

# NOVATO SANITARY DISTRICT

Meeting Date: March 26, 2012

**The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:30 p.m., Monday, March 26, 2012, at the District Offices, 500 Davidson Street, Novato.**

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

## **AGENDA**

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

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

### **3(A). REVIEW OF MINUTES:**

- a. Consider approval of minutes of the February 27<sup>th</sup> and March 12<sup>th</sup>, 2012 meetings.

### **4. CONSENT CALENDAR:**

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

- a. Approve regular disbursements, payroll, and payroll related disbursements.
- b. Approve refurbishment of the two automatic irrigation water strainers in the amount of \$85,000.
- c. Approve staff attendance at Government Finance Officer's Association training in Portland, Oregon.
- d. Grant final acceptance of the Michele Circle Sewer Project and authorize staff to file the Notice of Completion.
- e. NPDES Permit - Chronic Toxicity Screening Test

**5. FACILITY OPERATIONS:**

- a. Wastewater Operations Committee report.
- b. Receive progress report on odor control, noise abatement, and visual screening.
- c. Consider authorizing the Manager-Engineer to request a proposal from Veolia Water North America to amend the service agreement to include operation and maintenance of the Recycled Water Facility.
- d. Presidential appointment an Adhoc Wastewater Service Agreement Update Committee.

**6. SEWER SERVICE CHARGES:**

- a. Presentation on draft revised Sewer Service Charge Ordinance.
- b. Set Public Hearing Date for June 11, 2012 and authorize mailed notice pursuant to Proposition 218.

**7. AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND NOVATO SANITARY DISTRICT:**

- a. Consider adoption of a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of Novato Sanitary District to Provide Section 20475 (Different Level of Benefits) Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) Providing a Second Tier of Different Level of Benefits for New Miscellaneous Members.
- b. Authorize Manager-Engineer to execute required CalPERS Certifications:
  - i. Certification of Governing Body's Actions – CON-12
  - ii. Certification of Compliance with Government Code Section 7507 – CON-12A
  - iii. Certification of Compliance with Government Code Section 20475 – CON-39

**8. PERSONNEL**

- a. Consider approval of an increase in the deferred compensation contribution for the Deputy Manager-Engineer.

**9. STAFF REPORTS:**

- a. Employer Rate Impacts Due to CalPERS Discount Rate Change.

**10. BOARD MEMBER REPORTS:**

**11. MANAGER'S ANNOUNCEMENTS:**

**12. ADJOURNMENT:**

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957:**

- Public employee performance evaluation:  
Title: Manager-Engineer

Next resolution no. 3041

**Next regular meeting date: Monday, April 9, 2012, 6:30 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA**

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

February 27, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:35 p.m., Monday, February 27, 2012, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long approved the agenda as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the February 13, 2012 meeting.

*On motion of Member Peters, seconded by Member Mariani, and carried unanimously, the minutes of the February 13<sup>th</sup> Board meeting were approved.*

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$121,175.33, and capital project disbursements in the amount of \$595,740.70.

President Long questioned if more payments could be processed electronically. The Manager replied that security risks prevent the District from setting up Electronic Fund Transfers for all vendors. She stated, however, that the District is beginning to pay some invoices, such as telephone bills, with a credit card.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Committee report. The Manager discussed the Wastewater Operations Report for January as was presented to the Wastewater

Operations Committee which met on February 14<sup>th</sup>. She stated that in January, the treatment facility recorded excellent performance. She noted that safety performance was exceptional and that the District has been accident-free for 323 days. She stated that the Collection System experienced a 75 gallon overflow due to a contractor error.

Member Peters questioned the pump station maintenance repairs in January and John Bailey, Veolia Water, gave a detailed description of the equipment repair.

- Receive progress report on odor control, noise abatement, and visual screening.

The Manager stated that the biofilter retrofit has been completed and that the new media is in place in all odor beds. She stated that due to the new media, the back pressure is very low and subsequently the beds can operate with only one blower, which has reduced noise emissions.

The Manager stated that the scheduling of Dr. Scofield's health effects study has been delayed. She noted that the study is very extensive and that the draft report is anticipated soon. She stated that the District continues to receive some aeration basin odor complaints but that the number of complaints has been reduced significantly.

The Manager stated that the landscaper has replaced some of the grasses along Lea Drive with Pacific Wax Myrtle trees for additional screening. She stated that further planting or screening is on hold pending meetings with Jim Joyce to determine the best combination of planting and barriers for odor, noise and visual screening.

Member Peters reported that he was in the Lea Drive neighborhood and did not notice any odors. He discussed his auditory and visual observations while in the area.

- Consider acceptance of Annual Operations Report. The Manager stated that Veolia Water had prepared their Annual Operations Report for the period from August 6, 2010 through July 31, 2011. She stated that the draft report had been reviewed by staff and was provided to the Wastewater Operations Committee at their January meeting. She suggested that the period covered for future reports be changed to a calendar year cycle instead of the current August 1 to July 31 cycle.

- Consider approval of annual cost adjustment. The Manager discussed the incentive payments and annual cost adjustment due to Veolia. She discussed the Cost Savings Sharing which provides for an incentive payment to Veolia Water for a reduction in the treatment plant's kWh electrical usage. The incentive payment for this program totals \$42,411.

The Manager discussed Performance Incentives that were included in the Veolia contract and have resulted in an achievement incentive totaling \$2,200 for the 2010-11 operating year.

The Manager stated that the Contract Service fee was subject to adjustment based on flow and loading. She noted that the loading was slightly higher than the contract amount, resulting in an adjustment for the 2010-11 operating year of \$4,954.

The Manager stated that the total credit due to Veolia for this period was \$49,565 and she recommended the Board authorize payment in this amount.

The Board commented that Veolia's Annual Operations and Maintenance Report was very thorough and provided an excellent representation of data management for the period covered.

Member Welsh questioned if Veolia had completed the 200 Standard Operation Procedure (SOP's) manuals as outlined in their contract. John Bailey, Veolia Water, stated that just over 100 SOP's have been finalized at this point. He stated that SOP's have been prioritized and continue to be created.

*On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board approved payment to Veolia Water as per Contract in the amount of \$49,565 for Veolia's annual cost adjustment and earned incentives.*

The Manager stated that Veolia's Annual Operations and Maintenance Report will be available on the District website at [www.novatosan.com](http://www.novatosan.com).

#### ADMINISTRATION:

- Review draft District brochure. The Manager gave a Power Point presentation of the draft District brochure as prepared by Martin Rauch, Rauch Communication Consultants. The Board discussed the brochure and made requests for changes to the document.

Member Welsh commented that he strongly disagrees with the brochure statement: "*Public-Private Partnership Saves Millions. The treatment plant is managed through a contract with Veolia, a nationally recognized firm specializing in public utilities. This public-private partnership is **saving our ratepayers millions of dollars.***" Member Welsh stated that this comparison has not been proven. He requested this wording not be included in the brochure.

The Board discussed this statement from the brochure. President Long and Members Di Giorgio, Peters and Mariani stated they felt the language was appropriate and overruled Member Welsh's request to exclude the verbiage.

The Manager asked the Board to return any comments and corrections to her and noted she would forward them to Martin Rauch.

- Consider adoption of District Policy No. 4099 - Board Meeting Technology. The Manager stated that the District has begun a pilot program to test the use of tablet computers for Board member agenda packets. She requested that the Board approve District Policy No. 4099 detailing the restrictions on technology use during Board meetings. She stated that District Counsel has reviewed the policy and that his comments have been incorporated.

The Board discussed the policy with District Counsel Kent Alm. The following addition was requested to be made to 4099.1: "*Any hardware **and software** provided remains the property of the District...*". The Board discussed the use of the Internet during Board meetings. President Long stated that the Board should be allowed to access the Internet during Board meetings for research purposes. District Counsel Kent Alm stated that Internet access was customarily restricted during meetings so as to prohibit Board members from being influenced during a vote through secret messaging. Mr. Alm stated he would provide the appropriate wording for the policy and return the document to the Board for approval as a Consent Calendar item.

*On motion of Member Mariani, seconded by Member Peters, and passed unanimously, the Board approved District Policy No. 4099 in concept until the item can be reviewed by District Counsel and returned as a Consent Calendar item at a future Board meeting.*

#### COLLECTION SYSTEM IMPROVEMENT PROJECT 72706 PHASE G:

- Consider approval of a contract in the amount of \$62,000 with the Covello Group for construction management services on a time and materials basis. The Manager stated that the Covello Group has submitted a Proposal in the amount of \$61,580 to provide construction management services for the Galli Drive Sewer Project. She stated that the fee may appear high but provides for the possibility that hazardous materials may be found.

*On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board approved a contract in the amount of \$62,000 with the Covello Group for construction management services on a time and materials basis for the Galli Drive Sewer Improvement Project, Project 72706, Phase G.*

#### STAFF REPORTS:

- National Association of Clean Water Agencies (NACWA) conference. The Manager discussed her attendance at the NACWA conference which was held in Los Angeles

on February 14<sup>th</sup> and 15<sup>th</sup>. She stated that the conference was similar to the California Association of Sanitation Agencies (CASA) conferences, but for larger agencies and on a National level. The Manager discussed the topics presented at the conference: nutrient removal and future EPA requirements. She discussed the District's current position in regards to nutrient removal and stated that the Novato Sanitary District's processes are in a good position for future EPA mandates.

BOARD MEMBER REPORTS:

- North Bay Water Reuse Authority. President Long discussed his attendance at the NBWRA meeting which was held earlier in the day and noted that he has stepped down as Chairman of that committee. He stated that Vice-Chair Keith Caldwell, Napa County 5<sup>th</sup> District Supervisor, was elected as Chairman.

The Board expressed their significant gratitude to President Long for his many years of participation and leadership in the NBWRA.

Member Mariani stated that the CASA Spring Conference will be held in Napa from April 25<sup>th</sup> through the 27<sup>th</sup>. She noted that on April 25<sup>th</sup>, Ira Summer, Public Pension Professionals, will give a presentation on California Public Pensions.

MANAGER'S ANNOUNCEMENTS:

- The North Bay Watershed Association will meet at the District office on Friday, March 2<sup>nd</sup> at 9:30 a.m. Chuck Weir will give an update on the North Bay Water Reuse Authority.

There being no further business to come before the Board in Open Session, President Long concluded Open Session at 7:55 p.m. and called for a five minute break.

At 8:00 p.m., President Long reconvened the meeting and stated the Board would meet in Closed Session for the item listed on the Closed Session Agenda:

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION (subdivision (a) of Section 54956.9):

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

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

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

Closed Session ended at 8:30 p.m. There was no reportable action.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:31 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Swoboda, Recording

DRAFT

March 12, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, March 12, 2012, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: John Bailey, Project Manager, Veolia Water  
Steve McCaffrey, Novato Disposal  
Dee Johnson, Household Hazardous Waste Manager  
Martin Rauch, Rauch Communication Consultants  
Tom Gaffney, Principal, Bartle Wells Associates  
Brant Miller, Novato resident  
Dasse de longh, NSD employee, Novato resident  
Bob Guinan, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

President Pro Tem Di Giorgio approved the agenda as written.

PUBLIC COMMENT:

Steve McCaffrey, Novato Disposal, discussed the latest edition of the *Novato Disposal Recycling News*. He stated that the newsletter was currently being mailed to all Novato residents. He highlighted the new theme that Novato Disposal is rolling out: **“Mission: To Zero”** which addresses the goal of reducing residential and commercial waste.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$131,933.37, project account disbursements in the amount of \$37,505.81, and Board member disbursements in the amount of \$3,052.06.
- b. Approval of the Canyon Green Subdivision, Sewer Main Extension Plans
- c. Review Accounts Receivable Report.
- d. Approve the following meeting schedule: April 9<sup>th</sup> and 23<sup>rd</sup>, May 14<sup>th</sup> and Tuesday, May 29<sup>th</sup>.

### WASTEWATER OPERATIONS:

- Receive progress report on odor control, noise abatement, and visual screening. The Manager gave a progress report on the District's current activities to address neighborhood concerns about odors, noise, and visual screening. She reported that the biofilter retrofit work was completed by the contractor in February. She stated that air flow is excellent and odors have been significantly reduced.

The Manager stated that Dr. Scofield will conduct a workshop on potential health effects from the odor emissions on Wednesday, March 21, 2012 at 6:30 p.m. in the District boardroom. The Manager stated that the workshop will be noticed as a Public Workshop so all Board members can attend.

The Manager reported that twelve Pacific Wax Myrtle trees have been planted to improve the screening along Lea Drive. She discussed the current landscaping with the members of the public in attendance.

The Manager reported that Veolia has installed temporary sound walls around the headwork's blower which resulted in additional noise reduction. She stated that air pressure has been lowered and the number of blowers operating has been reduced, also decreasing noise levels from the facility.

Bob Guinan, Novato resident, stated he appreciates the District's efforts and that the neighbors are anxious to meet with Dr. Scofield. Mr. Guinan stated he is skeptical of the visual screening, but applauds the District's efforts. He stated that he understands it may take 3 to 5 years for the trees to grow to maturity. A determination can be made to their effectiveness at that time. Mr. Guinan stated that noise emissions have decreased and that neighbors near the treatment facility have expressed their appreciation.

Member Peters discussed his first-hand observations of the odors and noise in the Lea Drive neighborhood. He stated there have been significant improvements and he was very encouraged.

### ADMINISTRATION:

- Presentation and review of Strategic Plan. Martin Rauch, Rauch Communication Consultants, presented the Novato Sanitary District Draft Strategic Plan. He provided copies to the Board and the public. Mr. Rauch reviewed the Plan in detail and

discussed the following key elements: Strategic Plan framework, development of the Plan, the Strategic Plan, Work Plan, and expectations and results.

The Manager requested the Board review the Draft Plan and return comments and edits by March 26<sup>th</sup>. She stated that Mr. Rauch will bring the final and edited Draft Strategic Plan to the April 9<sup>th</sup> Regular Board meeting for approval.

The Board expressed their appreciation to Mr. Rauch, commenting that he effectively brought the ideas from the Board and Management together into a concise Strategic Plan.

- Presentation and review of Financing Plan Update. The Manager noted that the District had requested Bartle Wells Associates to update their financing plan to fund the District's capital improvement program as well as provide funding for ongoing operation and maintenance. She introduced Tom Gaffney, Principal, Bartle Wells Associates.

Mr. Gaffney reviewed the District's financing plan update. He discussed current borrowing costs, capital costs, replacement costs, and operating expenses. In addition, he summarized the plan for ongoing District financing and discussed the potential impacts to future sewer service charges.

Mr. Gaffney discussed a summary of projected sewer service charge increases. He stated that beginning in fiscal year 2012/13, the total annual sewer service charges for operations and capital are projected to increase an estimated \$31 per equivalent dwelling unit (EDU) and \$19 EDU in the following three years. He noted that the proposed residential increase in sewer service charges is 6.7% in fiscal year 2012/13, 3.8% in 2013/14, 3.7% in 2014/15, and 3.6% in 2015/16.

The Manager stated that at the March 26<sup>th</sup> Board meeting, the Board will set a Public Hearing date for the proposed sewer service charge increase. She suggested the Hearing be set for the first Board meeting in June to give time for the District to provide public awareness well in advance of the Proposition 218 Compliance Notice filing requirements.

The Board discussed the report with Mr. Gaffney. Member Peters commended Mr. Gaffney, stating the report was well done.

#### SOLID WASTE:

- Solid Waste Committee report. Dee Johnson, Household Hazardous Waste (HHW) Manager, provided the Board with a Solid and Hazardous Waste Programs update. In her report, she outlined the 2011 Program accomplishments, Zero Waste Programs and the 2012 Program projections. She reviewed the HHW Programs summary report and discussed the Zero Waste Programs calendar.

Ms. Johnson stated that the next E-Waste event at the Household Hazardous Waste facility would be held from March 24<sup>th</sup> through the 26<sup>th</sup>.

Member Mariani suggested that the Household Hazardous Waste Facility target schools to promote effective battery recycling. She suggested that the Boy and Girl Scouts could be directed towards such an awareness project as well.

#### STAFF REPORTS:

- Bay Area Clean Water Agencies Draft 2011 Mercury Watershed Group Report. The Manager discussed a Mercury Watershed Permit that was adopted by the Regional Water Quality Control Board (RWQCB) in March, 2008 and affects the 37 RWQCB participating agencies. She stated that the Bay Area Clean Water Agencies (BACWA) administers the group and prepares an annual report to the Regional Board with the mercury pollution prevention activities undertaken by each of the agencies. She discussed the draft report and noted that the District had a 77% reduction in mercury loading.

The Board discussed the report and Member Mariani asked if BACWA could footnote the mercury collecting sites to show Novato Sanitary District's participation.

- Nutrient monitoring. The Manager stated that on March 2<sup>nd</sup>, the Regional Water Quality Control Board (RWQCB) issued Order #13267 which required all municipal wastewater dischargers to monitor and report on nitrogen and phosphorous concentrations and mass loadings. She noted that this order will add ten new parameters for the District to sample for in the next two years and will cost the District an estimated additional \$8,000/year.

#### BOARD MEMBER REPORTS:

- The North Bay Watershed Association. President Pro Tem Di Giorgio discussed his attendance at the North Bay Watershed Association's (NBWA) meeting on March 2<sup>nd</sup> at the District office. He stated that Chuck Weir, Program Manager of North Bay Water Reuse Authorities (NBWRA) gave a presentation regarding water issues facing the North San Pablo Bay Region. He stated that interest in recycled water and water re-use was growing greatly and discussed the various agencies that have intentions to join the NBWRA.

#### MANAGER'S ANNOUNCEMENTS:

The Manager discussed a California Special Districts Association (CSDA) e-News article discussing CalPERS. She stated that the CalPERS Pension and Health Benefits Committee will consider a drop in the discount rate assumption from 7.75 percent to 7.25 percent. She noted that the drop in the discount rate means CalPERS will have a margin for adverse deviation that is close to historical levels.

The Manager stated that CSDA has a call for nominations for their Board. She noted that the nominations are not due until late May and that if any Directors would like to be nominated, the Novato Sanitary District Board would have to approve their request. She stated that she has the nomination forms if any are interested.

- ADJOURN IN MEMORY OF FORMER BOARD MEMBER E.A. "SAM" RENATI: The Manager stated that former Board Member Sam Renati passed away on March 2, 2012, after a lengthy illness. She stated that he was a lively and involved Board Member who always had a pleasant comment and winning smile and noted that he will be greatly missed. She requested the Board adjourn the meeting in Memory of Mr. Renati.

ADJOURNMENT: There being no further business to come before the Board, President Pro Tem Di Giorgio adjourned the meeting at 8:52 p.m. in memory of Former Board Member E.A. "Sam" Renati.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Swoboda, Recording

## Novato Sanitary District Operating Check Register - March 26, 2012

Date	Num	Name	Credit
<b>Mar 26, 12</b>			
3/26/2012	54251	Veolia Water North America, ...	157,362.45
3/26/2012	54244	Pacific, Gas & Electric	44,654.41
3/26/2012	54249	Siemens Industry, Inc.	26,033.70
3/26/2012	54223	Flyers Energy, LLC	10,359.41
3/26/2012	54232	Meyers, Nave, Riback, Silver ...	8,562.24
3/26/2012	54234	Motorola Solutions, Inc	6,499.28
3/26/2012	54213	Cantarutti Electric, Inc	6,317.50
3/26/2012	54212	California Diesel & Power	6,164.41
3/26/2012	54229	Marin Autotrans Inc	3,994.40
3/26/2012	54209	Bartle Wells Assoc, Inc	3,600.00
3/26/2012	54219	Dearborn National	2,564.57
3/26/2012	54238	North Marin Water District	1,813.00
3/26/2012	54245	Parcel Quest	1,697.06
3/26/2012	54222	ESRI, Inc.	1,563.76
3/26/2012	54207	American Express-22062	1,277.68
3/26/2012	54248	Shape Incorporated	1,274.63
3/26/2012	54206	Alliant Insurance Services, Inc	1,169.00
3/26/2012	54239	North Marin Water District Pa...	1,151.28
3/26/2012	54205	Adamson, Robert D.	1,120.00
3/26/2012	54211	Bender, Diane	1,098.25
3/26/2012	54233	MME	1,061.89
3/26/2012	54220	Empire Mini Storage - Novato	730.00
3/26/2012	54250	Smart	660.31
3/26/2012	54221	Environmental Resource Assoc	624.47
3/26/2012	54231	Marin Mechanical II, Inc.	601.89
3/26/2012	54226	Labworks Equipment, Inc.	543.70
3/26/2012	54236	North Bay Truck Service	531.05
3/26/2012	54218	CWEAmembers	528.00
3/26/2012	54247	School Fuel	500.00
3/26/2012	54228	Levy, Larry	400.00
3/26/2012	54240	Nute Engineering Inc.	396.00
3/26/2012	54215	Claremont EAP, Inc.	295.00
3/26/2012	54225	HACH/American Sigma Inc	226.44
3/26/2012	54242	Occumetric Inc.	225.00
3/26/2012	54254	WEF Membership	222.00
3/26/2012	54214	Central Marin Sanitation District	209.20
3/26/2012	54224	Grainger	202.90
3/26/2012	54208	Art's Towing	145.00
3/26/2012	54227	Leonardi Automotive & Electri...	132.55
3/26/2012	54217	CWEA-Redwood Empire Sec...	120.00
3/26/2012	54253	WECO	117.75
3/26/2012	54210	Batteries Plus Inc	114.90
3/26/2012	54252	VWR International Inc.	109.82
3/26/2012	54216	Cook Paging	98.64
3/26/2012	54235	North Bay Portables, Inc.	92.22
3/26/2012	54246	Petty Cash	75.85
3/26/2012	54255	Zenith Instant Printing, Inc.	74.22
3/26/2012	54230	Marin Independent Journal	68.40
3/26/2012	54204	Able Tire & Brake Inc.	21.74
3/26/2012	54237	North Marin Auto Parts	20.01
3/26/2012	54243	Pace Supply, Inc.	19.64
3/26/2012	54241	O'Reilly Auto Parts	15.48
<b>Mar 26, 12</b>			<b>297,461.10</b>

**Novato Sanitary District**  
**Operating Check Register Detail**  
For March 26, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
<b>Able Tire &amp; Brake Inc.</b>			
	03/09/2012	60150 · Repairs & Maintenance	21.74
Total Able Tire & Brake Inc.			<u>21.74</u>
<b>Adamson, Robert D.</b>			
	03/13/2012	64010 · Salaries & Wages	1,120.00
Total Adamson, Robert D.			<u>1,120.00</u>
<b>Alliant Insurance Services, Inc</b>			
	03/01/2012	66070 · Insurance	1,169.00
Total Alliant Insurance Services, Inc			<u>1,169.00</u>
<b>American Express-22062</b>			
	03/14/2012	66090 · Office Expense	579.88
	03/14/2012	66170 · Travel, Meetings & Training	450.00
	03/14/2012	64100 · Operating Supplies	136.70
	03/14/2012	60100 · Operating Supplies	111.10
Total American Express-22062			<u>1,277.68</u>
<b>Art's Towing</b>			
	01/01/2012	65150 · Repairs & Maintenance	145.00
Total Art's Towing			<u>145.00</u>
<b>Bartle Wells Assoc, Inc</b>			
	03/15/2012	66123 · O/S Contractual	3,600.00
Total Bartle Wells Assoc, Inc			<u>3,600.00</u>
<b>Batteries Plus Inc</b>			
	03/08/2012	66090 · Office Expense	114.90
Total Batteries Plus Inc			<u>114.90</u>
<b>Bender, Diane</b>			
	03/07/2012	66071 · Insurance Claim Expense	1,098.25
Total Bender, Diane			<u>1,098.25</u>
<b>California Diesel &amp; Power</b>			
	03/05/2012	65150 · Repairs & Maintenance	6,164.41
Total California Diesel & Power			<u>6,164.41</u>
<b>Cantarutti Electric, Inc</b>			
	03/13/2012	63150 · Repairs & Maintenance	6,317.50
Total Cantarutti Electric, Inc			<u>6,317.50</u>
<b>Central Marin Sanitation District</b>			
	03/15/2012	66123 · O/S Contractual	209.20
Total Central Marin Sanitation District			<u>209.20</u>
<b>Claremont EAP, Inc.</b>			
	03/15/2012	66123 · O/S Contractual	295.00
Total Claremont EAP, Inc.			<u>295.00</u>
<b>Cook Paging</b>			
	03/01/2012	61000-4 · Water/Permits/Telephone	56.34
	03/01/2012	65193 · Telephone	30.83
	03/01/2012	60193 · Telephone	11.47
Total Cook Paging			<u>98.64</u>
<b>CWEA-Redwood Empire Section</b>			
	03/21/2012	66170 · Travel, Meetings & Training	120.00
Total CWEA-Redwood Empire Section			<u>120.00</u>
<b>CWEAmembers</b>			
	03/15/2012	66080 · Memberships	528.00
Total CWEAmembers			<u>528.00</u>
<b>Dearborn National</b>			
	03/15/2012	66020 · Employee Benefits	2,564.57
Total Dearborn National			<u>2,564.57</u>

**Novato Sanitary District**  
**Operating Check Register Detail**  
For March 26, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
<b>Empire Mini Storage - Novato</b>			
	03/15/2012	66123 · O/S Contractual	730.00
Total Empire Mini Storage - Novato			<u>730.00</u>
<b>Environmental Resource Assoc</b>			
	02/27/2012	64100 · Operating Supplies	624.47
Total Environmental Resource Assoc			<u>624.47</u>
<b>ESRI, Inc.</b>			
	03/02/2012	60091 · Software Maint	1,563.76
Total ESRI, Inc.			<u>1,563.76</u>
<b>Flyers Energy, LLC</b>			
	03/01/2012	60060 · Gas, Oil & Fuel	5,179.71
	03/01/2012	65060 · Gasoline & Oil	1,035.94
	03/01/2012	63060 · Gasoline & Oil	1,657.51
	03/01/2012	64060 · Gasoline & Oil	725.16
	03/01/2012	66060 · Gasoline & Oil	1,761.09
Total Flyers Energy, LLC			<u>10,359.41</u>
<b>Grainger</b>			
	03/08/2012	65150 · Repairs & Maintenance	202.90
Total Grainger			<u>202.90</u>
<b>HACH/American Sigma Inc</b>			
	02/28/2012	64100 · Operating Supplies	226.44
Total HACH/American Sigma Inc			<u>226.44</u>
<b>Labworks Equipment, Inc.</b>			
	03/08/2012	21020 · Accounts Payable	
	03/08/2012	64150 · Repairs & Maintenance	543.70
Total Labworks Equipment, Inc.			<u>543.70</u>
<b>Leonardi Automotive &amp; Electric, Inc.</b>			
	03/07/2012	60150 · Repairs & Maintenance	132.55
Total Leonardi Automotive & Electric, Inc.			<u>132.55</u>
<b>Levy, Larry</b>			
	03/05/2012	66123 · O/S Contractual	400.00
Total Levy, Larry			<u>400.00</u>
<b>Marin Autotrans Inc</b>			
	03/08/2012	60150 · Repairs & Maintenance	3,994.40
Total Marin Autotrans Inc			<u>3,994.40</u>
<b>Marin Independent Journal</b>			
	02/29/2012	64160 · Research & Monitoring	68.40
Total Marin Independent Journal			<u>68.40</u>
<b>Marin Mechanical II, Inc.</b>			
	03/19/2012	64150 · Repairs & Maintenance	601.89
Total Marin Mechanical II, Inc.			<u>601.89</u>
<b>Meyers, Nave, Riback, Silver &amp; Wilson</b>			
	03/13/2012	66122 · Attorney Fees	8,562.24
Total Meyers, Nave, Riback, Silver & Wilson			<u>8,562.24</u>
<b>MME</b>			
	02/29/2012	60150 · Repairs & Maintenance	1,061.89
Total MME			<u>1,061.89</u>
<b>Motorola Solutions, Inc</b>			
	03/06/2012	66150 · Repairs & Maintenance	2,166.43
	03/06/2012	65150 · Repairs & Maintenance	2,166.43
	03/06/2012	63150 · Repairs & Maintenance	2,166.42
Total Motorola Solutions, Inc			<u>6,499.28</u>

**Novato Sanitary District**  
**Operating Check Register Detail**  
For March 26, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
<b>North Bay Portables, Inc.</b>			
	03/01/2012	63100 · Operating Supplies	92.22
Total North Bay Portables, Inc.			<u>92.22</u>
<b>North Bay Truck Service</b>			
	03/17/2012	60150 · Repairs & Maintenance	531.05
Total North Bay Truck Service			<u>531.05</u>
<b>North Marin Auto Parts</b>			
	03/19/2012	65100 · Operating Supplies	20.01
Total North Marin Auto Parts			<u>20.01</u>
<b>North Marin Water District</b>			
	03/06/2012	64160 · Research & Monitoring	1,726.00
	03/08/2012	65192 · Water	87.00
Total North Marin Water District			<u>1,813.00</u>
<b>North Marin Water District Payroll</b>			
	03/05/2012	64010 · Salaries & Wages	1,151.28
Total North Marin Water District Payroll			<u>1,151.28</u>
<b>Nute Engineering Inc.</b>			
	02/24/2012	66123 · O/S Contractual	396.00
Total Nute Engineering Inc.			<u>396.00</u>
<b>O'Reilly Auto Parts</b>			
	02/03/2012	63150 · Repairs & Maintenance	15.48
Total O'Reilly Auto Parts			<u>15.48</u>
<b>Occumetric Inc.</b>			
	03/13/2012	66090 · Office Expense	225.00
Total Occumetric Inc.			<u>225.00</u>
<b>Pace Supply, Inc.</b>			
	03/08/2012	64150 · Repairs & Maintenance	19.64
Total Pace Supply, Inc.			<u>19.64</u>
<b>Pacific, Gas &amp; Electric</b>			
	03/16/2012	61000-5 · Gas & Electricity	36,263.29
	03/16/2012	63191 · Gas & Electricity	1,353.33
	03/16/2012	65191 · Gas & Electricity	7,037.79
Total Pacific, Gas & Electric			<u>44,654.41</u>
<b>Parcel Quest</b>			
	03/01/2012	66124 · IT/Misc Electrical	1,697.06
Total Parcel Quest			<u>1,697.06</u>
<b>Petty Cash</b>			
	03/19/2012	66170 · Travel, Meetings & Training	65.00
	03/19/2012	65100 · Operating Supplies	10.85
Total Petty Cash			<u>75.85</u>
<b>School Fuel</b>			
	03/20/2012	67400 · Consulting Services	500.00
Total School Fuel			<u>500.00</u>
<b>Shape Incorporated</b>			
	02/29/2012	65150 · Repairs & Maintenance	964.89
	02/29/2012	65150 · Repairs & Maintenance	309.74
Total Shape Incorporated			<u>1,274.63</u>
<b>Siemens Industry, Inc.</b>			
	03/08/2012	65101 · Operating Chemicals	13,030.65
	03/09/2012	65101 · Operating Chemicals	13,003.05
Total Siemens Industry, Inc.			<u>26,033.70</u>

**Novato Sanitary District**  
**Operating Check Register Detail**  
For March 26, 2012

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
<b>Smart</b>			
	03/15/2012	60201 · Permits & Fees	660.31
Total Smart			<u>660.31</u>
<b>Veolia Water North America, Inc.</b>			
	02/01/2012	61000-1 · Fixed Fee	153,063.95
	03/07/2012	61000-2 · Insurance & Bonds	4,298.50
Total Veolia Water North America, Inc.			<u>157,362.45</u>
<b>VWR International Inc.</b>			
	03/01/2012	64100 · Operating Supplies	109.82
Total VWR International Inc.			<u>109.82</u>
<b>WECO</b>			
	03/08/2012	60100 · Operating Supplies	117.75
Total WECO			<u>117.75</u>
<b>WEF Membership</b>			
	03/14/2012	66080 · Memberships	222.00
Total WEF Membership			<u>222.00</u>
<b>Zenith Instant Printing, Inc.</b>			
	03/09/2012	66090 · Office Expense	74.22
Total Zenith Instant Printing, Inc.			<u>74.22</u>
<b>TOTAL</b>			<u><u>297,461.10</u></u>

# Novato Sanitary District Capital Project Check Register

March 26, 2012

Date	Num	Name	Credit
<b>Mar 26, 12</b>			
3/26/2012	2267	Gateway Pacific Contractors, ...	330,947.10
3/26/2012	2264	Anderson Pacific Engineering...	124,750.10
3/26/2012	2273	RMC Water & Environment, I...	77,546.23
3/26/2012	2265	Covello Group, The	43,611.44
3/26/2012	2266	Gateway Pacific Contractors -...	36,771.90
3/26/2012	2269	Linscott Engineering Contract...	29,387.77
3/26/2012	2270	North Bay Landscape Manag...	9,797.57
3/26/2012	2272	Nute Engineering Inc.	9,102.23
3/26/2012	2271	Novato, City	8,361.56
3/26/2012	2275	Whitley Burchett & Associate...	2,451.00
3/26/2012	2276	BakerCorp	2,008.32
3/26/2012	2268	Lateral-Berman	1,500.00
3/26/2012	2274	Verizon Communications	164.47
<b>Mar 26, 12</b>			<b>676,399.69</b>

**Novato Sanitary District**  
**Capital Projects Check Register Detail**  
**March 26, 2012**

	<u>Date</u>	<u>Account</u>	<u>Open Balance</u>
<b>Anderson Pacific Engineering, Inc</b>			
	03/05/2012	72403 · Pump Station Rehabilitation	124,750.10
Total Anderson Pacific Engineering, Inc			<u>124,750.10</u>
<b>Baker Corp</b>			
	02/28/2012	72609 · WWTP Upgrade - Contract B	1,543.32
	03/06/2012	72609 · WWTP Upgrade - Contract B	465.00
Total Baker Corp			<u>2,008.32</u>
<b>Covello Group, The</b>			
	03/01/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	40,126.49
	03/01/2012	72609 · WWTP Upgrade - Contract B	3,299.95
	03/01/2012	72403 · Pump Station Rehabilitation	185.00
Total Covello Group, The			<u>43,611.44</u>
<b>Gateway Pacific Contractors - Escrow</b>			
	02/28/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	36,771.90
Total Gateway Pacific Contractors - Escrow			<u>36,771.90</u>
<b>Gateway Pacific Contractors, Inc.</b>			
	02/28/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	330,947.10
Total Gateway Pacific Contractors, Inc.			<u>330,947.10</u>
<b>Lateral-Berman</b>			
	03/19/2012	72706 · 2008 Collection System Improv	1,500.00
Total Lateral-Berman			<u>1,500.00</u>
<b>Linscott Engineering Contractors Inc</b>			
	02/29/2012	72803 · Annual Collection Sys Repairs	21,304.21
	03/09/2012	72803 · Annual Collection Sys Repairs	2,279.18
	03/09/2012	72803 · Annual Collection Sys Repairs	3,818.11
	03/09/2012	72803 · Annual Collection Sys Repairs	1,986.27
Total Linscott Engineering Contractors Inc			<u>29,387.77</u>
<b>North Bay Landscape Management, Inc</b>			
	03/05/2012	72609 · WWTP Upgrade - Contract B	9,797.57
Total North Bay Landscape Management, Inc			<u>9,797.57</u>
<b>Novato, City</b>			
	03/12/2012	72706 · 2008 Collection System Improv	8,361.56
Total Novato, City			<u>8,361.56</u>
<b>Nute Engineering Inc.</b>			
	02/24/2012	72706 · 2008 Collection System Improv	843.23
	02/24/2012	72706 · 2008 Collection System Improv	1,301.00
	02/24/2012	72403 · Pump Station Rehabilitation	6,958.00
Total Nute Engineering Inc.			<u>9,102.23</u>
<b>RMC Water &amp; Environment, Inc.</b>			
	03/05/2012	73001 · WWTP Upgrade - Contract C	31,801.87
	03/05/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	45,744.36
Total RMC Water & Environment, Inc.			<u>77,546.23</u>
<b>Verizon Communications</b>			
	03/10/2012	73002 · WWTP Up - Cont D - Rec- ARRA Fu	164.47
Total Verizon Communications			<u>164.47</u>
<b>Whitley Burchett &amp; Associates Inc</b>			
	03/07/2012	72706 · 2008 Collection System Improv	2,451.00
Total Whitley Burchett & Associates Inc			<u>2,451.00</u>
			<u><u>676,399.69</u></u>

**Novato Sanitary District**  
**Payroll and Payroll Related Check Register**

March 22 - 31, 2012

Date	Name	Credit
<b>Mar 22 - 31, 12</b>		
03/31/2012	IRS	20,661.14
03/31/2012	EDD	6,166.92
03/31/2012	March Payroll	109,631.82
03/23/2012	Retiree Health Benefits	15,444.27
03/23/2012	CALPERS Retirement(est)	25,278.90
03/23/2012	CalPers Health	29,172.91
03/23/2012	Lincoln Financial Group-401a Plan	3,877.23
03/23/2012	Lincoln Financial Group	3,741.80
03/23/2012	Lincoln Financial Group-401a Plan	3,232.56
03/23/2012	State Street Bank & Trust	3,016.66
03/23/2012	CALPERS Retirement	1,838.54
03/23/2012	Local Union 315	780.00
03/23/2012	Marin Employ Federal Credit Union	517.00
03/23/2012	Franchise Tax Board	420.56
03/23/2012	Torres, Cari	400.00
<b>Mar 22 - 31, 12</b>		<b><u>224,180.31</u></b>

# Novato Sanitary District Board Check Register

Supplemental for February 2012

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
<b>Mar 12, 12</b>				
	03/12/2012	1970	Long, William C	212.29
	03/12/2012	3138	Di Giorgio, Michael	212.29
<b>Mar 12, 12</b>				<u><b>424.58</b></u>

**NOVATO SANITARY DISTRICT  
BOARD AGENDA ITEM SUMMARY**

<b>TITLE: Consent Calendar: Reclamation Facilities Irrigation Strainers Retrofit, Account No. 63151 &amp; 72804</b>	<b>MEETING DATE: March 26, 2012</b>  <b>AGENDA ITEM NO.: 4 b.</b>
<b>RECOMMENDED ACTION:</b> Authorize the Manager-Engineer to execute a Purchase Order in the amount of \$85,000 with R.P Adams Co. for the refurbishment of two automatic irrigation water strainers.	
<b>SUMMARY AND DISCUSSION:</b>  <p>At the end of the 2011 irrigation season District staff removed the two strainers from service and shipped them to RP Adams, the manufacturer of the strainers, for inspection and repair. This planned work was budgeted in the FY2011-12 budget under Account No. 63151 - Unusual Equipment Maintenance. The strainers have been in service since 1990 and the District has no records of past inspections or repairs. The strainers have been leaking at the seals on each end when in use.</p> <p>On March 22, 2012 staff sat down with the factory representatives and went over the inspection report for both strainers. Both strainers working parts within the shell of the strainers are completely worn and need to be replaced. Staff concurs with this assessment because staff visually inspected the interior of the units when they were taken out of service and they did not look in good condition and there were broken parts observed.</p> <p>RP Adams estimates that the cost to replace the internals for each strainer will be \$37,006.50 for one strainer and \$36,532.50 for the second strainer. The shells of the strainers are in good shape, which generally is worth half the cost of the strainers. According to the manufacturer, replacement strainers would cost twice the repair costs. Staff had obtained preliminary quotes from another strainer manufacturer a few months ago for similar units, and agrees that the cost of new strainers from this other manufacturer when combined with retrofit costs to install them would likely be more than twice the cost of refurbishing the existing units.</p> <p>Therefore, staff recommends: (a) That the District refurbishes the existing units, and (b) That the Board authorizes the Manager-Engineer to execute a purchase order with RP Adams in an amount not to exceed \$85,000.00 which would include costs for refurbishment, tax and shipping.</p>	
<b>ALTERNATIVES:</b> None	
<b>BUDGET INFORMATION:</b> The FY2011-12 Budget for Reclamation Account 63151 - Unusual Equipment Maintenance allocated \$50,000.00 for Irrigation Strainer Maintenance and has a current balance of \$47,915. The remaining amount will be funded from the Capital Improvements Budget Account No. 72804 - Annual Reclamation Facilities Improvements, which has a current balance of \$154,872.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Consent Calendar:</b> Approval for staff to attend GFOA Training Seminar.	<b>MEETING DATE:</b> March 26, 2012  <b>AGENDA ITEM NO.:</b> 4 c.
<b>RECOMMENDED ACTION:</b> Approve out of state travel to Portland, Oregon on April 22-23, 2012 for staff to attend a Government Finance Officers' Association Seminar on how to implement the best practices in budgeting and improve the effectiveness of a local government's budget document.	
<b>SUMMARY AND DISCUSSION:</b>  <p>This year, as part of our strategic plan, the District would like to explore options for a new budget document. The GFOA (Government Finance Officers Association) offers training to implement best practices in budgeting and improve the effectiveness of the District's annual budget.</p> <p>At this GFOA seminar, numerous examples are drawn from governmental budget documents to show best practices and how to present governmental budgets in an effective manner.</p> <p>Last year we applied for the Certificate of Achievement Award for Excellence in Financial Reporting due to training attended last year through the GFOA. This year we would like to learn more about the best way to present our budget and through this improve the effectiveness of our budget documents in years to come.</p> <p>Since Laura Creamer spends a great deal of time working on the District budget, it is recommended that she attend the seminar on Best Practices and Effective Budget Presentation.</p>	
<b>ALTERNATIVES:</b> Not approve out of state travel.	
<b>BUDGET INFORMATION:</b> The estimated cost to attend the seminar is \$1,200.00, including travel and lodging. There is approximately \$12,400 remaining for travel, meetings, and training in the fiscal year 2011-12 budget.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

**NOVATO SANITARY DISTRICT  
BOARD AGENDA ITEM SUMMARY**

<b>TITLE:</b> Consent Calendar: Annual Collection System Repairs – Michele Circle Sewer Project; Project 72803-11-02	<b>MEETING DATE:</b> March 26, 2012  <b>AGENDA ITEM NO.:</b> 4 d.
<b>RECOMMENDED ACTION:</b> Consider granting Final Acceptance of the Michele Circle Sewer Project, and authorize staff to file the Notice of Completion.	
<b>SUMMARY AND DISCUSSION:</b>  On November 14, 2011 the District Board of Directors awarded the Contract for the Michele Circle Sewer Project to WR Forde for a low bid amount of \$107,039.00. The work began on the project on January 3, 2012 and substantial completion was on January 20, 2012.  The Contractor has completed the project and the project is ready for final acceptance. The final cost to complete the project including change orders is \$122,568.29. The overage was the result of a thicker asphalt street section, which was not anticipated prior to the project. It is recommended that final acceptance be granted, and staff authorized to file the Notice of Completion.	
<b>ALTERNATIVES:</b> None	
<b>BUDGET INFORMATION:</b> This project was funded under Account 72706, Collection Systems Improvements Project. The FY2011-12 budget for this Account is \$2,000,000. As of March 1 <sup>st</sup> , \$183,709 has been expended from this budget.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Consent Calendar: NPDES Permit – Chronic Toxicity Screening Test</b>	<b>MEETING DATE: March 26, 2012</b>  <b>AGENDA ITEM NO.: 4 e.</b>
<b>RECOMMENDED ACTION:</b> Consider approval of a Consulting Services Agreement with AquaScience Laboratory in an amount of up to \$36,000 and authorize the Manager-Engineer to execute the agreement.	
<b>SUMMARY AND DISCUSSION:</b>  <p>The District’s National Pollutant Discharge Elimination System (NPDES) discharge permit requires the District to complete a Chronic Toxicity Screening Phase monitoring. The Screening phase monitoring is a complex toxicity test completed in 3 stages over a 3-month period.</p> <p>The District used Aqua Science Laboratory (Davis, CA) to perform its last Chronic Toxicity Screening in 2009, and has utilized AquaScience to perform its required quarterly chronic testing subsequently. Staff is knowledgeable of the quality of their work, and AquaScience in turn, is familiar with the District’s practices and effluent water quality characteristics. Staff requested a proposal from AquaScience for this work, and upon review, has found their proposal to be consistent with prior proposals and the District’s needs. The proposal was also reviewed by the District’s regulatory compliance consultant Monica Oakley of RMC Water Environment, and she recommends moving forward with the proposal.</p> <p>Staff recommends the Board approve the agreement and authorize the Manager-Engineer to execute it.</p>	
<b>ALTERNATIVES:</b> None	
<b>BUDGET INFORMATION:</b> This work will be funded partly from each of Account No. 64160 (Research and Monitoring) which has a FY11-12 budget of \$275,000 (of which about \$145,400 remains) and Account No. 66123 (O/S Contractual) which has a FY11-12 budget of \$228,760 (of which about \$60,000 remains).	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Wastewater Operations Report for February 2012</b>	<b>MEETING DATE: March 26, 2012</b>
	<b>AGENDA ITEM NO.: 5 a.</b>
<b>RECOMMENDED ACTION:</b> Information	
<b>SUMMARY AND DISCUSSION:</b>  The February 2012 operations reports for the wastewater treatment, collection, and reclamation facilities are attached.  <b>Wastewater Treatment Facility</b>  Water quality performance for February was excellent with all parameters well within effluent standards. Flows remained low with only unseasonably low rainfall levels during the month. There were no significant maintenance issues. Safety performance was excellent with an accident-free month for a total of 637 accident-free days. Raw sewage odors were reduced by the addition of Bioxide® at the outlying pump stations. The District received some more odor and noise complaints. The program for addressing odors, noise, and visual impacts is covered separately in the odor control report.  <b>Collection System</b>  The February Collection System report summarizes the performance for February 2012 and compares the performance with 2011. The crews cleaned a total of 62,736 feet of sewer line. The District had one 26-gallon overflow in February resulting from roots in a sewer line on Reichert Ave. Safety performance was excellent with no lost time accidents for a total of 351 accident-free days at the end of February. The District had been recruiting to fill two open collection system worker positions, and both were filled in February at the Collection System Worker I (CSW I) level.  <b>Reclamation Facility</b>  There was no reportable reclamation system activity in February.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>



March 13, 2012

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

**Subject: Veolia Water Operations Report – February 2012**

Dear Ms. James:

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

As always, please give me a call at 415-798-6075 should you have any questions.

Regards,

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

John Bailey  
Project Manager

**MONTHLY OPERATIONS REPORT  
February 2012**

Prepared for

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

Prepared by

**Veolia Water West Operating Services, Inc. (VWWOS)**

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**TREATMENT PLANT PERFORMANCE SUMMARY:**

**February 2012:**

**BAY DISCHARGE**

Parameter	Monthly Performance			
	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	4.69	5.58	N/A	N/A
Influent BOD <sub>5</sub> , lb/day (month ave/max)	9,614	15,450	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	11,174	20,998	N/A	N/A
Effluent BOD <sub>5</sub> , mg/L (monthly ave/weekly max)	<8	32	30	45
Effluent TSS, mg/L (monthly ave/weekly max)	5	10	30	45
Effluent BOD <sub>5</sub> - % Removal	97	N/A	85	N/A
Effluent TSS - % Removal	98	N/A	85	N/A
Ammonia mg/L (monthly average / daily max)	0.74	2.30	6	21
pH, su (min / max)	6.9	7.2	6.5	8.5
Enterococcus, mpn (30 day geo mean)	2.3	9.6	35	N/A
Fecal Coliform, mpn (30 day median)	4	70	140	N/A
Fecal Coliform, mpn (90 <sup>th</sup> percentile)	17	70	430	N/A
<b>Total Permit Exceedances (NPDES)</b>	<b>0</b>			

NA – Not Applicable

**Discussion of Violations / Excursions:            NONE**

**OPERATIONS & MAINTENANCE STATUS / REVIEW:**

**Key events for the period:**

**Novato**

- Primary Clarifier #1 removed from service. Primary Clarifier #2 in service.
- Troubleshoot over-torque alarm on Primary Clarifier #1 – damaged wire.
- Troubleshoot airflow feedback loop on Turblex Blower #2, repaired.
- Constructed noise enclosure @ biofilter #2 foul air fans.
- Dissolved Oxygen Probes – Basin #4 repaired brackets and returned to service.
- Installed Effluent Sampler Housing at E-002.
- Cal Diesel - Exhaust system repair on UV generator – warranty work.
- OSHA – Pressure Vessel Recertification.
- Rotork (contractor) - repair actuator – Anoxic Zone 2D.
- Digester #1 Heat Exchanger – re-located temperature feed back probe to prevent buildup fiber and plugging.

**Ignacio Transfer Pump Station**

- Replaced wear rings on Equalization Pump @ Ignacio.
- Cal Diesel repaired coolant leak on emergency generator.
- Installed PPE cabinet at Bioxide tank.

**Decant**

- Replaced pump panel overloads on Decant Pump motor control center.
- Removed/reinstalled decant pumps #5 & #6.
- Shape inc. rebuild Decant Pump #5.
- Flygt inc. rebuild Decant Pump #6.

**CONSTRUCTION UPDATE:**

- Attended weekly construction meetings.

**ADMINISTRATION:**

- Electronic Self Monitoring Report for January 2012, submitted on 2/27/12.
- Annual SMR submitted on 2/1/12.

**SAFETY AND TRAINING:**

- Monthly plant safety inspections for Novato WWTF completed on 2/22/12.
- Five Minute Tailgate training is held daily with the O&M staff.
- No safety incidents for the month of February 2012.
- Accident Free: 6/1/10 – 2/29/12: 637 days / 29,047.20 hours.
- Veolia Management Commitment and General Policy reviewed with staff.
- Operator, Christian Williams attended CWEA class on digester operation, math, and maintenance.

**ODORS:**

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

**MISCELLANEOUS**

- Process Control Management Plan (PCMP) meetings held weekly.
- Mel Demsky – Veolia – 2/23/12, Reviewed Asset Management Program.
- Mike Green – Veolia.

**Veolia Support Staff On/Off Site (Various Times)**

John O'Hare                      Technical Support  
Chris McAuliffe                District Manager

**WORK ORDER STATISTICS**

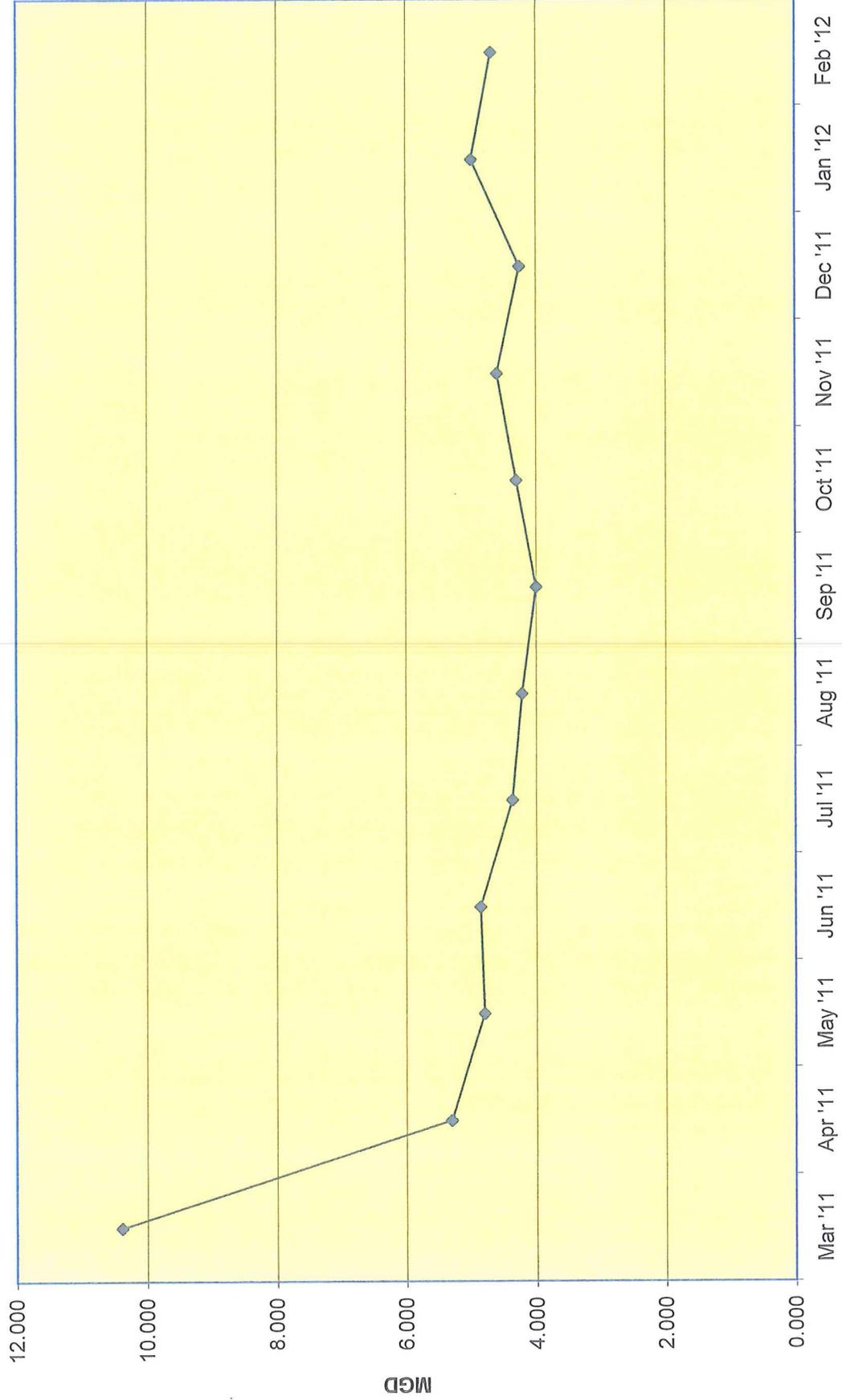
**February 1, 2012 - February 29, 2012**

	<b>Open Work Orders Due Prior to 2/1/12</b>	<b>Open Work Orders 2/1/12 - 2/29/12</b>	<b>Total Open Work Orders</b>
Preventative	5	250	255
Corrective	8	35	43
<b>Total</b>	<b>13</b>	<b>285</b>	<b>298</b>

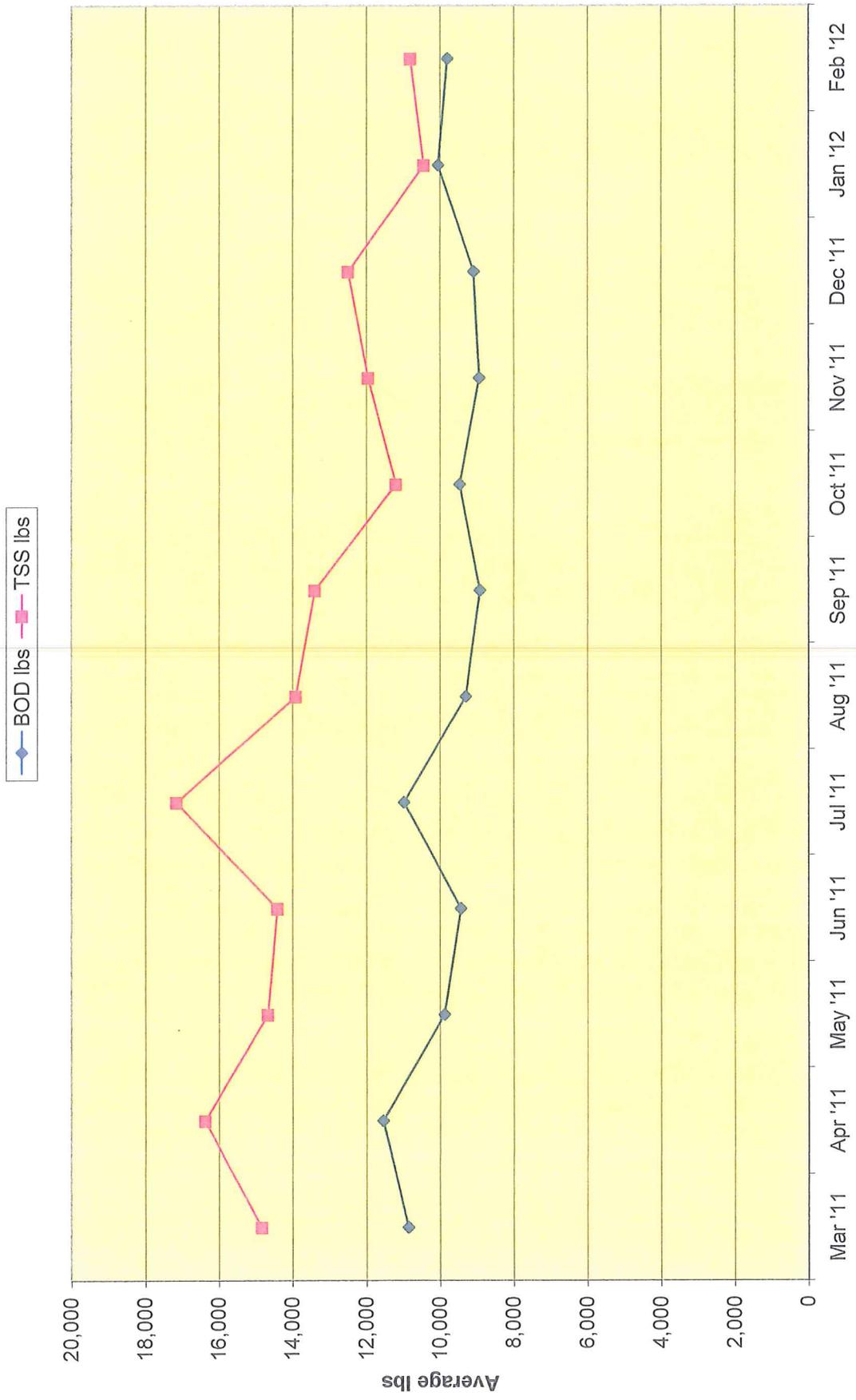
	<b>Closed Work Orders 2/1/12 - 2/29/12</b>
Preventative	237
Corrective	30
<b>Total</b>	<b>267</b>

<b>Total Outstanding Work Orders as of March 1, 2012</b>	<b>31</b>
--	-----------

# Plant Flow



# Influent Load BOD TSS lbs



# Effluent BOD TSS Concentration

NPDES LIMITS WET SEASON

BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave

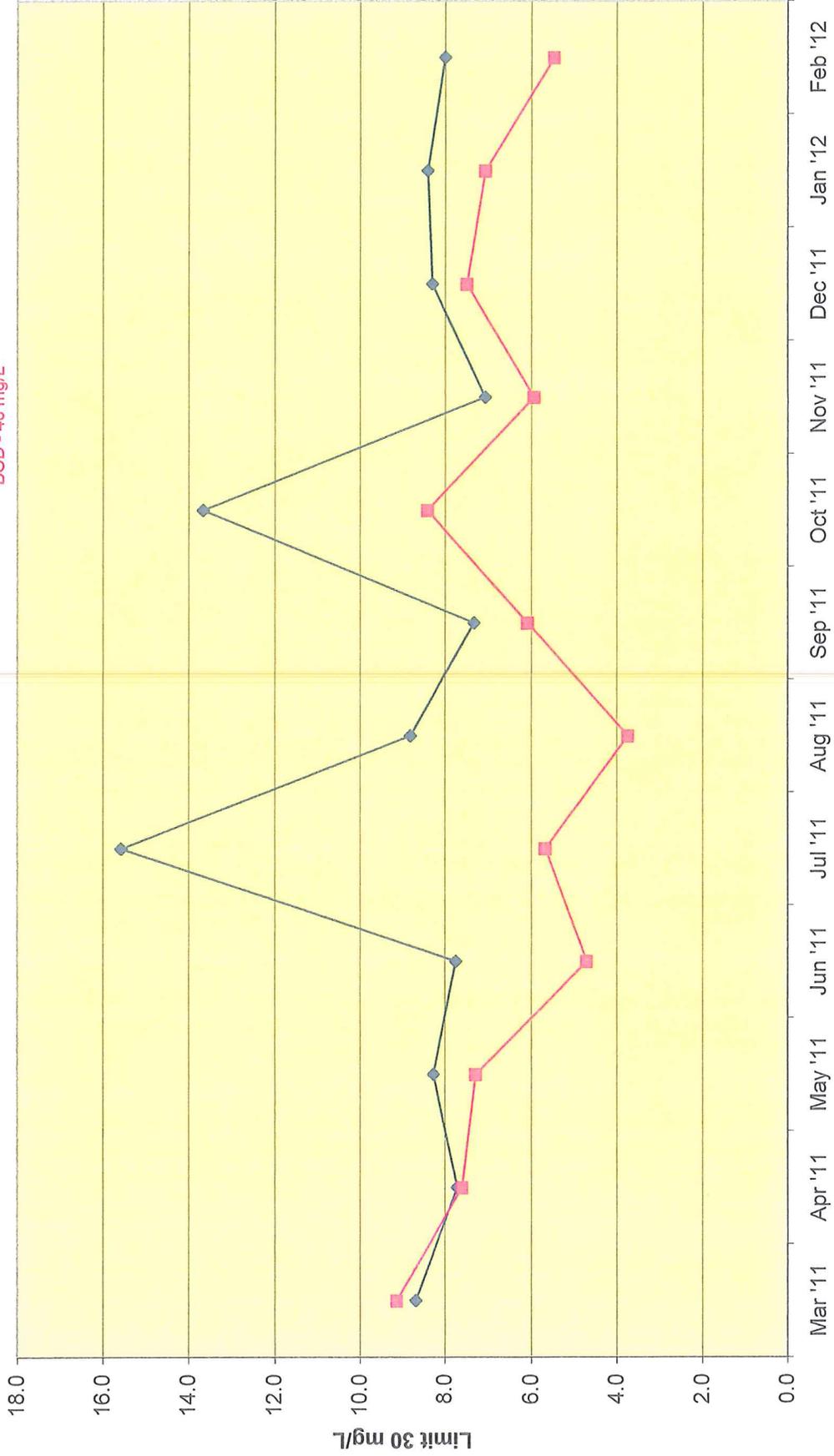
NPDES LIMITS DRY SEASON

BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave

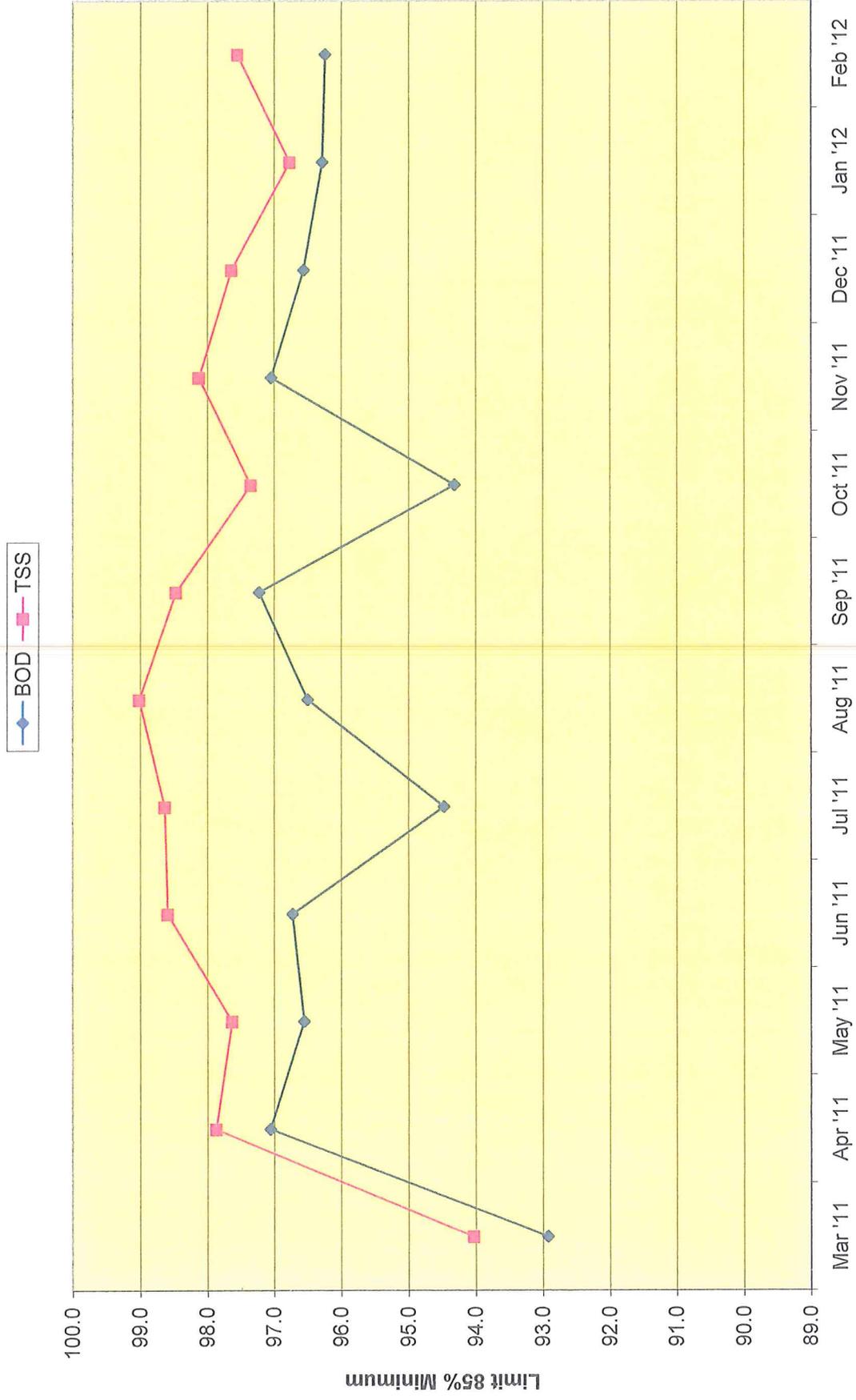
TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave

WDR (Waste Discharge Requirements) RECLAMATION

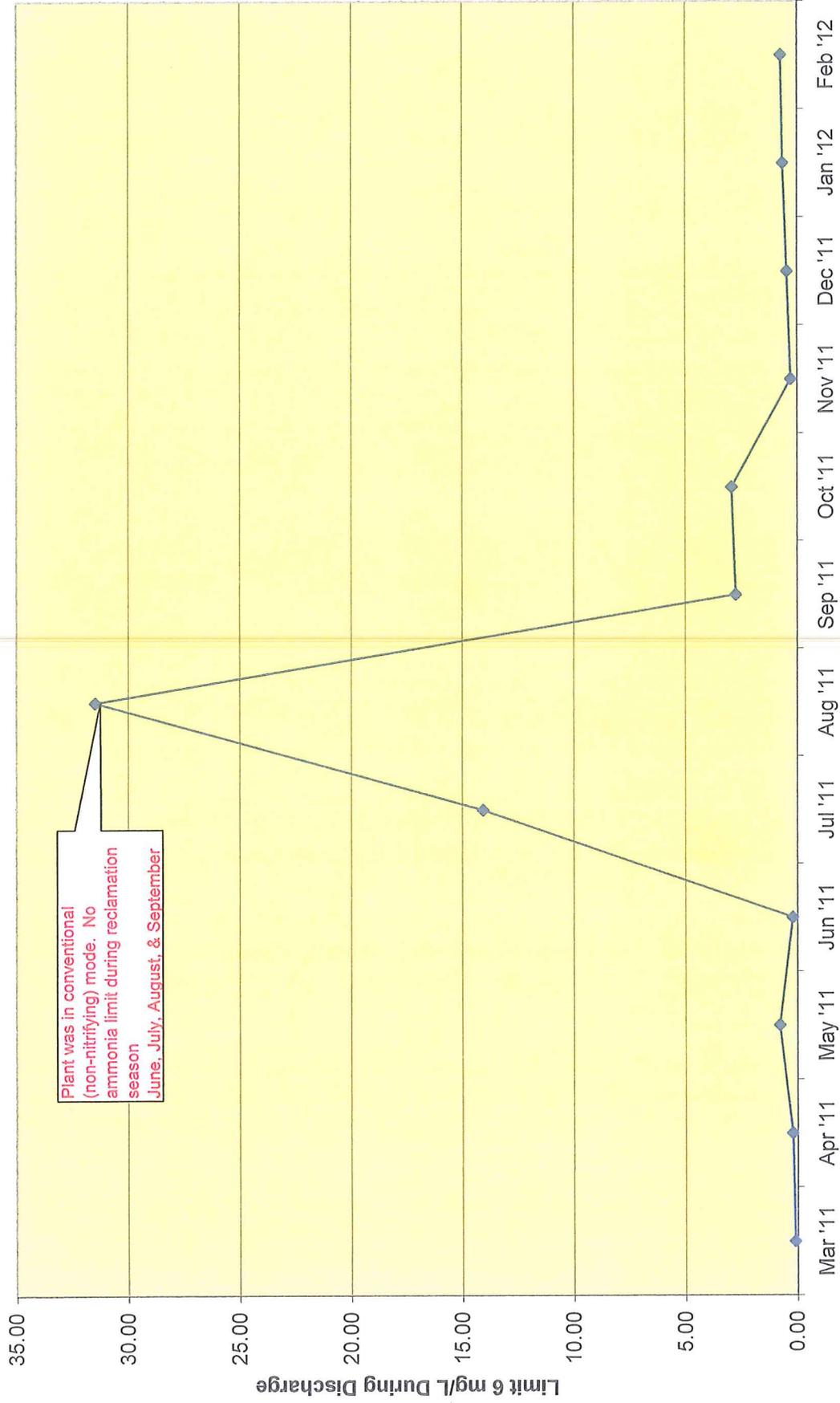
BOD - 40 mg/L



# BOD TSS Percent Removal

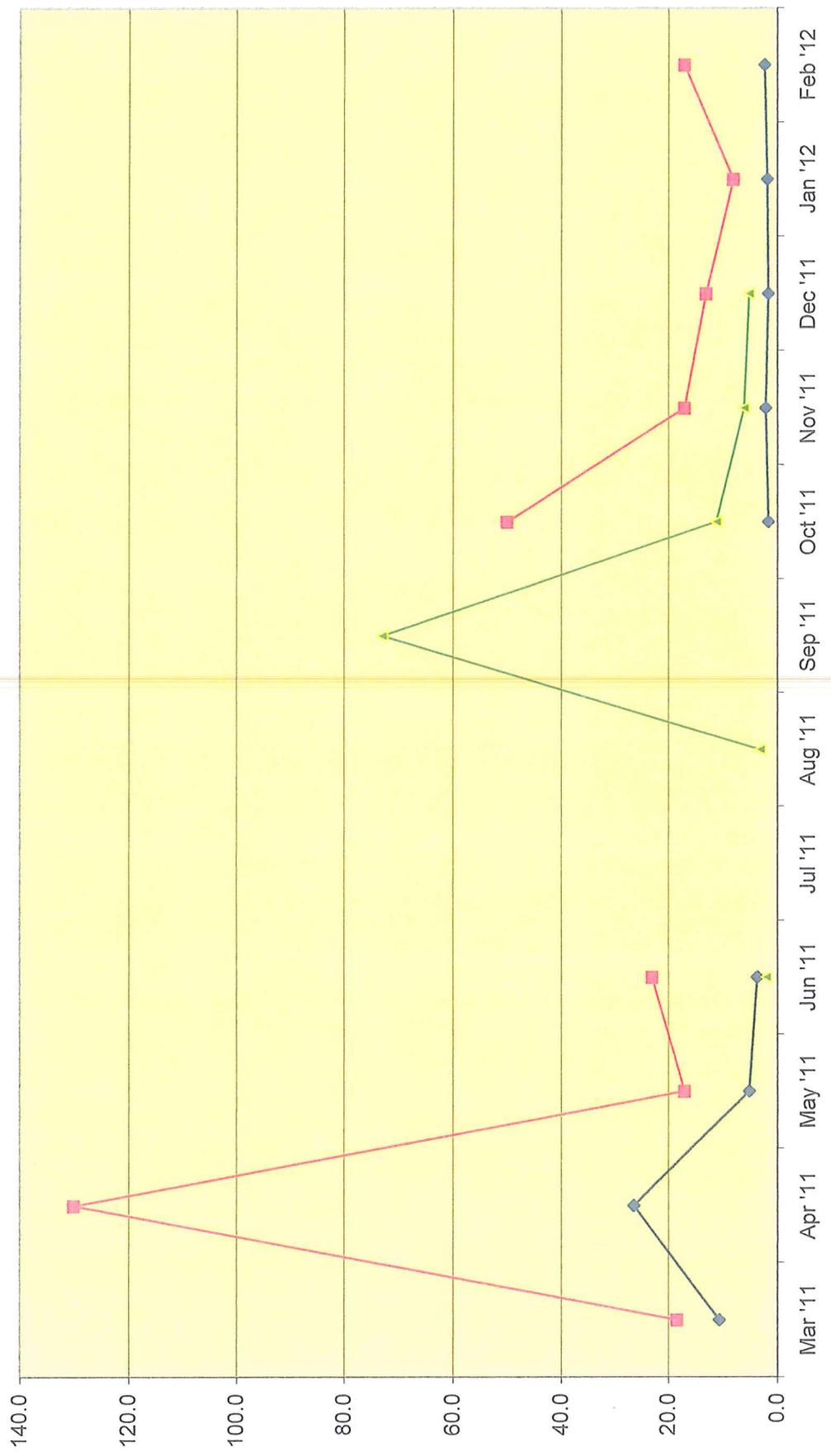
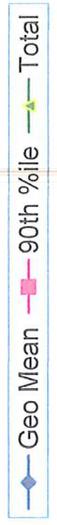


# Effluent Ammonia

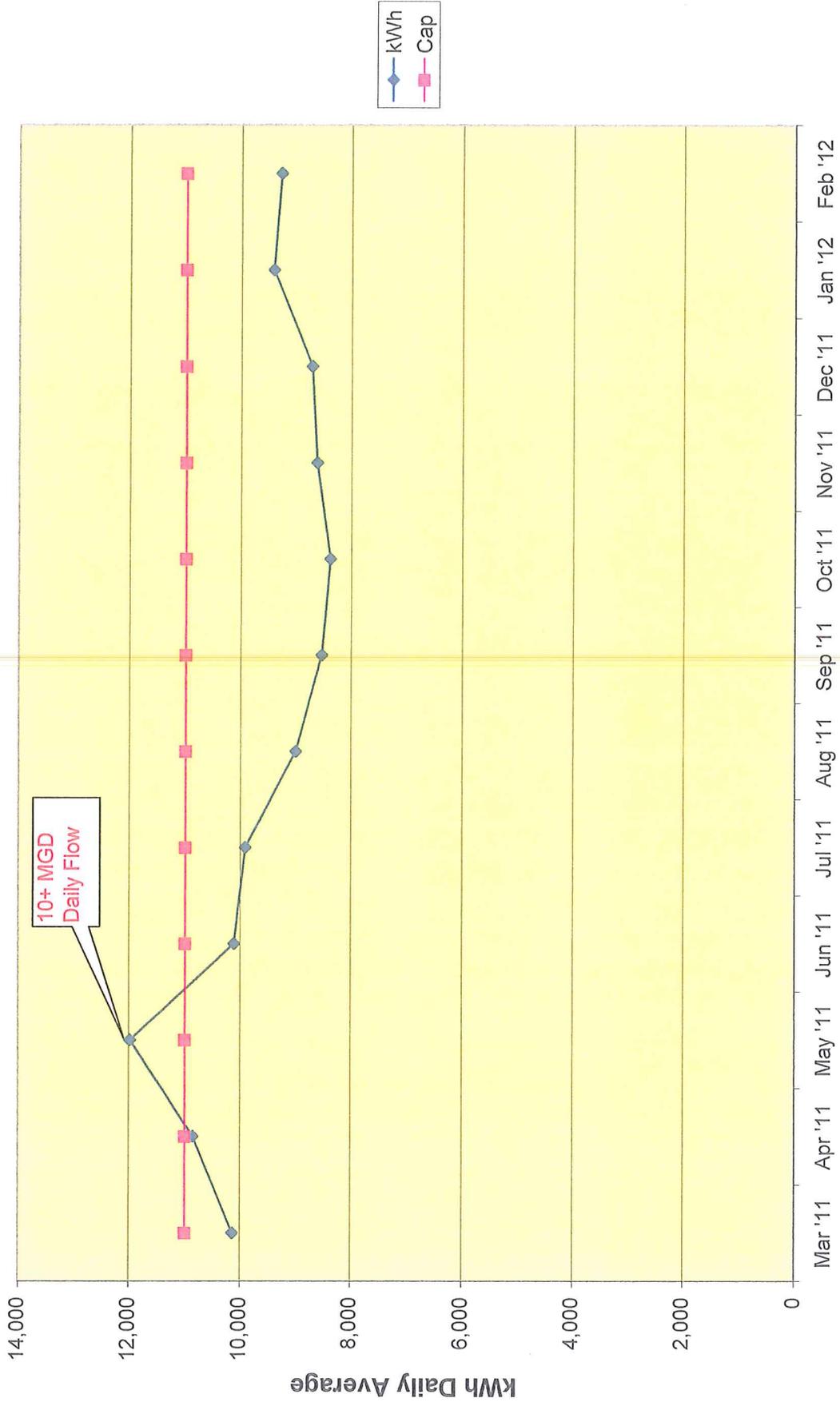


# Disinfection

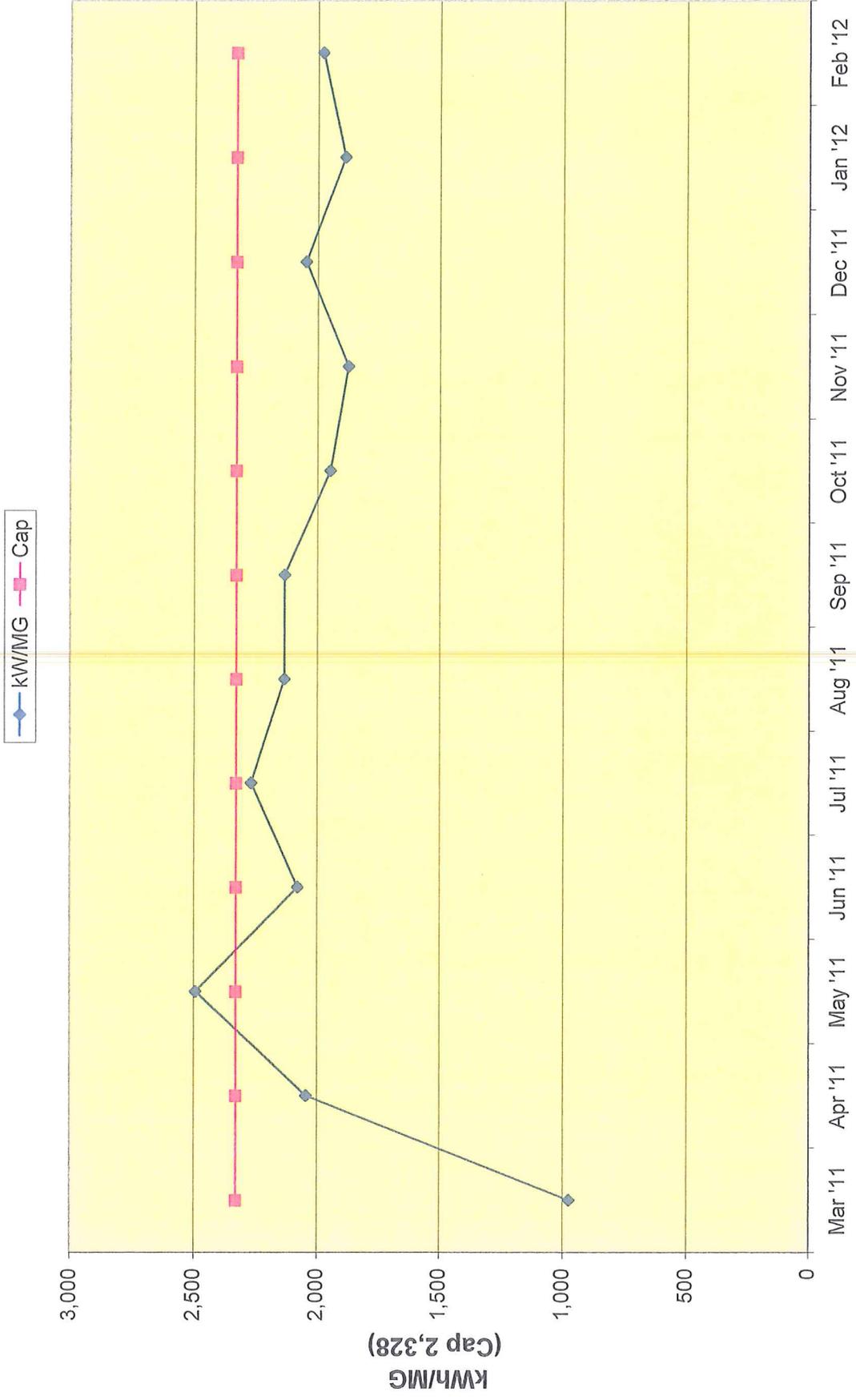
**LIMITS - NPDES**  
 Entero 30 day geo mean 35 mpn /100ml  
 Fecal 140 mpn monthly median  
 Fecal 430 mpn 90th percentile 30 day  
**LIMITS - RECLAMATION**  
 Total Coliform 240 mpn 5 sample median  
 Total Coliform maximum 10,000 mpn/100 ml



# Energy kWh

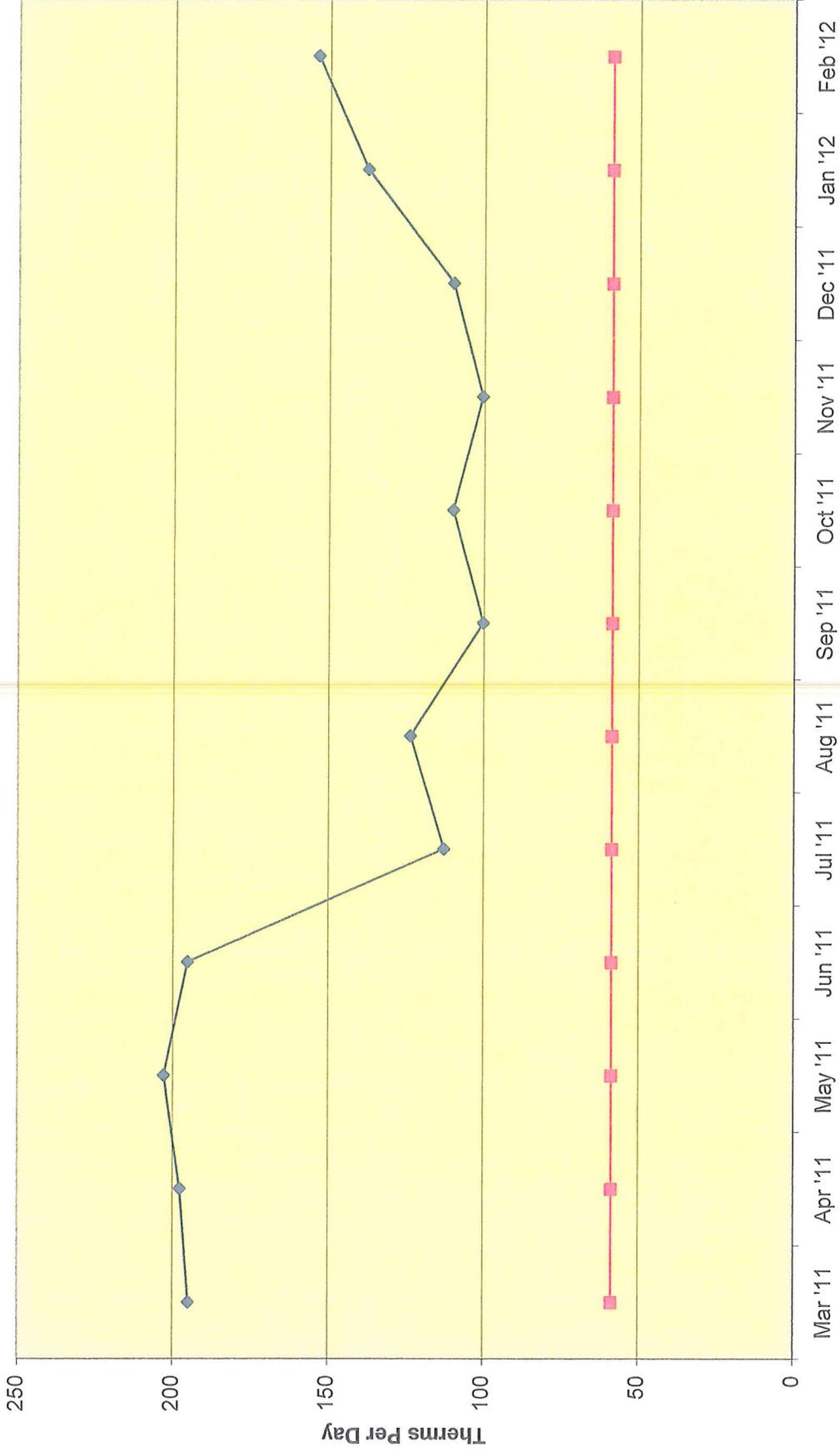


# Energy kWh/MG

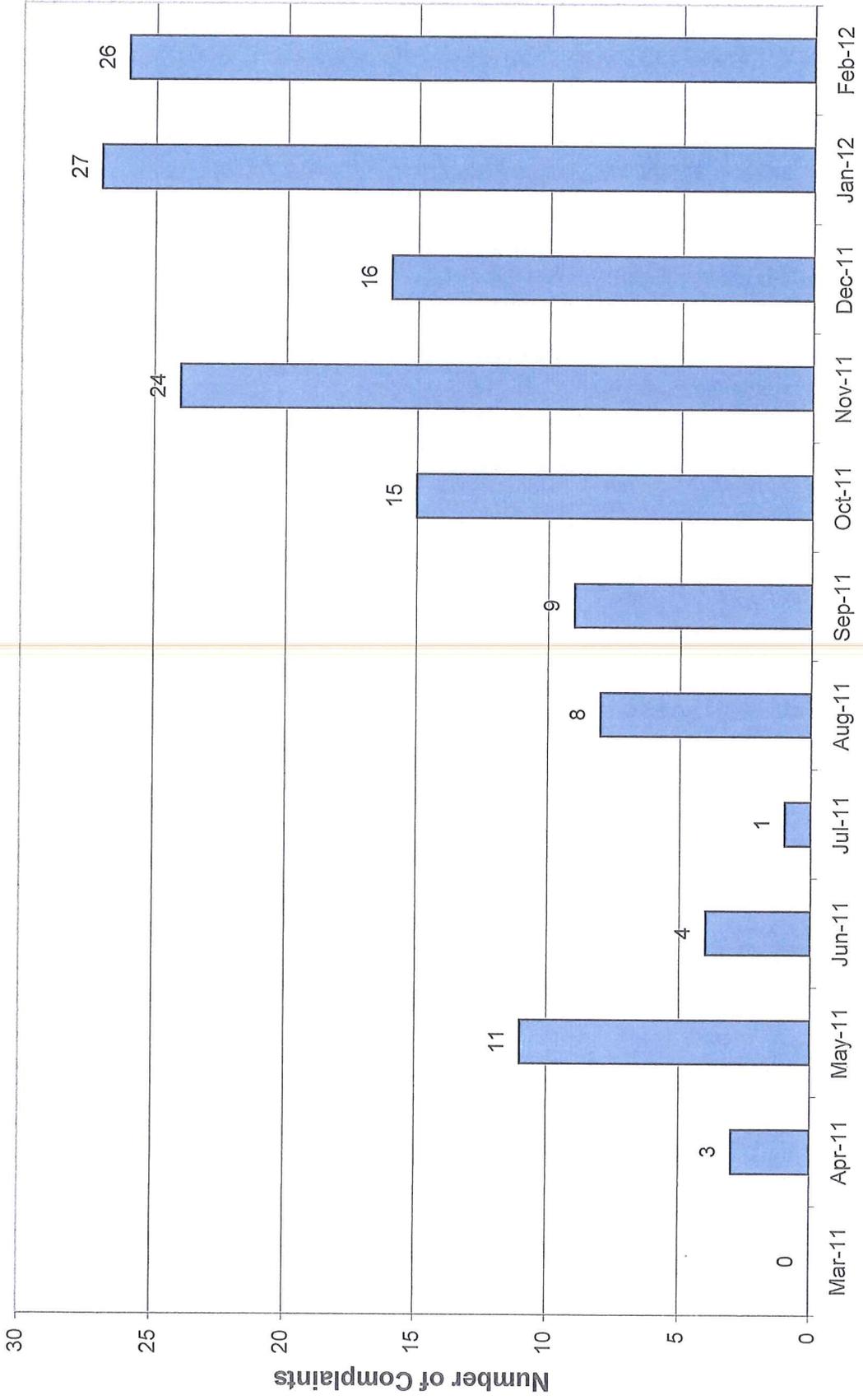


# Natural Gas Use

◆ Natural Gas    ■ Natural Gas



# Complaints Received



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

**General:**

For the month of February 2012, the Collection System Department spent about 68% of its time on sewer maintenance, and 32% of its time on pump station maintenance. At full strength, the department has eight (8) workers plus the Superintendent for Collections System and Pump Station O&M.

After accounting for technical and safety training, routine and administrative maintenance, vacations, holidays, sick leave, and industrial injury leave, for the month of February, the Collection System Department had the equivalent of: (a) 3.2 full time field workers plus the Collection System Superintendent on sewer system maintenance, (b) 1.5 full time field workers plus the Collection System Superintendent on pump station maintenance.

**Sewer Maintenance:**

A total of 62,736 feet of sewer pipelines was cleaned for the month. Staff completed 304 maintenance work orders with 42 outstanding work orders. The footage cleaned per hour, line cleaned/month, and outstanding work orders are within currently established parameters for the department. Graphs showing the length of line cleaned/month, footage cleaned/hour worked, along with the overflows/month is attached.

**Pump Station Maintenance:**

Approximately 270 lift station inspections were conducted for the month of February 2012, with 154 of the visits generated through the JobCal Plus CMMS system. The breakdown of these inspections is: 22 Flygt submersible pump stations, 2 times/month; 9 Gorman/Rupp dry well/wet well stations, 1 entry/month; and 4 main stations that are visited daily. Staff repaired three mix flush valves for Flygt stations, and pulled and cleared P1 @ BMK 5 due to VFD failure.

**Pump Station Construction:**

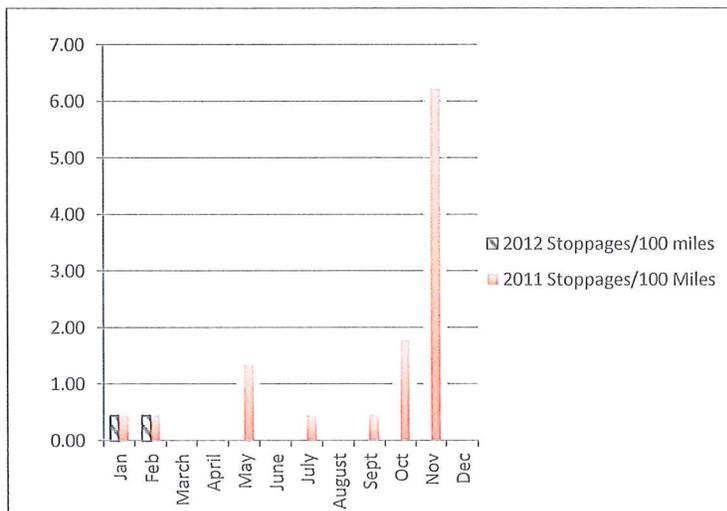
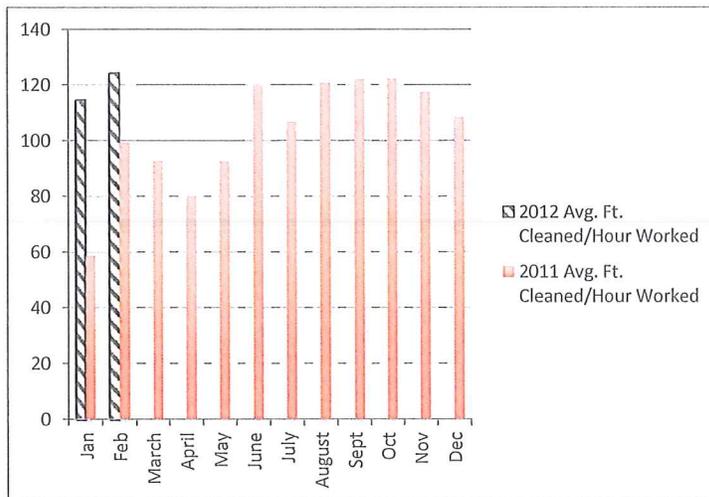
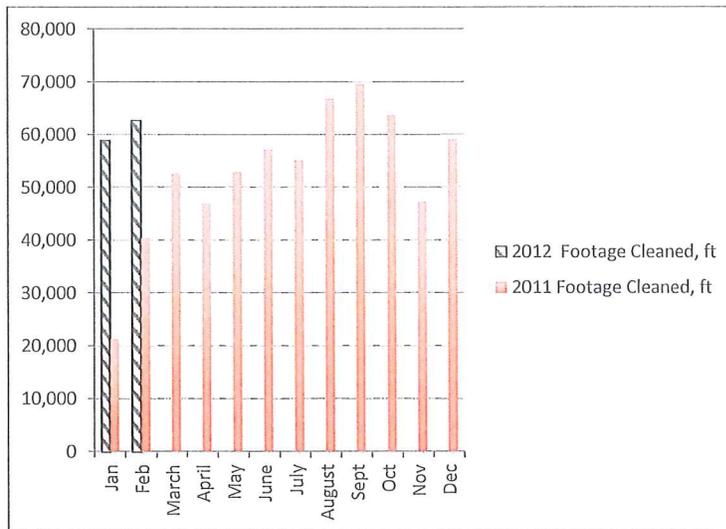
As part of the District's continuing multi-year Pump Station Rehabilitation Project (Capital Improvement Project No. 72403), Bayside, South Gate, and Western Oaks pump stations have been accepted for beneficial occupancy and are in varying stages of final completion.

**Sanitary Sewer Overflows (SSOs):**

For the month of February 2012, there was one (1) SSO:

No.	Date	Location	Amount, gal	Cause
1	2/2/2012	812 Reichert Ave	26	Roots







# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Wastewater Facility Upgrade Project: Odor Control, Landscaping &amp; Noise</b>	<b>MEETING DATE: March 26, 2012</b> <b>AGENDA ITEM NO. : 5 b.</b>
<b>SUMMARY AND DISCUSSION:</b>  The District's current activities to address neighborhood concerns about odors, noise, and visual screening are updated below.  <b>Odors</b>  All of the covered facilities were ducted through the filters by the completion date of February 29 <sup>th</sup> , Work on the P-traps was completed as of March 9th. The testing has been scheduled to start on May 15, 2012. Air flow is excellent and odors are significantly reduced. The District will continue to prioritize locating and responding to sources of odors. Neighbors continue to notify the District of odors from the aeration basins.  <b>Health Effects</b>  Dr. Robert Scofield conducted a workshop on potential health effects from the odor emissions on Wednesday, March 21 <sup>st</sup> . He looked at the worst period of odors from the summer of 2011 and concluded that while odor concentrations in the Lea Drive neighborhood were perceptible by neighbors the exposure levels were well below those at which health effects would be expected. He will be preparing a report that will address input from the workshop.  <b>Visual Screening</b>  Staff continues to monitor the vegetation and will replace and add plants as needed.  <b>Noise</b>  Fan noise has been reduced as of February 23 <sup>rd</sup> due to lower air pressures and a reduced number of blowers. Veolia installed temporary sound walls around the headworks blower resulting in additional reduction in noise.	
<b>DEPT. MGR. :</b>	<b>MANAGER'S APPROVAL:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Facility Operations: Recycled Water Treatment Plant O&amp;M</b>	<b>MEETING DATE: March 26, 2012</b>
<b>AGENDA ITEM NO.: 5 c.</b>	
<b>RECOMMENDED ACTION:</b> Authorize Manager-Engineer to request a proposal from Veolia Water North America to amend the Contract Service Agreement to include operating and maintaining the new Recycled Water Treatment Facility.	
<b>SUMMARY AND DISCUSSION:</b>	
<p>The Recycled Water Facility is scheduled to complete construction in late July or early August 2012. The current contract with Veolia Water North America does not include operation and maintenance of the Recycled Water Facility. Based on their performance in the operation and maintenance of the wastewater facility and their expertise in tertiary treatment District staff recommends requesting a proposal from Veolia Water North America to amend the contract to include operating and maintaining the recycled water facility.</p> <p>Similar to the process for updating the Franchise Agreement staff also recommends that the President appoint an Adhoc Contract Update Committee of the Board.</p>	
<b>ALTERNATIVES:</b> Do not authorize the Manager-Engineer to request a proposal.	
<b>BUDGET INFORMATION:</b> No budget impact.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Service Charges: Set Date for Public Hearing</b>	<b>MEETING DATE: March 26, 2012</b>  <b>AGENDA ITEM NO.: 6 b.</b>
<b>RECOMMENDED ACTION: Set the date for the Public Hearing on Sewer Service Charges for <u>June 11, 2012</u> and authorize the mailing of the Proposition 218 Notice for a maximum rate increase of 6.7% in 2012/13, 3.8% in 2013/14, 3.7% in 2014/15, and 3.6% in 2015/16.</b>	
<b>SUMMARY AND DISCUSSION:</b>  <p>Novato Sanitary District did not have a rate increase in either the 2010-11 or 2011-12 fiscal year. At their March 12<sup>th</sup> meeting the Board of Directors reviewed the updated financing plan prepared by Bartle Wells Associates. This plan analyzed the operating and capital expenditures projected for the next four years and recommended a staged four-year series of moderate rate increases.</p> <p>The magnitude of the 2012-13 rate increase is set by the need to provide the necessary bond financing coverage of 1.2. The proposed fiscal year 2012-13 rate increase is \$31 per equivalent service unit or 6.7%. The increase would drop to \$19/year for the following three years. Service charges have remained constant for the past two years. Projected increases total about 19 percent over the six years. This is equivalent to an average of 3.2 percent over the same period or basically the same rate as inflation. Over 59 percent of the increase is due to capital related expenses.</p> <p>The basis of the sewer service charge is to provide a reasonable nexus between sewer system costs and the charges to the benefited users of the system. The base unit is one service unit for a residential unit. The charges for non-residential are based on enclosed space, flow, and strength. The attached draft Sewer Service Charge Ordinance explains the rate structure in more detail.</p> <p>In order to comply with Proposition 218 the District must provide at least 45 days notice of a public hearing prior to adopting a rate increase. Staff recommends authorizing the preparation of a Proposition 218 Notice for the maximum sewer service charge increases and setting the date for the Public Hearing at 6:30 PM on June 11, 2012. The Board would then consider whether or not to adopt the proposed rates at their regular meeting on June 25, 2012.</p>	
<b>ALTERNATIVES: Do not approve the maximum increase or set the date for the public hearing</b>	
<b>BUDGET INFORMATION: The cost of the mailing for the Proposition 218 Notice will be funded under the budget for Printing and Mailing which has a budget of \$17,000.</b>	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>

**NOVATO SANITARY DISTRICT**

**DRAFT**  
**ORDINANCE NO. \_\_\_\_\_**  
**SEWER SERVICE CHARGES**

Revised Draft March 22, 2012

NOVATO SANITARY DISTRICT

Ordinance No. \_\_\_\_\_

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**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE  
NOVATO SANITARY DISTRICT REPEALING DISTRICT ORDINANCE NO. 111,  
AND PRESCRIBING RATES AND CHARGES FOR SEWAGE DISPOSAL  
SERVICE AND PROVIDING PROCEDURES AND PENALTIES FOR ITS  
ENFORCEMENT**

**The Board of Directors of the Novato Sanitary District does ordain as follows:**

**Section 1. Findings and purposes.**

- A. The Board finds and determines that the protection of the environment is of the highest priority and that it is necessary and desirable to aid in the protection of that environment by building improved sewerage facilities for the collection, treatment, recycling and disposal of sewage in the Novato Sanitary District area.
- B. Pursuant to California Health & Safety Code Section 6520.5, the District is authorized to adopt fees and charges for services and facilities furnished by it. This Ordinance is intended to provide for an annual service charge to ensure that sufficient revenues are collected to adequately acquire, construct, reconstruct, maintain, and operate the District's needed sewerage facilities and recycling facilities, to repay principal and interest on bonds issued for the construction of such sanitary or sewerage facilities, and to repay federal or state loans or advances made to the District for the construction or reconstruction of sanitary or sewerage and recycling facilities; provided, however, that such revenue shall not be used for the acquisition or construction of new local street sewers or laterals, as distinguished from main trunk, interceptor and outfall sewers.
- C. To accomplish these basic aims, the Board finds and determines that it is necessary to establish a sewer service charge in the manner set forth in this ordinance.
- D. The District and its consultants have developed budgets, cost of service projections and a revenue program to ascertain the funding needs of the District. The Board finds that the information developed and provided to it provides a reasonable projection of costs, and uses an appropriate and legal methodology for apportionment of these costs. The fees expected to be generated from the sewer service charges will not exceed the total of all actual costs reasonably allocable to the services and facilities needed to serve all users. The allocation of costs to categories of users and the fee developed for individual users reasonably reflect the cost of service attributable to users.
- E. The District's costs are divided into those that are independent of daily wastewater flow, or "fixed," and those that vary with wastewater flow and strength. The fixed costs include operation and maintenance of the sewers and treatment facilities, laboratory analysis, regulatory reporting, and capital investment. The costs that vary with wastewater flow and strength are primarily energy and chemical costs plus some portion

of the operation and maintenance costs. For residential users, reasonable costs of service can best be recovered by use of a baseline charge covering the fixed costs, with adjustments for extremely high or low flows. For non-residential users, the charges will best reflect the actual cost of service if the District charges an amount to cover fixed costs based on the exterior square footage of the user's structure and the use type, and a variable amount representing the costs of a user's wastewater strength and flow.

## **Section 2. Definitions.**

- A. "Benefited User" (User) is defined as an owner of improved property connected to the public sewer system
- B. "Governmental or public improved properties" is defined as properties which are owned, controlled or used by (a) the United States government or any department or agency thereof, (b) the state of California or any department or agency thereof, (c) any city, county, town or city and county or any of their departments or agencies, (d) any school district, (e) any other governmental or public entity.
- C. "Residential occupancy unit" is defined to mean and refer to any place of residence which has a kitchen sink, stove, and bathroom facilities. An occupancy unit includes individual apartments or units in multi-family residential buildings, provided they meet the above definition.
- D. "Service Unit" or "SU" is defined as the basic unit charge established in this ordinance by the District that is necessary to recover the total system and plant operation, maintenance, and replacement costs, and general administration and accounting costs for providing service to an average occupancy unit.
- E. "Square Footage" is defined as external building floor areas, which will be obtained from assessor's records or field measured as necessary.

## **Section 3. Basis of charge.**

- A. The basis of the sewer service charge is to provide a reasonable nexus between sewer system costs and sewer service charges to the Benefited Users of the sewer system as prescribed by the state and the United States Environmental Protection Agency. Annual sewer service charges shall be based on the proportional cost of providing sewer service to the Benefited User, and the Benefited User's use of the sewer system for the previous fiscal year. A Benefited User at a Residential occupancy unit will be charged one SU for average water use.
- B. Additional Residential Units. In the event a separate additional residential unit is constructed on a parcel with a Residential occupancy unit already on it, whether or not in compliance with applicable government regulations, separate and additional sewer service fees (as well as other applicable connection fees) for that additional residential unit shall become due. The creation of a dwelling space that accommodates an additional separate living area within a parcel, whether or not said additional separate living area is constructed within the original building or is a detached building, shall subject the parcel to assessment of an additional residential unit sewer service charge. An additional separate living area shall be defined as an area designed for the purpose of separate

habitation that 1) will be, or can be, physically separated by a wall or door from other residential units on the parcel, and 2) contains a bathroom, a kitchen, a multipurpose or bedroom area, and an exterior entrance.

- C. Non-Residential Charges: For non-residential Users a Service Unit or SU is equivalent to approximately 1,500 square feet of enclosed space and a wastewater flow approximately equal to average residential wastewater flow and strength, The flow and wastewater strength factors given in Tables 1 and 2 are used to adjust the charges to reflect the higher wastewater flows and strengths discharged by some categories of non-residential Users. The estimated SU equivalent of 1,500 square feet of enclosed non-residential space may be adjusted from time to time based on accumulated data of costs, flows and strengths. Temporary lodging, such as hotels, motels, RV parks, and convalescent hospitals shall be considered commercial establishments and, as such, shall be classified as non-residential Users.
- D. Other Charges: Certain other charges may be imposed by the District to recover capital costs. These capital improvement costs for plant and sewer system shall be financed in part from revenues derived from ad valorem taxes, fixture charges, agency contracts, and connection charges. The necessary other fees and charges to be collected by the District shall be established by resolution or ordinance of the Board of Directors of the District and reviewed periodically.
- E. All charges imposed by this ordinance are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273(a)(1), (3) and (4) of the State CEQA Guidelines.

DRAFT

**Table 1**  
**Novato Sanitary District**  
**Non-Residential Fixed Costs**

<u>User Type</u>	<u>Floor Area</u>	<u>Charge Per Square Foot</u>			
	<u>Flow Factor</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Base Charge/square foot</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Warehouses/mini-storage</u>					
<u>Office</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Retail</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Public office buildings</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>School classrooms/administration</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Churches</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Meeting halls with kitchens</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Auto service stations</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Supermarkets</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Auditoriums theaters</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Gymnasium w/showers</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Hotels/motels, not incl. restaurant</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Mortuary</u>	<u>1</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Medical offices</u>	<u>1.3</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Veterinary offices</u>	<u>1.3</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Dental offices</u>	<u>1.3</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Hospitals</u>	<u>1.3</u>	<u>\$0.20</u>	<u>\$0.21</u>	<u>\$0.22</u>	<u>\$0.23</u>
<u>Cafeteria/dining area</u>	<u>2</u>	<u>\$0.40</u>	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.46</u>
<u>Restaurants/cafes</u>	<u>2</u>	<u>\$0.40</u>	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.46</u>
<u>Bakeries</u>	<u>2</u>	<u>\$0.40</u>	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.46</u>
<u>Ice cream/yogurt shops</u>	<u>2</u>	<u>\$0.40</u>	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.46</u>
<u>Delicatessens</u>	<u>2</u>	<u>\$0.40</u>	<u>\$0.42</u>	<u>\$0.43</u>	<u>\$0.46</u>
<u>Laundry and laundromats</u>	<u>3</u>	<u>\$0.60</u>	<u>\$0.62</u>	<u>\$0.64</u>	<u>\$0.69</u>

**Table 2**  
**Novato Sanitary District**  
**Non-Residential Variable Charge**  
**(water use and strength factors)**

<u>User Type</u>	<u>Strength Factor</u>	<u>Charge Per Hundred Cubic Feet<sup>1</sup></u>			
		<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
<u>Base Charge/square foot</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Warehouses/mini-storage</u>	<u>0</u>				
<u>Office</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Retail</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Public office buildings</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>School classrooms/administration</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Churches</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Auto service stations</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Auditoriums theaters</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Gymnasium w/showers</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Hotels/motels, not incl. restaurant</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Medical offices</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Veterinary offices</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Dental offices</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Hospitals</u>	<u>1</u>	<u>\$2.69</u>	<u>\$2.79</u>	<u>\$2.89</u>	<u>\$3.00</u>
<u>Laundries and laundromats</u>	<u>1.4</u>	<u>\$3.77</u>	<u>\$3.91</u>	<u>\$4.05</u>	<u>\$4.20</u>
<u>Meeting halls with kitchens</u>	<u>1.4</u>	<u>\$3.77</u>	<u>\$3.91</u>	<u>\$4.05</u>	<u>\$4.20</u>
<u>Cafeteria/dining area</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Restaurants/cafes</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Supermarkets</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Bakeries</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Ice cream/yogurt shops</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Delicatessens</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>
<u>Mortuary</u>	<u>2.2</u>	<u>\$5.85</u>	<u>\$6.07</u>	<u>\$6.29</u>	<u>\$6.52</u>

**Section 4. Rates.**

A. The rates for the sewer service charge and the properties to be affected shall be established by ordinance of the District and reviewed periodically. The rates shall be computed in accordance with this Ordinance and the revenue program of the District.

B. Residential Users Sewer Service Charge Rate Calculation.

(1) Each occupancy unit shall be assigned SUs based on its average water usage for an approximate four-month period during the last winter season (December 1 to April 30) for which water use records are available.

(2) For residential Users with an individual water meter, the number of SUs to be assigned shall be calculated as shown below:

(a) Weighted Average residential water use: Is equal to the sum of average of the water meter readings for residential customers divided by the total number of dwelling units.

(b) Low Water Use Charge: Individually metered residential Users whose water usage during the base winter period was equal to or less than twenty-five percent (25%) of the weighted average residential water use shall be assigned 0.6 SU per occupancy unit.

(c) Average Water Use Charge: Individually metered residential Users whose water usage during the base winter period (December 1 to April 30) was greater than twenty-five percent (25%) and less than two hundred percent of the weighted average residential water use shall be assigned 1.0 SU per occupancy unit.

(d) High Water Use Charge: Individually metered residential Users whose water usage during the base winter period was equal to or greater than two hundred percent (200%) of the weighted average residential water use shall be assigned 1.8 SUs per occupancy unit.

(3) Non-metered and all other residential Users shall be assigned one (1) SU for each occupancy unit.

(4) The residential rates are shown in Table 3 below. All subsequent sewer service charge rates or amendments thereto shall be established by ordinance of the Board and kept on file with the District Secretary.

Table 3

Residential Rates	Charge			
	2012-13	2013-14	2014-15	2015-16
1 SU (Average Water Use)	\$495	\$514	\$533	\$552
Low Water Use	\$297	\$308	\$320	\$331
High Water use	\$891	\$925	\$960	\$994

C. Non-Residential Users Sewer Service Charge Calculation. In order that the rates appropriately allocate costs among Users, the service charge is comprised of two factors: square footage of enclosed space adjusted for flow, and water use in the winter period (December 1 to April 30) adjusted for wastewater strength. The type of non-residential improvement affects both the square footage rate and the wastewater strength rate. The two factors are used to calculate the two components of the charge: a fixed component based on the equivalent floor area of various categories of non-residential improvements which stays the same from year-to-year, and a variable component determined by winter water consumption and strength of wastewater which will vary from year to year.

(1) Fixed Portion of the Non-residential Sewer Service Charge. The fixed portion of the non-residential charge is based on building square footage and industry-standard flow factors. The charge per square foot of floor area for the different types of non-residential uses is given in Table 1.

*Example:* For a 1000 square foot restaurant, the fixed portion of the charge for 2012/13 would be:

$$(1,000 \times \$0.40) = \$400$$

(2) Variable Portion of the Non-residential Sewer Service Charge. The balance of the non-residential charge is based on both water usage and industry-standard strength factors. The charge per hundred cubic feet (HCF) for different categories of non-residential Users is given in Table 2. The average water use for the year is projected based on water meter readings taken between December and April of the previous year. The variable charge will be calculated by multiplying the annual water use in hundred cubic feet by the charge per hundred cubic feet for the particular use type.

*Example:* if the water meter reading for the above restaurant averaged 20 HCF for a two month period, the variable component of the charge for 2012/ 13 be:

$$20 \times 6 \times \$5.85 = \$702$$

(Note: the 20 HCF is multiplied by 6 in the above calculation to convert the bimonthly water use to the annual water use. See Table 2.)

(3) Calculation of the Total Charge: The total annual charge would be the total of the fixed and variable components of the charge. For the above restaurant the total charge would be:

$$\$400 + \$702 = \$1,102$$

D. Mixed Non-residential Users Sharing One Meter. In order to calculate the service charge when two or more Users share one water meter, the District shall take into account tenant floor areas for each tenant, User type of each tenant, and metered water use.

- (1) Fixed component for mixed use: The fixed charge for mixed use buildings will be obtained by multiplying the square footage for each use type by the charge per square foot for that use type and summing the charges for the building.

*Example*: A building that contains a 1000 square foot restaurant and a 4000 square foot retail space, at 2007/08 rates would be charged the following:

$$(1,000 \times \$0.40) + (4000 \times \$0.20) = \$400 + \$800 = \$1,200$$

- (2) Variable component for mixed use: In order to allocate water use to different strength categories of Users on one water meter, the District uses a three step process.

**Step One.** First, the floor area flow factor given in Table 1 is used to estimate the proportional amount of the total flow attributed to each tenant. The following formula is used:

W = Annual Water Use

T<sub>1</sub> = Floor area of Tenant 1

T<sub>2</sub> = Floor area of Tenant 2

T<sub>n</sub> = Floor area of Tenant n

F<sub>1</sub> = Floor area flow factor for Tenant 1

F<sub>2</sub> = Floor area flow factor for Tenant 2

F<sub>n</sub> = Floor area flow factor for Tenant n

E = Total equivalent floor area

$E = T_1 \times F_1 + T_2 \times F_2 + T_n \times F_n$

Flow for Tenant n (W<sub>n</sub>) =  $W \times T_n \times F_n / E$

**Step Two.** The variable portion of the charge for each tenant is then calculated by multiplying the flow for each tenant by the charge per hundred cubic feet (HCF) for the User type of the tenant in Table 2.

V<sub>n</sub> = Variable Charge

W<sub>n</sub> = Flow for Tenant n.

Charge<sub>n</sub> = charge per HCF for User type (found in Table 2)

$V_n = W_n \times \text{Charge}_n$

**Step Three.** The total variable portion of the charge is the sum of variable charges for each tenant as shown in the example below.

- (3) *Example.* A building contains a 1000 square foot restaurant and a 4000 square foot retail space and has a water meter reading for a two month period of 30 HCF, or 180 HCF/year, at 2012/13 rates.

Fixed portion of charge:

$$(1,000 \times \$0.40) + (4000 \times \$0.20) = \$400 + \$800 = \$1,200$$

Variable portion of charge:

$$\text{Equivalent floor area (E)} = (1000 \times 2) + (4000 \times 1) = 6000$$

$$\text{Restaurant flow} = 180 \times (1000 \times 2)/6000 = 60 \text{ HCF}$$

$$\text{Retail flow} = 180 \times (4000 \times 1)/6000 = 120 \text{ HCF}$$

$$\text{Variable portion of charge} = (60 \times \$5.85) + (120 \times \$2.69) = \$673.80$$

Total Charge:

$$\text{Fixed Charge} + \text{Variable Charge} = \text{Total Charge}$$

$$\underline{\$1,200} + \underline{673.80} = \underline{\$1,873.80}$$

### **Section 5. Adjustments pursuant to special studies.**

- A. It is the intent of the provisions of this ordinance, in establishing different sewer service charges for different categories of properties, to reflect the benefit from such service to each property. If an individual User believes that the applicable sewer service charges as determined by use of established units of measure and SU factors is unreasonably high based on the User's site-specific wastewater flow and strength, that User may request that a special study be conducted by District staff to determine the appropriate sewer service charge. Such study shall be undertaken upon payment by the User of the cost for such study. If the District independently believes that an applicable sewer service charge is inaccurate, it may conduct a special study. Studies voluntarily undertaken by the District shall be at the District's expense.
- B. All special studies, whether voluntarily undertaken by the District or pursuant to a User request, shall be based upon an engineering application of the principles set forth in this ordinance and to the particular wastewater flow and strength factors of the User subject to the special study. Any calculation of a revised charge will use the same methodology as set forth elsewhere in this ordinance.
- C. If the special study is completed sufficiently in advance of when payment is due, or when the sewer service charge is submitted to the County, the amount of the charge may be adjusted based on the results of the special study and the District may in its discretion provide a separate bill for the charges. However, if the special study cannot be completed prior to the time such charges are due or must be submitted to the County, the User shall pay sewer service charges determined by application of the units of measure and SU factors included in Section 3. If the subsequently completed special study results in a sewer service charge that exceeds the charge actually paid, or billed on the tax roll, by more than ten percent, the User shall be responsible, and will be billed separately for the difference. If the special study results in a sewer service charge that is more than ten percent less than the charge actually paid, or billed on the tax roll, the District will refund the difference to the parcel owner by separate payment.

**Section 6. Refunds.**

When any refund becomes due and owing by virtue of action of the Board or by virtue of any error made in ascertaining the charge applicable to any customer, the Manager-Engineer is authorized to make payable such moneys from the specific fund established for the deposit of sewer service charges.

**Section 7. Non-retroactive service charges.**

Each property owner is responsible for the correctness of the sewer service charges applicable to premises owned by him or her. Corrections or revisions due to changed circumstances shall not entitle a property owner to repayment by the District for prior years' service charges.

**Section 8. Effective date of charges.**

The abovementioned sewer service charges shall become effective on July 1, 2007, as to all premises in the District.

**Section 9. New connections.**

For new connections to the sewerage system of the District, sewer service charges shall become effective at the time the records of the Marin County Assessor indicates such property is within the boundaries of the District and is classified as improved property. This determination shall be made once a year in July for the following fiscal year. The District may send a supplemental bill to cover pro-rated charges due for the period of time service was provided before the annual billing cycle.

**Section 10. Collection of charges on tax roll.**

- A. Pursuant to the provisions of Division 5, Part 3, Ordinance 6, Article 4 of the Health and Safety Code of the State, and subject to the exceptions set forth in this ordinance, the District elects, as an alternative procedure for the collection of sewer service charges prescribed or imposed by the provisions of this ordinance to have all such sewer service charges for each fiscal year from and after July 1, 2007, collected on the tax roll in the same manner, by the same persons and at the same time as, and together with and not separately, from its general taxes.
- B. The Manager-Engineer is directed to annually prepare and file with the District Secretary before the first day of August, a report containing a description of each and every parcel of real property receiving the sewer services hereinabove mentioned and the amount of the sewer service charge for each parcel for the forthcoming fiscal year, in conformity with the charges prescribed herein. Providing and excepting that: the sewer service charges for any and all governmental or public improved properties or for any improved properties which are not subject to taxation on the tax roll shall not be included in the report, but shall be collected in accordance with other provisions of this code. The parcels of real property included in the report may be described by reference to maps prepared in accordance with Section 327 of the Revenue and Taxation Code of the state and on file in

the office of the county assessor, or by reference to plats or maps on file in the office of the District.

- C. The District Secretary shall cause notice of the filing of the report and of a time and place of hearing thereon to be published prior to the date set for hearing in a newspaper of general circulation printed and published within the District. The publication of the notice shall be once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the fourteenth including therein the first day.
- D. The District Secretary shall also cause a notice in writing of the amount of the charge, of the filing of the first report hereunder proposing to have such charge for the forthcoming fiscal year collected on the tax roll, and of the time and place of hearing thereon, to be mailed to each person to whom any parcel or parcels of real property described in the report is assessed on the last equalized assessment roll available on the date the report is prepared, at the address shown on the assessment roll or as known to the District Secretary, in accordance with Division 5, Part 3, Chapter 6, Article 4 of the Health and Safety Code.
- E. If the Board adopts the report for the forthcoming year, July 1, 2007, to June 30, 2008, inclusive, then the requirements for notice in writing to the persons to whom parcels of real property are assessed shall not apply to hearings on reports prepared in subsequent fiscal years, but notice by publication as hereinabove provided shall be adequate.
- F. At the time stated in the abovementioned notice, the Board shall hear and consider all objections or protests, if any, to the report referred to in the notice and may continue the hearing from time to time. If the District finds that protest is made by owners of a majority of separate parcels of property described in the report, then the report shall not be adopted and the charges shall be collected separately from the tax roll and shall not constitute a lien against any parcel or parcels of land, except as provided in Section 15.
- G. Upon the conclusion of the hearing, the Board may adopt, revise, change, reduce or modify and change or overrule any or all objections, and shall make its determination upon each charge as described in the report, which determination shall be final.
- H. On or before the tenth of August of each year following such final determination, the District Secretary shall file with the auditor of the county a copy of the report with a statement endorsed thereon over his or her signature that it has been finally adopted by the Board, and the auditor of the county shall enter the amounts of the charges against the respective lots or parcels of land as they appear on the current assessment roll.
- I. The amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed as of the date prescribed by law as the lien date for general property taxes.

- J. The tax collector of the county shall include the amount of the charges on bills for taxes levied against the respective lots and parcels of land.
- K. Thereafter the amount of the charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the District and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties.
- L. All laws applicable to the levy, collection and enforcement of general taxes of the District, including but not limited to, those pertaining to matters of delinquency, collection, cancellation, refund and redemption, are applicable to such charges.
- M. The tax collector may in his or her discretion issue separate bills for such charges and separate receipt for collection on account of such charges. The county shall be compensated for services rendered in connection with the levy, collection and enforcement of such charges in an amount to be fixed by agreement between the Board of Supervisors of the County and the Board of Directors of the Sanitary District.
- N. If any premises within the District are omitted from the abovementioned report or the tax roll, either because the charge therefor shall not have yet been ascertained by the Manager-Engineer as of the date of the report or for any other reason, the sewer service charge for each improved property shall be collected in the manner provided elsewhere in this ordinance. If the charge for any improved property, as shown on the report for the forthcoming fiscal year should be less than that which should be the charge therefor under the provisions of this ordinance, the balance of the charge shall be collected in the manner provided elsewhere in this ordinance.

### **Section 11. Billing.**

Except in circumstances where charges are collected on the tax roll, the Manager-Engineer shall ascertain the amount of each sewer service charge applicable to each Benefited User in the District, and shall mail to each Benefited User in the District, within sixty days from and after July 1st of each year, a bill for the sewer service charges which are then due and payable. Such bills shall be mailed to the person or persons listed as the owners on the last equalized assessment roll of the county at the address shown on such assessment roll, or to the successor in interest of such owner, if the name and address of such successor in interest is known to the Manager-Engineer. Each bill so mailed shall contain a statement that a delinquency in payment for sixty days shall constitute a lien against the lot or parcel against which the charge is imposed and that when recorded shall have the force, effect and priority of a judgment lien for three years unless sooner released or otherwise discharged. Failure of the Manager-Engineer to mail any such bill or failure of any owner to receive any such bill, shall not excuse the owner of any premises from the obligation of paying any sewer service charge for any premises owned by him or her.

Except as otherwise provided in this ordinance for collection of sewer service charges through general tax law, whenever a delinquency charge shall occur for nonpayment, penalties shall accrue at a rate of 10% per annum, or the highest rate allowed by law,

whichever is lower. After delinquency for sixty days, such unpaid charge and penalties shall constitute a lien upon the lot or parcel of land against which the charge was levied.

Except in circumstances where charges are collected on the tax roll, all sewer service charges shall be payable at the office of the Novato Sanitary District, at 500 Davidson Street, Novato, CA 94945, or as otherwise noted on the billing.

**Section 12. Due date of charges.**

The initial payment of sewer service charges shall be made at the time of the District's issuance of a permit to connect to the public sewer. Except in circumstances where charges are collected on the tax roll, subsequent sewer service charges shall become due and payable as of the date of mailing of the billing as provided in Section 11.

**Section 13. Delinquency date.**

Except as otherwise provided elsewhere in this ordinance, each sewer service charge shall be delinquent if not paid on or before the thirtieth day immediately following the date upon which such charge became due and payable.

**Section 14. Persons responsible.**

The Benefited User is and shall be responsible for payment of any and all sewer service charges applicable to improved properties owned by him or her. It shall be and is the duty of each such owner to ascertain from the Manager-Engineer the amount and due date of any such charge applicable to improved properties owned by him or her and to pay such charge when due and payable. It also shall be and is the duty of all owners of all improved properties to inform the Manager-Engineer immediately of all circumstances, and of any change or changes in any circumstances, which will in any way affect the applicability of any charge to improved properties owned by him or her or the amount of any such charge. In particular, but not by way of limitation, an owner of any improved property shall be responsible to inform the Manager-Engineer of any sale or transfer of such property by or to such owner.

**Section 15. Government or public premises.**

The provisions of this ordinance shall apply to governmental or public improved properties as well as to improved properties which are not governmental or public.

**Section 16. Outside service connections.**

Sewer service charge rates for outside service connections, that is, for premises located outside boundaries of the District and connected to District facilities pursuant to specific agreement between the District and the property owner, shall be those prescribed in the outside service agreement between the District and the property owner. Outside service connections will generally require the consent of the Marin County LAFCO.

**Section 17. Annual industrial permit fees.**

- A. The Board shall from time to time, after a public hearing, establish by ordinance the annual industrial permit fee to be charged by the District for the purpose of partially recovering the industrial pretreatment program costs from industries which are permitted in the program as set forth in Ordinance No. 70 and amendments.
- B. The annual industrial permit fee shall be collected separate from and in addition to the charges set forth in this ordinance.

**Section 18. Power to inspect.**

In order to effect the powers of this section and pursuant to Section 6523.2 of the Health and Safety Code of the state, the District's Manager-Engineer and his or her authorized representatives are given the power and authority to enter upon private property for the purpose of inspection and maintenance of sanitary and waste disposal facilities, including, but not limited to, ascertaining the nature of such premises, the type of activities carried on therein, the number of plumbing fixtures situate therein, and any other facts or information reasonably necessary to ascertain the applicability of any charges to such premises, or the amount of such charges.

**Section 19. Vacant premises.**

No credit, adjustment or refund will be made to any property owner because the premises or any part thereof are vacant unless said premises are disconnected from the sewerage system.

**Section 20. Enforcement.**

In the event of the failure of any owner to pay when due any charges applicable to premises owned by him or her, the District may enforce payments of such delinquent charges in any of the following manners:

- A. The District may have such premises disconnected from the sanitary sewer system. In the event such disconnection should create a public hazard or nuisance, the Manager-Engineer or his or her representatives may enter upon the premises for the purposes of doing such things as may be reasonably necessary to alleviate or remove such hazard or menace. The owner of such premises shall have a duty to reimburse the District for all expenses incurred by District in disconnecting any such premises, or in doing other things authorized by this section, and no reconnection shall be made until all such charges are paid.
- B. The Manager-Engineer may institute action in any court of competent jurisdiction to collect any charges which may be due and payable in the same manner as any other debts owing to the District may be collected.
- C. Any and all delinquent payments may be placed on the tax roll, and collected with property taxes, as provided in this ordinance.

D. Such other action may be taken as may be authorized by law and by the Board.

**Section 21. Severability.**

In the event any section or portion of this ordinance shall be determined invalid or unconstitutional, such section or portion shall be deemed severable and all other sections or portions hereof shall remain in full force and effect.

**Section 22. Savings clause.**

All ordinances, and parts of ordinances in conflict with the provisions of this ordinance are repealed. The provisions of this ordinance, insofar as they are substantially the same as existing provisions relating to the same subject matter shall be construed as restatements and continuations thereof and not as new enactments. To the extent this ordinance or any portion or section of this ordinance is determined invalid or unconstitutional, such portions of Ordinance No. 42, as last amended shall remain in effect and such rates and charges due thereunder for any categories of users affected for fiscal year 2007-08 shall remain due and payable as if those portions of Ordinance No. 42 not been repealed.

With respect, however, to violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of this ordinance, under any chapter, ordinance, or part of an ordinance shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability or appeal.

**Section 23. Updated Rates and Charges.**

From time to time, when rates and charges are updated but there is no modification of methodology, the Board may modify rates and charges by adopting new tables.

**Section 24. Effective date.**

Upon adoption, this Ordinance shall be entered in the minutes of the District Board, a summary shall be published once in a newspaper of general circulation published in the District, and shall take effect and be enforced seven days after publication.

William C. Long, President, Board of Directors  
Novato Sanitary District

ATTEST:

\_\_\_\_\_  
Beverly B. James  
Secretary

Passed and adopted at a regular meeting of the Board of Directors of the Novato Sanitary District, Novato, California, duly held on the 6th day of \_\_\_\_\_, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors: None

ABSENT, Directors:

\_\_\_\_\_  
Recording Secretary

DRAFT

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Amendment to Contract Between CalPERS and Novato Sanitary District	<b>MEETING DATE:</b> 3/26/2012  <b>AGENDA ITEM NO. :</b> 7 a.
<b>RECOMMENDED ACTION:</b> Adopt Resolution of Intention to Approve an Amendment to Contract Between CalPERS and NSD to Create a new Second Tier Plan	
<p><b>SUMMARY AND DISCUSSION:</b> At the Board of Directors meeting on January 9, 2012, the Board adopted a number of measures affecting the District’s CalPERS retirement plan and payment of employee contributions. The amendments were a key provision of the negotiated agreement between the District and Teamsters Local 315.</p> <p>One of the actions was to amend the District’s CalPERS retirement contract for new hires from 2% @ 55 retirement formula to 2% at 60, with retirement calculations based on 36 consecutive months’ highest compensation instead of 12 consecutive months’ highest compensation. This measure requires a CalPERS actuarial valuation and contract amendment. CalPERS requires that clearly defined procedures be followed for contract amendments. The entire process takes approximately 4 months. The actuarial valuation was received at the end of January and initial contract amendment documents were received on March 9, 2012. The following are guidelines provided by CalPERS in order to complete the amendment process:</p> <ol style="list-style-type: none"> <li>1. First a Resolution of Intention must be approved by the Board and Certifications of the Governing Body’s Action and Compliance with Government Code Sections 7507 and 20475 provided to PERS.</li> <li>2. The agency must disclose the rates identified in the <u>amendment</u> actuarial valuation for the adoption of this plan amendment. The employer contribution rate for FY 2011-12 will be 7.733% of reportable earnings for employees entering membership for the first time after the effective date of the contract amendment. Future annual costs or benefit change of the proposed contract must be made public at a public meeting at least <u>two weeks</u> prior to the adoption of the final Resolution. The employer contribution rate for FY 2012-13 is projected to be 7.846%. Employee contributions will be 7% of reportable earnings.</li> <li>3. After adoption of the Resolution of Intention on March 26<sup>th</sup>, there must be a 20-day period between the adoption of the Resolution of Intention and the adoption of the Final Resolution pursuant to Government Code 20471. There are no exceptions to this law.</li> </ol> <p>A Summary of Major Provisions of the 2% @ 60 Formula, a draft Exhibit of the Amendment to Contract, and a copy of the actuarial valuation is included.</p>	
<b>ALTERNATIVES:</b> Do not adopt the Resolution of Intention.	
<b>BUDGET INFORMATION:</b> It is anticipated that savings of approximately \$9,600 in employer contributions will be realized for fiscal year 2012-13.	
<b>DEPT. MGR. :</b>	<b>MANAGER’S APPROVAL:</b>

**RESOLUTION OF INTENTION  
TO APPROVE AN AMENDMENT TO CONTRACT  
BETWEEN THE  
BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE  
BOARD OF DIRECTORS  
NOVATO SANITARY DISTRICT**

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By: \_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date adopted and approved

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF GOVERNING BODY'S ACTION**

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

\_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_  
(public agency)

on \_\_\_\_\_  
(date)

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 20475**

I hereby certify that the \_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_  
(public agency)

has fully discharged all of the obligation imposed by Chapter 10 (commencing with  
Section 3500) of Division 4 of Title 1, Government Code.

By \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 7507**

I hereby certify that in accordance with Section 7507 of the Government Code the future annual costs as determined by the System Actuary for the increase/change in retirement benefit(s) have been made public at a public meeting of the

\_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ of the  
(public agency)

on \_\_\_\_\_ which is at least two weeks prior to the adoption of the  
(date)

Resolution / Ordinance.

Adoption of the retirement benefit increase/change will not be placed on the consent calendar.

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

Date \_\_\_\_\_

## **CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Actuarial and Employer Services Branch  
Public Agency Contract Services  
(888) CalPERS (225-7377)

### **SUMMARY OF MAJOR PROVISIONS**

2% @ 60 Formula (Section 21353)  
Local Miscellaneous Members

#### SERVICE RETIREMENT

To be eligible for service retirement, a member must be at least age 50 and have five years of CalPERS credited service. There is no compulsory retirement age.

The monthly retirement allowance is determined by age at retirement, years of service credit and final compensation. The basic benefit is 2% of final compensation for each year of credited service upon retirement at age 60. If retirement is earlier than age 60, the percentage of final compensation decreases for each quarter year of attained age to 1.092% at age 50. If retirement is deferred beyond age 60, the percentage of final compensation increases for each quarter year of attained age to 2.418% at age 63.

Final compensation is the average monthly pay rate during the last consecutive 36 months of employment, or 12 months if provided by the employer's contract, unless the member designates a different period of 36 or 12 consecutive months when the average pay rate was higher.

#### DISABILITY RETIREMENT

Members substantially incapacitated from performing the usual duties for the position for his/her current employer, and from performing the usual duties of the position for other CalPERS covered employers (including State agencies, schools, and local public agencies), and where similar positions with these other employers with reasonably comparable in pay, benefits, and promotional opportunities are not available, would be eligible for disability retirement provided they have at least five years of service credit. The monthly retirement allowance is 1.8% of final compensation for each year of service. The maximum percentage for members who have between 10.000 and 18.518 years of service credit is one-third of their final compensation. If the member is eligible for service retirement the member will receive the highest allowance payable, service or disability. If provided by the employer's contract, the benefit would be a minimum of 30% of final compensation for the first five years of service credit, plus 1% for each additional year of service to a maximum benefit of 50% of final compensation.

#### INDUSTRIAL DISABILITY RETIREMENT

If provided by the employer's contract, members permanently incapacitated from performing their duties, as defined above under Disability Retirement, and the disability is a result of a job-related injury or illness may receive an Industrial Disability Retirement benefit equal to 50% of their final compensation. If provided in the employer's contract and the member is totally disabled, the disability retirement allowance would equal 75% of final compensation in lieu of the disability retirement allowance otherwise provided. If the member is eligible for service retirement, the service retirement allowance is payable. The total allowance cannot exceed 90% of final compensation.

#### PRE-RETIREMENT DEATH BENEFITS

Basic Death Benefit: This benefit is a refund of the member's contributions plus interest and up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).

1957 Survivor Benefit: An eligible beneficiary may elect to receive either the Basic Death Benefit or the 1957 Survivor Benefit. The 1957 Survivor Benefit provides a monthly allowance equal to one-half of the highest service retirement allowance the member would have received had he/she retired on the date of death. The 1957 Survivor Benefit is payable to the surviving spouse or registered domestic partner until death or to eligible unmarried children until age 18.

1959 Survivor Benefit: (If provided by the employer's contract and the member is not covered under social security.) A surviving spouse or registered domestic partner and eligible children may receive a monthly allowance as determined by the level of coverage. This benefit is payable in addition to the Basic Death Benefit or 1957 Survivor Benefit. Children are eligible if under age 22 and unmarried.

Pre-Retirement Optional Settlement 2 Death Benefit: (If provided by the employer's contract.) The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Optional Settlement 2 Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Optional Settlement 2, the highest monthly allowance a member can leave a spouse or registered domestic partner.

#### COST-OF-LIVING ADJUSTMENTS

The cost of living allowance increases are limited to a maximum of 2% compounded annually unless the employer's contract provides a 3, 4, or 5% increase.

#### DEATH AFTER RETIREMENT

The lump sum death benefit is \$500 (or \$600, \$2,000, \$3,000, \$4,000 or \$5,000 if provided by the employer's contract) regardless of the retirement plan chosen by the member at the time of retirement.

#### TERMINATION OF EMPLOYMENT

Members who have separated from employment may elect to leave their contributions on deposit or request a refund of contributions and interest. Those who leave their contributions on deposit may apply at a later date for a monthly retirement allowance if the minimum service and age requirements are met. Members who request a refund of their contributions terminate their membership and are not eligible for any future benefits unless they return to CalPERS membership.

#### EMPLOYEE CONTRIBUTIONS

Miscellaneous members covered by the 2% @ 60 formula contribute 7% of reportable earnings. Those covered under a modified formula (coordinated with Social Security) do not contribute on the first \$133.33 earned.

The employer also contributes toward the cost of the benefits. The amount contributed by the employer for current service retirement benefits generally exceeds the cost to the employee. In addition, the employer bears the entire cost of prior service benefits (the period of time before the employer provided retirement coverage under CalPERS). All employer contribution rates are subject to adjustment by the CalPERS Board of Administration.



**California Public Employees' Retirement System**  
**Actuarial Office**  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone • (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

January 27, 2012

CALPERS ID: 5952313545  
 Employer Name: NOVATO SANITARY DISTRICT  
 Rate Plan: MISCELLANEOUS PLAN

Re: New Second Tier Plan: Section 20475 (Different Level of Benefits Provided for New Employees), Section 21353 (2% @ 60 Full Formula) with Section 20037 (Three-Year Final Compensation)

Dear Requestor:

In the tables below, we show your 2011-2012 and 2012-2013 employer contribution rates before and after opening a second tier.

Of the rate components shown below, the first two are specific to the pool to which the plan belongs and others are specific to your agency. However, the Phase out of Normal Cost Difference will normally be 0% beginning with rates established for 2011-2012, so it has no impact from that time on.

The Side Fund will continue to be paid off by the first tier plan since all the past service on which it is based belongs to those current members who will continue in the first tier. The scheduled dollar amounts payable will continue as before. However, because newly hired members will be covered by the second tier, the number of members and payroll in the first tier will (after several years) gradually decline. The Amortization of Side Fund rate component is the dollars needed to pay off the side fund divided by the payroll. So as long as the Side Fund remains, **the first tier rate will increase as its payroll decreases.** The first tier side fund is scheduled to be paid off after 13 years from June 30, 2012.

Therefore, in determining the employer contributions savings, Amortization of Side Fund should be excluded. For your agency, the ultimate annual employer savings equals the difference between the Normal Cost and Surcharges rates times the second tier payroll. For 2011-2012 the Normal Cost and Surcharges percentage savings is  $(7.684\% + 0.520\%) - (6.622\% + 0.000\%) = 1.582\%$ . **Based on the 2009 valuation, the ultimate employer annual dollar savings would then be 1.6% times the second tier fiscal year payroll.**

The Risk Pool's Payment on Amortization Bases is a temporary adjustment to the pool's contribution to "get the pool back on schedule". This temporary adjustment varies in amount and duration from pool to pool.

As of June 30, 2009	Existing Plan	New Second Tier Plan
	2% @ 55 w/ 1 Year FAC	2% @ 60 for newly hired members w/ 3 Year FAC
2011-2012 Employer Contribution Rate:		
Risk Pool's Net Employer Normal Cost	7.684%	6.622%
Risk Pool's Payment on Amortization Bases	1.855%	1.111%
One-Year Final Compensation	0.520%	0.000%
Phase out of Normal Cost Difference	0.000%	0.000%
Amortization of Side Fund	<del>3.969%</del>	0.000%
<b>Total Employer Contribution Rate</b>	<i>9/2</i> <del>14.028%</del> <i>10.059%</i>	7.733%
2011-2012 Employee Contribution Rate	7.000%	7.000%

For 2012-2013 the percentage savings is  $(7.720\% + 0.522\%) - (6.640\% + 0.000\%) = 1.602\%$ . **Based on the 2010 valuation, the ultimate employer annual dollar savings would then be 1.6% times the second tier fiscal year payroll.**

The Risk Pool's Payment on Amortization Bases is a temporary adjustment to the pool's contribution to "get the pool back on schedule". This temporary adjustment varies in amount and duration from pool to pool.

As of June 30, 2010	Existing Plan	New Second Tier Plan
	2% @ 55 w/ 1 Year FAC	2% @ 60 for newly hired members w/ 3 Year FAC
2012-2013 Employer Contribution Rate:		
Risk Pool's Net Employer Normal Cost	7.720%	6.640%
Risk Pool's Payment on Amortization Bases	1.996%	1.206%
One-Year Final Compensation	0.522%	0.000%
Phase out of Normal Cost Difference	0.000%	0.000%
<del>Amortization of Side Fund</del>	<del>4.903%</del>	0.000%
<b>Total Employer Contribution Rate</b>	<i>g/e</i> 15.141% <i>10.249%</i>	7.846%
2012-2013 Employee Contribution Rate	7.000%	7.000%

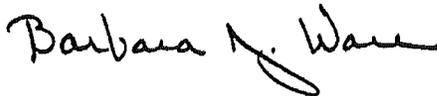
To initiate an amendment to the contract, please follow the Contract Amendment Report process on MyCalPERS with our Retirement Contract Services Unit, indicating your wish to contract for Section 20475 (Different Level of Benefits) and identifying the group(s) to which the benefit reduction applies.

In sections 20463 (b) and (c), the California Public Employees' Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.

The June 30, 2010 Section 2 Risk Pool actuarial valuation report applicable to your new second tier plan can be viewed on the following website:

<http://www.calpers.ca.gov/index.jsp?bc=/employer/actuarial-gasb/risk-pooling/valuation-reports.xml>

If you have questions, please call (888) CalPERS (225-7377).



BARBARA J. WARE, FSA, MAAA  
 Enrolled Actuary  
 Senior Pension Actuary, CalPERS



## EXHIBIT

California  
Public Employees' Retirement System

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# AMENDMENT TO CONTRACT

Between the  
Board of Administration  
California Public Employees' Retirement System  
and the  
Board of Directors  
Novato Sanitary District

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The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective November 1, 1969, and witnessed October 31, 1969, and as amended effective October 1, 1971, April 11, 1974, November 1, 1981, February 1, 1986, January 1, 1987, March 23, 1999 and June 25, 2002 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective June 25, 2002, and hereby replaced by the following paragraphs numbered 1 through 13 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members entering membership in the miscellaneous classification on or prior to the effective date of this amendment to contract and age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

2. Public Agency shall participate in the Public Employees' Retirement System from and after November 1, 1969 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
  
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
  - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
  - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
  - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
  - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
  - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
  - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.

- (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
    - a. Employees other than local safety members (herein referred to as local miscellaneous members).
  5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
    - a. **ELECTED OFFICIALS;**
    - b. **PERSONS COMPENSATED ON AN HOURLY BASIS; AND**
    - c. **SAFETY EMPLOYEES.**
  6. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to September 30, 1971, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
  7. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
  8. Public Agency elected and elects to be subject to the following optional provisions:
    - a. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.
    - b. Section 20965 (Credit for Unused Sick Leave).

- c. Section 21573 (Third Level of 1959 Survivor Benefits).
  - d. Section 20042 (One-Year Final Compensation) for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract.
  - e. Section 21024 (Military Service Credit as Public Service).
  - f. Section 21027 (Military Service Credit for Retired Persons).
  - g. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.
9. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on November 1, 1981. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
10. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
11. Public Agency shall also contribute to said Retirement System as follows:
- a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
  - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
  - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

12. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
  
13. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS  
NOVATO SANITARY DISTRICT

BY \_\_\_\_\_  
KAREN DE FRANK, CHIEF  
CUSTOMER ACCOUNT SERVICES DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk

March 26, 2012

To: Board of Directors

From: Adhoc Labor Relations Committee  
Bill Long  
Mike Di Giorgio

Re: Deputy Manager-Engineer Compensation

The Adhoc Labor Relations Committee met to review the District's Deputy Manager-Engineer's compensation. He has a broad span of control covering both capital and operating areas. His expertise in engineering design and construction as well as treatment plant operations has contributed significantly to the District's goals of improving service at a reasonable cost. Over the past several years he has managed an average of \$18 million/year in capital projects. He also manages the Collection, Environmental Services and Engineering Departments as well as overseeing compliance with the Treatment Plant O&M contract.

Compensation for positions with equivalent responsibilities at other Bay area agencies averages 9% higher than the compensation for the Deputy Manager-Engineer. He has indicated that he would prefer to receive any adjustment in compensation as deferred compensation. The committee recommends increasing his deferred compensation from the current 2.5% to 8% effective 1/1/2012. Even with this increase, his compensation will remain below the average for equivalent positions but it will be consistent with compensation for other District positions.

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Staff Report: Employer impacts of CalPERS Discount Rate Change	<b>MEETING DATE:</b> March 26, 2012 <b>AGENDA ITEM NO.:</b> 9 a
<b>RECOMMENDED ACTION:</b> Information only	
<b>SUMMARY AND DISCUSSION:</b> As noted in the attached circular letter, CalPERS lowered the discount rate assumption from 7.75 to 7.50 percent. They estimate that non-safety public agency employer contribution rates will increase by 1.0 to 2.0 percent. These changes will take effect in the 2013-14 fiscal year.	
<b>ALTERNATIVES:</b> NA	
<b>BUDGET INFORMATION:</b> This potentially will increase expenditures by \$20,000 to \$40,000 in 2013-14.	
<b>DEPT.MGR.:</b>	<b>MANAGER:</b>



California Public Employees' Retirement System  
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TTY: (877) 249-7442  
www.calpers.ca.gov

Reference No.:  
Circular Letter No.: 200-010-12  
Distribution: VI  
Special:

## Circular Letter

March 16, 2012

**TO: ALL PUBLIC AGENCY EMPLOYERS**

**SUBJECT: EMPLOYER RATE IMPACTS DUE TO DISCOUNT RATE CHANGE**

The purpose of this Circular Letter is to inform you of recent changes to the CalPERS discount rate assumption and the impact this will have on employer contribution rates.

At the March 14, 2012 meeting, the CalPERS Board of Administration (Board) approved a recommendation to lower the CalPERS discount rate assumption, or the rate of investment return the pension fund assumes, from 7.75 to 7.50 percent. This will increase public agency employer rates for fiscal year 2013-14.

CalPERS actuaries offered the Board two options to protect the soundness of the pension plan: a 7.25 percent discount rate that includes an adjustment to add an element of conservatism to further protect against lower returns, or a 7.50 percent discount rate without such an adjustment. The Board voted to lower the discount rate to 7.50 percent but directed staff to develop a plan to phase in the employer contribution rate increases over a period of two years.

### **Background**

In March 2011, the Board voted to keep the current discount rate of 7.75 percent. That decision was partially made to help employers during these difficult economic times, but was also contingent upon a reassessment this year. CalPERS discount rate was last changed 10 years ago, when it was lowered to 7.75 percent from 8.25 percent.

Over the past year, the CalPERS Actuarial Office conducted its own study and hired an independent evaluator to assess economic assumptions. The discount rate assumption is calculated based on expected price inflation and real rate of return. Based upon information from both studies, CalPERS Actuaries recommended that the assumption for price inflation be reduced from 3.00 to 2.75 percent. When added to the current real return assumption of 4.75 percent, produces a discount rate assumption of 7.50 percent.

## **Results**

The Board's decision to lower the discount rate assumption will have the following estimated impacts on public agency employers and employees:

- **Public agency employer contribution** rates are estimated to increase by approximately 1.0 to 2.0 percent of payroll for Miscellaneous plans and 2.0 to 3.0 percent of payroll for Safety plans. These increases are to be phased in over a period of two years beginning in fiscal year 2013-14. Details of the phase have yet to be developed. CalPERS will communicate via Circular Letter to employers when details are available.
- **Service credit purchase** requests postmarked, delivered, or faxed on or after March 15, 2012 will increase between 5.0 to 13.0 percent depending on the individual circumstances of members.
- **Retirement applications** with retirement dates on or after March 15, 2012 will be calculated from the new discount rate. Members who choose optional benefits – leaving some part of their benefit to a spouse or beneficiary after their death – will experience approximately a 2.0 percent increase in cost.

The measured impact of the change in the discount rate assumption will be known when the Actuarial Office completes the June 30, 2011 actuarial valuations in fall 2012. The June 30, 2011 valuations will set the employer rates that take effect on July 1, 2013.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

ALAN MILLIGAN  
Chief Actuary