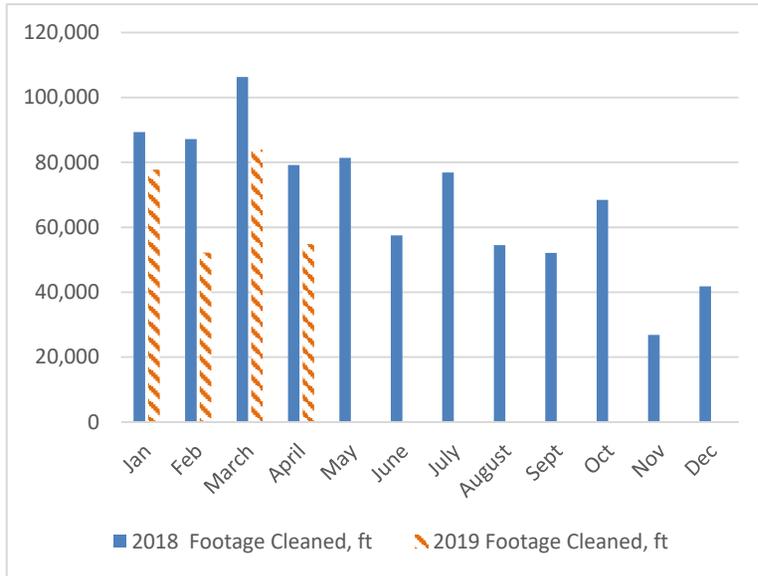
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning)	1.8	2.2	1.7	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.6
Number of FTEs (other)	1.9	2.7	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.9
Number of FTEs (USAs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0
Number of FTEs (CCTV)	0.1	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.1
Total, FTEs	3.8	5.1	4.9	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	1.6
Regular Time Worked, (main line cleaning), hrs	331	348	286	288	0	0	0	0	0	0	0	0	1,251	104
Regular Time Worked on Other, hrs (1)	355	421	489	458	0	0	0	0	0	0	0	0	1,722	143
Regular Time Worked on USAs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regular Time Worked on CCTV (2)	22	32	33	21	0	0	0	0	0	0	0	0	107	9
Total Regular time, worked, hrs	707	800	807	766	0	0	0	0	0	0	0	0	3,080	257
Total Vacation/Sick Leave/Holiday, hrs	197	164	175	129	0	0	0	0	0	0	0	0	665	55
Vacation/Sick Leave/Holiday, FTEs	1.1	1.0	1.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1	0.3
Overtime Worked on Coll. Sys., hrs	24	42	11	4	0	0	0	0	0	0	0	0	81	7
Overtime Worked on Other, hrs (1)	2	2	0	14	0	0	0	0	0	0	0	0	18	2
Overtime Worked on USAs, hrs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overtime Worked on CCTV (2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Overtime, hrs	26	44	11	18	NA	NA	NA	NA	NA	NA	NA	NA	99	25
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	43	33	61	24	0	0	0	0	0	0	0	0	161	13
Rodder 3208 ft. cleaned	1,453	681	5,520	4,872	0	0	0	0	0	0	0	0	12,526	1,044
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flusher Work Orders generated	338	240	390	366	0	0	0	0	0	0	0	0	1,334	111
Truck 3205V ft. cleaned	0	1,314	352	0	0	0	0	0	0	0	0	0	1,666	139
Truck 3206V ft. cleaned	14,940	5,330	15,040	13,499	0	0	0	0	0	0	0	0	48,809	4,067
Truck 3209F ft. cleaned	61,343	44,888	62,994	36,430	0	0	0	0	0	0	0	0	205,655	17,138
Flusher - outside services, ft. cleaned	0	405	0	0	0	0	0	0	0	0	0	0	405	0
Total Footage cleaned(3)	77,736	52,213	83,906	54,801	NA	NA	NA	NA	NA	NA	NA	NA	268,656	67,164
Work Orders completed	381	306	451	390	0	0	0	0	0	0	0	0	1,528	127
Work Orders backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CCTV Truck 3126T, ft. videoed	3,405	3,465	7,839	2,345	0	0	0	0	0	0	0	0	17,054	1,421
CCTV (hand cam), ft. videoed	979	596	3,839	13,582	0	0	0	0	0	0	0	0	18,996	1,583
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CCTV footage(3)	4,384	4,061	11,678	15,927	NA	NA	NA	NA	NA	NA	NA	NA	36,050	9,013
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category II)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category I)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Overflow Gallons	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Volume Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	7	4	6	2	0	0	0	0	0	0	0	0	19	2
Normal hours S.C. response time, mins (avg.)	26.4	18.25	19.83	10	0	0	0	0	0	0	0	0	74	6
Service Callouts, after hours, #	0	0	0	4	0	0	0	0	0	0	0	0	4	0
After Hours S.C. response time, mins (avg.)	NA	NA	NA	33	NA	NA	NA	NA	NA	NA	NA	NA	33	33
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	235	150	294	191	NA	NA	NA	NA	NA	NA	NA	NA	NA	217
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	0
Callouts/100 Miles	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.1
Overtime hours/100 Miles	11	19	5	2	0	0	0	0	0	0	0	0	36.00	3
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(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: 2018 & 2019 Graphs



Novato Sanitary District

Pump Station Monthly Report For April 2019 (as of April 30, 2019)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked	262	188	203	202	0	0	0	0	0	0	0	0	854	
Number of Employees (FTEs)	1.1	0.9	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.4
Regular Time Worked on Pump Sta	200	149	174	173	0	0	0	0	0	0	0	0	695	
Overtime Worked on Pump Sta	62	39	30	29	0	0	0	0	0	0	0	0	159	
After Hours Callouts	0	0	0	0	0	0	0	0	0	0	0	0	0	
Average Callout response time (mins)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Work Orders														
Number generated in month	50	46	42	48	0	0	0	0	0	0	0	0	186	16
Number closed in month	50	46	42	48	0	0	0	0	0	0	0	0	186	16
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0



May 8, 2019

Mr. Sandeep Karkal
General Manager – Chief Engineer
Novato Sanitary District
500 Davidson Street
Novato, CA 94545

Subject: Veolia Water Operations Report – April 2019

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for April 2019.

As always, please give me a call at 707-292-3022 should you have any questions.

Best regards,

A handwritten signature in blue ink that reads "John P. O'Hare".

John P. O'Hare
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
April 2019

Prepared for

NOVATO SANITARY DISTRICT (NSD)
WASTEWATER TREATMENT PLANT
500 Davidson Street
Novato, CA 94945

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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- 1) Photos
 - 2) Laboratory Data
 - 3) Recycled Water Report
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 - 5) Process Control Data / Graphs
 - 6) Neighborhood Contacts (Odor / Noise)
 - 7) Jerome Meter Readings and Locations
-

A: TREATMENT PLANT PERFORMANCE SUMMARY – April 2019

National Pollution Discharge Elimination System Permit

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	4.76	6.41	N/A	
Influent				
BOD ₅ , lb/day (month ave/max)	11,302	12,185	N/A	
TSS, lb/day (monthly ave/max)	12,996	17,059	N/A	
Effluent				
BOD ₅ , mg/L (monthly ave/max weekly ave)	<5	5	30	45
TSS, mg/L (monthly ave/max weekly ave)	<3	3	30	45
BOD ₅ - % Removal, Average	98		85 minimum	
TSS - % Removal, Average	99		85 minimum	
Ammonia, mg/L – (monthly ave/daily max)	5.4	7.3	5.9	21
pH, su (min / max)	6.9	7.1	6.5	8.5
Enterococcus, MPN/100 ml (30 day geo mean)	5.69		35	
Fecal Coliform, MPN/100 ml (monthly median)	<1.8		140	
Fecal Coliform, MPN/100 ml (90 th PCTL)	<1.8		430	
Total Coliform, MPN/100 ml (5 sample median)	N/A		N/A	
Total Coliform, MPN/100 ml (monthly maximum)	N/A		N/A	

Peak Rainfall Flow Rate = 11.0 million gallon per day, April 5, 2019, 10:30am (Instantaneous Flow)

Total Rainfall = 0.15 inches

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	8.938	N/A
Average Turbidity	NTU	0.5	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	3	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	8.9	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 days	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

- National Pollution Discharge Elimination System Permit (NPDES) Limits - None
- Recycled Water Permit – None
- Bay Area Air Quality Management District – One, Biogas Flare Low Temperature (<1,400 F)

B: SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato Wastewater Treatment Plant and Ignacio Transfer Pump Station completed
- Tailgate training held during weekly meetings



- No safety incidents for the month of April 2019
- Corporate monthly Health and Safety call April 8, 2019
- Monthly Safety Topics and Training: Confined Space & Permit Spaces classroom training on April 24, 2019

C: OPERATIONS & MAINTENANCE STATUS / REVIEW:**Key events for the period:****Novato Wastewater Treatment Plant**

- Routine rounds, readings and maintenance
- Gravity belt thickener sludge pump check valve replaced
- #3 water pump air relief valve rebuilt
- Cleared floor drains in digester sludge building
- Septage hauler vacuumed out digested sludge transfer box
- Secondary clarifier #1 – sludge scum pump #1 removed and repaired
- Annual service on all fire extinguishers

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

- Aeration basin #3 (standby)
- Primary Clarifier #1 (standby)

Ignacio Transfer Pump Station

- Routine rounds, readings and preventative maintenance
- Perimeter fence repaired near the main entrance
- Annual service of all fire extinguishers

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

- None

Recycled Water Plant (RWP)

- Routine rounds and maintenance
- RWP seasonal startup on April 17th

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

- None

Sludge Lagoons (and Reclamation Area)

- None

D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY**Discharge to San Pablo Bay NPDES Permit – April 1 - 30, 2019****Regulatory Programs:**

Bay Area Clean Water Agencies (BACWA)

Liz Falejczk, Veolia Water Environmental Services Supervisor attended the monthly permits committee meetings

Training

Kurt Hawkyard, Veolia Water Laboratory Technician attended part 5 of 6 training for implementation of the TNI 2016 Laboratory Standards

Operations Support

The laboratory provided additional analytical support for the evaluation of the activated sludge and anaerobic digesters processes throughout the month

E: ADMINISTRATION:

- March 2019 Electronic Discharge Monitoring Report (EDMR-US EPA) and March 2019 Self-Monitoring Report (SMR-State of California) submitted on April 26, 2019
- March 2019 Recycled Water Self-Monitoring (SMR) Report submitted on April 26, 2019

F: ODORS & LANDSCAPING:

- Jerome meter (H₂S) parts per million (ppm) readings performed in neighborhood
- All readings in neighborhood were 0 ppm
- No contacts with the adjacent neighborhood

G: MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held weekly with the Veolia staff
- Tour of the gravity belt thickener building with Carollo Engineers and Union Sanitary District operation and maintenance staff

Veolia Support Staff On/Off Site (Various Times)

Art Fagerström, PE, BCEE, Technical Manager, Corporate Technical Support
Bill Hanley, West Region Capital Projects Director
Paul Savage, West Region VP of Operations
Aaron Winer, Area Manager Northern California

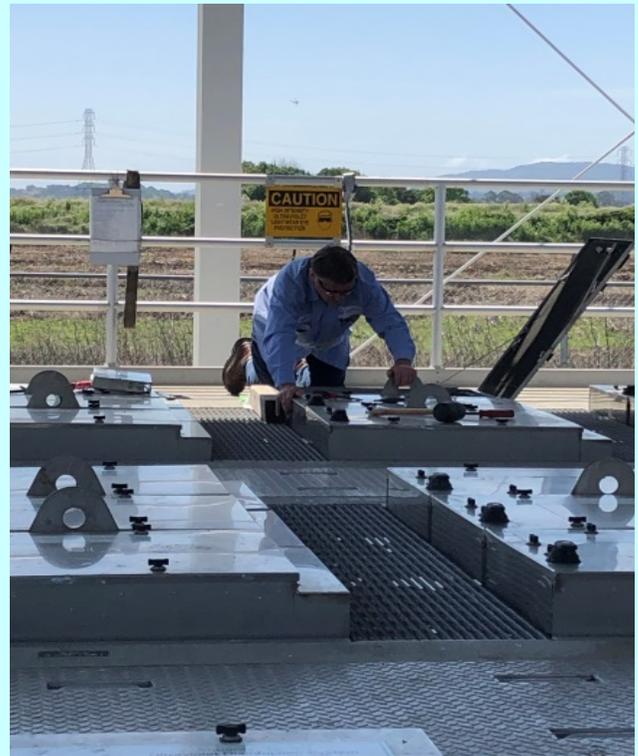
1) PHOTOS

PLANT OPERATION AND MAINTENANCE
APRIL 2019



Above Left – Alejo Cuntapay, Veolia Mechanic servicing the ferric chloride pumps.
Above Right - Paul Bailey, recently hired Veolia Operator checking the anaerobic digester status on the plant supervisory control and data acquisition system.

PLANT OPERATION AND MAINTENANCE
APRIL 2019



Above Left – Larry Milliken, Veolia Operator, changing the gravity belt thickener polymer feed strainer
Below Right – Jeff Hendricks, Veolia Mechanic, is working on the ultraviolet disinfection system.

2) LABORATORY DATA

Novato Sanitary District
BOD/TSS Report



April, 2019

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		
04/01/19	5.99										
04/02/19	5.88	240	11,769	270	13,241	<5	<245	<3	<147	97.9	98.9
04/03/19	5.69					<5	<237	<3	<142		
04/04/19	5.41										
04/05/19	6.41										
04/06/19	5.50										
04/07/19	5.38										
04/08/19	5.08										
04/09/19	5.24										
04/10/19	4.87	300	12,185	420	17,059	<5	<203	3	122	98.3	99.3
04/11/19	4.54										
04/12/19	4.55										
04/13/19	4.46										
04/14/19	4.76										
04/15/19	4.41										
04/16/19	4.86										
04/17/19	3.79										
04/18/19	4.45	280	10,392	266	9,872	<5	<166	<3	<100	98.2	98.9
04/19/19	5.22										
04/20/19	4.49										
04/21/19	4.43										
04/22/19	4.06										
04/23/19	4.07	320	10,862	348	11,812	<5	<150	3	90	98.4	99.1
04/24/19	4.76										
04/25/19	3.97										
04/26/19	4.20										
04/27/19	4.23										
04/28/19	4.16										
04/29/19	4.14										
04/30/19	3.91										
Weekly Averages											
04/06/19	Week 1	240	11,769	270	13,241	5	241	3	145		
04/13/19	Week 2	300	12,185	420	17,059	5	203	3	122		
04/20/19	Week 3	280	10,392	266	9,872	5	166	3	100		
04/27/19	Week 4	320	10,862	348	11,812	5	150	3	90		
	Week 5										
Monthly											
Minimum	3.79	240	10,392	266	9,872	<5	<150	<3	90	98	99
Maximum	6.41	320	12,185	420	17,059	<5	<245	3	<147	98	99
Total	142.91										
Average	4.76	285	11,302	326	12,996	<5	<200	<3	<120	98	99

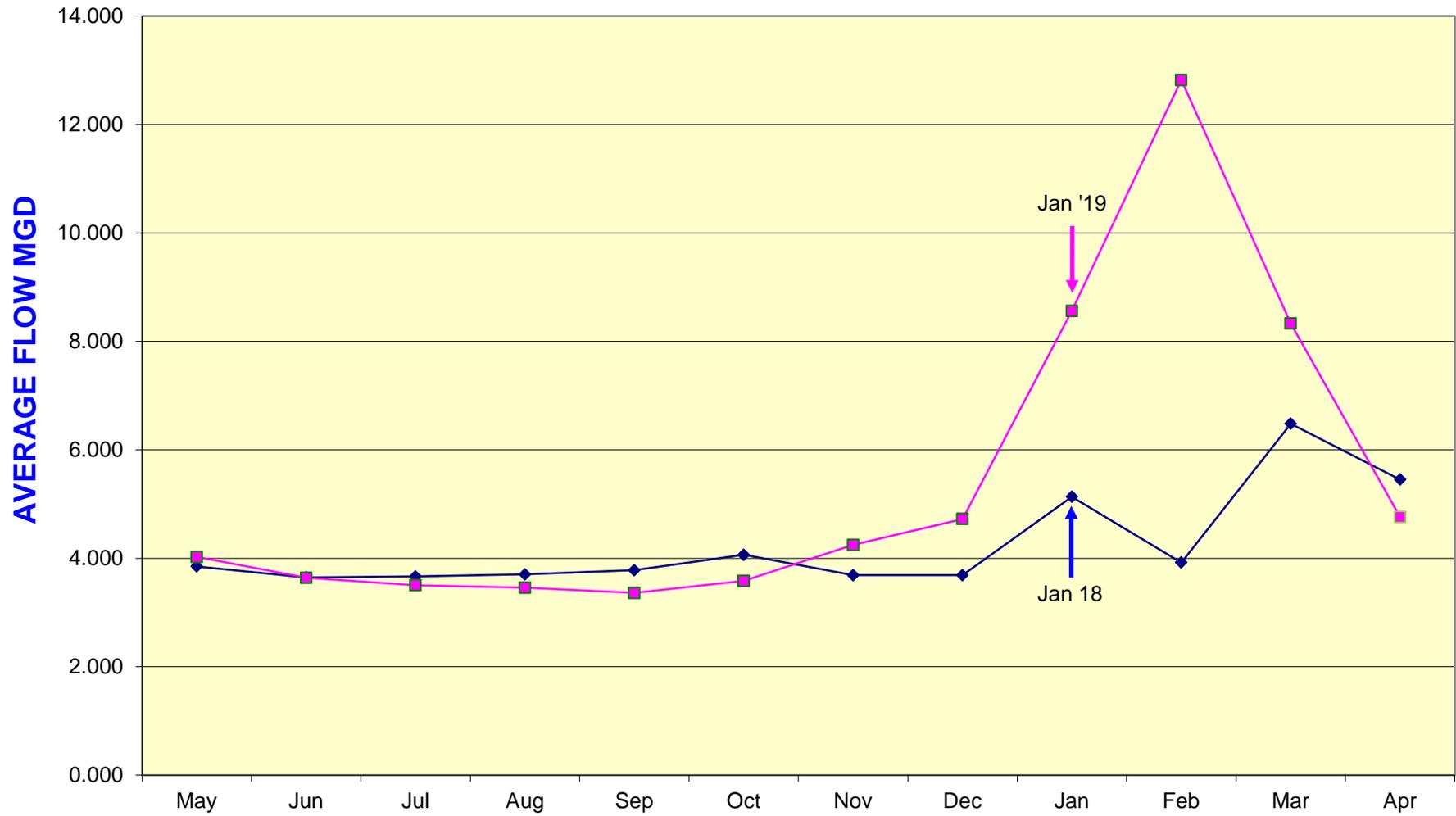
3) *RECYCLED WATER REPORT*

NOVATO SANITARY DISTRICT
RECYCLED WATER
COMPLIANCE SUMMARY REPORT

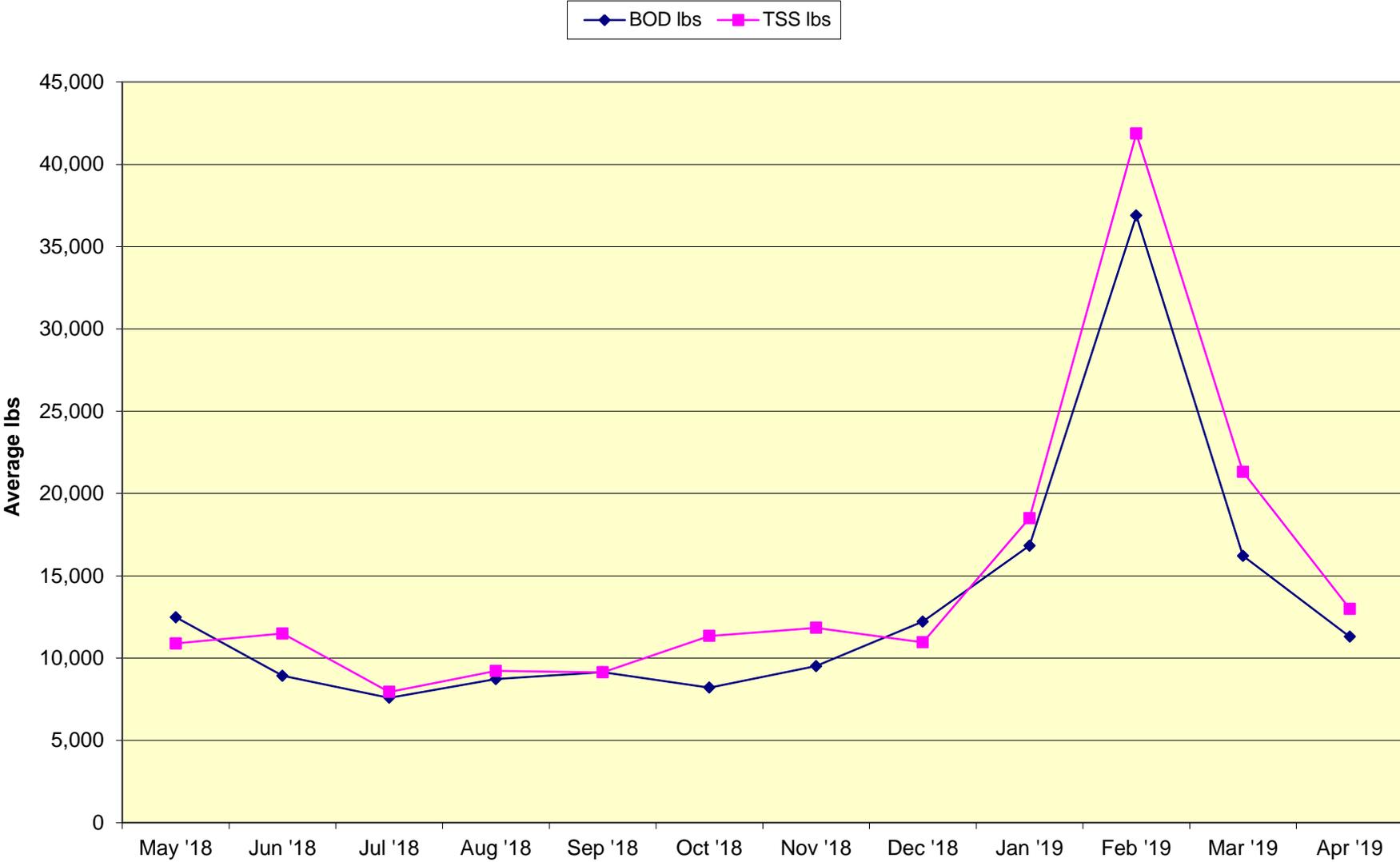
	Filter Influent Flow	Recycled Water Flow to Plum St.	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Chlorint Contact Time
Date	MGD	MGD	MGD	NTU	(m)	NTU	(mg/l)	MPN/100ml	Minutes
4/1/2019	0.000	0.000							
4/2/2019	0.000	0.000							
4/3/2019	0.000	0.000							
4/4/2019	0.000	0.000							
4/5/2019	0.000	0.000							
4/6/2019	0.000	0.000							
4/7/2019	0.000	0.000							
4/8/2019	0.160	0.000	0.190						
4/9/2019	0.000	0.000							
4/10/2019	0.000	0.000							
4/11/2019	0.000	0.000							
4/12/2019	0.000	0.000	0.293						
4/13/2019	0.000	0.000							
4/14/2019	0.000	0.000							
4/15/2019	0.000	0.000	0.189						
4/16/2019	0.090	0.000	0.366						
4/17/2019	0.610	0.456			0	0.6		<1	>450.000
4/18/2019	0.620	0.463			2	0.5		<1	>450.000
4/19/2019	0.860	0.738			0	0.5		<1	>450.000
4/20/2019	0.530	0.396			3	0.6		<1	>450.000
4/21/2019	0.710	0.542			0	0.5		<1	>450.000
4/22/2019	0.910	0.541			0	0.6		<1	>450.000
4/23/2019	1.010	0.469			0	0.5		<1	>450.000
4/24/2019	0.600	0.595			1	1.1		<1	>450.000
4/25/2019	0.900	0.868			0	0.4		<1	>450.000
4/26/2019	0.900	0.824			0	0.2		<1	>450.000
4/27/2019	0.980	0.832			0	0.2		<1	>450.000
4/28/2019	0.850	0.747			0	0.3		<1	>450.000
4/29/2019	0.890	0.778			0	0.4		<1	>450.000
4/30/2019	0.730	0.689			0	0.2		<1	>450.000
Total	11.350	8.938	1.038						
Minimum	0.000	0.000	0.189		0	0.2		<1	>450.0
Maximum	1.010	0.868	0.366		3	1.1		<1	>450.0
Average	0.378	0.298	0.260		0	0.5		<1	>450.0

4) ANNUAL PERFORMANCE SUMMARY – GRAPHS

WASTEWATER INFLUENT FLOW COMPARISON

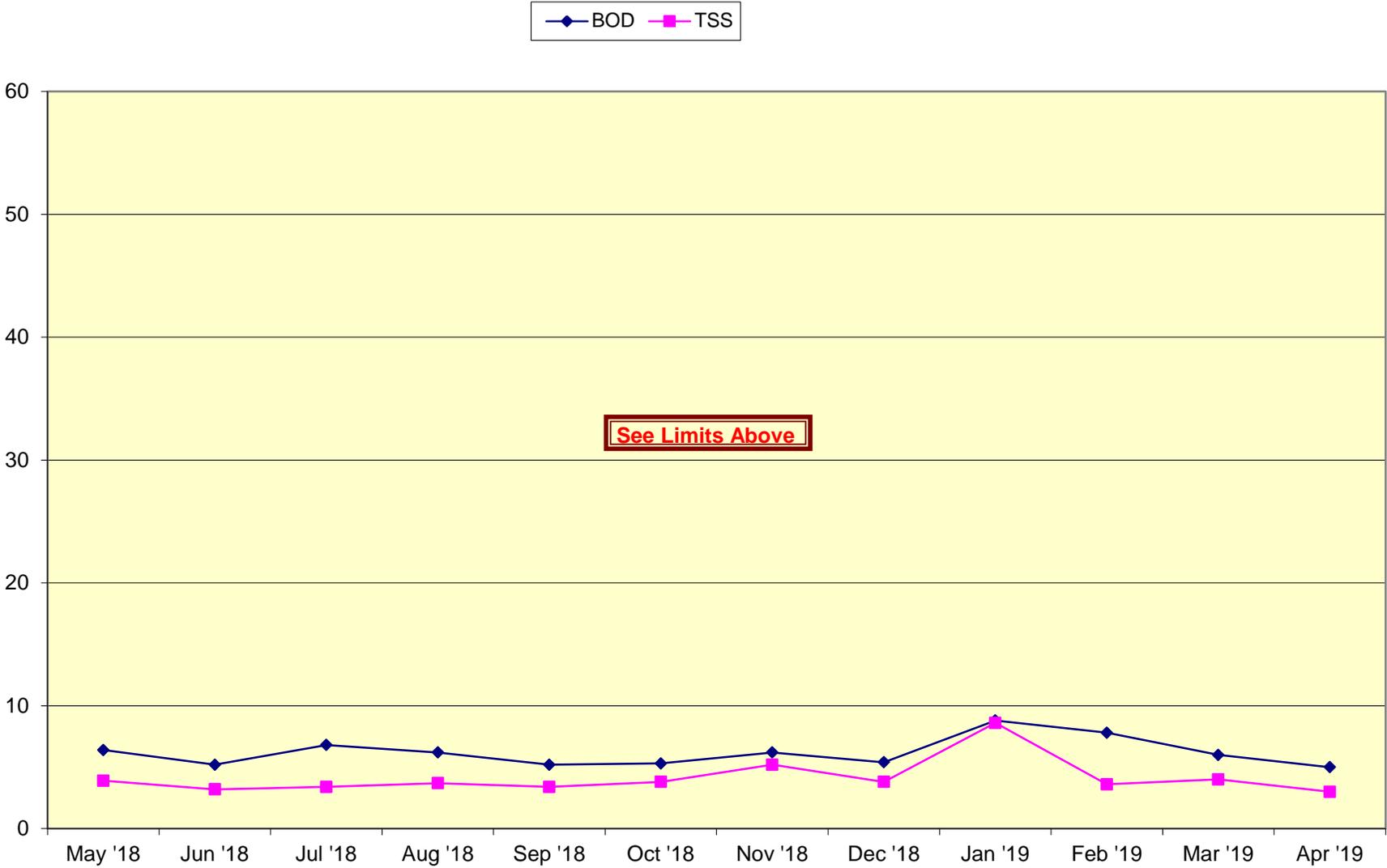


Influent Load BOD / TSS lbs



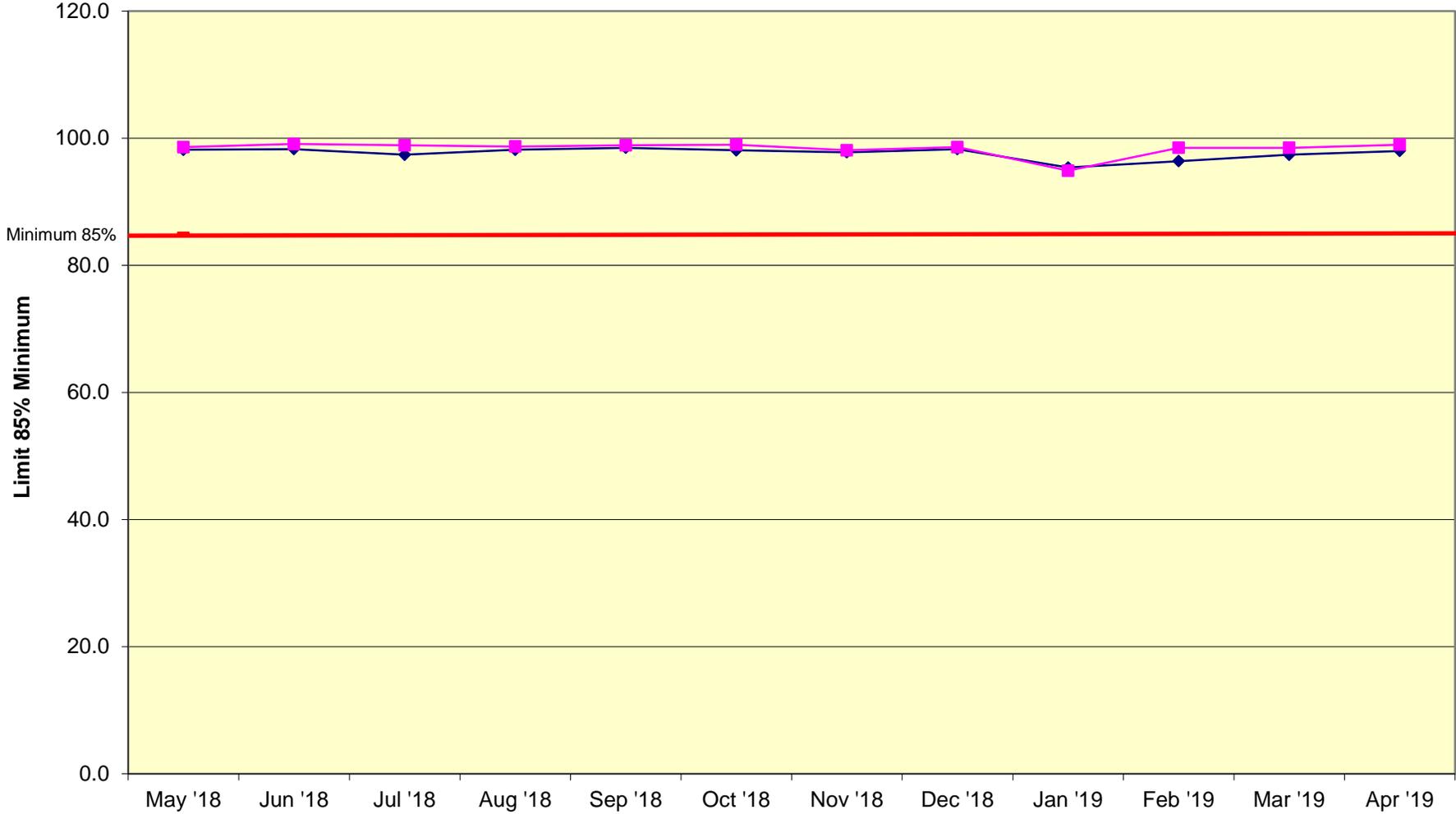
Effluent BOD / TSS Concentration

NPDES LIMITS WET SEASON
BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave

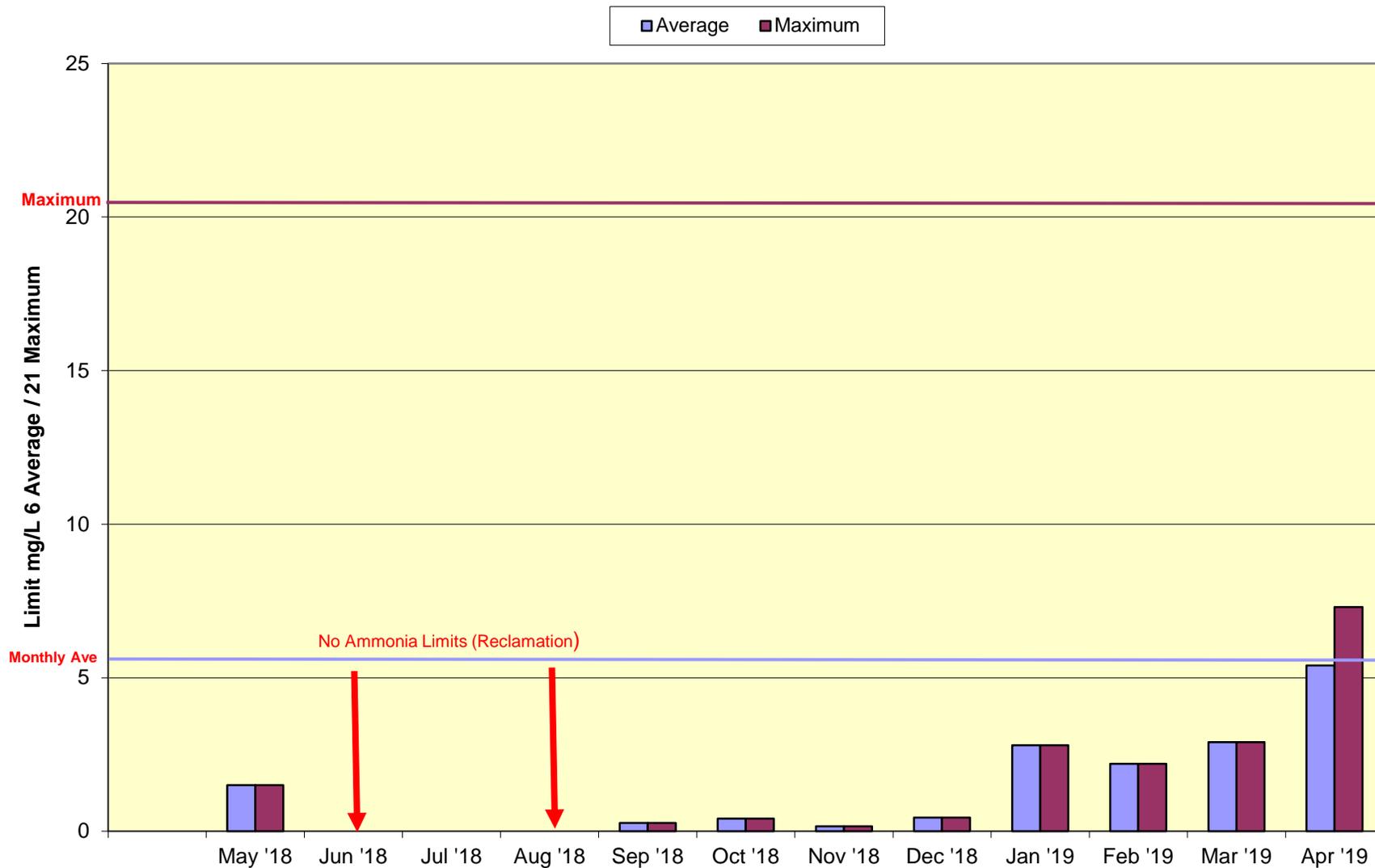


BOD / TSS Percent Removal

◆ BOD ■ TSS

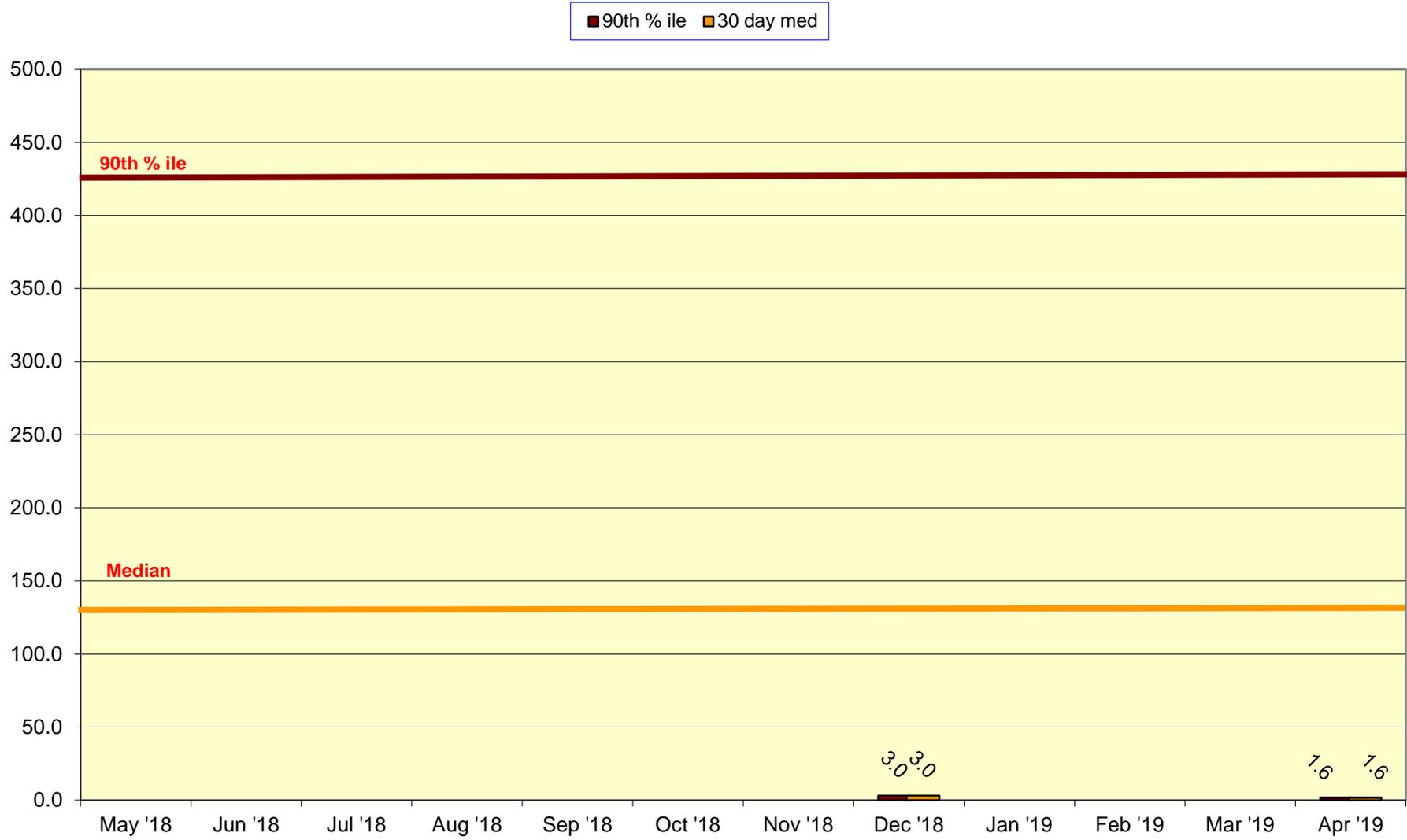


Effluent Ammonia



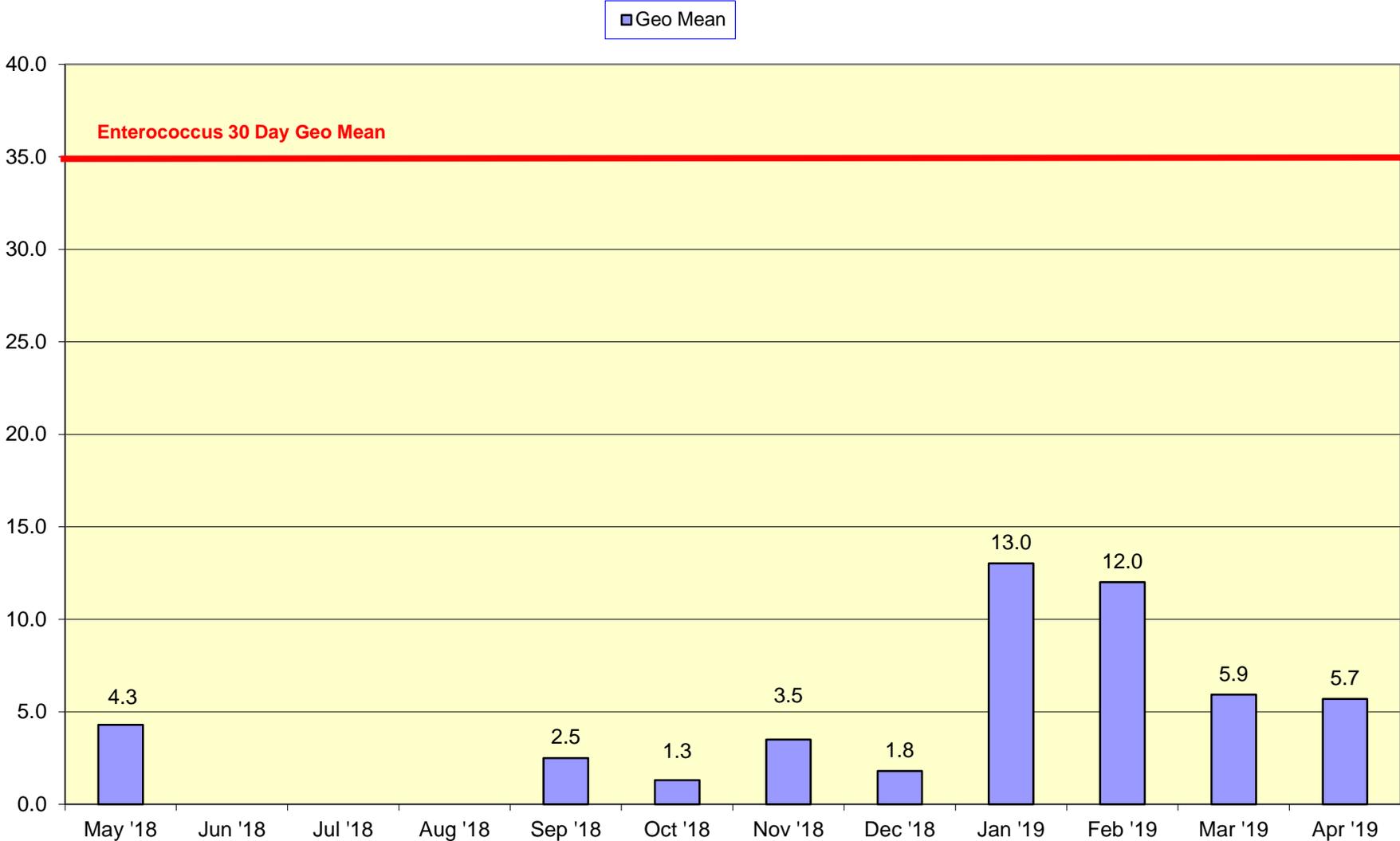
Disinfection - Fecal Coliform

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



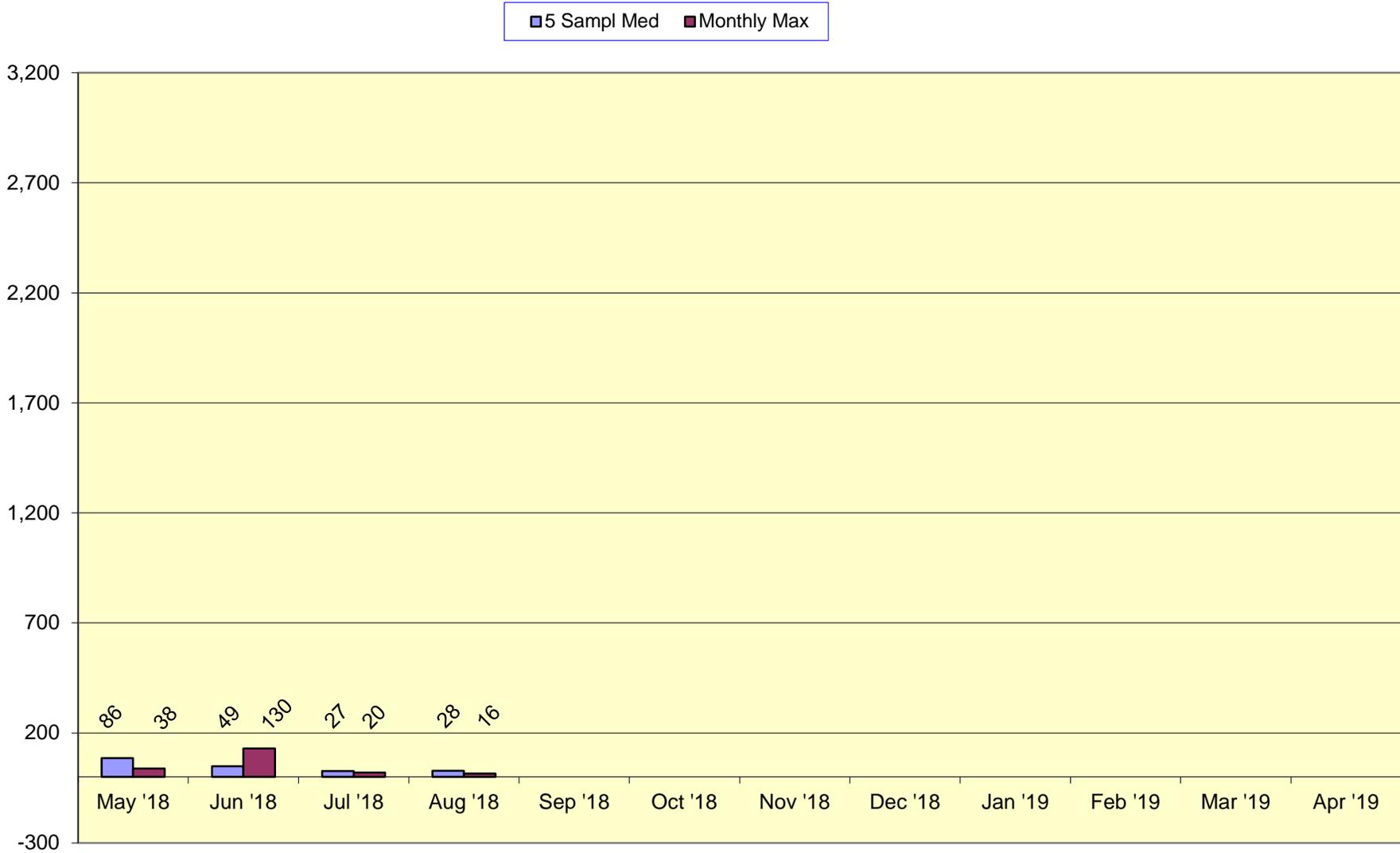
Disinfection - Enterococcus

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



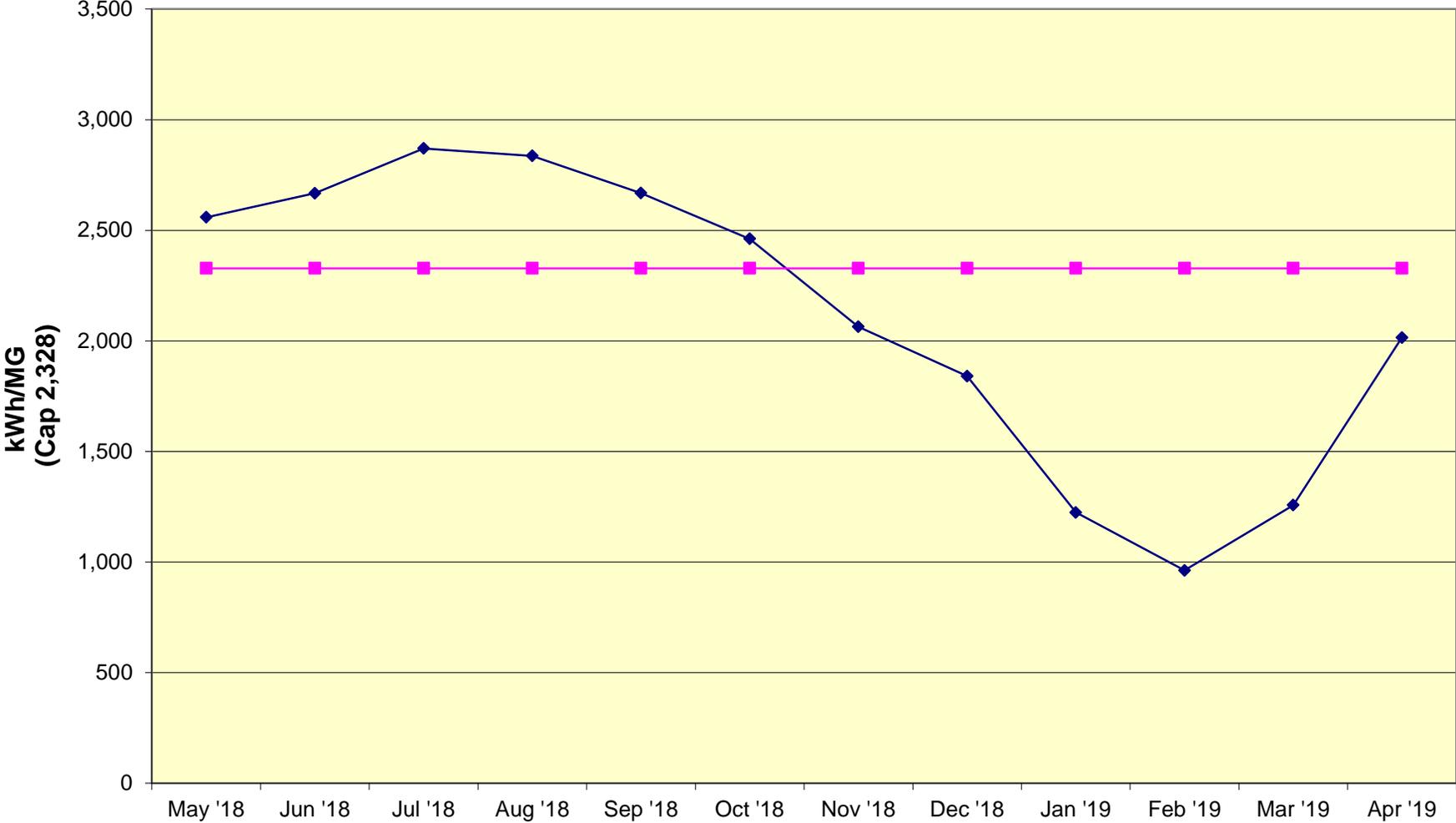
Disinfection - Total Coliform

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

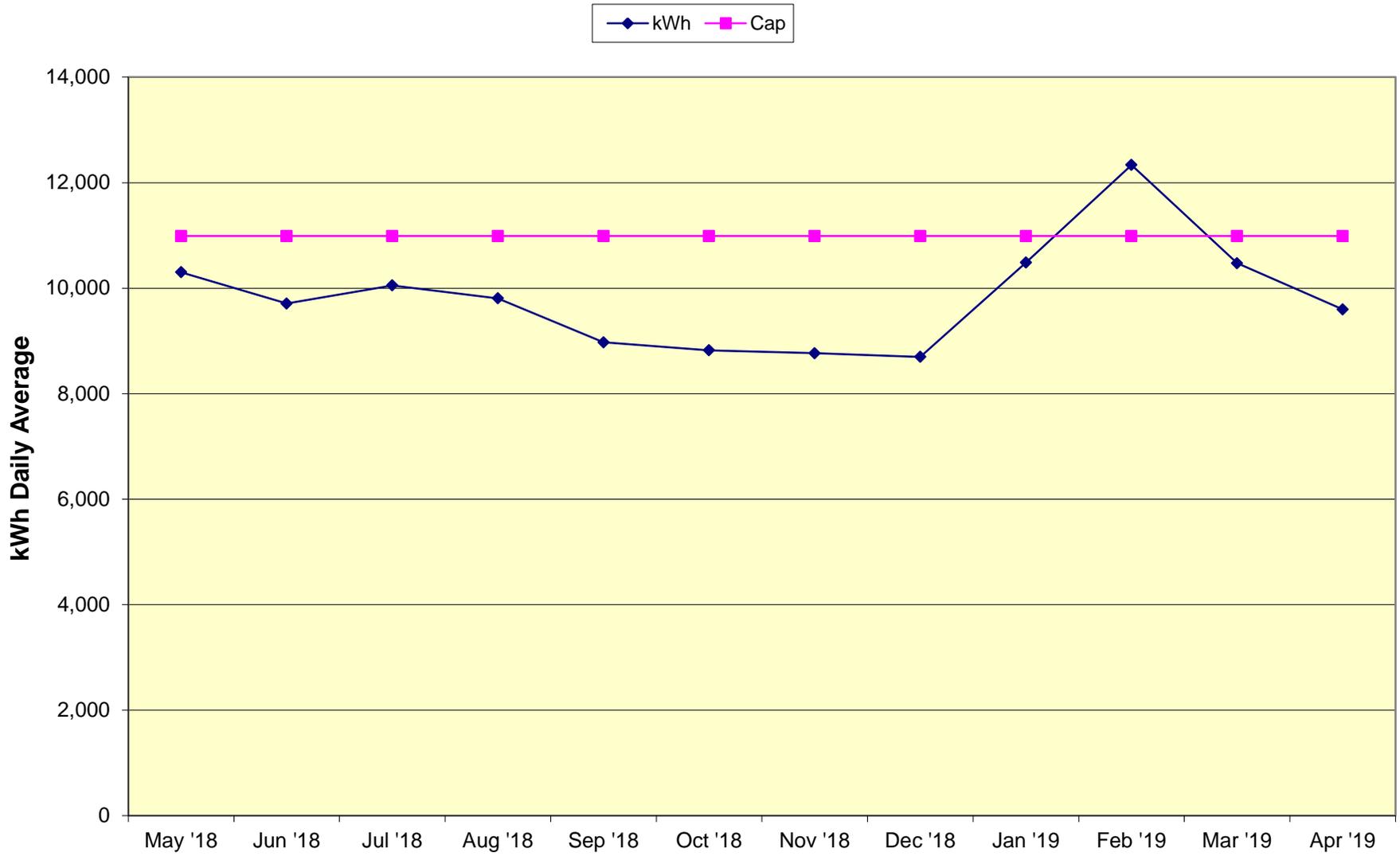


Energy kWh/MG

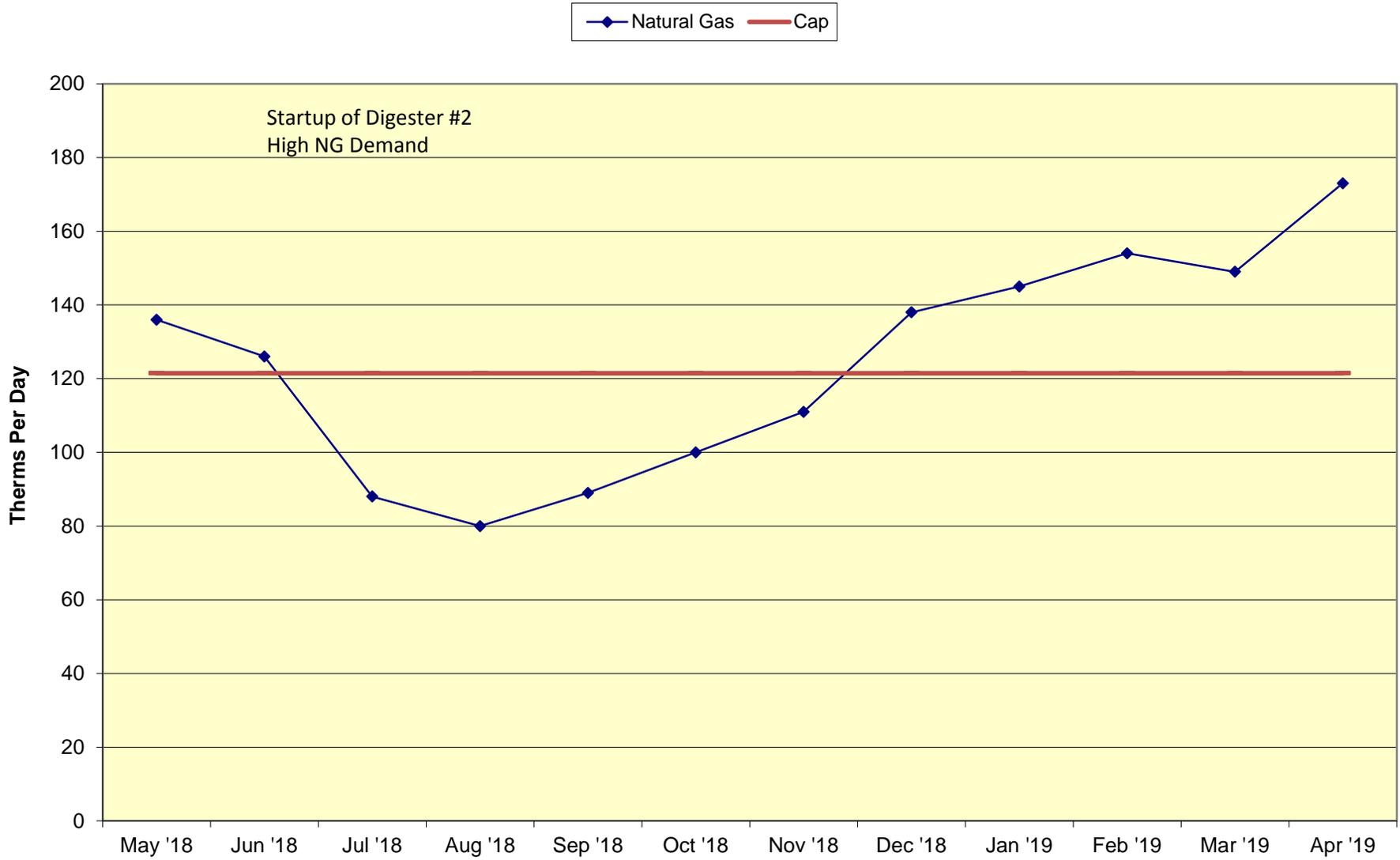
◆ kW/MG ■ Cap



Energy kWh

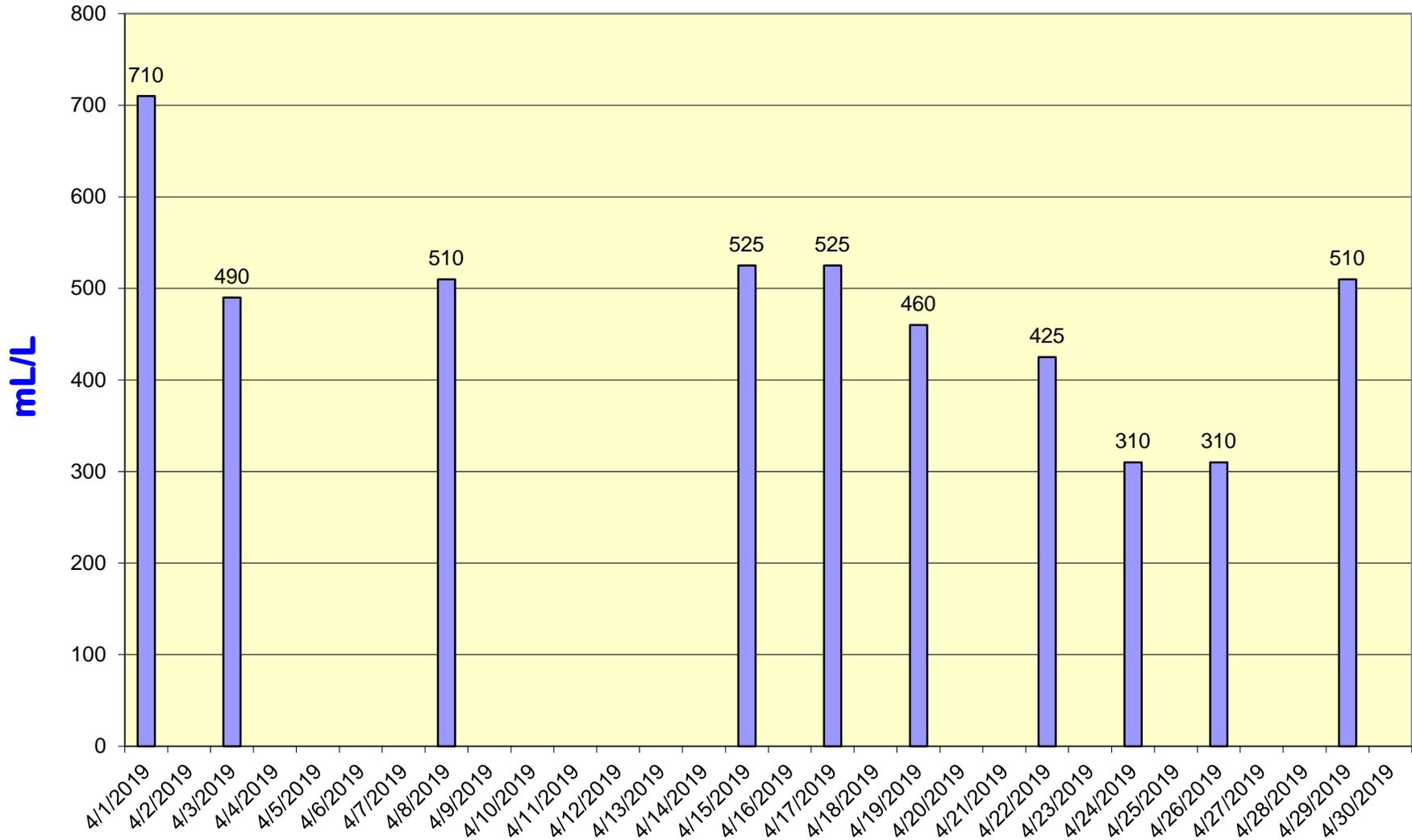


Natural Gas Use

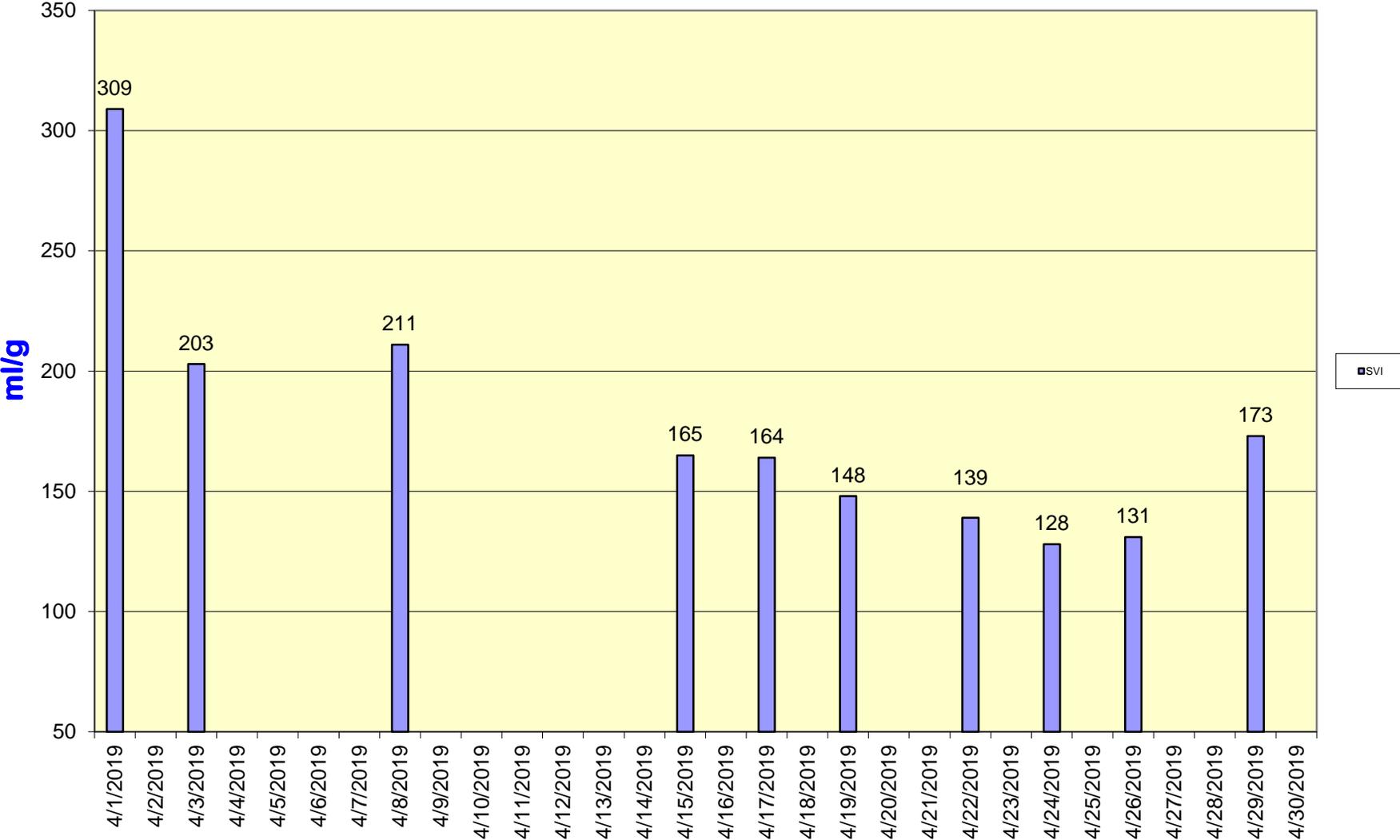


5) PROCESS CONTROL DATA / GRAPHS

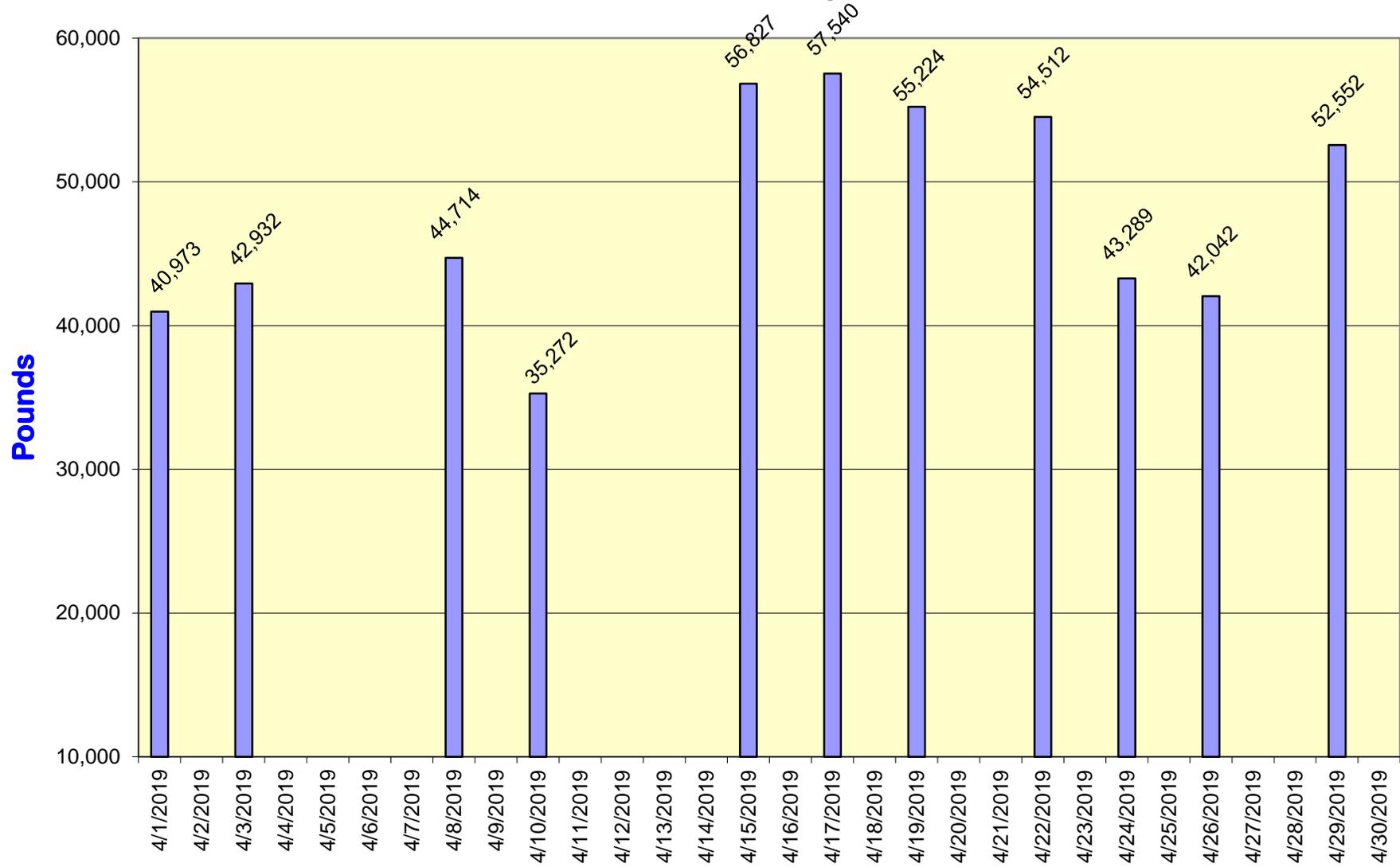
Settleability



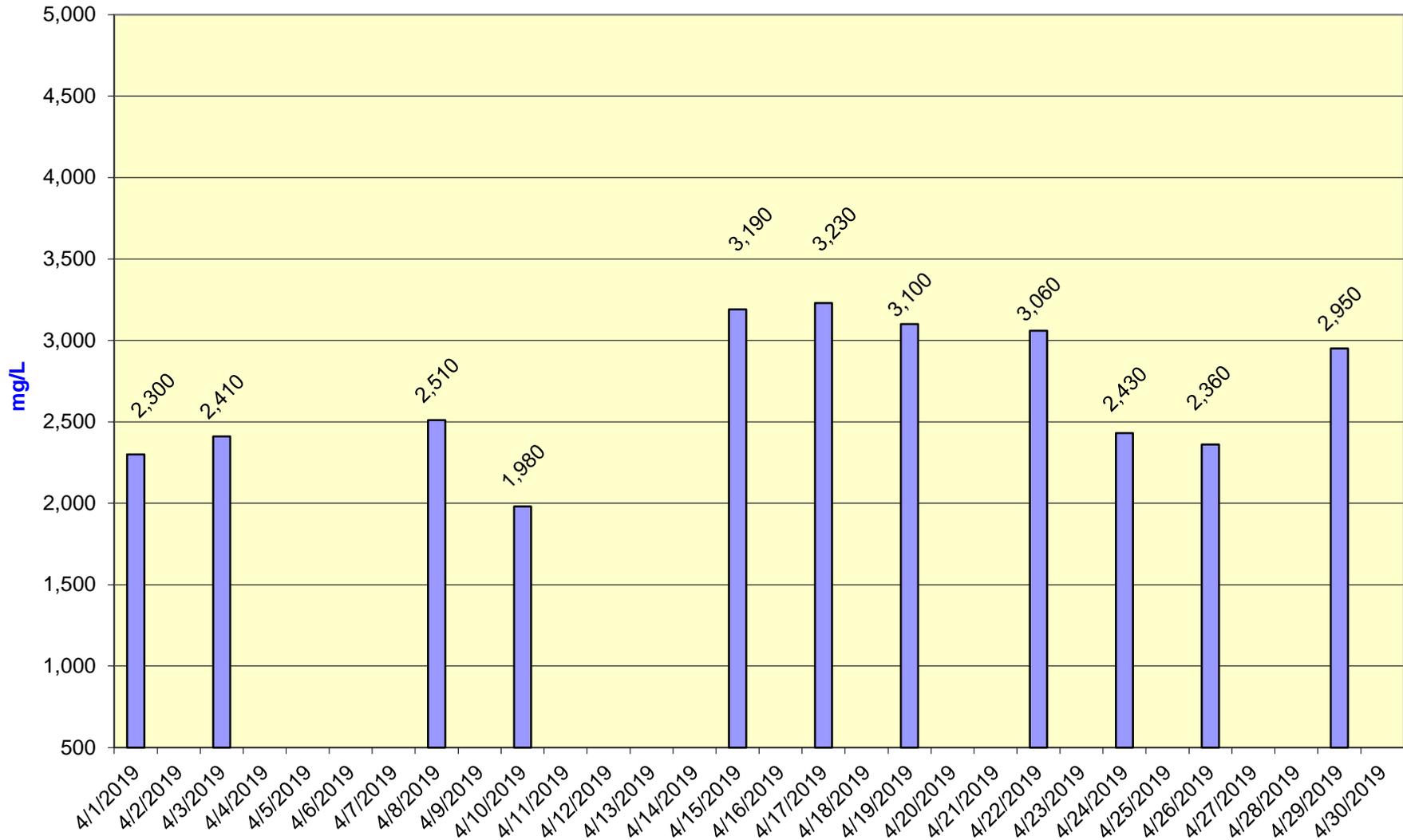
Sludge Volume Index



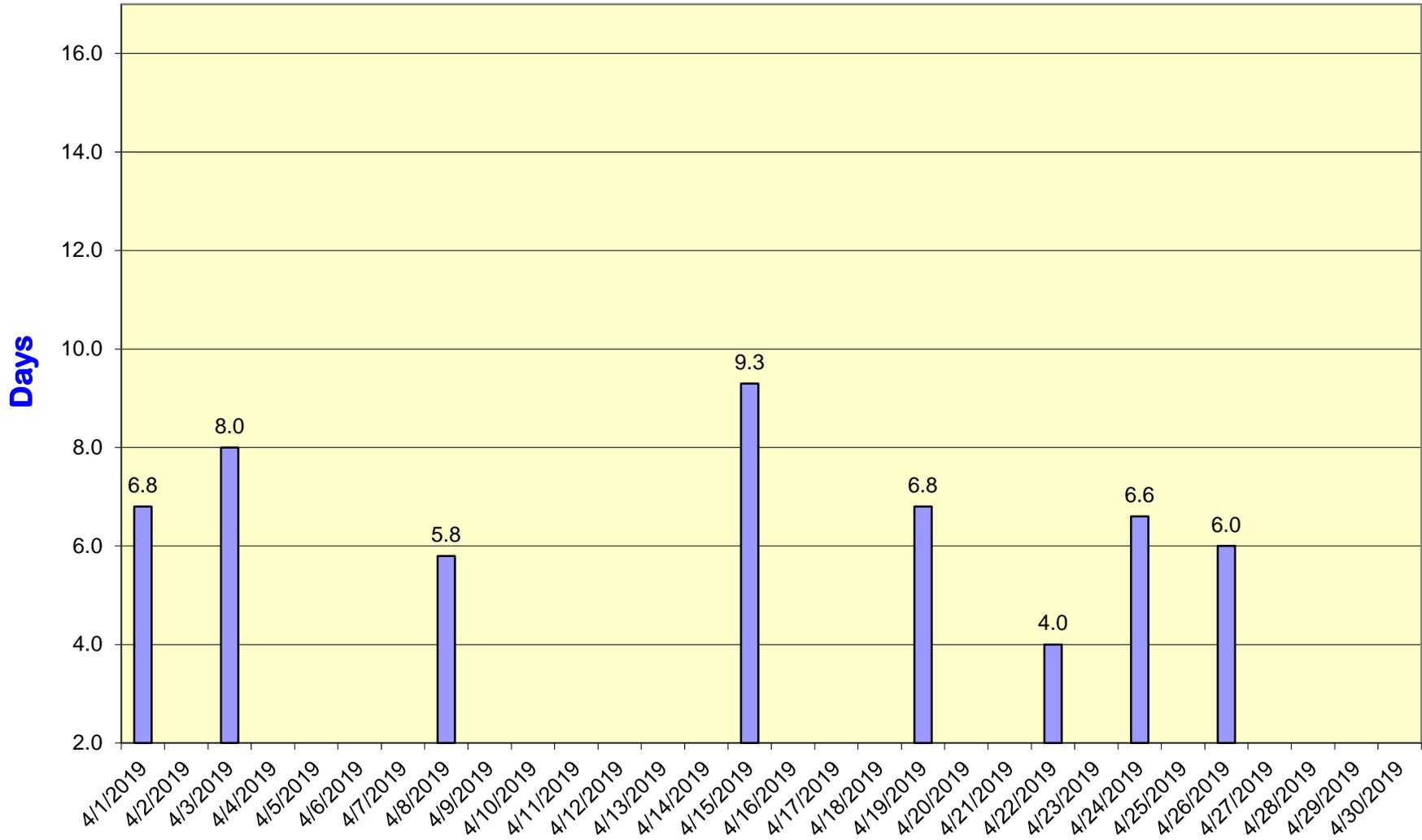
MLSS Inventory



MLSS Concentration



Mean Cell Residence Time

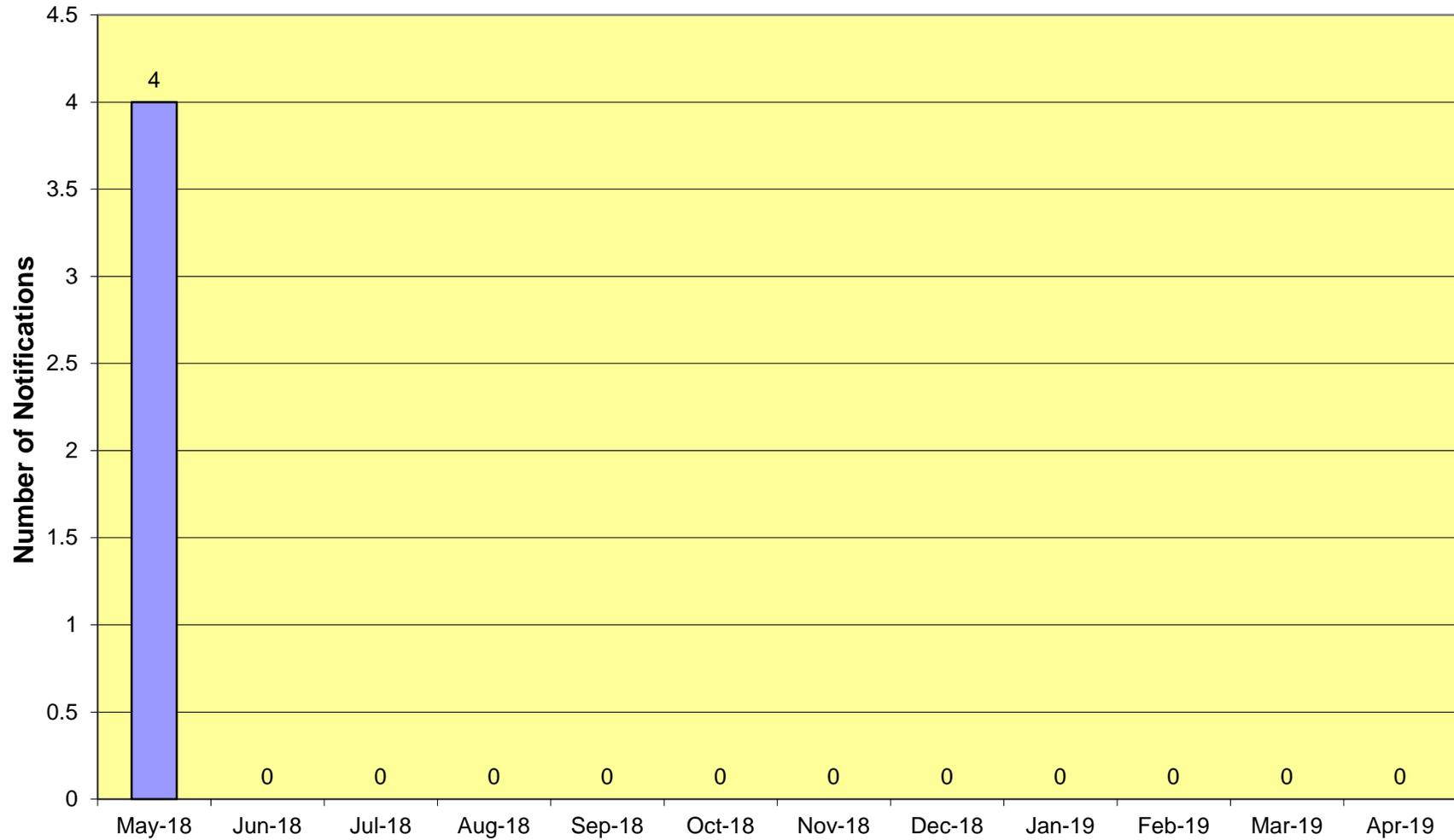


Process Control Data

	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	MCRT	SVI
4/1/2019	5.99	710	2,300	40,973	6.8	309
4/2/2019	5.88					
4/3/2019	5.69	490	2,410	42,932	8.0	203
4/4/2019	5.41					
4/5/2019	6.41					
4/6/2019	5.50					
4/7/2019	5.38					
4/8/2019	5.08	510	2,510	44,714	5.8	211
4/9/2019	5.24					
4/10/2019	4.87		1,980	35,272		
4/11/2019	4.54					
4/12/2019	4.55					
4/13/2019	4.46					
4/14/2019	4.76					
4/15/2019	4.41	525	3,190	56,827	9.3	165
4/16/2019	4.86					
4/17/2019	3.79	525	3,230	57,540		164
4/18/2019	4.45					
4/19/2019	5.22	460	3,100	55,224	6.8	148
4/20/2019	4.49					
4/21/2019	4.43					
4/22/2019	4.06	425	3,060	54,512	4.0	139
4/23/2019	4.07					
4/24/2019	4.76	310	2,430	43,289	6.6	128
4/25/2019	3.97					
4/26/2019	4.20	310	2,360	42,042	6.0	131
4/27/2019	4.23					
4/28/2019	4.16					
4/29/2019	4.14	510	2,950	52,552		173
4/30/2019	3.91					
Minimum	3.79	310	1,980	35,272	4.0	128
Maximum	6.41	710	3,230	57,540	9.3	309
Total	142.91					
Average	4.76	478	2,684	47,807	6.7	177

6) NEIGHBORHOOD CONTACTS

Neighborhood Contacts Received

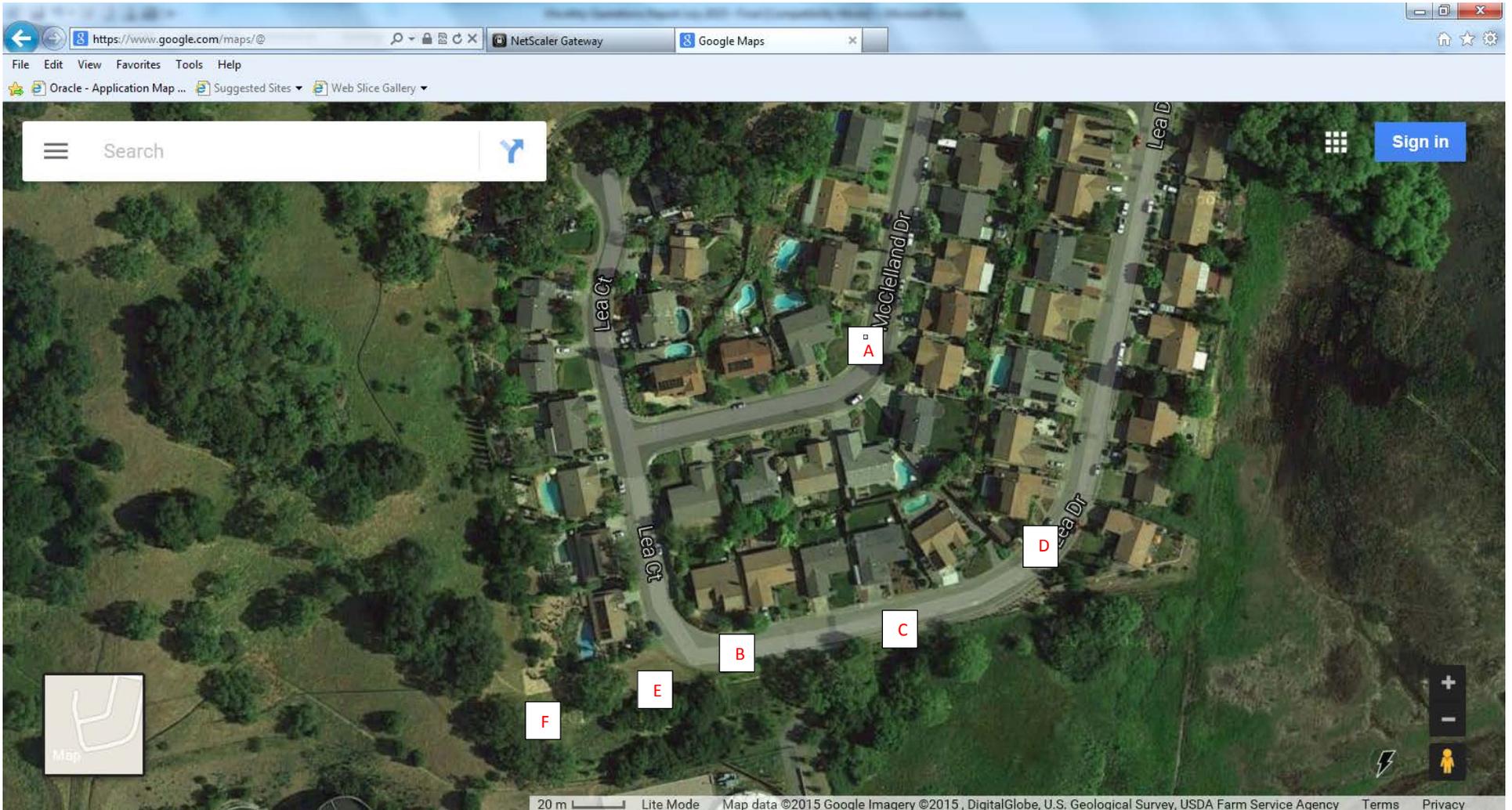


7) JEROME METER READINGS & LOCATIONS

JEROME METER READINGS - APRIL 2019

Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.110	0.0183	Neighborhood
B: Lea 1	0.000	0.030	0.0050	Neighborhood
C: Lea 2	0.000	0.060	0.0100	Neighborhood
D: Lea 3	0.000	0.040	0.0067	Neighborhood
E: Lea 4	0.000	0.020	0.0100	Neighborhood
F: Lea 5	0.000	0.000	0.0000	Neighborhood

NEIGHBORHOOD JEROME METER LOCATIONS – LEA AND McCLELLAND



NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
April 2019

1.0 Summary:

1.1 During April 2019:

- The treatment plant was in Bay Discharge mode (i.e. plant effluent was discharged to the bay).
- Residual storm water was pumped out of reclamation areas and standing water began to evaporate making Sites 2 and 3 accessible again.
- Pump No. 3 at Drainage Pump Station No. 7 was removed for repairs, on 4/24/2019.
- Fahy Tree service began removing over sixty (60) fallen eucalyptus trees at Site 2 on 4/30/2019.

2.0 Ranch Operations:

2.1 Drainage Pump Stations No. 3 and 7 pumped approximately 72.5 MG and 32.6 MG, respectively this month.

2.2 Koffler Electrical Mechanical Apparatus and Bigge Crane Service were on site at Drainage Pump Station No. 7 to remove pump #3 for off-site repairs on 4/24/2019.

2.3 Fahy Tree began mobilizing for tree removal on 4/29 and began tree removal work on 4/30/2019. Fahy's work plan is to remove between 60 and 70 fallen Eucalyptus trees from ditches and roads at Site 2.

2.4 Various ranchers toured the NSD reclamation area as part of the Ranch Lease RFP process.



Figure 1: DPS 7 Pump 3 being removed.

3.0 Irrigation Parcels:

3.1 No irrigation of any parcels occurred in April 2019.

3.2 Marin Sonoma Mosquito and Vector Control sprayed various flooded areas of District reclamation land.

4.0 Irrigation Pump Station:

4.1 The Wildlife Pond pump was lubricated and restarted on 4/23/2019.

4.2 Storage pond Nos. 1 and 2 levels dropped from 5.8 feet to 5.6 feet throughout late April 2019 as the wildlife feed pump transferred water from the storage ponds to the wildlife pond.

5.0 Biosolids (sludge) Handling & Disposal:

5.1 No biosolids handling or disposal was performed in April 2019.

NOVATO SANITARY DISTRICT

Reclamation Facility - Monthly Statistics for Calendar Year 2019, as of March 31, 2019

	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										
Irrigation (MG)	0	0	0	0										
Irrigation Pump 1 Hours	0	0	0	0										
Irrigation Pump 2 Hours	0	0	0	0										
Irrigation Pump 3 Hours	0	0	0	0										
Washdown Water Pump Hours	0	0	0	0										
Wildlife Feed Pump Hours	0	0	0	0										
Water Circulated through Wildlife Pond (MG)	0	0	0	0.0										
Strainer No. 1 Hours	0	0	0	0										
Strainer No. 2 Hours	0	0	0	0										
Pond 1 Gauge @ Beginning of Month (feet)	3	4	5.8	5.8										
Pond 1 Gauge @ End of Month (feet)	4	5.8	5.8	5.6										
Pond 1 Gallons Stored @ End of Month(MG)	28	43	43	41										
Pond 2 Gauge @ Beginning of Month (feet)	3	4	5.8	5.8										
Pond 2 Gauge @ End of Month (feet)	4	5.8	5.8	5.6										
Pond 2 Gallons Stored @ End of Month(MG)	36	55	55	53										
Total Irrigation Water Stored (MG)	64	98	98	94										
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	411.3	639.2	302.1	0										
Drainage Pump No. 2 Hours	555.8	666.8	692	359.6										
Drainage Pump No. 3 Hours	192.9	478.6	655.3	0										
Total Gallons Stormwater Pumped (MG)	348	535.38	494.82	107.88	NA	NA	NA	0	--	--	--	--	1486.08	371.52
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	39.2	305.1	72.6	0										--
Drainage Pump No. 2 Hours	249.3	276.8	319.6	72.5										--
Drainage Pump No. 3 Hours	23.4	1.9	0	0										--
Total Gallons Stormwater Pumped (MG)	140.36	262.71	176.49	32.63	NA	NA	NA	0.00	--	--	--	--	612.18	153.05

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Cogeneration/Alt. Energy, Account No. 72708.	MEETING DATE: May 13, 2019 AGENDA ITEM NO.: 8.a.
RECOMMENDED ACTION: Receive presentation on Cogeneration System implementation alternatives from the District's consultant Woodard & Curran, and provide direction, if any.	
SUMMARY AND DISCUSSION: <p>At its May 22, 2017 meeting, the District Board of Directors received an update on progress toward implementing cogeneration/alternative energy projects as part of the FY 17-18 Budget Workshop. Staff presented three primary strategies for working toward achieving the District's energy goals: 1. Cogeneration, 2. Solar generation and battery storage (alternative energy), and 3. Energy Efficiency measures (EEMs).</p> <p>District staff has continued to concurrently follow up on each of these strategies, working with various vendors and energy services companies (ESCOs). Specifically, on the cogeneration strategy, the District retained Woodard & Curran, Inc. (W&C), to update the Cogeneration Evaluation Technical Memorandum that W&C (formerly RMC Water Environment), had originally drafted in 2006 as part of the Wastewater Treatment Plant Upgrade design.</p> <p>W&C will present their findings on implementation alternatives, and a recommended option for a cogeneration project, to the Board. If the Board is interested in following up on W&C's recommended cogeneration project, staff requests that the Board provide direction to pursue this recommendation.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 2 (Reliable and Efficient Facilities) and Goal 3 (Alignment and Communications) of the latest Strategic Plan Update.	
DEPT. MGR.: eb	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects Update, April 2019.

MEETING DATE: May 13, 2019

AGENDA ITEM NO.: 8.b.

RECOMMENDED ACTIONS: Receive Capital Projects Update for April 2019.

SUMMARY AND DISCUSSION:

The April 2019 Capital Projects Update is attached.

District staff will be present at the meeting to provide an overview of the memo, and be available to discuss the status of the various projects or respond to any questions.

ATTACHMENTS: 1. Capital Projects Update, April 2019.

STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.

DEPT. MGR.: EB

GENERAL MANAGER: SSK

**Novato Sanitary District
Capital Improvement Program (CIP)
Capital Projects Update
April 2019**

Account No. 72403: Pump Station Improvements

This ongoing, long-term account provides for replacing the District's underground-type pump stations with submersible pump-type pump stations.

- No update this month.

Account No. 72508: North Bay Water Reuse Authority (NBWRA)

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). FY18-19 will be the fifth year of the multi-year Phase 2 program, including continuing environmental work for currently over \$75 million in recycled water projects across all NBWRA agencies for funding under the US Bureau of Reclamation Title XVI (WaterSMART) program.

- No update this month.

Account No. 72706: Collection System Improvements

1. Redwood Blvd. Sewer Rehab Project: Rehabilitation of about 1,850 feet of 12-inch sewer main along Redwood Blvd. between Lamont Avenue and Diablo Avenue.
 - The Project has been reevaluated for pipe size and construction method. Construction method will remain pipe bursting with a one-size diameter increase.
 - Advertisement for bids anticipated in June, 2019.
2. Bel Marin Keys Blvd. Sewer Rehab Project: Rehabilitation of about 900 feet of 10-inch and about 1,410 feet of 8-inch sewer main in Bel Marin Keys Blvd.
 - Contract awarded to Michels Pipeline Construction, March 18, 2019.
 - Substantial completion expected Summer 2019.
3. Golden Gate Place: Realignment/replacement of approximately 1,000 feet of 8-inch sewer with new 10-inch PVC sewer.
 - Phase I of the project is complete.
 - Phase II project at 65% design level.
 - Estimated Phase II construction, Summer 2019.
4. Collection System Master Plan (CSMP): Continuing work associated with the CSMP currently underway by the District's consultant Woodard and Curran (W&C):
 - The District received a draft report on January 30th. Staff is currently reviewing comments with the consultant, Woodard & Curran (W&C).

Account No. 72706-1: Lateral Replacement Program

The District established this program as a sub-account within Account No. 72706, as part of a long-term approach to reducing infiltration and inflow from private residential laterals into the District's collection system.

- As of 4/30/19, twelve (12) grants have been distributed for a total of \$24,000. The FY 18-19 account balance is \$56,000.

Account No. 72707: Hamilton Wetlands/Outfall Integration

As noted in prior years, the State Coastal Conservancy's (SCC) goal for their project is to utilize the District's effluent as a reliable, long-term fresh water source to establish and maintain a brackish marsh habitat at the SCC's Wetlands project.

- SCC has indicated that construction of the first phase may advance as early as Summer 2019.

Account No. 72708: Cogeneration/Alt. Energy

- The District's Consultant, Woodard and Curran (W&C) will be presenting the results of the Cogeneration Evaluation Technical Memo Update to the Board under a separate agenda item.
- District and Veolia staff are working with Enovity, Inc. (Consultant), an energy services company, which is evaluating optimization/energy savings measures/projects eligible for PG&E's on bill financing (OBF) program. The Consultant presented several proposed energy efficiency measures (EEMs) to the Board at its regular meeting of February 11, 2019. Staff is currently reviewing a design-build proposal for implementing EEMs and a draft agreement.

Account No. 72803: Annual Collection System Repairs

Collection system repairs are generally reported monthly as part of the Collection System Operations report, and reported annually in the Uniform Public Construction Cost Accounting Act (UPCAA) staff report.

Account 72804: Annual Reclamation Facilities Improvements

Reclamation facilities improvements are generally reported monthly as part of the Reclamation Facilities Operations report and reported annually in the UPCA report.

Account No. 72805: Annual Treatment Plant Improvements

Treatment Plant Improvements are generally reported monthly as part of the Wastewater Operations report and reported annually in the UPCA report.

Account No. 72806: Annual Pump Station Improvements

Pump station repairs are generally reported monthly as part of the Collection System Operations report and reported annually in the UPCA report.

Account No. 72807: Annual Ignacio Facility Improvements

This budget account was established in FY 17-18 to fund small projects to maintain the Ignacio facility (excluding the Ignacio Transfer Pump Station), or perform demolition/site clean-up work related to the treatment units of the decommissioned Ignacio Treatment Plant (ITP).

- FY 18-19 Budget for this account is \$50,000 with a balance of approximately \$16,000.

Account No. 72808: Strategic Plan Update:

- No update this month.

Account No. 72809: Novato Creek Watershed

This account and its budget was established as a result of an agreement with the Marin County Flood Control District.

Under this agreement, the District participates in a program with the County of Marin, the City of Novato, and the North Marin Water District to explore alternatives to reduce flooding potential in the lower Novato Creek portion where all of these agencies have facilities that are prone to flood damage.

- No update this month.

Account No. 73003: Administration Building Upgrades/Maintenance Building

This account includes allowances for minor improvements to the Administration Building and work associated with providing a new temporary Maintenance Building.

- The District has issued a purchase order in the amount of \$256,388.74 for a modular building system in December 2018.
- The modulares were delivered in March 2019. Occupancy expected late Spring/early Summer 2019.

Account No. 73004: Odor and Landscaping Improvements

This account budgets for further work by District and operations staff and the District's Odor Specialist consultant(s) to address and manage any odor issues raised by the District's neighbors. It also includes an allowance to address any landscaping items.

- No update this month.

Account No. 73005: RWF Expansion

This account funds the design and construction of an incremental capacity expansion to the existing Recycled Water Facility (RWF) at the Novato Treatment Plant site. This first expansion was necessitated by the planned expansion by the North Marin Water District (NMWD) of its Central Area Project, which will push NMWD's recycled water distribution pipelines into the Central Novato/Ignacio geographic areas.

- The Notice of Completion (NoC) has been filed, and the Project is in the warranty period.

Account No. 73006: NTP Corrosion Control

This account includes funds for corrosion control projects at the Novato Treatment Plant site. As the recently constructed facilities age, the effects of the aggressive nature of wastewater corrosion start to appear and need to be addressed.

- The Headworks Protective Coating Project is at the 90% design level. Completion of design and advertisement for bids is expected Spring 2019, with the work to be conducted during the time of lowest influent flows in the late summer/early fall of 2019.
- The District is working with a coating applicator to coat one UV Channel. The remaining two channels will be coated in FY19-20.

Account No. 73090: Vehicle Replacement

This account includes a FY 18-19 budget amount of \$140,000 for the purchase a 45kw portable generator and replacement of up to four light duty trucks. Purchase orders for the following have been issued to date:

- 1- Nissan Frontier 4x4: \$25,264 (received April, 2019)
- 2- F250 Crew Cab 4x4: \$64,035 (1 of 2 received March, 2019)
- 1- 45kW Towable Generator: \$43,336 (Received March, 2019)

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: ANNUAL BUDGET: FY19-20 Preliminary Budget	MEETING DATE: May 13, 2019 AGENDA ITEM NO.: 9.a.&b.
RECOMMENDED ACTION(S): a. Receive Preliminary Budget for Fiscal Year (FY) 19-20 and FY 20-21. b. Review FY 19-20 Preliminary Annual Operating and Capital budgets and budget elements.	
SUMMARY AND DISCUSSION: <p>The District's Preliminary Budget for Fiscal Years (FY) 19-21 is being presented herein for the Board's review (Attachment 1).</p> <p>Staff will be present at the meeting to provide an overview of the preliminary budget and respond to any questions.</p>	
ATTACHMENTS: 1. Preliminary Budget for Fiscal Years 2019-21.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence), Goal 3 (Alignment and Communications), and Goal 4 (Well Planned Finances with a Long Range Outlook), of the latest Strategic Plan Update.	
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK



Preliminary BUDGET
FOR
Fiscal Years 2019-21

Presented May 13, 2019

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May 13, 2019

Honorable Board of Directors
Novato Sanitary District
500 Davidson Street
Novato, California 94945

Honorable Board Members:

The proposed Preliminary District Budget for fiscal year (FY) 19-20 and FY 20-21 is attached for your consideration and approval. The Preliminary Budget includes the following components:

- Summary of Fund Balances including Operating, Capital Improvement, and Reserve Funds (Section I).
- Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category (Section II).
- Detailed Operating Budget by Cost Center and Account Category (Section III).
- Capital Improvement Budget: Revenue and Expenditures Budget (Section IV)
- FY 19-20 Wastewater Capital Reserve Fund (Section V)
- FY 19-20 Rate Stabilization Fund (Section VI)
- FY 19-20 Debt Service Fund Summary (Section VII).

Note that this year's annual Sewer Service Charge (SSC) increases from \$615 to \$636 per service unit, or an increase of 3.42% over the prior year. The basis of the rate increase is District Ordinance No. 120 – AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2016-17, 2017-18, 2018-19, 2019-20, AND 2020-21. This Ordinance No. 120 was adopted by the District Board at its regular meeting of June 13, 2016 upon completion of the appropriate Proposition 218 process.

As in prior years, the Sewer Service Charge (SSC) is divided in FY 19-20, with \$350 (55%) allocated to the Operating Budget, and \$286 (45%) allocated to the Capital Budget.

A. BUDGET STRUCTURE

The District's budget is prepared on a cash basis. Operating and Capital Revenues and Expenditures are summarized in Table 1, and illustrated in Figure 1 at the end of this letter. Table 1 also compares the adopted budget for the immediate past year with the proposed budget for the next year.

Overall, it is projected that total revenues will increase by about 3.3 percent primarily from the sewer service charge increase discussed above, but also from anticipated increases in property tax revenues accruing to the District, and from increased interest income. Variances between the two budget years are also provided later in this letter.

	FY 18-19 Adopted Budget	FY 19-20 Proposed Budget	% Change FY 19 to FY 20
Operating Revenues	\$ 11,282,802	\$ 11,593,131	2.75%
Capital Revenues	\$ 11,035,274	11,460,960	3.86%
Total Revenues	\$ 22,318,076	\$ 23,054,091	3.30%
Operating Expenditures	10,740,490	11,460,946	6.71%
CIP Expenditures	6,803,000	5,110,000	-24.89%
Debt Service	6,839,456	6,829,956	-0.14%
Total Expenditures	\$ 24,382,946	\$ 23,400,902	-4.03%

B. FISCAL YEAR FY 19-20 OPERATING BUDGET DETAILS

Operating Revenues

The proposed FY 19-20 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 2), along with the figures for the past two fiscal years.

Funding Sources by Category	FY 17-18 Adopted Budget	FY 18-19 Adopted Budget	FY 19-20 Proposed Budget	% Change FY 19 to FY 20
Operating Sewer Service Charges	\$ 9,691,440	\$ 10,145,760	\$ 10,306,800	1.59%
Permit & Inspection fees	26,500	31,500	36,500	15.87%
Interest Income	43,000	120,000	240,000	100.00%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	53,438	55,041	56,692	3.00%
AB 939 Collector Fees	376,426	400,772	441,640	10.20%
Oil and Beverage Grant	62,729	62,729	44,629	-28.85%
Ranch Income	70,000	70,000	40,000	-42.86%
Recycled Water Revenue	135,500	202,000	231,870	14.79%
Other Revenue	30,000	30,000	30,000	0.00%
Total Operating Revenue	\$10,654,033	\$11,282,802	\$11,593,131	2.75%

As seen from Table 2, total operating revenues are budgeted to increase by 2.8% or \$310,329 from FY 18-19. Other notable items include:

Operating SSCs budgeted increase of \$161,040 or 1.6%, primarily from the approved 3.4% rate increase recommended by the 2016 sewer service charge rate study, and adopted by District Ordinance No. 120.

Interest Income budgeted increase of \$120,000 or 100% due to a continued potential for increases in interest rates, and a change of interest income allocation from a 55-45 split between operating and capital revenues to a 60-40 split.

Oil and Beverage grant budgeted to decrease by \$18,100 or 28.9% from elimination of beverage grant revenue.

Ranch Income budgeted to decrease by \$30,000 or 42.9% due to change in upcoming new lease agreement.

Recycled Water Revenue is based on projections for cost recovery of operating costs through an agreement with the North Marin Water District (NMWD).

Operating Expenditures

A summary of proposed and past two fiscal years Operating Expenditures is shown in Table 3. The proposed FY 19-20 Operating Expenditures are also shown graphically in Figure 3 (by expense type) and Figure 4 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 6.7% or \$720,456 between FY 18-19 and FY 19-20. A notable enhancement to the budget document this year from a transparency perspective is the creation of the new “Non-Departmental” cost center. This cost center includes expenditure items that were previously lumped under the “Administrative/Engineering (A/E)” cost center, but that could not be readily attributed to an administrative or engineering function, while providing an extremely skewed budget expenditure picture for the A/E cost center. In other words, the new Non-Departmental cost center seeks to independently account for expenditures that are either District-wide or not directly attributable to a specific department or cost center.

Also, in FY16-17, the District moved forward on addressing its liabilities under Government Accounting Standards Board (GASB) Statement 45 (GASB 45 – Other Post-Employment Benefits or OPEB) and Statement 68 (GASB 68 – Net Pension Liability or NPL). The District set up and initiated funding a trust account with Public Agency Retirement Services (PARS), Irvine, CA, which incorporates separate sub-accounts for each of the GASB 45 and GASB 68 liabilities. In June of 2018, the District implemented GASB 75, which superseded GASB 45 for disclosure and reporting of OPEB. Consistent with Board direction (provided November 14, 2016), future District budgets (including the FY 19-21 budgets) will include amounts to fund this trust, subject to Board approval.

Table 3: Operating Budget Expenditures 3-year Summary:

Expenditures by Department	FY 17-18	FY 18-19	FY 19-20	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 19 to FY 20
Collections	\$ 1,359,767	\$ 1,371,942	\$ 1,417,481	3.32%
Treatment	3,160,475	3,266,628	3,406,609	4.29%
Reclamation	521,554	490,972	513,066	4.50%
Laboratory	599,461	583,410	596,348	2.22%
Pump Stations	836,309	835,226	853,053	2.13%
Administration/Engineering	2,174,699	2,188,599	2,556,757	16.82%
Hazardous Household Waste	439,155	463,501	486,269	4.91%
Recycled Water	135,500	202,000	231,870	14.79%
Non-Departmental	1,102,315	1,338,212	1,399,493	4.58%
Total Expenditures	\$ 10,329,235	\$ 10,740,490	\$ 11,460,946	6.71%

Table 4 summarizes the main anticipated operating budget variances.

Table 4: Operating Budget, Significant Budget Variances FY 18-19 to FY 19-20

Anticipated Budget Variances – Year-over-year, FY 18-19 to FY 19-20	Variance, %	Budget Impact, \$	Budget Impact, %
1. Salaries and wages (across all cost centers).	7.9	\$ 181,908	1.59
2. Employee Benefits (across all cost centers).	10.3	\$ 132,984	1.16
3. GASB 68 (Net Pension Liability) PARS Trust Fund contributions.	24.6	\$ 71,343	0.62
4. Gas & Electricity (across all cost centers)	9.7	\$ 94,360	0.82
5. Outside consulting (Admin & Eng. cost center).	22.5	\$ 52,000	0.45
6. Repairs & Maintenance (across all cost centers).	17.40	\$ 60,250	0.53
7. Outside services in the Pump Station & Collection System cost centers.	14.30	\$ 25,000	0.22

C. FISCAL YEAR FY 19-20 CAPITAL BUDGET DETAILS

Capital Revenues

The proposed FY 19-20 Capital Budget by Revenue source is shown in Table 5 below, along with the figures for the past two fiscal years. Total capital revenues for FY 19-20 are expected to increase by 3.9% or \$425,686 from FY 18-19. Notable items include:

Capital SSC Revenues - projected increase of \$481,968 or 6.1% primarily from the approved 3.4% rate increase recommended by the 2016 sewer service charge rate study, and adopted by District Ordinance No. 120.

Property Taxes - projected increase of \$46,718 or 2% from greater housing market activity over the past few years.

Connection Fees – projected to increase \$14,000 or 3.0% assuming about 40 new connections per year.

Interest Income – projected increase of \$35,000 or 28% from continued potential increase in interest rates.

Grant Revenue – projected decrease of \$151,000 or 100% from FY 18-19 since the District has received all anticipated Title XVI grant funds for its Recycled Water Facility (RWF) expansion project from the US Bureau of Reclamation (USBR) through the North Bay Water Reuse Authority (NBWRA) Phase I Program.

Table 5: Capital Budget Revenue 3-year Summary

Funding Sources by Category	FY 17-18	FY 18-19	FY 19-20	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 19 to FY 20
Capital Sewer Service Charges	\$ 7,753,152	\$ 7,940,160	\$ 8,422,128	6.07%
Property Taxes	2,188,693	2,335,914	2,382,632	2.00%
Connection Charges	447,600	461,200	475,200	3.04%
Collector/Special Equalization Chgs	2,000	2,000	1,000	-50.00%
Interest Income	40,000	125,000	160,000	28.00%
Grant Revenue	475,000	151,000	0	-100.00%
Other Revenue	20,000	20,000	20,000	0.00%
Total Capital Revenues:	\$10,926,445	\$11,035,274	\$11,460,960	3.86%

Capital Expenditures

The proposed Capital Improvement Program (CIP) Budget for FY 19-20 is \$11,939,956 or \$1,702,500 less or 12.5% less than last year. Capital projects for FY 19-20 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

On-going major capital project work, including Collection System Improvements, Reclamation Facility Improvements, potential Cogeneration/Alternative Energy project work and vehicle replacement (primarily a new combination vacuum/flusher unit).

Continuing work on regional efforts including NBWRA, Novato Creek Watershed, and the Hamilton Wetlands/Outfall study.

Debt service of \$6,829,956 including principal and interest payments on the District's State Revolving Fund (SRF) loan and the 2017 Revenue Refunding Bonds.

Table 6 shows summary Capital Debt Service and Capital Project Costs for three fiscal years.

Capital Expenditures	FY 17-18	FY 18-19	FY 19-20	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 19 to FY 20
Capital Projects	\$5,680,000	\$6,803,000	\$5,110,000	-24.89%
Debt Service	7,043,504	6,839,456	6,829,956	-0.1%
Total	\$12,723,504	\$13,642,456	\$11,939,956	-12.5%

Debt Coverage Ratio In the 2011 Certificates of Participation (COP) Installment Sale Agreement, the District agreed to collect rates and charges each fiscal year that would be sufficient to yield net revenues equal to at least 120 percent of the installment payments on the COPs and all parity debt in the fiscal year, for a Debt Coverage Ratio (DCR) of 1.20. In October 2017, the District retired these COPs by issuing the 2017 Revenue Refunding Bonds thereby saving the District over \$2 million in debt service over the next twenty years. While the 2017 Revenue Refunding Bonds do not require disclosure of the DCR, the District's projected DCR of 1.70 for FY 19-20 serves as an indicator of its financial stability.

D. COMPARISON OF ANNUAL SEWER SERVICE CHARGES LEVIED BY NEIGHBORING AGENCIES

The following table compares the District's rate with those of other nearby sanitation agencies. For illustrative purposes, Figure 5 (following this letter) compares the District's SSC changes relative to changes in the Consumer Price Index (CPI) for the Water and Sewer Services industry for the last ten years.

AGENCY	RATE (\$/yr.)
Sanitary District No. 5 – Belvedere	1,985 ^(b)
Tamalpais Community Services District	1,771 ^(b)
Sausalito-Marín City Sanitary District ⁽¹⁾	1,490 ^(b)
Sanitary District No. 1 – City of Larkspur	1,356 ^(b)
Sanitary District No. 5 – Tiburon	1,034 ^(b)
City of Santa Rosa	1,021 ^(b)
Ross Valley Sanitary District (SD#1)	961 ^(b)
Las Gallinas Valley Sanitary	927 ^(b)
City of Petaluma	920 ^(b)
City of Mill Valley	779 ^(a)
Napa Sanitation District	710 ^(b)
Vallejo Sanitation & Flood Control District	672 ^(b)
NOVATO SANITARY DISTRICT	636 ^(b)
Town of Corte Madera	500 ^(b)

Notes:⁽¹⁾ Includes SMCS D charge of \$866 and City of Sausalito charge of \$624;
^{a)}FY 18-19 charges; ^(b)FY 19-20 (proposed or adopted)

In conclusion, the proposed FY 19-20 budget will be able to accomplish the District's commitments to achieving the key goals set forth in its Strategic Plan while maintaining reasonable rates for its customers.

Sincerely,

 SANDEEP KARKAL, P.E.
 General Manager-Chief Engineer

 LAURA CREAMER, CPA
 Finance Officer

Additional Charts for Informational Purposes:

Figure 1:

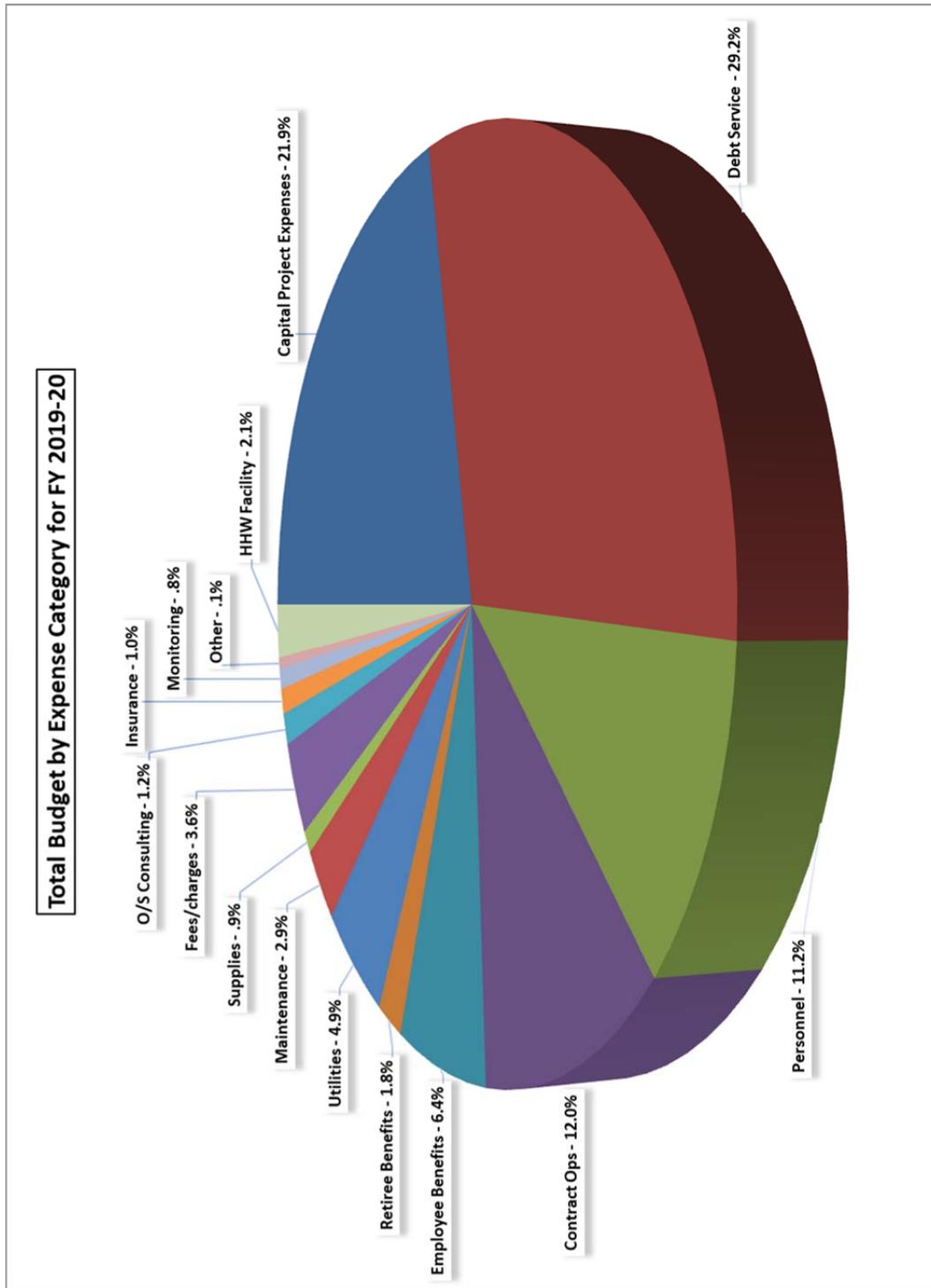


Figure 2:

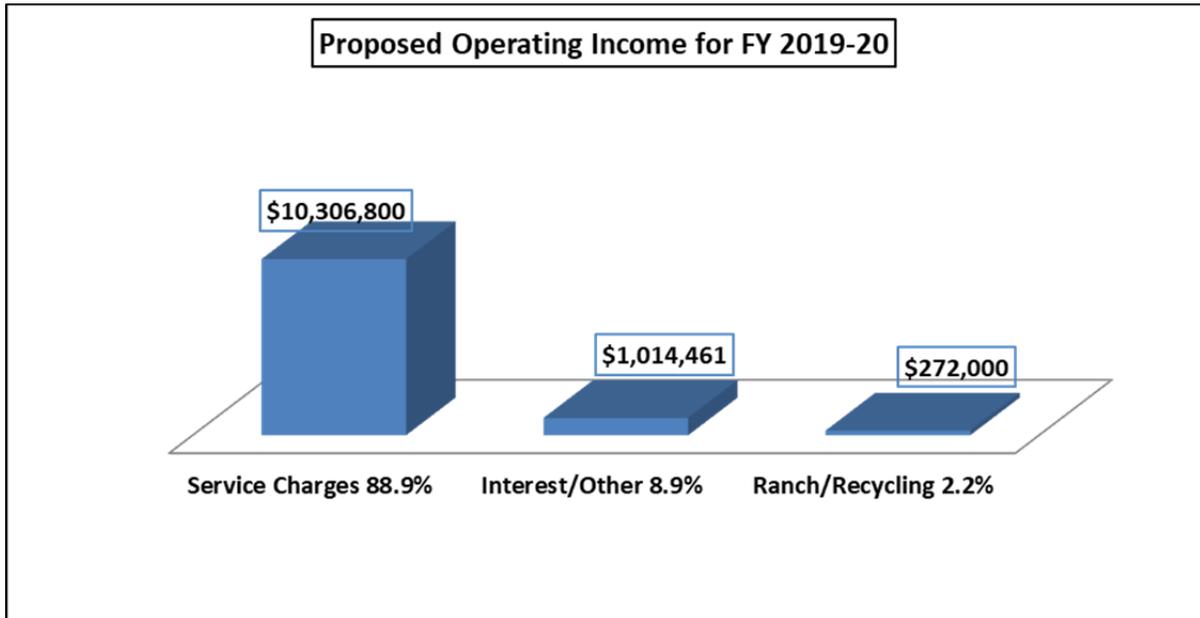


Figure 3:

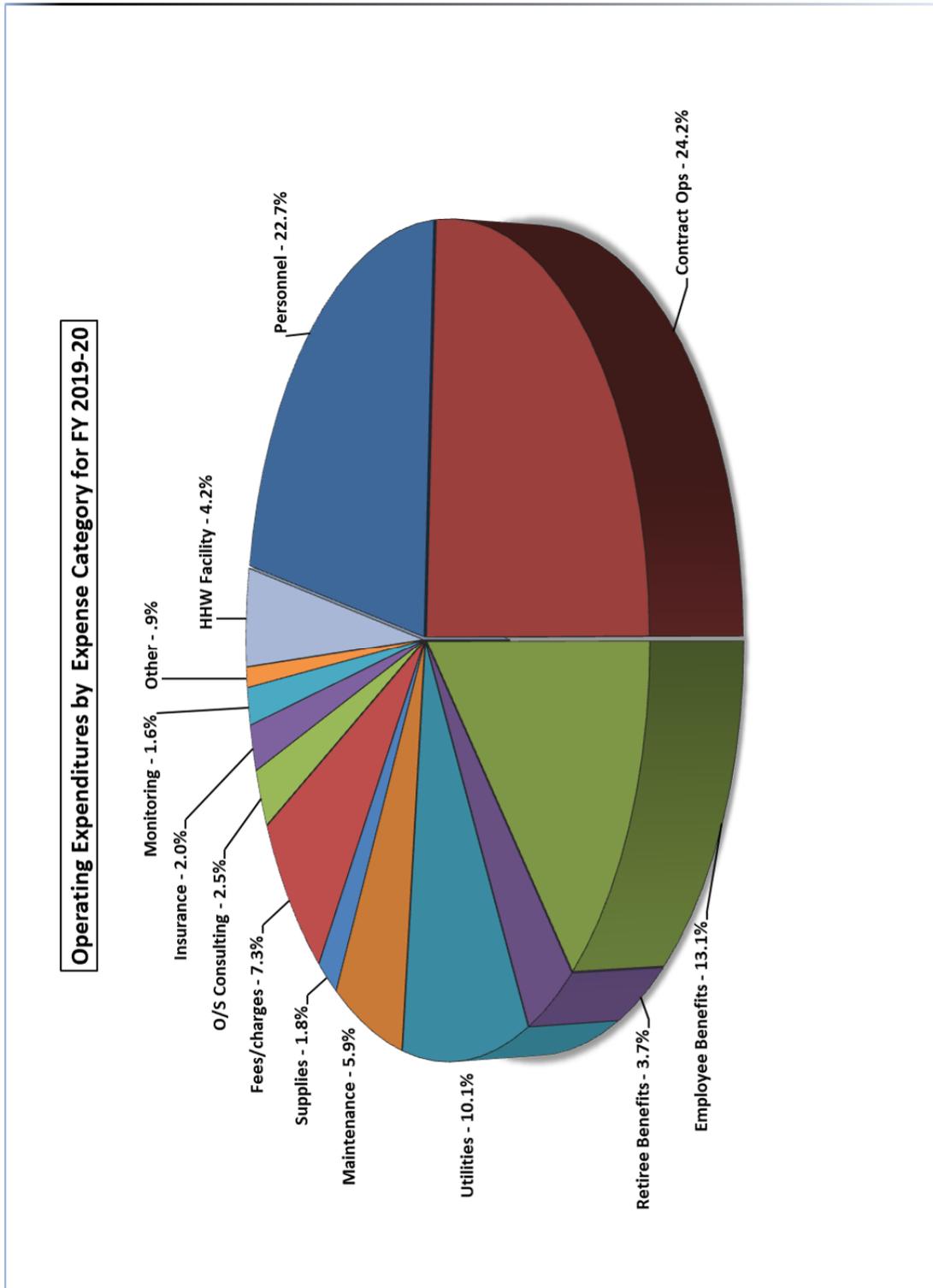


Figure 4:

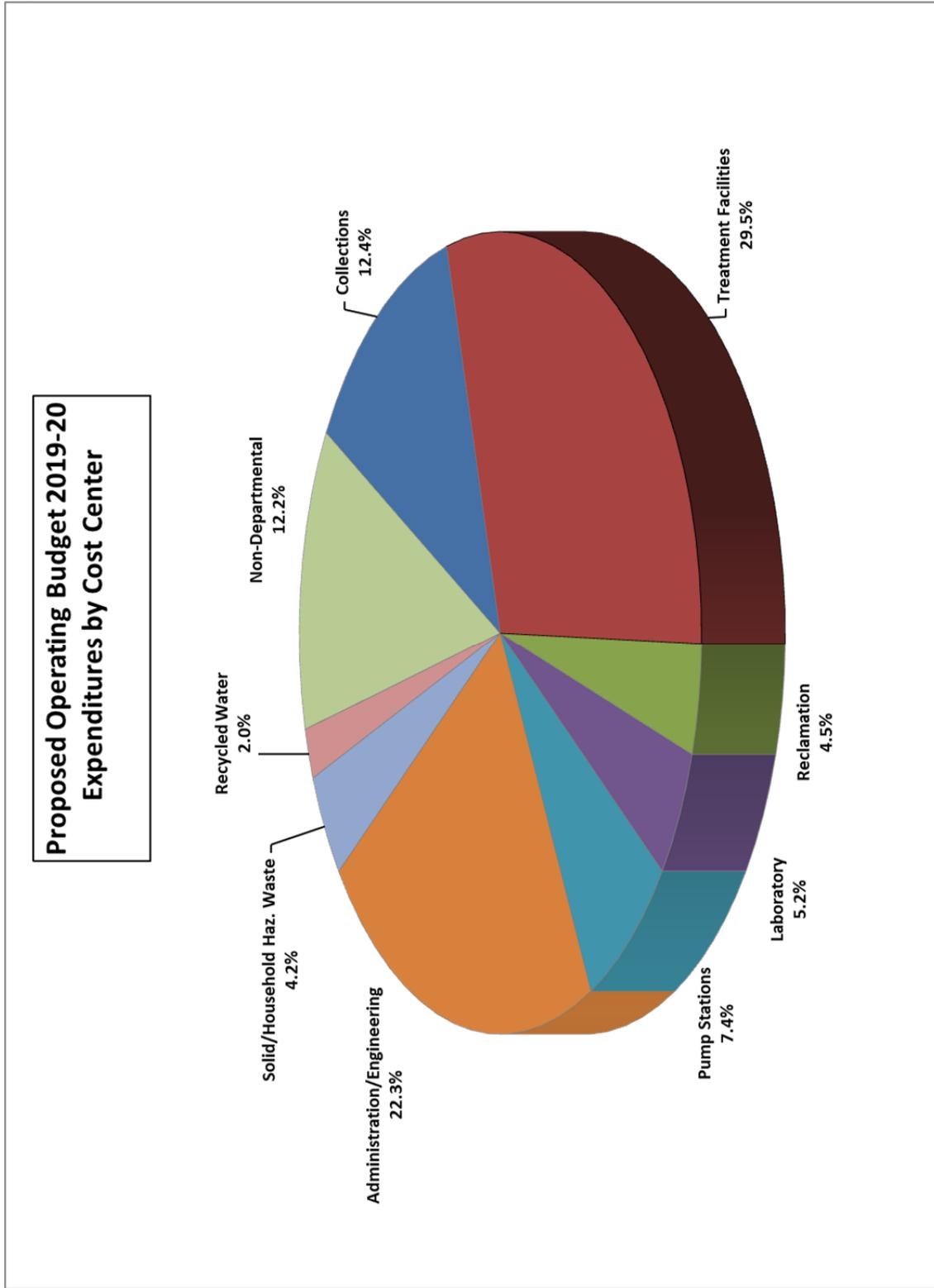
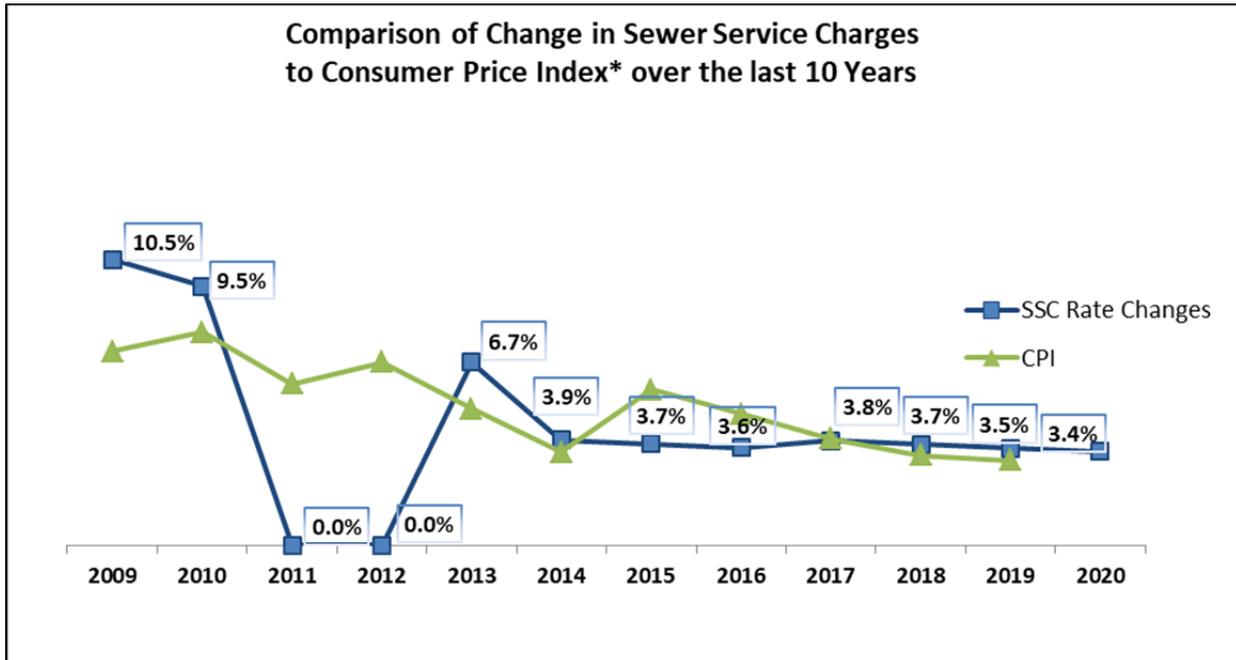


Figure 5:



*CPI – Bureau of Labor Statistics – Series Id: CUUR0000SEHG01; Not Seasonally Adjusted; U.S. city average; Water and sewerage maintenance; Base Period: 1982-84=100

SECTION I

SUMMARY OF FUND BALANCES

**Novato Sanitary District
2019-21 Preliminary Budget
Summary of Fund Balances**

	Adopted Budget 2018-19	Projected Rev/Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Operating Fund at July 1st Beginning of Each Year	12,825,706	12,825,706	13,666,131	12,246,149
Operating Revenue (p. 2)	11,282,802	11,267,402	11,593,131	11,987,830
Operating Expenditures (p. 3)	10,740,490	10,105,173	11,460,946	11,948,118
Net Operating Revenue	542,312	1,162,229	132,185	39,712
Operating Fund Balances before transfers at Year End	13,368,018	13,987,935	13,798,316	12,285,861
Transfers Out - to Rate Stabilization Fund (RBF)	50,648	50,648	52,167	53,732
Transfers Out - to Capital Improvement Fund	271,156	271,156	1,500,000	1,500,000
Operating Fund Balances after transfers at the End of Each Year	13,046,214	13,666,131	12,246,149	10,732,129
Capital Improvement Fund at July 1st Beginning of Each Year	9,074,817	9,074,817	8,770,645	9,041,649
Capital Revenue (p. 15)	11,035,274	10,727,445	11,460,960	11,837,333
Transfers In (1)	271,156	271,156	1,500,000	1,500,000
Total Capital Revenue and Fund Transfers	11,306,430	10,998,601	12,960,960	13,337,333
Capital Expenditures (p. 16)	6,803,000	4,166,000	5,110,000	4,572,000
Debt Service (p. 19)	6,839,456	6,839,456	6,829,956	6,818,956
Transfers Out (2)	297,317	297,317	750,000	750,000
Total Capital Expenditures and Fund Transfers	13,939,773	11,302,773	12,689,956	12,140,956
Capital Improvement Fund Balances after transfers at the End of Each Year	6,441,474	8,770,645	9,041,649	10,238,026
Wastewater Capital Reserve Fund (WCRF), Fund Balance at the End of Each Year (p. 16)	324,653	324,653	1,074,653	1,824,653
Rate Stabilization Fund (RSF), Fund Balance at the End of Each Year (p. 18)	1,738,912	1,738,912	1,791,079	1,844,812
Fund Balances at The End of Each Year	21,551,253	24,500,341	24,153,530	24,639,620

(1) From Operating Fund Balances.

(2) To Wastewater Capital Reserve Fund.

SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

**Novato Sanitary District
2019-21 Preliminary Operating Budget
Summary of Revenues**

Operating Revenue Center - 41000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Revenues 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
41010 · Sewer Service Charges (1)	9,691,440	10,145,760	10,145,760	10,306,800	10,645,168
41030 · Plan Check & Inspection Fee	500	500	100	500	500
41040 · Permit & Inspection Fee	6,000	6,000	6,000	6,000	6,000
41060 · Interest Income(2)	43,000	120,000	160,000	240,000	252,000
41080 · Engineering & Admin Charges	165,000	165,000	100,000	165,000	165,000
41090 · Non-domestic Permit Fees (3)	20,000	25,000	42,000	30,000	30,000
41100 · Garbage Franchise Fees	53,438	55,041	55,041	56,692	58,393
41105 · AB 939 Collector Fees	376,426	400,772	400,772	441,640	449,140
41107 · Oil/Bev/Tire Grants (4)	62,729	62,729	62,729	44,629	44,629
41130 · Ranch Income	70,000	70,000	70,000	40,000	70,000
41135 · Recycled Water Revenue	135,500	202,000	180,000	231,870	237,000
41140 · Other Revenue (5)	20,000	20,000	20,000	20,000	20,000
41142 · Gain/Loss - disposal of assets	10,000	10,000	25,000	10,000	10,000
Totals	10,654,033	11,282,802	11,267,402	11,593,131	11,987,830

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For 2019/20 the charge is \$636 split between operating (\$350) and capital (\$286).
 - For 2020/21 the charge is \$657 split between operating (\$361) and capital (\$296).
- (2) Reflects higher interest rates, and allocation of interest income to Operating fund.
- (3) Includes application fees, permits and monitoring charges.
- (4) Oil/Bev/Tire Grants ~ \$11,629/ JPA Reimb Fees \$33,000
- (5) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMITATION

The appropriations limitation, pursuant to Article XIIIB of the California Constitution, will be determined prior to submission of the final budget in August.

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
60000 · Collections	1,359,767	1,371,942	1,248,661	1,417,481	1,476,682
61000 · Treatment Facilities	3,160,475	3,266,628	3,241,629	3,406,609	3,602,046
63000 · Reclamation	521,554	490,972	446,861	513,066	527,560
64000 · Laboratory	599,461	583,410	524,625	596,348	630,153
65000 · Pump Stations	836,309	835,226	711,117	853,053	898,398
66000 · Administration/Engineering	2,174,699	2,188,599	2,008,865	2,556,757	2,629,675
67000 · Solid/Household Haz. Waste	439,155	463,501	458,501	486,269	493,769
68000 · Recycled Water	135,500	202,000	232,000	231,870	237,000
69000 · Non-Departmental*	1,102,315	1,338,212	1,232,914	1,399,493	1,452,836
TOTALS	10,329,235	10,740,490	10,105,173	11,460,946	11,948,118

*District-wide allocations

Novato Sanitary District													
2019-20 Preliminary Operating Budget													
Operating Budget:By Cost Center and Account Category													
												Over/	% Over/
	Treatment			Pump	Collection		HHW	Recycled	Non-		As Percent	Under PY	Under PY
	Facilities	Recl	L-M	Stations	System	A-E	Program	Water	Departmental	Total	of Budget	Budget	Budget
Salaries and Wages		86,909		337,492	679,353	1,383,416				2,487,170	21.70%	181,908	7.89%
Contract Services (Operations & Lab)	2,321,464		385,148					66,000		2,772,612	24.19%	76,659	2.84%
Employee Benefits		24,657		140,661	333,428	634,141				1,132,887	9.88%	105,611	10.28%
Retiree Health Benefits									428,334	428,334	3.74%	(2,362)	-0.55%
Pension Expense(Trust)									361,359	361,359	3.15%	71,343	24.60%
Directors' Fees						23,400				23,400	0.20%	(10,600)	-31.18%
Election Expense									75,000	75,000	1%	(15,000)	0.00%
Gasoline, Oil & Fuel		1,000	500	6,400	18,000	2,600				28,500	0.25%	-	0.00%
Insurance	14,000								167,000	181,000	1.58%	(13,500)	-6.94%
Ins Claims Expense									45,000	45,000	0.39%	-	0.00%
Agency Dues									74,800	74,800	0.65%	8,800	13.33%
Memberships/Certifications									10,000	10,000	0.09%	(4,000)	-28.57%
Office Expense						28,000				28,000	0.24%	-	0.00%
Safety		500	1,000	2,000	3,500	2,200				9,200	0.08%	200	2.22%
Software Maint		2,000	1,000	8,500	35,000					46,500	0.41%	(13,500)	-22.50%
Operating Supplies		2,000	20,500	10,000	25,000	5,000		4,400		66,900	0.58%	500	0.75%
Operating Chemicals				0				72,120		72,120	0.63%	10,020	16.14%
Sludge Disposal-Contractual		225,000								225,000	1.96%	5,000	2.27%
Accounting & Auditing						30,000				30,000	0.26%	2,000	7.14%
Attorney									50,000	50,000	0.44%	-	0.00%
Outside Consulting						283,000				283,000	2.47%	52,000	22.51%
IT/Misc. Electrical						57,000				57,000	0.50%	14,000	32.56%
Safety & Wellness Incentive Program									10,000	10,000	0.09%	-	0.00%
Printing & Publication									24,000	24,000	0.21%	-	0.00%
Repairs & Maintenance		70,000	12,200	120,000	75,000	95,000		33,550		405,750	3.54%	60,250	17.44%
Unusual Equipment Maint	150,000									150,000	1.31%	-	0.00%
Small Tools		500		2,000	2,000					4,500	0.04%	-	0.00%
Outside Services				55,000	145,000					200,000	1.75%	25,000	14.29%
Ditch/Dike Maintenance		11,000								11,000	0.10%	1,000	10.00%
Research & Monitoring			130,000					14,000		144,000	1.26%	5,000	3.60%
Travel, Mtgs & Train.									84,000	84,000	0.73%	14,000	20.00%
Pollution Prevention/Pub. Ed.			40,000							40,000	0.35%	-	0.00%
Gas & Electricity	831,145	80,000		115,000				41,800		1,067,946	9.32%	94,360	9.69%
Water		5,000		7,000	12,000					24,000	0.21%	-	0.00%
Telephone				42,000	3,500	13,000				58,500	0.51%	17,500	42.68%
Other/Operational Assistance					700					700	0.01%	-	0.00%
Permits & Fees	90,000	4,500	6,000	7,000	85,000			0		192,500	1.68%	9,500	5.19%
Co. Collection Fees									65,000	65,000	0.57%	2,000	3.17%
Ser. Chg. System Exp									5,000	5,000	0.04%	-	0.00%
AB 939 Solid Waste Programs							486,269			486,269	4.24%	22,768	4.91%
Subtotal before Pass through expenses	3,406,609	513,066	596,348	853,053	1,417,481	2,556,757	486,269	231,870	1,399,493	11,460,946	100.00%	720,456	6.71%
Pass through expenses							(486,269)	(231,870)		(718,139)	-6.68%	(52,638)	
Total	3,406,609	513,067	596,348	853,053	1,417,481	2,556,756	0	0	2,798,986	10,742,807	93.32%	667,818	6.63%
	31.71%	4.78%	5.55%	7.94%	13.19%	23.80%	0.00%	0.00%	26.05%	100.00%			

SECTION III

***OPERATING BUDGET
By Cost Center and Account Category***

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
60010 · Salaries & Wages	650,120	666,060	698,159	679,353	715,183
60020 · Employee Benefits	299,148	318,682	268,302	333,428	363,750
60060 · Gas, Oil & Fuel	15,000	15,000	15,000	18,000	18,450
60085 · Safety	3,500	3,500	3,500	3,500	3,600
60091 · Software Maint	20,000	50,000	32,500	35,000	75,000
60100 · Operating Supplies	28,000	25,000	20,000	25,000	28,000
60150 · Repairs & Maint	80,000	75,000	60,000	75,000	80,000
60152 · Small Tools	2,000	2,000	2,000	2,000	2,000
60153 · Outside Services	175,000	120,000	120,000	145,000	155,000
60192 · Water	12,000	12,000	12,000	12,000	12,000
60193 · Telephone	4,000	4,000	3,500	3,500	4,000
60200 · Other(Garbage Coll)	1,000	700	700	700	700
60201 · Permits & Fees	70,000	80,000	13,000	85,000	19,000
	1,359,767	1,371,942	1,248,661	1,417,481	1,476,682

Comments:

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Treatment Facilities**

Treatment Facilities - Cost Center - 61000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
61000-1 · Fixed Fee(1)	2,173,976	2,262,042	2,262,043	2,321,464	2,433,787
61000-2 · Insurance & Bonds	14,000	14,000	14,000	14,000	14,000
61000-3 · Major Repair/Replcmnt	150,000	150,000	125,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	85,000	85,000	90,000	90,000
61000-5 · Gas & Electricity(2)	732,499	755,586	755,586	831,145	914,259
	3,160,475	3,266,628	3,241,629	3,406,609	3,602,046

Comments:

(1) Fixed fee - 5% increase from prior year, and an allowance for contractual incentive payment.

(2) Assumes 10% increase for purchased utility power based on actual expenditures for 2018/19, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between District and Veolia.

**Novato Sanitary District
2019-2021 Preliminary Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
63010 · Salaries & Wages	71,693	86,021	58,582	86,909	91,864
63020 · Employee Benefits	24,860	22,951	12,425	24,657	26,695
63060 · Gasoline & Oil	2,000	2,000	2,000	1,000	1,000
63085 · Safety	500	500	500	500	550
63091 · Software Maint	2,000	2,000	2,000	2,000	2,100
63100 · Operating Supplies	2,000	2,000	1,500	2,000	2,000
63115 · Sludge Disposal	240,000	220,000	208,815	225,000	225,000
63150 · Repairs & Maint	65,000	60,000	60,000	70,000	72,000
63152 · Small Tools	500	500	500	500	550
63157 · Ditch/Dike Maint	10,000	10,000	8,540	11,000	11,300
63191 · Gas & Electricity	95,000	75,000	85,000	80,000	85,000
63192 · Water	3,000	5,000	3,000	5,000	5,000
63201 · Permits & Fees	5,000	5,000	4,000	4,500	4,500
	521,554	490,972	446,861	513,066	527,560

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
64010 · Contract Lab Services (1)	363,761	378,910	357,631	385,148	413,628
64060 · Gasoline & Oil	1,500	1,500	1,700	500	500
64085 · Safety	1,000	1,000	0	1,000	1,000
64091 · Software Maintenance	1,000	1,000	0	1,000	1,000
64100 · Operating Supplies	20,000	20,000	20,000	20,500	21,115
64150 · Repairs & Maintenance	19,200	10,000	10,000	12,200	12,710
64160 · Research & Monitoring	147,500	125,000	100,000	130,000	134,000
64170 · Pollution Prev/Public Ed	41,500	40,000	30,000	40,000	40,000
64201 · Permits & Fees	4,000	6,000	5,294	6,000	6,200
	599,461	583,410	524,625	596,348	630,153

Comments:

- (1) Includes fees and charges paid for contract laboratory and environmental services provided by Veolia Water and North Marin Water District (NMWD).

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
65010 · Salaries & Wages	358,335	345,078	194,159	337,492	357,007
65020 · Employee Benefits	153,974	144,149	110,458	140,661	151,532
65060 · Gasoline & Oil	5,000	5,000	5,000	6,400	6,560
65085 · Safety	2,000	2,000	1,500	2,000	2,000
65091 · Software Maintenance	8,000	7,000	10,000	8,500	9,000
65100 · Operating Supplies	10,000	10,000	7,500	10,000	10,000
65101 · Operating Chemicals	2,000	2,000	0	0	0
65150 · Repairs & Maintenance	115,000	120,000	120,000	120,000	125,000
65152 · Small Tools	2,000	2,000	1,500	2,000	2,100
65153 · Outside Services, Elect.	30,000	55,000	55,000	55,000	57,500
65191 · Gas & Electricity	115,000	105,000	105,000	115,000	118,000
65192 · Water	7,000	7,000	70,000	7,000	7,200
65193 · Telephone	24,000	24,000	24,000	42,000	45,000
65201 · Permits & Fees	4,000	7,000	7,000	7,000	7,500
	836,309	835,226	711,117	853,053	898,398

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Administration/Engineering**

Administration and Engineering Cost Center - 66000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
66010 · Salaries & Wages	1,235,744	1,208,103	1,170,395	1,383,416	1,454,105
66020 · Employee Benefits	504,956	541,496	494,556	634,141	704,304
66030 · Director's Fees	40,000	34,000	20,250	23,400	23,400
66060 · Gasoline & Oil	5,000	5,000	6,000	2,600	2,665
66085 · Safety	2,000	2,000	2,000	2,200	2,200
66090 · Office Expense	26,000	28,000	28,000	28,000	28,000
66100 · Admin/Engineering Supplies	10,000	5,000	5,000	5,000	5,000
66121 · Accounting & Auditing	26,000	28,000	28,000	30,000	30,500
66123 · O/S Contractual	223,000	231,000	140,000	283,000	226,000
66124 · IT/Misc Electrical	40,000	43,000	43,000	57,000	45,000
66150 · Repairs & Maintenance	50,000	50,000	60,000	95,000	95,000
66193 · Telephone	12,000	13,000	11,664	13,000	13,500
	2,174,699	2,188,599	2,008,865	2,556,757	2,629,675

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Solid/Household Hazardous Waste**

Solid/HHW Cost Center - 67000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
67400 · Management Services	138,118	142,464	142,464	147,500	150,000
67500 · Household Haz. Waste	242,500	260,000	260,000	292,000	297,000
67530 · Used Oil Grant	11,269	11,269	11,269	11,269	11,269
67530-1 Beverage Container Grant	11,268	11,268	11,268	0	0
67540 · Education/Public Outreach	21,000	23,500	18,500	20,500	20,500
67600 · Other	5,000	5,000	5,000	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000
	439,155	463,501	458,501	486,269	493,769

Comments:

Per proposed budget by Solid/HHW Coordinator.

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
68010 · O & M Services (1)	50,000	55,000	85,000	66,000	66,000
68100 · Operating Supplies (2)	2,000	4,400	4,400	4,400	5,280
68101 · Operating Chemicals (2)	27,300	60,100	60,100	72,120	74,000
68150 · Repairs & Maintenance(3)	24,200	30,500	30,500	33,550	35,000
68160 · Research & Monitoring	14,000	14,000	14,000	14,000	14,000
68191 · Gas & Electricity (2)	17,000	38,000	38,000	41,800	43,000
68201 · Permits & Fees	1,000	0	0	0	0
	135,500	202,000	232,000	231,870	237,000

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Non-Departmental**

Non-Departmental (District-wide allocations) Cost Center - 69000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
69021 · Retiree Health Benefits(1)	224,377	218,550	218,550	221,291	239,894
69021-1 · Retiree Health Benefits(2)	162,786	212,146	212,146	207,043	195,612
69022 · Pension Expense (3)	223,152	290,016	290,016	361,359	410,800
69040 · Election Expenses	0	90,000	67,271	75,000	40,000
69070 · Insurance	150,000	180,500	155,000	167,000	180,000
69071 · Insurance Claim Expense	45,000	45,000	5,000	45,000	45,000
69075 · Agency Dues	54,000	66,000	66,000	74,800	78,530
69080 · Memberships/Certifications	10,000	14,000	8,896	10,000	11,000
69122 · Attorney Fees	65,000	50,000	50,000	50,000	55,000
69125 · Safety & Wellness Incent Prog	10,000	10,000	4,175	10,000	10,000
69130 · Printing & Publications	22,000	24,000	17,860	24,000	24,000
69170 · Board Travel & Training	32,500	35,000	35,000	21,000	23,000
69171 · Staff Travel & Training	32,500	35,000	35,000	63,000	67,000
69202 · County Fees-Property Taxes	26,000	33,000	33,000	33,000	35,000
69203 · County Fees-Sewer Ser Chg	40,000	30,000	30,000	32,000	33,000
69250 · Service Charge Sys Exp	5,000	5,000	5,000	5,000	5,000
	1,102,315	1,338,212	1,232,914	1,399,493	1,452,836

Comments:

- (1) Projected contribution to current retirees' health care premiums.
 - (2) Represents FY19-21 Unfunded Actuarial Liability (UAL) contributions into the PARS Trust (OPEB sub-account) established in November 2016.
 - (3) Represents FY19-21 projected contributions to PARS Trust (Pension sub-account).
- *PARS = Public Agency Retirement Services.
OPEB = Other Post-Employment Benefits.

SECTION IV

CAPITAL IMPROVEMENT BUDGET

**Novato Sanitary District
2019-21 Preliminary Budget
Capital Improvement Budget - Summary of Revenues**

Capital Fund	Adopted	Adopted	Projected	Proposed	Preliminary
Revenue Center - 51000	Budget	Budget	Revenue	Budget	Budget
	2017-18	2018-19	2018-19	2019-20	2020-21
Accounts					
Capital Improvement Income					
51010 · Sewer Service Charges(1)	7,753,152	7,940,160	7,753,152	8,422,128	8,728,448
51015 · Property Taxes	2,188,693	2,335,914	2,335,914	2,382,632	2,430,285
51015-1 · Redevelopment Agency(2)	0	0	50,000	0	0
51020 · Connection Charges(3)	447,600	461,200	200,000	475,200	489,600
51030 · Collector Sewer Charges	1,000	1,000	0	0	0
51040 · Special Equalization Chrg	1,000	1,000	4,230	1,000	1,000
51060 · Interest	40,000	125,000	214,000	160,000	168,000
51070 · Other Revenue	20,000	20,000	20,000	20,000	20,000
51072 · Grant Revenue - RWF	475,000	151,000	150,149	0	0
Total Capital Improvement Income	10,926,445	11,035,274	10,727,445	11,460,960	11,837,333
Comments:					
(1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:					
- For 2019/20 the charge is \$636 split between operating (\$350) and capital (\$286).					
- For 2020/21 the charge is \$657 split between operating (\$361) and capital (\$296).					
(2) Redevelopment Agency(RDA) related revenues are being shown separately as they have increased over the past few years from the dissolution and distribution of assets of these agencies. Also, projections for future RDA fund distributions are not available at this time.					
(3) Connection Charges projected at 40 new connections each year.					
- Per Ordinance 120, the connection charge beginning July 1, 2019 is \$11,880 per EDU, and increases by 3% on July 1, 2020 to \$12,240 per EDU.					

**Novato Sanitary District
2019-21 Preliminary Budget
Capital Improvement Budget - CIP Expenditures**

Capital Improvements	Adopted	Adopted	Projected	Proposed	Preliminary
Cost Centers - 72000 & 73000	Budget	Budget	Exp	Budget	Budget
	2017-18	2018-19	2018-19	2019-20	2020-21
Accounts					
72403 · Pump Station Rehabilitation	150,000	50,000	0	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	100,000	80,000	80,000	25,000	25,000
72706 · Collection System Improvments	1,700,000	2,450,000	1,152,000	2,200,000	1,900,000
72706-1 · Lateral Replacement Program	80,000	80,000	44,000	60,000	60,000
72707 · Hamilton Wetlands/Outfall Integration	10,000	10,000	5,000	10,000	10,000
72708 · Cogeneration/Alt. Energy	350,000	350,000	75,000	400,000	550,000
72802 · Annual Sewer Adj. for City Proj	40,000	25,000	0	25,000	30,000
72803 · Annual Collection Sys Repairs	200,000	225,000	100,000	100,000	110,000
72804 · Annual Reclamation Fac Improvements	175,000	175,000	110,000	600,000	830,000
72805 · Annual Treatment Plant Improvements	300,000	300,000	250,000	300,000	100,000
72806 · Annual Pump Station Improvements	100,000	140,000	140,000	175,000	175,000
72807 · Annual Ignacio Facility Improvements	50,000	50,000	45,000	50,000	75,000
72808 · Strategic Plan Update	20,000	20,000	0	20,000	20,000
72809 · Novato Creek Watershed	5,000	5,000	0	5,000	5,000
73003 · Admin Building Upgrade/Maint. Building	350,000	350,000	400,000	150,000	50,000
73004 · Odor Control and NTP Landscaping	50,000	100,000	100,000	50,000	52,000
73005 · RWF Expansion (1)	1,460,000	2,020,000	1,500,000	10,000	0
73006 · NTP Corrosion Control	150,000	233,000	25,000	300,000	100,000
73090 · Vehicle Replacement	390,000	140,000	140,000	580,000	230,000
Subtotal before Debt Service	5,680,000	6,803,000	4,166,000	5,110,000	4,572,000
78500 · Interest - SRF Loan	1,519,744	1,427,123	1,427,123	1,332,279	1,235,159
78500 · Principal - SRF Loan	3,859,212	3,951,833	3,951,833	4,046,677	4,143,797
78500 · Interest - COP Bond/Rev. Refunding Bond	739,548	670,500	670,500	631,000	590,000
78500 · Principal - COP Bond/Rev. Refunding Bond	925,000	790,000	790,000	820,000	850,000
Subtotal for Debt Service	7,043,504	6,839,456	6,839,456	6,829,956	6,818,956
Totals	12,723,504	13,642,456	11,005,456	11,939,956	11,390,956

Comments:

SECTION V

WASTEWATER CAPITAL RESERVE FUND

**Novato Sanitary District
2019-21 Preliminary Budget
Wastewater Capital Reserve Fund**

		2019-21 Budget	
		Prelim	Final
<u>Wastewater Capital Reserve Fund</u>			
FUND BALANCE 6/30/18		3,302,336	
	Required Deposits	297,317	
FUND BALANCE 6/30/19		3,599,653	
	Required Deposits/Transfers In	750,000	
ANTICIPATED FUND BALANCE 6/30/20		4,349,653	
	Proposed Deposits/Transfers In	750,000	
ANTICIPATED FUND BALANCE 6/30/21		5,099,653	0
Note: The District borrowed \$81,307,947 between 2008 and 2011 from the State Revolving Fund (SRF) program, under a loan agreement with the State Water Resources Control Board (SWRCB). The loan agreement requires the District to deposit sufficient funds to build up the Wastewater Capital Reserve Fund (WCRF) at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten years, beginning in FY08-09. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 General Obligation (GO) bonds may be used to offset, dollar for dollar, the required cash deposits to the WCRF. The maximum required WCRF balance is \$3,599,654 of which \$3,275,000 is satisfied by the unused GO bonding capacity. District Policy No. 3500 (adopted August 8, 2013), paragraph 3500.33, sets the reserve amounts in accordance with the terms of the loan, and requires the remainder to be funded as follows: \$27,336 in FY17-18, and \$297,317 in FY18-19. These amounts are being funded from unreserved amounts in the capital improvement fund, and the total of these required deposits (i.e. \$324,653) is included in the Summary of Fund Balances table (Page 1).			

SECTION VI

RATE STABILIZATION FUND

**Novato Sanitary District
2019-21 Preliminary Budget
Rate Stabilization Fund**

		2019-21 Budget	
		Prelim	Final
<u>RATE STABILIZATION FUND</u>			
	FUND BALANCE 6/30/18	1,688,264	0
	Required Deposits/Transfers from Operating	50,648	0
	FUND BALANCE 6/30/19.....	1,738,912	0
	Required Deposits/Transfers from Operating	52,167	
	FUND BALANCE 6/30/20	1,791,079	0
	Required Deposits/Transfers from Operating	53,732	
	FUND BALANCE 6/30/21	1,844,812	0
Note: This fund is maintained at a minimum balance of \$1,500,000 adjusted annually for inflation from unreserved amounts in the operating fund. Beginning FY17-18, this Fund is also included in the Summary of Fund Balances table (Page 1) to relate the cash based methodology of the budget document with the accrual methodology of the Comprehensive Annual Financial Report (CAFR).			

SECTION VII

DEBT SERVICE FUND SUMMARY

NEWS > LOCAL NEWS

Marin warned to prepare for wildfire prevention power shutdowns



A helicopter takes off in Lucas Valley Tuesday. The helicopters are being used to replace wooden poles with light-duty steel poles along transmission and distribution power lines in the area. (Alan Dep/Marin Independent Journal)

By **RICHARD HALSTEAD** | rhalstead@marinij.com | Marin Independent Journal

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ADVERTISING



Marin residents need to prepare for power outages that could extend for days as part of Pacific Gas and Electric Co.'s plan to deactivate power lines more frequently in extreme weather to reduce the risk of wildfires.

The utility has occasionally switched off power to fire-prone areas when there were high winds or other extreme weather events as a safety precaution. In the future those power cuts may not be occasional.

"PG&E has informed us they plan to be substantially more aggressive," Marin County fire Chief Jason Weber said.

"They have to visually inspect all of the lines before they re-energize, which means public agencies and the general public need to be prepared for outages that could last three or four days," Weber said. "We're certainly not ready for that."

California's three largest energy companies — PG&E, Southern California Edison and San Diego Gas & Electric Co. — this week launched a wildfire preparedness campaign at the direction of the California Public Utilities Commission.

The multimedia campaign stresses that all Californians need an emergency plan "in the event your family is affected by a power shutoff — or any other emergency."

"We are working with public agencies throughout the entire county to assist PG&E in its messaging," Weber said, "because the impacts are going to be huge."

In an email, Deanna Contreras, a PG&E spokeswoman, wrote, "We anticipate that a Public Safety Power Shutoff could occur several times per year in PG&E's service area although it is impossible to predict with complete certainty when, where and how often."

"While customers in high fire-threat areas are more likely to be affected," Contreras wrote, "any of PG&E's more than 5 million electric customers could have their power shut off because the energy system relies on power lines working together to provide electricity across cities, counties and regions."

PG&E advises that an appropriate emergency plan needs to account for medical needs such as medications that require refrigeration or medical devices that require power. The company cautions that people also need to learn how to manually open their garage doors and identify backup charging methods for phones.

The decision to turn off the power will be based on a combination of factors: high winds, low humidity and dry conditions on the ground. PG&E intends to notify customers of shutoffs in advance via phone, text alert, email and other means.

This week, PG&E began using two helicopters in Marin as part of its community wildfire safety program.

"Our ongoing and expanded efforts include further enhancing vegetation management around power lines, conducting accelerated safety inspections of electric infrastructure in high fire-threat areas, and hardening our electric system," wrote Contreras.

PG&E is replacing approximately 22 wooden poles with light-duty steel poles along transmission and distribution power lines in an unincorporated area of Marin near San Rafael, the utility said.

"We worked with the private property owner to establish a helicopter landing zone and a temporary yard for equipment at 2400 Lucas Valley Road in San Rafael," Contreras wrote. "We need to use helicopters to help install the new poles in this location. Repairs and upgrades are happening across our service territory."

PG&E will be using two helicopters, a Black Hawk and a Bell LongRanger 206L3. If power interruptions to replace the equipment occur, customers will receive a mailed letter. The flights started Monday and are expected to continue through May 18.

PG&E says it regularly inspects equipment every two to five years depending on the pole or tower. The company says it has enhanced the criteria it uses for inspections based on a risk-based approach to identify components on electric towers and poles that have an increased risk of potential wildfire ignition.

Tags: [fire prevention](#), [newsletter](#), [PG&E](#)



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