

NOVATO SANITARY DISTRICT

Meeting Date: September 17, 2018

The Board of Directors of Novato Sanitary District will hold a special meeting at 5:30 p.m., Monday, September 17, 2018, at the District Offices, 500 Davidson Street, Novato.

Materials related to items on this agenda that are public records, 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. Note: All times and/or order of consideration for agenda items are for reference only. The Board of Directors may consider item(s) in a different order than set forth herein.

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

3. PUBLIC COMMENT (PLEASE OBSERVE A THREE-MINUTE TIME LIMIT):

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

4. REVIEW OF MINUTES:

- a. Consider approval of minutes of the August 27, 2018 regular meeting.

5. CONSENT CALENDAR:

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

- a. Ratify regular disbursements, August 28 – September 10, 2018.
- b. Receive deposit summary, August 2018.

6. SOLID WASTE – INFORMATIONAL ITEMS:

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

- a. Marin Independent Journal article dated August 19, 2018: "US-China trade war hits Marin recycling market".
- b. Marin Independent Journal article dated August 19, 2018: "China dispute tied to garbage rate hikes".
- c. Marin Independent Journal article dated August 23, 2018: "Supervisors back garbage rate hike".

7. SOLID WASTE OPERATIONS:

- a. Receive report on Calendar Year (CY) 2019 solid waste rate adjustment from R3 Consulting Group, and its recommendation for a maximum rate increase of 3.35 percent (informational item only – no action at this time).
- b. Review proposed Schedule, and draft Notice of Intent and Public Hearing, and set public hearing date of November 13, 2018, to consider modifications and establish maximum solid waste service charges for Calendar Year (CY) 2019.

- c. Approve termination of Recyclables Material Balancing Account in the District's solid waste franchise agreement with Recology Sonoma-Marín (RSM), approve the draft termination letter as prepared by R3 Consulting Group, Inc., and direct the General Manager-Chief Engineer to transmit the approved termination letter to RSM.

8. MARIN CLEAN ENERGY (MCE):

- a. Receive presentation from Marin Clean Energy (MCE) staff on switching District electricity accounts from Pacific Gas & Electric CO. (PG&E) to MCE.
- b. Receive presentation and recommendations from Enovity, Inc. on switching District electricity accounts from PG&E, Inc. to MCE, and provide direction.

9. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Reports, August 2018:
 - Collection Systems
 - Treatment Facilities
 - Reclamation Facilities

10. CAPITAL PROJECTS:

- a. *Recycled Water Facility Expansion, Account No. 73005:* Approve a contract amendment in the amount of \$66,201 with Woodard and Curran (W&C) on a time and expense basis to provide additional Engineering Services During Construction for this project, and increase the overall contract amount to \$279,477; and authorize the General Manager to execute the amendment.
- b. Receive Capital Projects Update, August 2018.

11. BOARD OF DIRECTORS:

- a. Adopt Resolution No. 3127 to change the District Board of Directors' regular meetings from the second and fourth Mondays of each calendar month to the second Monday of each calendar month, and approve changes to Policy No. 5010 - Board Meetings.

12. BOARD MEMBER REPORTS AND REQUESTS:

13. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

14. ADJOURNMENT:

Next Resolution No. 3128.

Next regular meeting date: Monday, October 8, 2018, 5:30 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.

NOVATO SANITARY DISTRICT
Board Meeting Minutes
Meeting Date: August 27, 2018

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, August 27, 2018, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Directors Carole Dillon-Knutson, William C. Long, Jean Mariani, and Brant Miller.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal and Administrative Services Specialist June Brown.

ALSO PRESENT: Jeffrey Andress, Collections System Supt., Novato Sanitary District
John Bailey, Assistant Project Manager, Veolia Water
Jeffrey Boheim, Field Services Manager, Novato Sanitary District
Erik Brown, Deputy General Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
John O'Hare, Project Manager, Veolia Water
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Gary Butler, Novato Resident
Dee Johnson, Solid and Hazardous Waste Program Coordinator

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the July 9, 2018 regular meeting.

On motion of Director Mariani, seconded by Director Miller, and carried 3-0-1, the meeting minutes of July 9, 2018 were approved. Director Long abstained from voting because he was absent from the July 9th meeting. Director Dillon-Knutson was late arriving and therefore did not vote on this item.

Consider approval of minutes of the July 16, 2018 special meeting.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously by those Directors present, the meeting minutes of July 16, 2018 were approved.

Director Dillon-Knutson arrived at the meeting at 5:35 p.m.

CONSENT CALENDAR:

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

- a. Ratify regular disbursements, July 9 – August 27, 2018.
- b. Ratify July and August 2018 payroll and payroll related disbursements.
- c. Receive deposit summary, July 2018.

- d. Receive 4th Quarter Investment Report, Fiscal Year 2017-18 (FY 17-18).
- e. Receive 4th Quarter Financial Report, FY 17-18.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2018.
- g. Approve transfer of \$19,084 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY 17-18.
- h. Approve the Collections System Superintendent to attend the California Water Environment (CWEA), the Nevada Water Environment Association (NWEA) and the Arizona Water Association (AWA) joint Tri-State Seminar 2018 training conference in Las Vegas, Nevada.
- i. Cancel regular Board meetings of September 10, 2018 and 24, 2018, and schedule a special meeting at 5:30 PM on September 17, 2018.

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

ANNUAL BUDGET: FINAL FISCAL YEAR (FY) 2018-19 BUDGET:

- Receive and adopt the Final FY 18-19 District Annual Budget, subject to minor edits. The General Manager stated that the Final Budget for fiscal year 2018-19, including the preliminary budget for fiscal year 2019-20, was being presented for final approval. He noted there are no major revisions or changes from the Preliminary Budget. The Final Budget has been revised to reflect cost-of-living adjustments negotiated in the Memorandum of Understanding (MoU) between the District and Teamsters Local 315, and actual health care premiums. A revision has also been made in the Administration/Engineering cost center, Election Expense, which increases the budget for election costs from \$60,000 to an estimated \$90,000 to reflect potential increased election expenses.

On motion of Director Dillon-Knutson, seconded by Director Long, and carried unanimously, the Board adopted the Novato Sanitary District's Final Budget for Fiscal Years 2018-19, Including Preliminary Budget for Fiscal Year 2019-20.

Director Long suggested that it would be interesting to review the cost per gallon of producing recycled water over the past few years and determining if the cost is changing. The General Manager indicated that, in his view, it is probably staying the same or going down slightly. In response to a question by Director Long, the General Manager clarified that the District's contract with Veolia Water for maintaining the recycled water facilities is based on cost of operations, not on volume.

Director Mariani thanked staff and noted that each year the budget document gets better. Director Dillon-Knutson added her thanks and noted the budget is easy to read. She agreed that recycled water cost per gallon detail would be nice to have.

- Adopt Resolution No. 3125 establishing appropriations limit for FY 18-19, subject to minor edits. The General Manager stated that under the Gann Spending-Limitation Initiative adopted as Proposition 4 in June 1979, the District is required to annually adopt a resolution setting an appropriations limit for the upcoming year. He stated that for 2018-19, staff projects that the District's appropriations subject to limitation will be \$6,553,365.

On motion of Director Miller, seconded by Director Mariani, and carried unanimously, the Board adopted Resolution No. 3125, A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2018-19 Appropriation Limit.

(next page)

ELECTRONIC WASTE (E-WASTE) OPERATIONS:

- Receive report and ratify change in E-Waste collection operations to move from two collection events per year to year-round collection in conjunction with Household Hazardous Waste (HHW) collection at the HHW facility: Solid Waste and Household Hazardous Waste Coordinator Dee Johnson reported that ECS, Inc., the District's E-waste recycler for the semi-annual E-waste collection events, recently went out of business. Staff reviewed future options for providing electronics collection and proposes to eliminate the current 3-day spring and fall E-waste events and accept E-waste year-round at the HHW facility. Hours of operation would be the same as household hazardous waste collection, which is 8:30 a.m. to 1:30 p.m. on the 1st and 3rd Sundays and Mondays of each month. This expands the number of days residents can drop off electronics from 6 times a year to 48 times a year, or 4 times a month.

The District's HHW contractor, Stericycle, Inc., informally accepts all types of E-waste at the HHW facility and ships it, at no cost to the District, to a local E-waste recycler, who is certified to collect electronics in California. Ms. Johnson requested that the District Board ratify the proposed change in E-waste collection so that the Household Hazardous Waste facility can formally continue to accept all types of electronics on a regular basis. In addition to enhancing service to residents, there will be a cost savings associated with the elimination of a separate E-waste recycler contract and labor.

In response to a question by Director Miller, Ms. Johnson confirmed that the Cal Recycle Designated Approved Collectors Form does not need to be updated and no contract or agreement with Stericycle needs to be revised to reflect the proposed change. Director Long asked how the proposed service will be published. Ms. Johnson explained that it will be reported on the District's website, in the District's newsletter, in fliers, on the HHW hotline, and will also be advertised by Recology.

Director Mariani moved to ratify the proposed change in E-waste collection operations from the current two collection events to year-round collection in conjunction with Household Hazardous Waste operations. Director Long seconded the motion. Discussion followed. Director Miller asked who the current recycler is. Ms. Johnson replied that it is E-Waste Recycler of America out of Hayward. Director Dillon-Knutson asked how recyclers process E-waste. Ms. Johnson explained that electronic products are broken down through mechanization into different components for re-use. Motion carried unanimously.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, July 2018.

- Collections System: Collections System Superintendent Jeffrey Andress presented the Collection Systems Report for July 2018. He stated that the Collections Department completed 514 work orders in July, leaving zero work orders outstanding. The completed work orders resulted in 76,877 feet of sewer pipelines cleaned. An additional 6,400 feet of sewer line was treated for root intrusion by staff and a District contractor for a total of 83,277 feet of cleaned sewer line. He stated that 8,059 feet of sewer main were televised, identifying a few holes in a vitreous clay pipe. The line has been documented and placed on the spot repair list for future repair. CCTV work did not identify any area that requires a change in sewer line maintenance operations. 175 lift station inspections were conducted in July, 68 of which were generated through the District's JobsCal Plus CMMS system. There are no outstanding work orders for the month. In addition, maintenance inspections on 13 air relief/vacuum valves were performed and Collections System staff assisted a contractor in reinstalling pump #3 at Olive Pump Station.

The Collections System Superintendent stated Collections staff attended five safety tailgate meetings in July; CCTV inspection program training; a full day of CCTV van training on the new District CCTV van;

and a full day of Underground Locating training. There were no lost time accidents in July and there were no sanitary sewer overflows (SSOs).

Director Miller had a question about the holes identified in vitreous clay pipe during televising of sewer mains. The Collections System Superintendent responded that he made a site visit after viewing the video and determined that roots from two very large sycamore trees caused the problem.

- Treatment Facilities: Veolia Project Manager John O'Hare then provided an overview of the Treatment Facilities Monthly Operations Report for July 2018. The Project Manager reviewed the treatment plant performance summary. There were no violations or excursions for the month of July. The Project Manager outlined the safety training that was completed in July, and stated that there were no safety incidents. He reviewed the period's key events for Novato treatment plant, Ignacio transfer pump station, the Recycled Water Plant, and sludge lagoons. Discharge for the month of July was to the Reclamation site. The Recycled Water facility produced approximately 27 million gallons.

The Project Manager noted that, working with the District, Veolia welcomed a summer intern from a local high school. The internship included training for basic laboratory safety and technique. The Project Manager noted it was a very good experience and Veolia plans to initiate a similar program in future. Liz Falejczyk, Veolia Environmental Services Supervisor, and Julie Hoover, NSD Administrative Secretary, attended the first day of Watershed Week for STRAW (Students and Teachers Restoring A Watershed) event sponsored by Point Blue Conservation Science. The June 2018 Discharge Monitoring and Self-Monitoring Reports were submitted electronically. Jerome meter readings performed in the neighborhood registered 0 ppm.

The General Manager noted that John O'Hare, Veolia Project Manager, and John Bailey, Assistant Project Manager, are working with Erik Brown, District Deputy General Manager, to replace the depleting media in the large odor bed. The media was originally placed into the bed in about 2012, and the media replacement project is in the planning process at this time.

- Reclamation Facilities: Field Services Manager, Jeffrey Boheim, then summarized the Reclamation Facilities report for July 2018. There were no significant developments in the Reclamation area for the month of July. Cattle are consuming significant fresh grass and the Field Services Manager noted that at one point there were 700 cattle on site. Staff is working with the rancher to locate and repair leaks in and around the cattle troughs and continuing to repair various wiring in Sites 3 and 7. Staff has also been working with mosquito abatement staff to make adjustments to the irrigation system to reduce ponding. The Field Services Manager reported that the recommended adjustments appear to have improved conditions. Approximately 126 million gallons of irrigation water was applied to the pastures in July. The Wildlife Pond level was increased and is maintained at 6 feet. There were no sludge handling activities in July.

- Adopt Resolution No. 3126 recertifying the District's Sewer System Management Plan (SSMP):

The General Manager stated that at its August 11, 2008 meeting the District Board adopted the District's Sewer System Management Plan (SSMP) in accordance with California State Water Resources Control Board (SWRCB) Order No. 2006-0003 – Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems. He noted that the WDR requires the District to recertify the SSMP every five years. The District Board last recertified the SSMP at its August 12, 2013 meeting.

Elements of the SSMP were listed in the Board Agenda Summary and the General Manager requested the Board recertify the Plan and adopt Resolution No. 3126 documenting this recertification.

On motion of Director Long, seconded by Director Mariani and carried unanimously, the Board adopted Resolution No. 3126: "A Resolution Recertifying the Sewer System Management Plan (SSMP) – as Required by the State Water Resources Control Board Order No. 2006-0003 – Statewide General Waste Discharge Requirements for Sanitary Sewer Systems".

CAPITAL PROJECTS:

Receive Capital Projects Update, July 2018: Deputy General Manager Erik Brown presented the Capital Projects update. There was no update for Pump Station Improvements or North Bay Water Reuse Authority Projects. The Deputy General Manager reviewed the status of five Collection System Improvement Projects. One of the Collection System Projects, Bel Marin Keys Blvd. Sewer Rehabilitation, was advertised for bids in July, with a bid opening of August 16th. Unfortunately, no bids were received and the project will be re-advertised in late fall/early winter 2018. The Deputy General Manager then reviewed the status of fifteen other Capital Improvement Projects. It was noted that the Recycled Water Expansion Project is approximately 66% complete with substantial completion expected by September 20, 2018. Progress payments of \$1,290,041 of the \$1,940,122 contract have been issued or are in progress. Six Change Orders have been processed, totaling \$26,419.

As noted during the Treatment Facilities report, one of the Capital Improvement Projects involves removal and replacement of media in the large odor control bed serving the Headworks. A temporary, portable odor scrubber will be utilized while this work is undertaken, to address any odor impacts to the District's neighbors.

The Deputy General Manager also reported that the District received a new CCTV van in July, which has been equipped and is now in service. A light duty 2WD truck is on order and delivery is expected in late September. A question was raised regarding the use of hybrid vehicles. The Deputy Manager responded that the District currently has three hybrid vehicles, consisting of two Toyota Priuses and a Ford Fusion. The District may be considering electric vehicles in future, as well.

RECLAMATION: SLUDGE DISPOSAL, ACCOUNT NO. 63115:

- Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoon cleaning in a not-to-exceed amount of \$204,000, and authorize the General Manager-Chief Engineer to execute it: The General Manager briefly discussed the work proposed to be performed by CTS for disposal of biosolids generated from the treatment facilities at its dedicated land disposal site off Highway 37. The contract will also include excavation of biosolids accumulated and compacted in the bottom of the lagoons.

On motion of Director Miller, seconded by Director Dillon-Knutson and carried unanimously, the Board approved the contract with Custom Tractor Services for biosolids disposal and sludge lagoon cleaning, as described, in a not-to-exceed amount of \$204,000, and authorized the General Manager-Chief Engineer to execute it.

ADMINISTRATION/FINANCE:

- Approve transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget as of June 30, 2018, to the District's Public Agency Retirement Services (PARS) Trust account: The General Manager reported that as of June 30, 2018, approximately \$340,400 remained unused in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget, primarily due to several retirements that occurred during the year, and the fact that replacements were hired in the second half of FY 17-18. Staff recommends that the Board consider transferring \$340,000

of the unspent funds to the District's Public Agency Retirement Services (PARS) Trust Account, split equally between the GASB 45 (OPEB) and the Net Pension Liability (NPL) sub-accounts.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the Board approved the transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget to the District's PARS Account, as described.

6:37 p.m. President Peters called for a short recess.

6:42 p.m. President Peters reconvened the meeting.

Dee Johnson, Jeffrey Andress, and Jeffrey Boheim left the meeting.

BOARD OF DIRECTORS:

- Receive information on regularly scheduled Board/Commission meetings days and start times for Marin County water and sanitary districts, and other Bay Area sewer districts, and provide direction, if any: At their meeting of June 11, 2018 the Board discussed changing Board meetings to one meeting per month with additional special meetings as required, and possibly changing the start time to earlier than the current 5:30 p.m.

The General Manager presented the results of a survey of Marin County water and sewer district Board and Commission meeting schedules. Of 20 entities surveyed, only 4 (including Novato Sanitary District) meet bimonthly. Meeting start times range from 9:00 a.m. to 7:30 p.m.

Director Long asked for staff recommendations. The General Manager responded that staff had no recommendation but if the Board elects to have one meeting per month, there will be occasions where it may be necessary to have extra or special meetings. He noted that there would be a cost savings of approximately \$18,000 - \$20,000/year if the Board moves ahead with one meeting per month.

Discussion followed. The Board members were generally in favor of one meeting per month with a possible start time of 4:30 p.m. However, concern was expressed that a start time of 4:30 p.m. would make public participation more difficult, particularly for working residents and people from out of the area. Director Long favored one meeting per month but suggested more utilization of Board committees. Director Mariani favored one meeting per month, noting that considerable staff time would be saved in agenda preparation. Director Miller also was in favor of one meeting per month but concerned that agendas and meeting length may be longer. Director Dillon-Knutson supported one meeting per month but was concerned about public participation if an earlier start time is initiated. President Peters commented that from an operating efficiency and financial standpoint he supports one meeting per month.

Novato resident Gary Butler stated that the Novato Fire Protection District holds one regular meeting per month. Second meetings, if any, are basically workshops involving discussion of budget, strategic planning, etc.

Director Long moved to change the Board meeting schedule to one meeting per month with a start time of 4:30 p.m. Motion died for lack of a second.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board meeting schedule was changed to one meeting per month, to be held on the second Monday of the month.

After further discussion regarding Board meeting start times, a second motion was proposed as follows:

On motion of Director Dillon-Knutson, seconded by Director Miller, and carried unanimously, regular Board meetings were changed to one meeting per month, on the second Monday of each month, with a start time of 5:30 p.m.

Also, on request by Director Long, the Board members agreed to revisit the question of the Board meeting start time again in December.

BOARD MEMBER REPORTS AND REQUESTS:

California Association of Sanitation Agencies (CASA) 2018 Annual Conference (Monterey): Directors were in agreement that the 2018 Annual CASA Conference was extremely informative. Directors were particularly impressed with the set of speakers. The only criticism was that the CSRMA presentation on Crisis Management did not really apply to the wastewater industry.

INFORMATIONAL ITEMS:

- Copy of Platinum6 Peak Performance Award Certificate and program from 2018 Awards Ceremony of the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony, Boston, MA, July 23 – 26, 2018. The General Manager announced that the certificate was awarded to the District in recognition of six years of complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance. The Board congratulated Veolia and District staff on the achievement.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- Based on Board action, a resolution will be presented at the next Board meeting changing the Board meeting schedule to once a month, on the second Monday, at 5:30 p.m.
- The next Board meeting (special meeting) is scheduled for September 17, 2018 at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

June Brown, Recording

Novato Sanitary District Board Check Register

For August 2018

Date	Num	Name	Credit
Sep 7, 18			
09/07/2018	5677	Dillon-Knutson-, Carole	407.79
09/07/2018	5678	Long, William C	313.79
09/07/2018	5679	Mariani, Jean M	501.58
09/07/2018	5680	Miller, Brant	
09/07/2018	5681	Peters, Arthur Gerald	207.79
Sep 7, 18			<u>1,430.95</u>

Novato Sanitary District Operating Check Register

September 10, 2018

Date	Num	Name	Amount
09/10/2018	62166	PARS-PSRP-Post Employment Benefits Trust	182,084.00
09/10/2018	62165	PARS-OPEB-Post Employment Benefits Trust	179,125.96
09/10/2018	62149	Duke's Root Control, Inc	56,805.06
09/10/2018	62153	Irvine Consulting Services Inc.	11,942.50
09/10/2018	62156	Johnson, Dee	8,730.00
09/10/2018	62174	East Bay Muni Utility District	7,756.00
09/10/2018	62159	Maze & Associates	4,758.00
09/10/2018	62145	Central Marin Sanitation District	4,696.53
09/10/2018	62143	Cagwin & Dorward Inc.	3,690.00
09/10/2018	62148	Custom Tractor Service	3,240.00
09/10/2018	62173	WECO	1,647.31
09/10/2018	62158	Marin Mechanical II, Inc.	1,637.50
09/10/2018	62152	IDEXX Distributing Corp.	1,428.70
09/10/2018	62141	B.W.S. Distributors, Inc.	1,383.62
09/10/2018	62155	Johnson Controls, Inc.	1,280.52
09/10/2018	62163	North Marin Water District	1,191.51
09/10/2018	DD	CalPers Health2	1,050.00
09/10/2018	62154	Jan-Pro Cleaning Systems	1,005.00
09/10/2018	62161	Miksis Services Inc	920.00
09/10/2018	62144	CDW Government, Inc.	913.00
09/10/2018	62157	Leak Detection Pros Inc	900.00
09/10/2018	62160	Meyers, Nave, Riback, Silver & Wilson	800.00
09/10/2018	62167	Pini Hardware	588.96
09/10/2018	62172	Vision Service Plan	572.17
09/10/2018	62170	UniFirst Corporation	442.22
09/10/2018	DD	Long, William C.	364.70
09/10/2018	DD	Dillon-Knutson, Carole.	339.89
09/10/2018	62146	Claremont EAP, Inc.	250.00
09/10/2018	62169	U.S. Bank Equipment Finance	228.48
09/10/2018	62168	Siragusa, Peter-	215.00
09/10/2018	62142	Barnett Medical LLC	180.00
09/10/2018	62164	Orkin Pest Control, Inc.	151.84
09/10/2018	62162	NAPA Auto Parts	121.45
09/10/2018	62140	AT&T Mobility	62.80
09/10/2018	62139	American Messaging	62.45
09/10/2018	62151	First Alarm	41.11
09/10/2018	62171	United Parcel Service	24.50
09/10/2018	62147	Creamer, Laura(reimb)	11.05
09/10/2018	62150	VOID	0.00
			<u>480,641.83</u>

Sep 10, 18

Novato Sanitary District Capital Projects Check Register

September 10, 2018

Date	Num	Name	Credit
Sep 10, 18			
09/10/2018	3321	Pacific Infrastructure Corpor...	500,098.05
09/10/2018	3320	Pacific Infrastructure Corp - ...	26,320.95
09/10/2018	3322	Woodard & Curran formerly ...	13,489.80
09/10/2018	3319	Nute Engineering Inc.	1,804.00
09/10/2018	3318	Miller Pacific Engineering, Inc.	1,700.90
09/10/2018	3317	GHD Inc.	1,494.00
Sep 10, 18			<u>544,907.70</u>

Novato Sanitary District Deposit Detail August 2018

Item 5.b.

Date	Name	Account	Amount
08/10/2018			
11113 · Westamerica - Operations			
08/10/2018	USCG	11200 - Accounts Receivable	15,886.95
08/14/2018			
11113 · Westamerica - Operations			
	Dodson, Dallas	41040 · Permit & Inspection Fee	40.00
	Westland Contractors, Inc.	72706 · Collection System Improv	20.00
	W.R. Forde	72706 · Collection System Improv	20.00
	Central Marin Sanitation Agency	11200 - Accounts Receivable	(1) 4,122.49
	Veolia Water	11200 - Accounts Receivable	(2) 8,191.46
	delongh, Dasse-	11200 - Accounts Receivable	520.59
	Kleinfelder	11200 - Accounts Receivable	(3) <u>1,000.23</u>
TOTAL			13,914.77
08/21/2018			
11113 · Westamerica - Operations			
	All Saints Church	41040 · Permit & Inspection Fee	60.00
	All Saints Church	51020 · Connection Charges	14,989.00
	Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
	Amesos Plumbing	41040 · Permit & Inspection Fee	<u>15.00</u>
TOTAL			15,104.00
08/30/2018			
11113 · Westamerica - Operations			
	S.Waters Plumbing	41040 · Permit & Inspection Fee	40.00
	Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
	Novo Construction	41040 · Permit & Inspection Fee	60.00
	Weigel, Anna	41040 · Permit & Inspection Fee	40.00
	Management Resource Systems	41040 · Permit & Inspection Fee	60.00
	Management Resource Systems	51020 · Connection Charges	2,017.75
	SMART-	11200 - Accounts Receivable	165.87
	North Marin Water District-	11200 - Accounts Receivable	(4) <u>17,805.23</u>
TOTAL			20,228.85
08/30/2018			
11113 · Westamerica - Operations			
	Barry, Kane	41040 · Permit & Inspection Fee	40.00
	Solex	41040 · Permit & Inspection Fee	60.00
	Solex	51020 · Connection Charges	10,377.00
	Deasy, Craig-	11200 - Accounts Receivable	478.32
	Foged, Larry -	11200 - Accounts Receivable	<u>192.00</u>
TOTAL			<u>11,147.32</u>
Total Deposits for August 2018			<u><u>76,281.89</u></u>
<p>(1) Received reimbursement from Central Marin Sanitation Agency for Safety Officer time and expenses on joint safety program for June 2018.</p> <p>(2) Collection of Veolia Water fourth quarter invoice for reimburseable expenses.</p> <p>(3) Collection on receivables for non-domestic discharge permit fees for Kleinfelder.</p> <p>(4) Collection of Recycled Water Facility billing for May 2018 from North Marin Water District.</p>			

Marin Independent Journal

Sunday, August 19, 2018 \$2.50 FACEBOOK.COM/MARINIJFAN TWITTER.COM/MARINIJ

Item 6.a.
(Pages 14 to 15)

SANITARY SERVICE CRISIS

US-China trade war hits Marin recycling market



PHOTOS BY JAMES CACCIATORE — SPECIAL TO THE MARIN INDEPENDENT JOURNAL

Kimberly Scheibly of Marin Sanitary Service walks past bales of paper waiting to be shipped out for recycling. Scheibly said California is being hit especially hard by the United States-China feud.

Standoff may force dumping of more material in landfill

By Keri Brenner
kbrenner@marinij.com
@KeriWorks on Twitter

Escalating tensions between the U.S. and China mean serious changes in how Marin families — as well as families across the nation — throw things away, and how much they may be able to recycle.

China, once a major market for U.S. plastic, metals and other materials, has in recent months refused to accept all materials except for the most sanitized items.

“Historically, (China) has taken around 60-plus percent of all recyclables and processed them,” said Kimberly

Scheibly, director of compliance and customer relations at Marin Sanitary Service in San Rafael. “So now that China has shut down (most of its market), there are other smaller markets — Thailand, Mexico, India — but they are smaller, and immediately they reach capacity, and then they shut their doors, too.”

In addition, China is imposing new 25 percent tariffs on some recycled goods starting Thursday — meaning it will cost more for processors in California and the rest of the U.S. to ship cardboard or other materials overseas. And that’s only if the garbage companies

RECYCLING » PAGE 6



Bales of aluminum cans collected by Marin Recycling and Resource Recovery wait to be shipped out for recycling.

“If we have no place to put it, we will have to landfill it — which is the last thing a recycler wants to do.”

— Kimberly Scheibly, Marin Sanitary Service
NSD Board Agenda Packet
September 17, 2018 (Page 14 of 95)

Recycling

FROM PAGE 1

can find a place to send the items.

"The entire country is being affected, but California is being hit especially hard since about 60 percent of all our recyclables were sold to them," Scheibly said.

According to the Aug. 15 issue of CBS Moneywatch, China's "imports of solid waste have dropped by more than 50 percent" since Jan. 1, when China tightened the standards for the waste it would accept. "That's a problem for many U.S. municipalities that have grown used to relying on China for recycling needs."

In California, that has drastic consequences. In the past, approximately two-thirds of curbside recycled materials collected in the state had been exported to foreign markets, with 62 percent of those materials sent to China in 2016. As of this year, that is no longer

the case, said recycling industry spokeswoman Alexa Bluth.

"It really is a market crisis and a cyclical crisis," Bluth said, referring to the cycle of manufacturing, purchasing, disposal, processing, recycling and reuse of materials. If any of the links are broken as they are now, the reuse never occurs — and landfills become the only option.

"Ideally, we'd like to close the loop," said Erin Campion of Recology, a recycling center in San Francisco.

Stuck with a glut of items and nowhere to send them, Marin Sanitary Service is temporarily storing bales of mixed papers, plastic bottles and aluminum cans and bins full of mixed plastics, glass and metals — hoping they will be able to sell them later. But the company is running out of storage room, Scheibly said.

"If we have no place to put it, we will have to landfill it — which is the last thing a recycler wants to do," she added.



JAMES CACCIATORE — SPECIAL TO THE MARIN INDEPENDENT JOURNAL

Newly arrived mixed recycling material and trash is awaiting the sorter and baler at the Marin Recycling and Resource Recovery center in San Rafael.

At that rate, Marin is not likely to reach the state-mandated goal of 75 percent recycling by 2020, Scheibly said. The county is currently at 40 percent.

"China set a limit on contamination in material bales to 0.5 percent," Scheibly said in an email. "In addition, they have stopped accepting mixed plastics and mixed papers and continue to change the list of what they will and

will not take frequently.

"Currently, even clean cardboard has no market," Scheibly added. "In late August, we are told, this material will once again be accepted but with a 25 percent tariff attached."

Across the nation, some recycling centers have increased their disposal costs — and others have refused to accept any more recyclables.

Scheibly said consumers and manufacturers can help ease the crisis by mak-

ing some changes.

"We have been able to find markets for our plastic bottles and jugs," she said. "The bottom line is, consumers will need to make sure recyclables are clean and that they know what to recycle. We are working on an (online) app that will help customers know what can and cannot go into the recycling."

For the moment, Marin consumers can make sure that all items tossed in the blue recycling bins — plastics, aluminum, paper and glass jars and bottles — are clean and dry, Scheibly said. No materials should be thrown into the recycling bins with trapped food or liquid on them — or any soiled paper, she said.

Bluth said consumers can also help by reducing their purchases of single-use plastic food and beverage containers.

Instead, use metal, glass or sturdy cardboard containers that can be cleaned and reused, she said.

"I know it's maybe a little more convenient to buy something in a plastic package," she said, noting that

with school starting soon, parents will be packing lunches for their kids. "But how about buying a reusable bento box package, and putting the food in that, and when the kids come home you can wash it out and then use it for lunches."

Garbage companies are also working with manufacturers to urge them to move away from single-use plastics.

"We have conversations with a lot of manufacturers," Scheibly said. "The reason we do it is, we're a small, family-owned and -operated company — we're celebrating 70 years this year — and we believe our conversations with stakeholders can make a difference."

Scheibly said she and other Marin Sanitary Service staff have talked with Trader Joe's and are scheduled to meet with Blue Apron, among others.

"We've talked with other manufacturers to actually help them be part of the solution," she added. "To create a package that actually can go somewhere else besides a landfill."

China dispute tied to garbage rate hikes

By Adrian Rodriguez
arodriguez@marinij.com
@adrianrrodri on Twitter

Residents in unincorporated communities near the Tiburon Peninsula could soon be paying 17.5 percent more for garbage collection and recycling.

The Marin County Board of Supervisors will hold a public hearing Tuesday to consider the rate hike proposed by Mill Valley Refuse Service Inc., a

garbage hauler that serves approximately 800 residential and commercial customers in that area. The communities affected include Shoreline and Gibson, Paradise Cay, Paradise and Mar East, according to a staff report.

"A large portion of the requested rate increase is directly attributable to the drastic changes taking place in the global recyclables commodity markets," Debra Stratton, ad-

ministrative manager of the county public works department, wrote in an email.

"Other factors contributing to MVRS's requested increase include a new union contract and expenses related to land-filling and composting."

Stratton said that one of the issues facing local garbage haulers is China's growing reluctance to accept low-quality, contaminated recy-

TAX HIKE » PAGE 8



ROBERT TONG — MARIN INDEPENDENT JOURNAL
Jim Iavarone, one of the owners of Mill Valley Refuse Service.

Tax hike

FROM PAGE 1

bles. Tighter regulations are driving up tipping fees locally for garbage collectors, especially for those such as Mill Valley Refuse, which doesn't have a material recovery facility of its own to process the materials.

China is accepting baled material with no more than 0.05 percent contamination, which puts pressure on local haulers to require that their customers do a better job sorting their waste.

Mill Valley Refuse Service collects garbage and recycling from Mill Valley, Tiburon, Belvedere, Corte Madera and some surrounding unincorporated communities and special district neighborhoods.

Mill Valley Refuse's rate increase application was reviewed and evaluated by R3 Consulting Group Inc., based in Berkeley.

Jim Iavarone, one of the owners of Mill Valley Refuse Service, said that similar rate increases already

have been approved by each jurisdiction it serves.

Officials approved a 19.47 percent increase in Belvedere, a 14.32 percent rate increase in Mill Valley, 13.77 percent increase in Corte Madera and a 13.71 percent increase in Tiburon, among others.

"The county is the last jurisdiction to consider the increase," Iavarone said, noting that the rate increase collected by Mill Valley Refuse is 14.05 percent. The county has requested a 3.49 percent regulatory compliance fee on top of that.

The rate for a 32-gallon can for residential customers is expected to increase from \$40.47 to \$47.57, \$48.84 to 57.41 and \$50.98 to \$59.92, depending on the service area, according to Mill Valley Refuse.

There is an estimated revenue increase of \$17,800 in general fund franchise fees and \$19,900 for the regulatory compliance fee, according to a staff report.

In April, the Board of Supervisors also approved a 12.1 percent increase to the garbage collection rates

in West Marin. Those services are provided by Recology Sonoma Marin. The rate increase was proposed for the same reasons.

In addition, Iavarone is asking for support of a pilot "dual-stream" collection program for select customers.

The "dual-stream" system refers to the separation of materials. It will require that residents place paper and cardboard in one bin, and all other recyclables into another, creating two streams of recyclables. The recyclables will be picked up curbside in alternating weeks.

Participating customers should use their existing 68-gallon recycling cart for paper and cardboard. All other recyclables, including cans, glass bottles and jars, rigid plastics and containers, should be put in a separate bin.

The Board of Supervisors is scheduled to hold a public hearing at 10:30 a.m. Tuesday at the Board of Supervisors' chambers in Room 330 of the Civic Center in San Rafael.

From Marin Independent Journal
August 23, 2018

SOUTHERN MARIN

**Supervisors back
garbage rate hike**

Mill Valley Refuse Service customers in Marin will soon see a 17.5 percent increase in their garbage collection and recycling charges following action by the Board of Supervisors on Tuesday.

The supervisors voted unanimously to grant the rate hike requested by Mill Valley Refuse. The company serves about 800 customers in unincorporated areas near Mill Valley and Tiburon such as Shoreline and Gibson, Paradise Cay, Paradise and Mar East.

"A large portion of the rate increase is directly attributable to the drastic changes taking place in the global recyclables commodity markets," Steve Devine, Marin County's waste management program manager, told supervisors Tuesday.

He said China is now requiring that baled materials have no more than one half of 1 percent contamination. He said that requires customers to do a better job sorting materials and has resulted in increased costs for materials recovery facilities that do the pre-sort of materials before they are baled and shipped for recycling.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste: Public Notice and Hearing - CY2019 Maximum Solid Waste Rates.	MEETING DATE: September 17, 2018 AGENDA ITEM NO.: 7.a.&b.
RECOMMENDED ACTION(S): a. Receive report on Calendar Year (CY) 2019 solid waste rate adjustment from R3 Consulting Group, and its recommendation for a maximum rate increase of 3.35 percent (informational item only – no action at this time), and b. Review proposed Notice of Intent and Public Hearing, and set public hearing date for establishing Calendar Year (CY) 2019 maximum solid waste rates.	
SUMMARY AND DISCUSSION: <p>The District’s Franchise Agreement with Recology Sonoma Marin (RSM) provides for an annual rate adjustment based on changes in the Refuse Rate Index (RRI). RSM has timely submitted a rate review request for Calendar Year (CY) 2019.</p> <p>As in previous years, the District retained R3 Consulting Group, Inc. (Sacramento) or R3, to assist with the rate review, and prepare its own, independent analysis for a proposed rate adjustment for CY 2019.</p> <p>Based on their review, R3 is recommending an RRI rate adjustment of 3.35 percent, which is equal to the rate adjustment amount calculated by RSM in its Rate Adjustment Application.</p> <p>The proposed schedule for establishing the CY 2019 maximum sold waste rates is attached for informational purposes. A public hearing to set the rates will also be required, and a copy of the proposed Notice of Intent and Public Hearing is attached.</p> <p>It is recommended that the Board receive the R3 report, review the proposed Notice of Intent and Public Hearing language, and set the date for the public hearing to establish the CY2019 maximum solid waste rates for its meeting of November 13, 2018.</p>	
ATTACHMENTS: 1. Draft R3 Consulting Group: Letter Report - Review of Recology Sonoma Marin’s Requested Rate Adjustment for Rate Year 2019. 2. Proposed Schedule to Consider Modifications and Establish Maximum Solid Waste Service Charges for Calendar Year (CY) 2019. 3. Draft Notice of Intent and Public Notice to Consider Modifications and Establish Maximum Solid Waste Service Charges for Calendar Year (CY) 2019.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update. The item also addresses other goals of the Strategic Plan including Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications).	
DEPT. MGR.: dlj, ssk	GENERAL MANAGER: SSK

1512 Eureka Road, Suite 220, Roseville, CA 95661
Tel: 916-782-7821 | Fax: 916-782-7824

2600 Tenth Street, Suite 424, Berkeley, CA 94710
Tel: 510-647-9674

627 S. Highland Avenue, Suite 300, Los Angeles, CA 90036
Tel: 323-559-7470

September 11, 2018

Mr. Sandeep Karkal
Novato Sanitary District
5000 Davidson Street
Novato, CA 94945

Re: Letter Report – Review of Recology Sonoma-Marin’s Requested Rate Adjustment for Rate Year 2019

Dear Mr. Karkal:

R3 Consulting Group, Inc. (R3) was engaged by the Novato Sanitary District (District) to assist with a review of Recology Sonoma-Marin’s (Company) requested rate adjustment for Rate Year 2019 (January 1, 2019 – December 31, 2019). Specifically, R3 was asked to confirm that the rate adjustment methodology used by the Company is consistent with the Refuse Rate Index (RRI) Rate Adjustment Methodology set forth in Exhibit 2 of the Amended and Restated Franchise Agreement (Agreement) and that the calculation is mathematically accurate. This Draft Letter Report communicates our findings and recommendations.

Recommended Rate Adjustment

The Company’s Rate Adjustment Application calculated a 3.35% rate increase (**Attachment 1**) As part of our review, we verified that the Company’s financial information, cost category index values, and mathematical formulas were consistent with the RRI methodology included in the Agreement. Based on our review, we found the Company’s calculated adjustment of 3.35% to be correct.

Objectives

- To review the Company’s requested rate increase to confirm that:
 - It is consistent with applicable terms and conditions of the Agreement;
 - It is mathematically accurate; and
 - It correctly accounts for the required Balancing Account adjustment to the rates.
- To recommend the appropriate Rate Year 2019 rate adjustment based on the results of our review; and
- To confirm the current Balancing Account balance.

Background

The Agreement provides for an annual adjustment to the Company’s rates based on the specified Refuse Rate Index (RRI), with the option to conduct a detailed rate review not more frequently than once every three (3) years. A copy of Article 6 of the Agreement (Company’s Compensation and Rates) is provided as **Attachment 2**.

As specified in the Agreement, the RRI adjustment is the sum of the weighted average percentage change in the twelve (12) month annual average of the specified indices for each of the following cost categories:

- Labor;
- Fuel;
- Vehicle Replacement;
- Vehicle Maintenance; and
- All Other.

The RRI also provides for adjusting the Disposal Fee and Organic Waste Processing Fee based on the change in the associated tipping fees. A copy of Exhibit 2 – Refuse Rate Index is provided as **Attachment 3**.

Section 6.3 of the Agreement (RRI Financial Information) states that:

- “On or before September 1, 2011, and annually thereafter during the term of this Agreement, the Company shall deliver to the District information for the specific services performed under this Agreement for the preceding Agreement Year. Such financial information shall be in a format as set forth in Exhibit 2, or as may be further revised by the District from time to time. If the Company fails to submit the financial information in the required format by September 1st, it is agreed that the Company shall be deemed to have waived the RRI adjustment for that year...”

The Company submitted an electronic copy of its 2019 Rate Adjustment Application to the District on August 29, 2018.

Balancing Account Calculation

The balancing account was established to provide a mechanism for distributing recyclable material sales revenues between the Company and the District’s ratepayers. Recycling revenues have been calculated for each year, starting with 2008 using the specified methodology, and each calculated amount is compared to the “base” projected revenue amount. The difference between projected revenues and the established “base” revenue amount is accounted for in the Balancing Account as either revenue due to the District (if calculated recycling revenues are higher than the projected amount), or revenue due to the Company (if calculated recycling revenues are lower than the projected amount). The balancing account amount is factored into the rate adjustment every five years, most recently as part of the 2018 RRI rate adjustment. The Balancing Account balance due to the District for the five-year period ending December 31, 2017 was \$81,887 or \$16,378 annually. This was equivalent to a 0.15% rate reduction, which was spread across the five-year period from 2018 to 2022. The next balancing account adjustment will be made as part of setting the rates for 2023.

Attachment 4 provides the language in the Agreement related to the Balancing Account. The referenced OBM index stopped reporting newspaper (ONP #8) prices as of July 2018, which precludes the ability to calculate the balancing account monthly revenues starting July 2017 based on the specified methodology.

Attachment 5 includes the 2017 balancing account balance of approximately \$138,000 due the Company, assuming no revenues for newspaper for July through December 2017. **Attachment 5** also includes a calculated balancing account balance of approximately \$64,000 due the District, assuming a net revenue per ton for newspaper for July through December 2017 equal to the average newspaper price for January through June 2017, which may be more representative of actual newspaper prices for that period. The 2017 balancing account calculation does not impact the current rate adjustment; however, a determination will need to be made as to how to project newspaper revenues to finalize the 2017 balancing account balance.

Note: *Mixed paper prices through August of 2018 are significantly lower than those reported for 2017, which will have a material impact on the calculated balancing account balance for 2018.*

Mr. Sandeep Karkal
September 11, 2018
Page 3 of 3

Cardboard prices are also lower, although the impact of cardboard prices on the balancing account balance is significantly less than that of mixed paper.

* * * * *

We appreciate the opportunity to be of assistance to the District. If you have any questions regarding this submittal, please feel free to contact me by phone at (916) 782-7821, or by email at wschoen@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



William Schoen | Principal

Attachments:

- 1 Company's and R3's Adjusted Calculation
- 2 Exhibit 2 – Refuse Rate Index
- 3 Article 6 – Company's Compensation and Rates
- 4 Exhibit 7 – Recyclable Materials Balancing Account
- 5 Balancing Account Calculations

R:\+Projects\Novato Sanitary District - 2019 RRI -\Report\Novato Sanitary District - 2019 RRI - 091118.docx

Attachment 1

ARTICLE 6 COMPANY'S COMPENSATION AND RATES

6.1 General

The Company's compensation provided for in this article shall be the full, entire, and complete compensation due to the Company for all labor, equipment, materials, and supplies, taxes, insurance, bonds, overhead, disposal, profit, and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed.

The Company will not look to the District for payment of any sums under this Agreement. The Company will perform the responsibilities and duties described in this Agreement in consideration of the right to charge and collect from Customers for services rendered at rates fixed by the District from time to time.

6.2 Refuse Rate Index Adjustments to Service Rates

6.2.1 Adjustments to Service Using the Refuse Rate Index (RRI). Beginning on January 1, 2012, and annually thereafter, the Company shall, subject to compliance with all provisions of this Article, shall receive an annual adjustment in of the Service Rates as set forth in Exhibit 1 of this Agreement.

6.2.2 RRI Adjustment. Beginning on January 1, 2012, and annually thereafter during the term of this Agreement, the Service Rates set forth in Section 6.2.1 above shall be adjusted by the RRI adjustment set forth below. In any year that the calculation of the RRI results in a negative number, there shall be no adjustment of the Service Rates. Instead, the negative RRI number shall be added to the result of the subsequent years RRI calculation and the result shall be the RRI adjustment for that subsequent year.

6.2.3 12-Month Annual Average. The RRI adjustment shall be the sum of the weighted percentage change in the twelve (12) month annual average of each RRI index number between the base year, which shall be the prior preceding fiscal year ending June 30th and the preceding fiscal year ending June 30th as contained in the most recent release of the source documents listed in Exhibit 2, ("REFUSE RATE INDEX") which is attached to and included in this Agreement. Therefore, the first Service Rate adjustment will be based on the percentage changes between the twelve (12) month Annual Average of the RRI indices for the fiscal year ending June 30, 2010 and the Annual Average of the RRI indices for the fiscal year ending June 30, 2011. The RRI shall be calculated using the RRI methodology included in Exhibit 2.

6.3 RRI Financial Information

On or before September 1, 2011, and annually thereafter during the term of this Agreement, the Company shall deliver to the District financial information for the specific services performed under this Agreement for the preceding Agreement Year. Such financial information shall be in the format as set forth in Exhibit 2, or as may be further revised by the District from time to time. If the Company fails to submit the

Attachment 1

1 financial information in the required format by September 1st, it is agreed that the
2 Company shall be deemed to have waived the RRI adjustment for that year. The
3 Company's failure to provide the financial information shall not preclude the District
4 from applying the RRI using the prior year's financial data, or pro forma data if no prior
5 year financial data is available, if that application would result in a negative RRI.

6 **6.3.1** Annual Adjustments shall be made only in units of one cent (\$0.01). Fractions of
7 less than one cent (\$0.01) shall not be considered in making adjustments. The
8 indices shall be truncated at four (4) decimal places for the adjustment
9 calculations.

10 **6.3.2** If the Company's failure to submit the financial information required under
11 Section 6.3 is the result of extraordinary or unusual circumstances as
12 demonstrated by the Company to the satisfaction of the District Manager-
13 Engineer, the District at its sole discretion, may consider the request for the
14 annual RRI rate adjustment.

15 **6.3.3** As of November 15, 2011, and annual thereafter during the term of this
16 Agreement, the District Manager-Engineer shall notify the Company of the RRI
17 adjustment to the affected service rates to take place on the subsequent January
18 1st.

19 **6.4 Recyclable Materials Balancing Account**

20 Because of the variation of Recyclable Materials commodity prices, the District and the
21 Company agree to use the Recyclable Materials Balancing Account as described in
22 Exhibit 7.

23 **6.5 District or Company Requested Detailed Rate Review**

24 The District or the Company may request a Detailed Rate Review to be conducted
25 following the procedures as specified in Exhibit 8. However, a Detailed Rate Review
26 shall not be conducted more than once every three (3) Agreement years. A request for a
27 Detailed Rate Review shall be made in writing at least six months prior to the January 1st
28 rate adjustment period for the year in which the results for the Detailed Rate Review are
29 to be applied. The Company shall pay the cost for the Detailed Compensation Review,
30 and the cost of such a Detailed Rate Review is an allowable pass-through cost.

31

Attachment 2

EXHIBIT 2 Refuse Rate Index

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated fiscal period (July to June) shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.
2. The expenses of providing Collection Services in the Service Area shall be broken down into one of the following seven cost categories: Labor; Fuel; Vehicle Replacement; Maintenance, Disposal Fee, Organic Waste Processing fee, and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices are used to calculate the adjustment for each cost category of the Service Rates. The change in each index is calculated on a twelve-month fiscal period (July to June). The twelve-month average index from July 2010 to June 2011 will serve as the "First Year Index".

<u>Cost Category</u>	<u>Index</u>
Labor	Series ID: ceu6056210008 Production Workers-Waste Collection
Fuel	California No 2 Diesel Ultra Low Sulfur (0-15 ppm) http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp
Vehicle Replacement	Series ID: pcu336211336211 Truck, bus, car and other vehicles bodies, for sale separately.
Vehicle Maintenance	Series ID: pcu333924333924 Parts and attachments for Industrial work trucks.
Disposal Fee	The per ton tip fee charged at the Disposal Facility.
Organic Waste Processing Fee	The per ton tip fee charged at the approved Organic Waste Processing Facility.
All Other	Consumer Price Index, Series ID: CUURA422SA0 CPI-All Urban Consumers, All Items, San Francisco,

4. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index for the Service Rates in Exhibit 1.

Attachment 2

EXHIBIT 2 Refuse Rate Index

Operating Costs

Operating Cost Statement - Description

Labor:	List all administrative, officer, operation and maintenance salary accounts. List payroll tax accounts directly related to the above salary accounts.
Fuel:	List all fuel and oil accounts.
Vehicle Replacement:	List all Collection and Collection related vehicle depreciation accounts. List all vehicle lease or rental accounts related to Collection or Collection related vehicles.
Vehicle Maintenance:	List all Collection or Collection related vehicle parts accounts.
Disposal Fee:	List all Landfill Disposal related accounts.
Organic Waste Processing Fee:	List all Organic Waste Processing related accounts.
All Other:	List all other expense accounts related to the services provided under this Contract. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.

Attachment 3

Cost Category	2019 Adjustment			
	2018 Operating Category Total	Weighted Percent of Annual Total	Index Percent Change	Weighted Adjustment Percentage
Labor Index	\$2,272,937	37.300%	0.500%	0.190%
Fuel Index	\$447,303	7.340%	22.340%	1.640%
Vehicle Replacement Index	\$244,423	4.010%	1.530%	0.060%
Vehicle Maintenance Index	\$441,471	7.250%	2.310%	0.170%
Disposal Index	\$1,033,877	16.970%	2.640%	0.450%
Organic Waste Processing Index	\$359,221	5.900%	2.630%	0.160%
All Other	\$1,294,196	21.240%	3.220%	0.680%
Total	\$6,093,428	100.01%		3.350%

Exhibit 7
Recyclable Materials Balancing Account

1. Recyclable Material Per Ton Net Revenue Amount.

Fair Market Value - For purposes of forecasting recyclable material net revenues for 2008, the Company shall use the calculated fair market value of recyclable material revenues for 2006, which shall equal the annual total of the fair market value for such material for each month times the associated monthly tonnage collected or received by the Company for calendar year 2006, times any applicable growth rate (the 2006 Projected Revenues). A similar methodology will be used for purposes of forecasting recyclable material sales revenues for subsequent years. That fair market value shall be calculated as follows:

- a. The fair market value of net revenue paid by related parties to the Company for recyclable materials net of processing costs, and any and all other costs (the Per Ton Net Revenue Amount), shall initially be set at \$44.85 per ton effective July 2005. This initial Per Ton Net Revenue Amount will be adjusted on a monthly basis, as described below.
- b. The prior month Per Ton Net Revenue Amount shall be adjusted for purposes of establishing the Per Ton Net Revenue Amount for the current month based on changes to the Official Board Markets Transacted Paper Stock Prices (OBM Index Prices) as reported for "San Francisco" as follows:
 - i. The starting point for the Per Ton Net Revenue Amount shall be \$44.85 per ton effective July 2005.
 - ii. The Per Ton Net Revenue Amount shall be adjusted monthly based on changes to the OBM Index Prices for Mixed Paper, #8 Newspaper and OCC as reported in the first weekly OBM issue of each month. The OBM Index Prices for each of these commodities shall be set at the average of the high and low prices reported each month, which are \$67.50, \$87.50 and \$87.50 respectively for July 2005.
 - iii. The weighted average percentages for Mixed Paper, #8 Newspaper and OCC for purposes of applying the OBM Index Prices shall be 46%, 46% and 8% respectively.
 - iv. Every month, one hundred percent (100%) of the weighted average O.B.M. index price adjustment (up or down) compared to the previous month shall be added or subtracted from the prior month Per Ton Revenue Amount for purposes of establishing the Per Ton Revenue Amount for each month.
- c. Example: The OBM Index Price adjustments from July 2005 to August 2005 for Mixed Paper, #8 Newspaper and OCC were -\$10/ton, -\$5/ton and -\$10/ton respectively. Applying the above referenced weighted average by material type, the price change July to August is -\$9.00/ton. The Per Ton Net Revenue Amount for July 2005 would decrease from \$44.85 to \$35.85 which is the Per Ton Net Revenue Amount for August 2005.

Exhibit 7
Recyclable Materials Balancing Account

- d. The calculated Per Ton Net Revenue Amount for each month shall be applied to all tonnages collected or received by the Company through the recycling program and delivered to related parties for processing for that month, including any and all processing residue, contaminants, non-processable or other material tonnages.
- e. Notwithstanding any provision of this Agreement to the contrary, at no time shall the Per Ton Net Revenue Amount paid by a related party be less than \$10 per ton (The Floor Price) nor more than \$80 per ton (The Ceiling Price) – The Floor Price and Ceiling Price shall be adjusted for the full impact of any change in the CRV value as provided for below.
- f. In the event of any future changes to the California Redemption Value (CRV) paid by the State of California, the Per Ton Net Revenue Amount shall be adjusted to account for that relative impact on the Per Ton Net Revenue Amount. That impact shall be determined by multiplying the total applicable CRV tons for the prior 12 months times the applicable net change in CRV per ton revenue to project the total additional annual CRV revenue. This total additional annual CRV revenue shall then be divided by the total tonnage collected or received by the Company through the recycling program for the prior 12 months to determine the net additional per ton revenue amount that shall be added to the calculated Per Ton Net Revenue Amount going forward. The parties agree that should the CRV value be adjusted on or after July 1, 2007, as provided for in the California Beverage Container Recycling and Litter Reduction Act, allowances will be made to the rates that are set for 2008 and beyond to fully account for this change, notwithstanding any provision of this Agreement to the contrary.

2. Balancing Account Calculation for Recyclable Materials.

Because of the potential volatility of recyclable material prices, the District and the Company agree to establish a Balancing Account for recyclable material sales revenue. The Balancing Account amount will be based on the difference between the projected revenues for each year (as calculated using the above methodology) and the calculated revenues for that year (i.e., the annual total of the actual monthly tonnage times the calculated Per Ton Revenue Amount for each month using the methodology described above).

- a. For purposes of tracking the Balancing Account amount, the Company shall provide the District with an annual report that includes:
 - i. A copy of the OBM Index Prices as reported in the first issue of each month;
 - ii. The total commingled recyclable tonnage delivered to any related party for processing;
 - iii. The calculated current month Per Ton Revenue Amount and the calculation used to determine that amount;
 - iv. The total monthly Calculated Revenue equal to the total tonnage collected or

Attachment 4

Exhibit 7 Recyclable Materials Balancing Account

- received by the Company through the recycling program and delivered to the related parties for processing times the calculated monthly Per Ton Revenue Amount); and
- v. All prior year to date monthly figures for the calendar year for items (ii) through (iv) above.
- b. The net cumulative Balancing Account amount for 2008 through 2011 shall be accounted for in full in setting the rates for Calendar Year 2013 as follows:
 - i. The net cumulative Balancing Account will be divided by five (to account for rates in 2013, 2014, 2015, 2016 and 2017) (the annualized Balancing Account amount);
 - ii. The Company's fiscal year 2011 audited financial statement rate revenue will be divided by the annualized Balancing Account amount to calculate the annualized Balancing Account rate adjustment; and
 - c. The calculated RRI rate adjustment for 2013 will be adjusted up (if the Balancing Account amount is due to the Company) or down (if the Balancing Account amount is due to the District) by the annualized Balancing Account rate adjustment, which shall be carried forward through rate year 2016.
 - d. The net cumulative Balancing Account amount for 2012 through 2016 shall be accounted for in full in setting the rates for Calendar Year 2018 by dividing that amount by five (to account for rates in 2018, 2019, 2020, 2021 and 2022) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
 - e. The net cumulative Balancing Account amount for 2017 through 2021 shall be accounted for in full in setting the rates for Calendar Year 2023 by dividing that amount by three (to account for rates in 2023, 2024 and 2025) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
 - f. The cumulative balancing account amount for Calendar Years 2022 through 2025 shall be paid by the applicable party to the other party in no less than equal annual payments over a period of no more than four years starting January 1, 2026, without interest.
 - g. In the event that a Detailed Rate Review is conducted the impact of the Balancing Account will be factored into the associated rate adjustment for that year in the same manner specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
 - h. Exit Clause. -The parties agree that the proposed methodology is intended to provide a reasonable projection of the fair market value of revenues paid by third parties to the Company. Recyclable material commodity prices can, however, be extremely volatile and factors other than those accounted for in the proposed methodology may impact the fair market value of revenues. To provide a contingency for such potential

Exhibit 7
Recyclable Materials Balancing Account

events, each party shall have the right to terminate the use of the methodology for establishing the monthly Per Ton Revenue Amount described in this Section at any time during the term of this Agreement at either party's sole discretion. The notification shall be in writing and shall be effective thirty calendar days after receipt. The exercising of said option shall not remove either party's obligation to the other party for any Balancing Account balance at the time said option is exercised and becomes effective.

- i. In the event that either party exercises its option to terminate the methodology for establishing the Per Ton Revenue Amount, the parties agree to negotiate a new methodology that is acceptable to both parties. In the event that the parties cannot agree on acceptable changes to the methodology, the fair market value will be based on a review of actual related recyclable material sales revenues and related processing expenses.

1

Attachment 5

	A	B	E	I	J	M	N	O	P	Q	R	S	T	V	AI	AJ	AI
13	<p style="text-align: center;">San Francisco OBM Prices (average of high & low) ⁽¹⁾</p> <p style="text-align: center;">Price</p> <p style="text-align: center;">Variance vs. Prior Month Adjustment</p>																
14	<p style="text-align: center;">Per Ton Net</p> <p style="text-align: center;">Revenue</p> <p style="text-align: center;">Amount</p>																
15	<p>weighted %=</p>																
297	2017																
298	Jan	\$71.19	\$97.50	\$100.00	\$120.00	\$2.30	\$2.30	\$0.80	\$5.40	1,114	\$	79,338					
299	Feb	\$78.54	\$100.00	\$110.00	\$140.00	\$1.15	\$4.60	\$1.60	\$7.35	1,002	\$	78,705					
300	Mar	\$80.94	\$100.00	\$110.00	\$170.00	\$0.00	\$0.00	\$2.40	\$2.40	899	\$	72,790					
301	Apr	\$55.14	\$72.50	\$87.50	\$135.00	-\$12.65	-\$10.35	-\$2.80	-\$25.80	1,001	\$	55,173					
302	May	\$55.14	\$72.50	\$87.50	\$135.00	\$0.00	\$0.00	\$0.00	\$0.00	838	\$	46,179					
303	Jun	\$61.74	\$77.50	\$92.50	\$160.00	\$2.30	\$2.30	\$2.00	\$6.60	979	\$	60,458					
304	Jul	\$10.00	\$0.00	\$0.00	\$165.00	-\$35.65	-\$42.55	\$0.40	-\$77.81	889	\$	8,893					
305	Aug	\$10.00	\$0.00	\$0.00	\$155.00	\$0.00	\$0.00	-\$0.80	-\$0.80	907	\$	9,072					
306	Sep	\$10.00	\$0.00	\$0.00	\$130.00	\$0.00	\$0.00	-\$2.00	-\$2.00	937	\$	9,372					
307	Oct	\$10.00	\$0.00	\$0.00	\$67.50	\$0.00	\$0.00	-\$5.00	-\$5.00	760	\$	7,602					
308	Nov	\$10.00	\$0.00	\$0.00	\$110.00	\$0.00	\$0.00	\$3.40	\$3.40	908	\$	9,083					
309	Dec	\$10.00	\$0.00	\$0.00	\$110.00	\$0.00	\$0.00	\$0.00	\$0.00	858	\$	8,576					
310																	
311	(1) First weekly OBM issue of each month																
312	Floor per ton = \$10.00 Max = \$80.00 (to be adjusted fr																
313																	
314																	
315																	
316																	
317																	
318																	
319																	
320																	

2017 Balancing Account Calculated Revenues = **\$ 445,242**

2017 Projected Recyclable Materials Revenue = 542,420

July 1, 2007 CRV Adjustment = 40,664

Total 2017 Balancing Account Projected Revenues = **583,084**

2017 Balancing Account Due to District (Company) = **(137,842)**

NET BALANCING ACCOUNT FOR 2017-2017 DUE TO DISTRICT (COMPANY) = (137,842)

Note: Calculated value of (\$137,842) does not include estimated #8 NP values, July-Dec 2017. Adjusted estimated amount incorporating these values is provided on next page.

Attachment 5

	A	B	E	I	J	M	N	O	P	Q	R	S	T	V	AI	AJ	AK
13	San Francisco OBM Prices (average of high & low) ⁽¹⁾																
	Price Adjustment																
	Variance vs. Prior Month																
14	Per Ton Net Revenue Amount																
15	weighted %= 8%																
297	2017																
298	Jan	\$71.19	\$97.50	\$100.00	\$120.00	\$2.30	\$2.30	\$0.80	\$5.40	1,114	\$	79,338					
299	Feb	\$78.54	\$100.00	\$110.00	\$140.00	\$1.15	\$1.60	\$1.60	\$7.35	1,002	\$	78,705					
300	Mar	\$80.94	\$100.00	\$110.00	\$170.00	\$0.00	\$2.40	\$2.40	\$2.40	899	\$	72,790					
301	Apr	\$55.14	\$72.50	\$87.50	\$135.00	-\$12.65	-\$2.80	-\$2.80	-\$25.80	1,001	\$	55,173					
302	May	\$55.14	\$72.50	\$87.50	\$135.00	\$0.00	\$0.00	\$0.00	\$0.00	838	\$	46,179					
303	Jun	\$61.74	\$77.50	\$92.50	\$160.00	\$2.30	\$2.30	\$2.00	\$6.60	979	\$	60,458					
304	Jul	\$66.93	\$82.50	\$97.92	\$165.00	\$2.30	\$2.49	\$0.40	\$5.19	889	\$	59,521					
305	Aug	\$56.93	\$62.50	\$97.92	\$155.00	-\$9.20	-\$0.80	-\$0.80	-\$10.00	907	\$	51,644					
306	Sep	\$54.93	\$62.50	\$97.92	\$130.00	\$0.00	-\$2.00	-\$2.00	-\$2.00	937	\$	51,481					
307	Oct	\$31.53	\$22.50	\$97.92	\$67.50	-\$18.40	-\$5.00	-\$5.00	-\$23.40	760	\$	23,971					
308	Nov	\$39.53	\$32.50	\$97.92	\$110.00	\$4.60	\$3.40	\$3.40	\$8.00	908	\$	35,907					
309	Dec	\$37.23	\$27.50	\$97.92	\$110.00	-\$2.30	\$0.00	\$0.00	-\$2.30	858	\$	31,927					
310																	
311	<div style="border: 1px solid black; padding: 5px;"> 2017 Balancing Account Calculated Revenues = \$ 647,095 </div>																
312	(1) First weekly OBM issue of each month Floor per ton = \$10.00 Max = \$80.00 (to be adjusted for any change in CRV)																
313	2017 Projected Recyclable Materials Revenue = 542,420																
314	July 1, 2007 CRV Adjustment = 40,664																
315	Total 2017 Balancing Account Projected Revenues = 583,084																
316																	
317	2017 Balancing Account Due to District (Company) 64,010																
318																	
319																	
320	NET BALANCING ACCOUNT FOR 2017-2017 DUE TO DISTRICT (COMPANY) = 64,010																

NOVATO SANITARY DISTRICT

PROPOSED SCHEDULE TO CONSIDER MODIFICATIONS AND ESTABLISH MAXIMUM SOLID WASTE SERVICE CHARGES FOR CALENDAR YEAR (CY) 2019

September 17, 2018	Regular Board meeting - set Public Hearing date for November 13, 2018.
September 25, 2018	Solid Waste Committee meeting to consider rate review report and make recommendation to Board of Directors.
October 8, 2018	Regular Board meeting. Board receives report and recommendation from Solid Waste Committee.
October 11, 2018	1st Public Hearing legal notice published in Marin Independent Journal.
October 25, 2018	2 nd Public Hearing legal notice published in Marin Independent Journal.
November 13, 2018	Special Board meeting (as November 12, 2018 is Veterans Day, a District holiday). Public Hearing to hear public comments and consider adoption of Resolution Setting Maximum Refuse Charges for Recology Sonoma Marin (RSM).
November 20, 2018 (or first available publication date).	Publication of Resolution and Refuse Disposal Charges in Marin Independent Journal, to be effective January 1, 2019.

Public Hearing Noticing Procedures:

- Hearing Notice published once a week for two successive weeks with at least 5 days intervening between the respective publication dates. First publication to be at least 14 days prior to the date set for hearing. (Publish in Marin IJ).
- Resolution with new rates to be published once in the IJ to be effective on January 1, 2019.

NOVATO SANITARY DISTRICT

DRAFT
NOTICE OF INTENT AND PUBLIC NOTICE
TO CONSIDER MODIFICATIONS AND ESTABLISH MAXIMUM SOLID
WASTE SERVICE CHARGES FOR CALENDAR YEAR (CY) 2019

NOTICE IS HEREBY GIVEN that it is the intention of the Board of Directors of the Novato Sanitary District to consider modification of the maximum solid waste service charges.

NOTICE IS FURTHER GIVEN that on Tuesday, November 13, 2018, at 5:30 PM at the regular meeting place of Novato Sanitary District, 500 Davidson Street, Novato, CA 94945, said Board will hear all persons desiring to be heard and shall consider adoption of the maximum solid waste service charges applying within the Novato Sanitary District for Calendar Year 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF THE NOVATO SANITARY DISTRICT

Dated: September 17, 2018

Sandeep Karkal, Secretary
Novato Sanitary District

Publish October 11 and 25, 2018

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste Operations: Termination of Balancing Account.	MEETING DATE: September 17, 2018 AGENDA ITEM NO.: 7.c.
RECOMMENDED ACTIONS: Approve termination of the Recyclables Material Balancing Account in the District’s solid waste franchise agreement with Recology Sonoma-Marin (RSM), review draft termination letter as prepared by R3 Consulting Group, Inc., and direct the General Manager-Chief Engineer to transmit the approved termination letter to RSM.	
SUMMARY AND DISCUSSION: <p>Article 6.4 (Recyclable Materials Balancing Account) of the Amended and Restated Agreement Between Novato Sanitary District and Novato Disposal Service (Agreement), which was assigned to Recology Sonoma-Marin (RSM), establishes a Recyclable Materials Balancing Account (Balancing Account), which is detailed in Exhibit 7 of the Agreement (see Attachment 1). Item 2.h. (“Exit Clause”) of Exhibit 7 provides for termination of the Balancing Account.</p> <p>The District’s solid waste rate consultant, R3 Consulting, Inc. (R3), is recommending that the District exercise its right to terminate the Balancing Account, given the current state of recycling markets and anticipated future volatility, and staff concurs.</p> <p>Accordingly, R3 has prepared the attached draft termination letter (Attachment 2) for the District Board’s review and approval, and staff from R3 will be available at the Board meeting to answer any questions. It is recommended that the Board review the letter, approve termination of the Balancing Account, and direct the General Manager-Chief Engineer to transmit the approved termination letter to RSM.</p>	
ATTACHMENTS: <ol style="list-style-type: none"> 1. Exhibit 7 – Recyclable Materials Balancing Account (excerpted from the Agreement). 2. Draft termination letter as prepared for the District by R3 Consulting, Inc. 	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
DEPT. MGR.: dlj, ssk	GENERAL MANAGER: SSK

Exhibit 7
Recyclable Materials Balancing Account

1. Recyclable Material Per Ton Net Revenue Amount.

Fair Market Value - For purposes of forecasting recyclable material net revenues for 2008, the Company shall use the calculated fair market value of recyclable material revenues for 2006, which shall equal the annual total of the fair market value for such material for each month times the associated monthly tonnage collected or received by the Company for calendar year 2006, times any applicable growth rate (the 2006 Projected Revenues). A similar methodology will be used for purposes of forecasting recyclable material sales revenues for subsequent years. That fair market value shall be calculated as follows:

- a. The fair market value of net revenue paid by related parties to the Company for recyclable materials net of processing costs, and any and all other costs (the Per Ton Net Revenue Amount), shall initially be set at \$44.85 per ton effective July 2005. This initial Per Ton Net Revenue Amount will be adjusted on a monthly basis, as described below.
- b. The prior month Per Ton Net Revenue Amount shall be adjusted for purposes of establishing the Per Ton Net Revenue Amount for the current month based on changes to the Official Board Markets Transacted Paper Stock Prices (OBM Index Prices) as reported for "San Francisco" as follows:
 - i. The starting point for the Per Ton Net Revenue Amount shall be \$44.85 per ton effective July 2005.
 - ii. The Per Ton Net Revenue Amount shall be adjusted monthly based on changes to the OBM Index Prices for Mixed Paper, #8 Newspaper and OCC as reported in the first weekly OBM issue of each month. The OBM Index Prices for each of these commodities shall be set at the average of the high and low prices reported each month, which are \$67.50, \$87.50 and \$87.50 respectively for July 2005.
 - iii. The weighted average percentages for Mixed Paper, #8 Newspaper and OCC for purposes of applying the OBM Index Prices shall be 46%, 46% and 8% respectively.
 - iv. Every month, one hundred percent (100%) of the weighted average O.B.M. index price adjustment (up or down) compared to the previous month shall be added or subtracted from the prior month Per Ton Revenue Amount for purposes of establishing the Per Ton Revenue Amount for each month.
- c. Example: The OBM Index Price adjustments from July 2005 to August 2005 for Mixed Paper, #8 Newspaper and OCC were -\$10/ton, -\$5/ton and -\$10/ton respectively. Applying the above referenced weighted average by material type, the price change July to August is -\$9.00/ton. The Per Ton Net Revenue Amount for July 2005 would decrease from \$44.85 to \$35.85 which is the Per Ton Net Revenue Amount for August 2005.

Exhibit 7
Recyclable Materials Balancing Account

- d. The calculated Per Ton Net Revenue Amount for each month shall be applied to all tonnages collected or received by the Company through the recycling program and delivered to related parties for processing for that month, including any and all processing residue, contaminants, non-processable or other material tonnages.
- e. Notwithstanding any provision of this Agreement to the contrary, at no time shall the Per Ton Net Revenue Amount paid by a related party be less than \$10 per ton (The Floor Price) nor more than \$80 per ton (The Ceiling Price) – The Floor Price and Ceiling Price shall be adjusted for the full impact of any change in the CRV value as provided for below.
- f. In the event of any future changes to the California Redemption Value (CRV) paid by the State of California, the Per Ton Net Revenue Amount shall be adjusted to account for that relative impact on the Per Ton Net Revenue Amount. That impact shall be determined by multiplying the total applicable CRV tons for the prior 12 months times the applicable net change in CRV per ton revenue to project the total additional annual CRV revenue. This total additional annual CRV revenue shall then be divided by the total tonnage collected or received by the Company through the recycling program for the prior 12 months to determine the net additional per ton revenue amount that shall be added to the calculated Per Ton Net Revenue Amount going forward. The parties agree that should the CRV value be adjusted on or after July 1, 2007, as provided for in the California Beverage Container Recycling and Litter Reduction Act, allowances will be made to the rates that are set for 2008 and beyond to fully account for this change, notwithstanding any provision of this Agreement to the contrary.

2. Balancing Account Calculation for Recyclable Materials.

Because of the potential volatility of recyclable material prices, the District and the Company agree to establish a Balancing Account for recyclable material sales revenue. The Balancing Account amount will be based on the difference between the projected revenues for each year (as calculated using the above methodology) and the calculated revenues for that year (i.e., the annual total of the actual monthly tonnages times the calculated Per Ton Revenue Amount for each month using the methodology described above).

- a. For purposes of tracking the Balancing Account amount, the Company shall provide the District with an annual report that includes:
 - i. A copy of the OBM Index Prices as reported in the first issue of each month;
 - ii. The total commingled recyclable tonnage delivered to any related party for processing;
 - iii. The calculated current month Per Ton Revenue Amount and the calculation used to determine that amount;
 - iv. The total monthly Calculated Revenue equal to the total tonnage collected or

Exhibit 7
Recyclable Materials Balancing Account

- received by the Company through the recycling program and delivered to the related parties for processing times the calculated monthly Per Ton Revenue Amount); and
- v. All prior year to date monthly figures for the calendar year for items (ii) through (iv) above.
- b. The net cumulative Balancing Account amount for 2008 through 2011 shall be accounted for in full in setting the rates for Calendar Year 2013 as follows:
- i. The net cumulative Balancing Account will be divided by five (to account for rates in 2013, 2014, 2015, 2016 and 2017) (the annualized Balancing Account amount);
 - ii. The Company's fiscal year 2011 audited financial statement rate revenue will be divided by the annualized Balancing Account amount to calculate the annualized Balancing Account rate adjustment; and
- c. The calculated RRI rate adjustment for 2013 will be adjusted up (if the Balancing Account amount is due to the Company) or down (if the Balancing Account amount is due to the District) by the annualized Balancing Account rate adjustment, which shall be carried forward through rate year 2016.
- d. The net cumulative Balancing Account amount for 2012 through 2016 shall be accounted for in full in setting the rates for Calendar Year 2018 by dividing that amount by five (to account for rates in 2018, 2019, 2020, 2021 and 2022) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- e. The net cumulative Balancing Account amount for 2017 through 2021 shall be accounted for in full in setting the rates for Calendar Year 2023 by dividing that amount by three (to account for rates in 2023, 2024 and 2025) and applying the same rate adjustment methodology specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- f. The cumulative balancing account amount for Calendar Years 2022 through 2025 shall be paid by the applicable party to the other party in no less than equal annual payments over a period of no more than four years starting January 1, 2026, without interest.
- g. In the event that a Detailed Rate Review is conducted the impact of the Balancing Account will be factored into the associated rate adjustment for that year in the same manner specified for Calendar Year 2013 in Section 6.6.6.2.2 above.
- h. Exit Clause. -The parties agree that the proposed methodology is intended to provide a reasonable projection of the fair market value of revenues paid by third parties to the Company. Recyclable material commodity prices can, however, be extremely volatile and factors other than those accounted for in the proposed methodology may impact the fair market value of revenues. To provide a contingency for such potential

Exhibit 7
Recyclable Materials Balancing Account

events, each party shall have the right to terminate the use of the methodology for establishing the monthly Per Ton Revenue Amount described in this Section at any time during the term of this Agreement at either party's sole discretion. The notification shall be in writing and shall be effective thirty calendar days after receipt. The exercising of said option shall not remove either party's obligation to the other party for any Balancing Account balance at the time said option is exercised and becomes effective.

- i. In the event that either party exercises its option to terminate the methodology for establishing the Per Ton Revenue Amount, the parties agree to negotiate a new methodology that is acceptable to both parties. In the event that the parties cannot agree on acceptable changes to the methodology, the fair market value will be based on a review of actual related recyclable material sales revenues and related processing expenses.

1

DRAFT

September XX, 2018

Mr. Fred Stemmler
General Manager
Recology Sonoma-Marin
3400 Standish Avenue
Santa Rosa, CA 95407

Re: Notification of Termination of Balancing Account

Dear Mr. Stemmler

Article 6.4 (Recyclable Materials Balancing Account) of the Novato Sanitary District's (District) Amended and Restated Agreement Between Novato Sanitary District and Novato Disposal Service (Agreement), which was assigned to Recology Sonoma-Marin, establishes a Recyclables Material Balancing Account). Exhibit 7, item 2.h ("Exit Clause"), of the Agreement states that:

"The parties agree that the proposed methodology is intended to provide a reasonable projection of the fair market value of revenues paid by third parties to the Company. Recycling material commodity prices can, however, be extremely volatile and factors other than those accounted for in the proposed methodology may impact the fair market value of revenues. To provide a contingency for such potential events, each party shall have the right to terminate the use of the methodology for establishing the monthly Per Ton Revenue Amount described in this Section at any time during the term of this Agreement at either party's sole discretion. The notification shall be in writing and shall be effective thirty calendar days after receipt. The exercising of said option shall not remove either party's obligation to the other party for any Balancing Account balance at the time said option is exercised and becomes effective.

This letter represents the District's written notification to Recology that it is exercising its right to terminate the Recyclables Materials Balancing Account effective thirty calendar days from the date of this notification.

Sincerely

Sandeep Karkal
District Manager | Chief Engineer

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Marin Clean Energy (MCE)	MEETING DATE: September 17, 2018 AGENDA ITEM NO.: 8.a. & b.
RECOMMENDED ACTIONS: (a) Receive presentation from Marin Clean Energy (MCE) staff on switching District electricity accounts from Pacific Gas & Electric Co. (PG&E) to MCE; (b) Receive presentation and recommendations from Enovity, Inc. on switching District electricity accounts from PG&E to MCE, and provide direction.	
SUMMARY AND DISCUSSION: <p>MCE staff will present the results of their recently completed electricity rate comparison study for the District’s facilities.</p> <p>The District’s consultant, Enovity, Inc. will present the results of their independent electricity rate comparison study and make recommendations regarding switching District electricity accounts from PG&E to MCE. Staff recommends that the Board receive both presentations, as well as the recommendations by Enovity, and provide direction in terms of potentially switching electricity accounts from PG&E to MCE.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: eb	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, August 2018.

MEETING DATE: September 17, 2018

AGENDA ITEM NO.: 9.a.

RECOMMENDED ACTIONS: Receive Wastewater Operations Reports for August 2018:

- Collection System
- Treatment Facilities
- Reclamation Facilities

SUMMARY AND DISCUSSION:

The August 2018 Wastewater Operations Report incorporating operations reports for collections system, wastewater treatment facilities, and the reclamation facilities is attached. District and Veolia staff will be present at the meeting to provide overviews of the reports for their operational areas, and be available to discuss the reports or respond to any questions.

ATTACHMENTS: 1. Wastewater Operations Reports for the month of August 2018.

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

DEPT. MGR.: JO (Veolia), EB

GENERAL MANAGER: SSK

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
August 2018**

1.0 General:

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

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

2.0 Collection System Maintenance:

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

Line Cleaning Performance:

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 310 work orders for the month. Collections staff completed 310 work orders, leaving zero (0) work orders outstanding. The completed work orders resulted in 54,553 feet of sewer pipelines cleaned by staff.

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for five (5) working days and televised a total of 10,170 feet of sewer main.

CCTV Findings:

- Infrastructure-related: CCTV work did not identify any new structural damages.
- O&M related: CCTV work did not identify any area that would require a change in sewer line maintenance operations.

3.0 Pump Station Maintenance:

Collections staff conducted 254 lift station inspections this month. 45 of the inspections were generated through the District's JobsCal Plus CMMS system. There are no outstanding work orders for the month. A Pump Stations Work Order Statistics summary is attached.

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on seven (7) air relief/vacuum valves this month.

5.0 Safety and Training:

General:

Collections staff attended four (4) safety tailgate meetings in August.

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
August 2018**

Specialized Training:

- Collections staff attended a full day CUES CCTV van training on new District CCTV van.
- Collections staff also attended a full day Underground Locating training.
- Collections staff also attended a half day of Hot Work Permit training.

Safety performance:

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

6.0 Miscellaneous Projects:

Collections staff assisted a contractor in replacing water pump on the standby generator at the Canyon Rd Pump Station.

Collection staff assisted an electrical contractor to service the Automatic Transfer Switches (ATS) at 8 pump stations.

At Golden Gate Place, collections staff continues to monitor and pump out the isolated sewers to prevent overflows.

Collections staff also successfully conducted the annual pig launching (“pigging”) through the force main from the Ignacio Transfer Pump Station (ITPS) to the Ignacio Conveyance Force Main (ICFM) Junction Structure (see Photo #1). This task is performed to ensure the pressurized line stays clear of debris.

7.0 Sanitary Sewer Overflows (SSOs):

There were no (0) sanitary sewer overflows in August. The CIWQS no spills certification number is 2524931.



Photo #1 - Collections staff conducting the annual “pigging” of the force main from ITPS to ICFM Junction Structure.

Novato Sanitary District
Collection System Monthly Report For August 2018 (as of August 31, 2018)

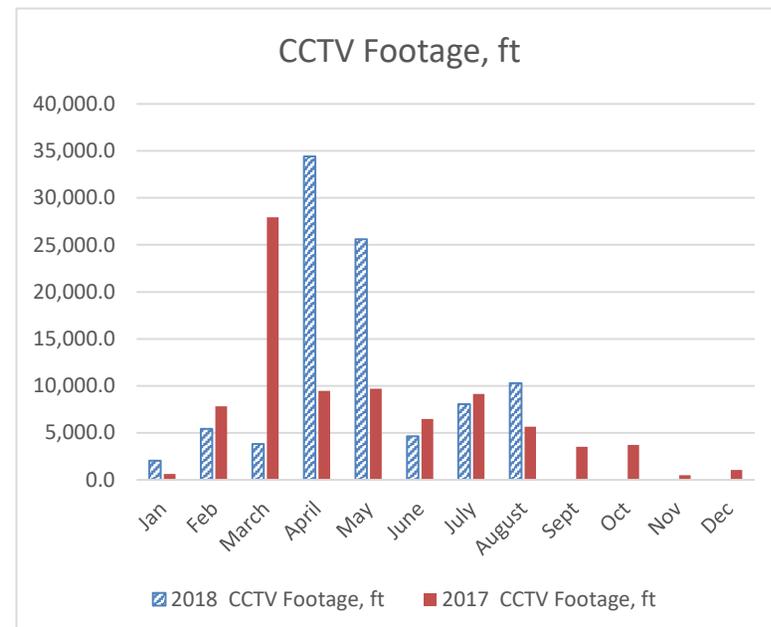
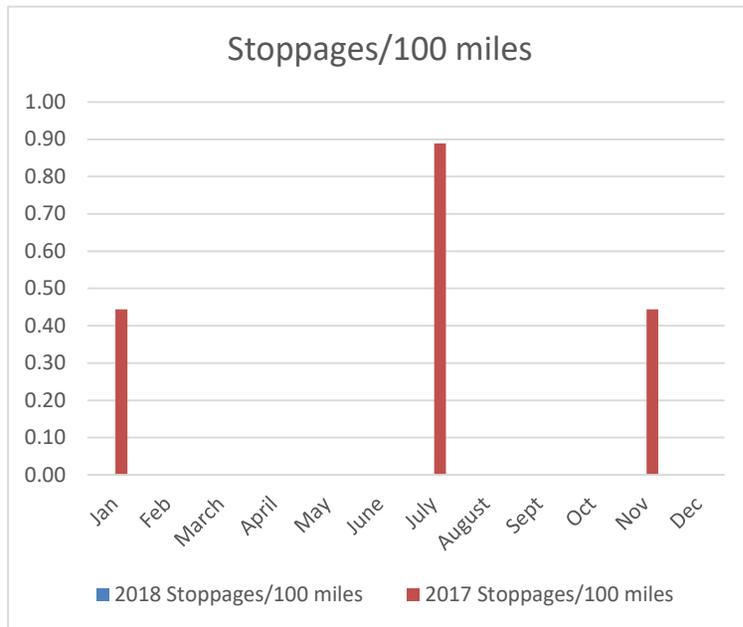
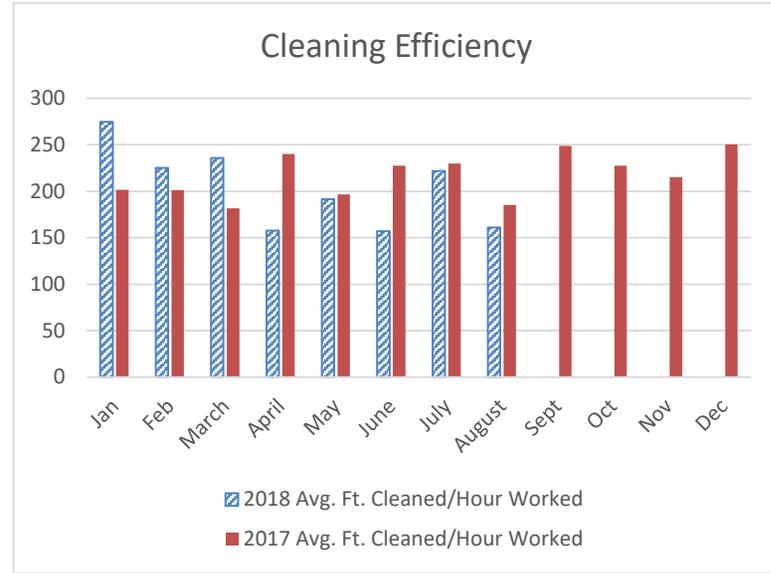
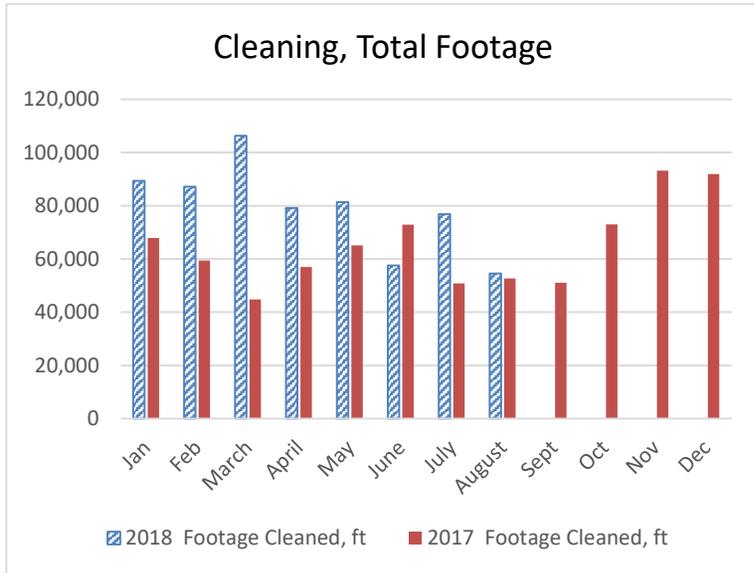
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.8	2.4	2.5	3.0	2.3	2.1	1.9	1.9	0.0	0.0	0.0	0.0	NA	1.5
Number of FTEs (other)	1.8	1.9	1.9	1.7	1.4	1.7	1.7	1.5	0.0	0.0	0.0	0.0	NA	1.1
Number of FTEs (USAs)	0.3	0.3	0.2	0.3	0.3	0.2	0.3	0.1	0.0	0.0	0.0	0.0	NA	0.2
Number of FTEs (CCTV)	0.2	0.2	0.2	0.3	0.8	0.3	0.1	0.5	0.0	0.0	0.0	0.0	NA	0.2
Total, FTEs	4.0	4.9	4.8	5.4	4.7	4.4	4.0	3.9	0.0	0.0	0.0	0.0	NA	3.0
Regular Time Worked, (main line cleaning), hrs	325	387	451	502	425	367	347	339	0	0	0	0		
Regular Time Worked on Other, hrs (1)	324	303	352	288	263	298	306	276	0	0	0	0		
Regular Time Worked on USAs	51	59	41	53	49	43	45	12						
Regular Time Worked on CCTV (2)	32	40	40	57	149	51	18	94	0	0	0	0		
Total Regular time, worked, hrs	732	788	882	900	885	758	851	721	0	0	0	0	6,515	543
Total Vacation/Sick Leave/Holiday, hrs	216	106	123	70	186	156	396	335	0	0	0	0	1,585	132
Vacation/Sick Leave/Holiday, FTEs	1.2	0.7	0.7	0.4	1.0	0.9	2.2	1.8	0.0	0.0	0.0	0.0	8.9	0.7
Overtime Worked on Coll. Sys., hrs	11	7	3	6	11	20	11	13	0	0	0	0	81	7
Overtime Worked on Other, hrs (1)	4	0	0	0	4	1	10	7	0	0	0	0	26	2
Overtime Worked on USAs, hrs	0	0	0	0	0	0	0	0						
Overtime Worked on CCTV (2)	0	0	0	0	0	1	0	0	0	0	0	0	1	0
Total Overtime, hrs	15	7	3	6	15	22	21	20	NA	NA	NA	NA	107	13
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	28	33	65	65	28	1	61	39	0	0	0	0	320	27
Rodder 3208 ft. cleaned	6,241	6,875	12,729	10,481	4,023	301	7,502	3,965	0	0	0	0	52,117	4,343
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flusher Work Orders generated	401	413	472	403	404	305	422	271	0	0	0	0	3,091	258
Truck 3205V ft. cleaned	22,719	28,924	43,973	2,861	0	12,920	145	2,328	0	0	0	0	113,870	9,489
Truck 3206V ft. cleaned	60,376	51,396	18,896	28,966	6,896	41,633	22,236	16,159	0	0	0	0	246,558	20,547
Truck 3209F ft. cleaned	0	0	30,733	36,879	70,447	2,664	46,994	32,102	0	0	0	0	219,819	18,318
Flusher - outside services, ft. cleaned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Footage cleaned(3)	89,336	87,195	106,331	79,187	81,366	57,518	76,877	54,554	NA	NA	NA	NA	632,364	79,046
Work Orders completed	429	446	537	616	432	506	483	310	0	0	0	0	3,759	342
Work Orders backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CCTV Truck 3126T, ft. videoed	2,048	5,420	3,805	0	20,712	4,233	0	10,170	0	0	0	0	46,388	3,866
CCTV (hand cam), ft. videoed	0	0	0	34,429	4,893	408	8,059	120	0	0	0	0	47,909	
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CCTV footage(3)	2,048	5,420	3,805	34,429	25,605	4,641	8,059	10,290	NA	NA	NA	NA	94,297	
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category II)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category I)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Overflow Gallons	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Volume Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	8	4	2	2	0	4	3	3	0	0	0	0	26	2
Normal hours S.C. response time, mins (avg.)	39	29.25	17	18.5	0	18	66.3	15	0	0	0	0	203	17
Service Callouts, after hours, #	1	0	0	0	0	0	0	0	0	0	0	0	1	0
After Hours S.C. response time, mins (avg.)	37	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	37	37
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	275	225	236	158	192	157	222	161	NA	NA	NA	NA	NA	203
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	0
Callouts/100 Miles	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Overtime hours/100 Miles	5	3	1	3	5	9	5	6	0	0	0	0	35.78	3
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Collection System: 2018 & 2017 Graphs



Novato Sanitary District

Pump Station Monthly Report For August 2018 (as of August 31, 2018)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked	372	254	212	251	276	266	185	254	0	0	0	0	2,068	
Number of Employees (FTEs)	1.8	1.4	1.2	1.2	1.3	1.3	0.8	1.2	0.0	0.0	0.0	0.0		0.8
Regular Time Worked on Pump Sta	325	226	212	197	238	231	136	224	0	0	0	0	1,787	
Overtime Worked on Pump Sta	47	28	32	54	38	35	50	30	0	0	0	0	312	
After Hours Callouts	3	1	1	1	1	0	9	1	0	0	0	0	17	
Average Callout response time (mins)	36	28	6	9	8	0	24	28	0	0	0	0	139	12
Work Orders														
Number generated in month	95	89	77	85	71	56	68	45	0	0	0	0	586	49
Number closed in month	95	89	77	85	71	56	68	45	0	0	0	0	586	49
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**PUMP STATIONS
WORK ORDER STATISTICS
August 1, 2018-August 31, 2018**

	Open Work Orders Due Prior to 8/1/2018	Open Work Orders 8/1/2018-8/31/2018	Total Open Work Orders
Preventive	0	45	45
Corrective	0	0	0
Total	0	45	45

	Closed Work Orders 8/1/2018 -8/31/2018
Preventive	45
Corrective	0
Total	45

Total Outstanding Work Orders as of 8/31/2018	0
--	----------



September 12, 2018

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

Subject: Veolia Water Operations Report – August 2018

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for August 2018.

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

Best regards,

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

John P. O'Hare
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
August 2018

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

TABLE OF CONTENTS

- A: TREATMENT PLANT PERFORMANCE SUMMARY
- B: SAFETY AND TRAINING
- C: OPERATIONS AND MAINTENANCE STATUS / REVIEW
- D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY
- E: ADMINISTRATION
- F: ODORS & LANDSCAPING
- G: MISCELLANEOUS

ATTACHMENTS

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

A: TREATMENT PLANT PERFORMANCE SUMMARY - August 2018

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	3.46	3.70	N/A	
Influent				
BOD ₅ , lb/day (month ave/max)	8,723	10,727	N/A	
TSS, lb/day (monthly ave/max)	9,222	11,379	N/A	
Effluent				
BOD ₅ , mg/L (monthly ave/max weekly ave)	<6	9	40	N/A
TSS, mg/L (monthly ave/max weekly ave)	<4	5	N/A	N/A
BOD ₅ - % Removal, Average	98		No Limit	
TSS - % Removal, Average	99		No Limit	
Ammonia, mg/L – (monthly ave/daily max)	N/A	N/A	N/A	N/A
pH, su (min / max)	6.9	7.1	6.5	8.5
Enterococcus, MPN/100 ml (30 day geo mean)	N/A		N/A	
Fecal Coliform, MPN/100 ml (monthly median)	N/A		N/A	
Fecal Coliform, MPN/100 ml (90 th PCTL)	N/A		N/A	
Total Coliform, MPN/100 ml (5 sample median)	58		240	
Total Coliform, MPN/100 ml (monthly maximum)	169		10,000	

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	28.965	N/A
Average Turbidity	NTU	1.0	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	15	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	7.5	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 days	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

- Reclamation / Irrigation, Waste Discharge Requirements (WDR Limits) - None
- Recycled Water – None
- Bay Area Air Quality Management District – None.

B: SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTP and Ignacio Transfer Pump Station completed.
- Five minute tailgate training held during morning meetings.
- No safety incidents for the month of August 2018.
- Monthly Safety Topics and Training: Ladder Safety
- Monthly Health and Safety webinar



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

- Routine rounds, readings and maintenance
- Performed annual electrical thermography
- Upgraded power supply for Ultraviolet Disinfection control switches
- Replaced Ultraviolet Disinfection transmittance meter
- Rebuilt Anaerobic Digesters boiler hot water pump and replaced the electrical motor
- Semiannual service performed on all Heating Ventilation Air Conditioning (HVAC) units & roof top fans

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

- Aeration basin #1 & #3 (standby)
- Primary clarifier #2 (standby)
- Secondary clarifier #1 (standby)

Ignacio Transfer Pump Station

- Routine rounds, readings and preventative maintenance
- Performed annual electrical thermography
- Assisted NSD Collection System Group with pigging discharge line from the Ignacio pump station to the force main junction structure
- Semiannual service performed on the HVAC units and rooftop fans

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

- None

Recycled Water Plant (RWP)

- Routine rounds and maintenance
- Continued to assist the contractor's needs and bring new equipment online during the upgrade to the RWP
- Assisted contractor with shut downs & other needs

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

- None

Sludge Lagoons (and Reclamation Area)

- Performed routine rounds and inspection
- Annual service on trailered pump

D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY

Discharge to Reclamation / Irrigation August 1 - 31, 2018



Biosolids Sampling

Annual biosolids sampling was initiated in August and will be completed in September. The analytical results are required for the Annual Pretreatment Program and EPA Annual Biosolids Reports.

Mutual Assistance

Liz Falejczyk, Veolia Water Environmental Services Supervisor participated on an interview panel for an open laboratory analyst position at the City of Mill Valley/Sewerage Agency of Southern Marin.

Maintenance Repair

Kurt Hawkyard, Veolia Water Laboratory Technician performed troubleshooting of the laboratory drying oven, ordered the replacement parts, and made the final repairs. This work extended the life of the unit and need for replacement.

Regulatory Programs**Fats, Oils, and Greases - Inspections and Sampling**

- Continued monitoring one Food Service Establishment (FSE) for grease removal several times per week
- Received supporting documentation confirming continued compliance from one FSE
- Issued one notification letter requiring an FSE to install a grease removal device
- NSD summer intern completed an MS Office Excel® spreadsheet for the Food Service Establishments (FSEs)
- Inspected 6 FSE's targeting the Enfrente pump station collection system

Pretreatment - Inspections and Sampling

- Inspected one significant industrial user facility

Pollution Prevention

- Liz Falejczyk inspected the women's restrooms at the Vintage Oaks shopping center to determine what signage was posted regarding flushable and non-flushable products. The property manager was contacted to discuss recommendations.
- Liz and Julie Hoover, NSD Administrative Secretary attended the Public Education Committee meeting.

E: ADMINISTRATION:

- July 2018 Electronic Discharge Monitoring Report (DMR) submitted on August 30, 2018
- July 2018 Self-Monitoring Report (SMR) submitted on August 30, 2018

F: ODORS & LANDSCAPING:

- Jerome meter (H₂S) parts per million (ppm) readings performed in neighborhood
- All readings in neighborhood were 0 ppm

G: MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held weekly with the Veolia staff



Veolia Support Staff On/Off Site (Various Times)

Ed Dix, West Region Technical Director

Art Fagerström, PE, BCEE, Technical Manager, Corporate Technical Support

1) PHOTOS

RECYCLED WATER PLANT
AUGUST 2018



Above Right – Filter Sand Washer
Above Left - Filter Sand being added to the new filter.

LABORATORY EQUIPMENT REPAIR
AUGUST 2018



Top Right – Kurt Hawkyard making the initial repair
Top Left – Liz Falejczk making the final adjustments

2) LABORATORY DATA

Novato Sanitary District
BOD/TSS Report



August, 2018

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal PERCENT
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
08/01/18	3.50	310	9,049	274	7,998	6	127	6	127	98.1	97.8
08/02/18	3.43					7	128	5	92		
08/03/18	3.26					15	269	4	72		
08/04/18	3.43										
08/05/18	3.47										
08/06/18	3.43										
08/07/18	3.50	280	8,173	278	8,115	<5	<95	<3	<57	98.2	98.9
08/08/18	3.33					8	161	<3	<60		
08/09/18	3.59					7	148	<3	<63		
08/10/18	3.35										
08/11/18	3.31										
08/12/18	3.38										
08/13/18	3.43	375	10,727	366	10,470	<5	<94	3	56	98.7	99.2
08/14/18	3.63					<5	<121	<3	<73		
08/15/18	3.39					<5	<98	4	78		
08/16/18	3.54										
08/17/18	3.42										
08/18/18	3.38										
08/19/18	3.70										
08/20/18	3.30										
08/21/18	3.51					<5	<98	4	78		
08/22/18	3.49	270	7,859	280	8,150	<5	<118	4	94	98.1	98.6
08/23/18	3.62					<5	<112	3	67		
08/24/18	3.34										
08/25/18	3.38										
08/26/18	3.65										
08/27/18	3.57										
08/28/18	3.60	260	7,806	379	11,379	<5	<125	4	100	98.1	98.9
08/29/18	3.64					<5	<123	3	74		
08/30/18	3.31					<5		3	65		
08/31/18	3.31										
Weekly Averages											
08/04/18	Week 1	310	9,049	274	7,998	9	175	5	97		
08/11/18	Week 2	280	8,173	278	8,115	7	135	3	60		
08/18/18	Week 3	375	10,727	366	10,470	5	104	3	69		
08/25/18	Week 4	270	7,859	280	8,150	5	109	4	80		
	Week 5										
Monthly											
Minimum	3.26	260	7,806	274	7,998	<5	<94	<3	56	98	98
Maximum	3.70	375	10,727	379	11,379	15	269	6	127	99	99
Total	107.19										
Average	3.46	299	8,723	315	9,222	<6	<130	<4	<77	98	99

Novato Sanitary District
Conventional Pollutants Report



August, 2018

Date	INFLUENT - A001			Effluent - E002							
	Flow Total	pH	Ammonia	Coliform / Bacteria			pH	Ammonia	Oil & Grease	Temp	Rainfall
				Fecal	Entero	Total					
	MGD	su	mg/L	MPN/100 mL			su	mg/L	mg/L	Deg C	Inches
08/01/18	3.50					10	7.1			24.4	0.00
08/02/18	3.43					169	7.0			24.1	0.00
08/03/18	3.26					12	7.0			24.0	0.00
08/04/18	3.43										0.00
08/05/18	3.47										0.00
08/06/18	3.43						7.0			24.5	0.00
08/07/18	3.50					5	6.9			24.1	0.00
08/08/18	3.33					13	6.9			24.2	0.00
08/09/18	3.59					8	6.9			24.5	0.00
08/10/18	3.35						7.0			24.7	0.00
08/11/18	3.31										0.00
08/12/18	3.38										0.00
08/13/18	3.43					11	7.0			24.3	0.00
08/14/18	3.63	7.4				80	7.0			24.0	0.00
08/15/18	3.39					15	7.1			24.5	0.00
08/16/18	3.54						7.0			24.8	0.00
08/17/18	3.42						7.0			24.9	0.00
08/18/18	3.38										0.00
08/19/18	3.70										0.00
08/20/18	3.30						7.0			23.9	0.00
08/21/18	3.51					17	7.0			23.8	0.00
08/22/18	3.49					22	7.0			24.3	0.00
08/23/18	3.62	7.5				12	7.0			24.2	0.00
08/24/18	3.34						7.0			23.7	0.00
08/25/18	3.38										0.00
08/26/18	3.65										0.00
08/27/18	3.57						7.0			24.2	0.00
08/28/18	3.60					10	7.0			23.9	0.00
08/29/18	3.64					13	6.9			24.1	0.00
08/30/18	3.31					20	6.9			24.3	0.00
08/31/18	3.31						7.0			24.3	0.00
Monthly											
Minimum	3.26	7.4				5	6.9			23.7	0.00
Maximum	3.70	7.5				169	7.1			24.9	0.00
Total	107.19										0.00
Average	3.46	7.5					7.0			24.2	0.00
Median - 5						50					

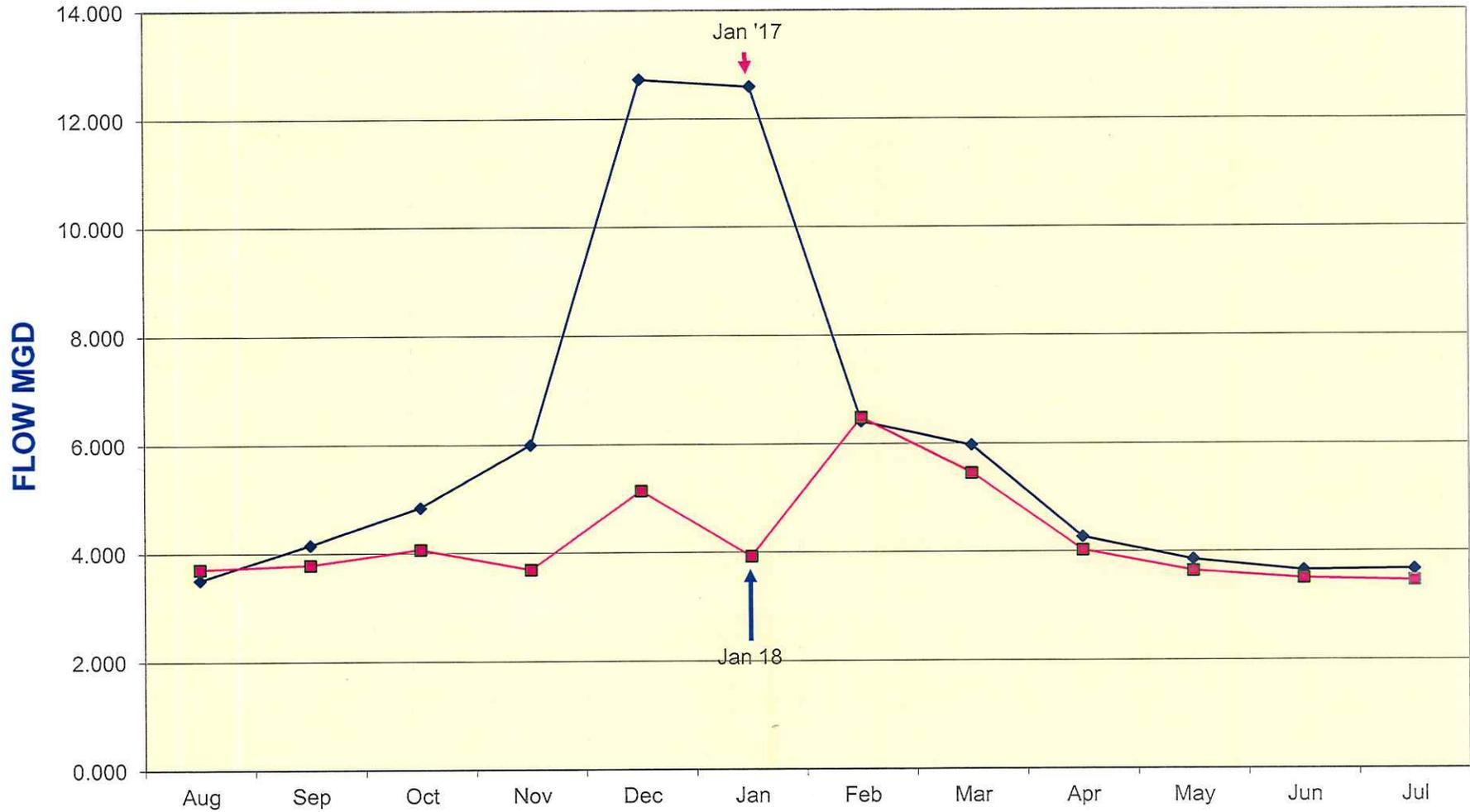
3) *RECYCLED WATER REPORT*

NOVATO SANITARY DISTRICT
RECYCLED WATER
COMPLIANCE SUMMARY REPORT

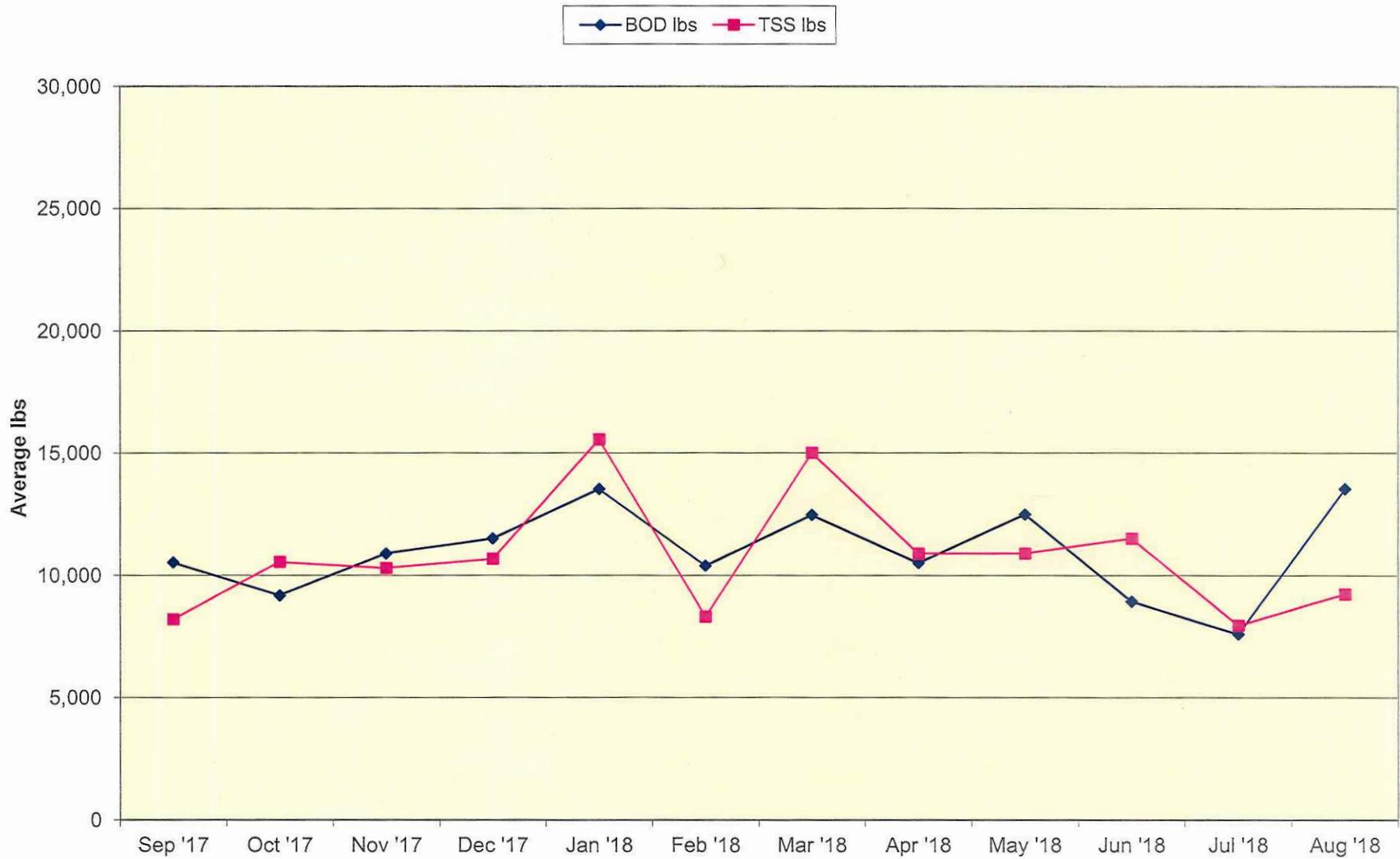
Date	Filter Influent Flow	Recycled Water Flow to Plum St.	Recycled Water Banked	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Max	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Recycled Water Inf Chlorine Dose	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Chlorint Contact Time
	MGD	MGD	MG	MGD	NTU	NTU	(m)	NTU	(mg/l)	(mg/l)	MPN/100m	Minutes	
8/1/2018	1.240	0.972				3.5	0	1.4			<1	<450.000	
8/2/2018	1.370	1.229				2.9	0	1.2			<1	<450.000	
8/3/2018	1.320	1.112				2.9	0	1.6			<1	<450.000	
8/4/2018	1.440	1.142				2.5	0	0.9			<1	<450.000	
8/5/2018	1.060	0.836				2.0	0	1.4		8.1	<1	<450.000	
8/6/2018	1.290	0.870				1.6	0	1.4		8.8	<1	<450.000	
8/7/2018	1.420	1.220				1.6	0	1.3		7.7	<1	<450.000	
8/8/2018	1.270	0.922				1.8	0	1.0			<1	<450.000	
8/9/2018	1.300	1.053				2.1	0	1.0			<1	<450.000	
8/10/2018	1.410	1.017				2.1	0	0.9			<1	<450.000	
8/11/2018	1.490	1.154				2.3	0	0.9			<1	<450.000	
8/12/2018	1.520	1.288				2.2	0	1.0		7.7	<1	<450.000	
8/13/2018	1.510	1.179				3.2	0	1.1		7.6	<1	<450.000	
8/14/2018	0.900	0.730				2.7	0	0.9		8.3	<1	<450.000	
8/15/2018	1.160	1.049				1.7	0	0.7			<1	<450.000	
8/16/2018	1.100	0.888				2.4	0	0.7			<1	<450.000	
8/17/2018	1.230	0.905					0	1.0			<1	<450.000	
8/18/2018	0.610	0.666				2.5	0	0.8			<1	<450.000	
8/19/2018	0.910	0.705				2.8	0	0.9		7.5	<1	<450.000	
8/20/2018	1.170	0.988				3.1	0	0.5		7.7	<1	<450.000	
8/21/2018	1.340	1.171				2.3	0	0.5		8.0	<1	<450.000	
8/22/2018	0.780	0.672				3.9	0	0.9			<1	<450.000	
8/23/2018	1.100	0.930				2.4	0	1.0			<1	<450.000	
8/24/2018	1.440	0.861				2.1	0	0.9			<1	<450.000	
8/25/2018	1.310	1.221				2.1	0	1.0			<1	<450.000	
8/26/2018	1.110	0.765				1.8	0	1.0		7.6	<1	<450.000	
8/27/2018	0.780	0.678				1.6	0	1.2		8.4	<1	<450.000	
8/28/2018	0.740	0.602				1.7	0	1.3		8.5	<1	<450.000	
8/29/2018	0.830	0.699				1.7	0	1.0			<1	<450.000	
8/30/2018	0.830	0.731				1.2	0	1.0			<1	<450.000	
8/31/2018	1.110	0.710				1.9	15	1.2			<1	<450.000	
Total	36.090	28.965											
Minimum	0.610	0.602				1.2	0	0.5		7.5	<1	<450.0	
Maximum	1.520	1.288				3.9	15	1.6		8.8	<1	<450.0	
Average	1.164	0.934				2.3	0	1.0		8.0	<1	<450.0	

4) ANNUAL COMPLIANCE SUMMARY – GRAPHS

WASTEWATER INFLUENT FLOW COMPARISON



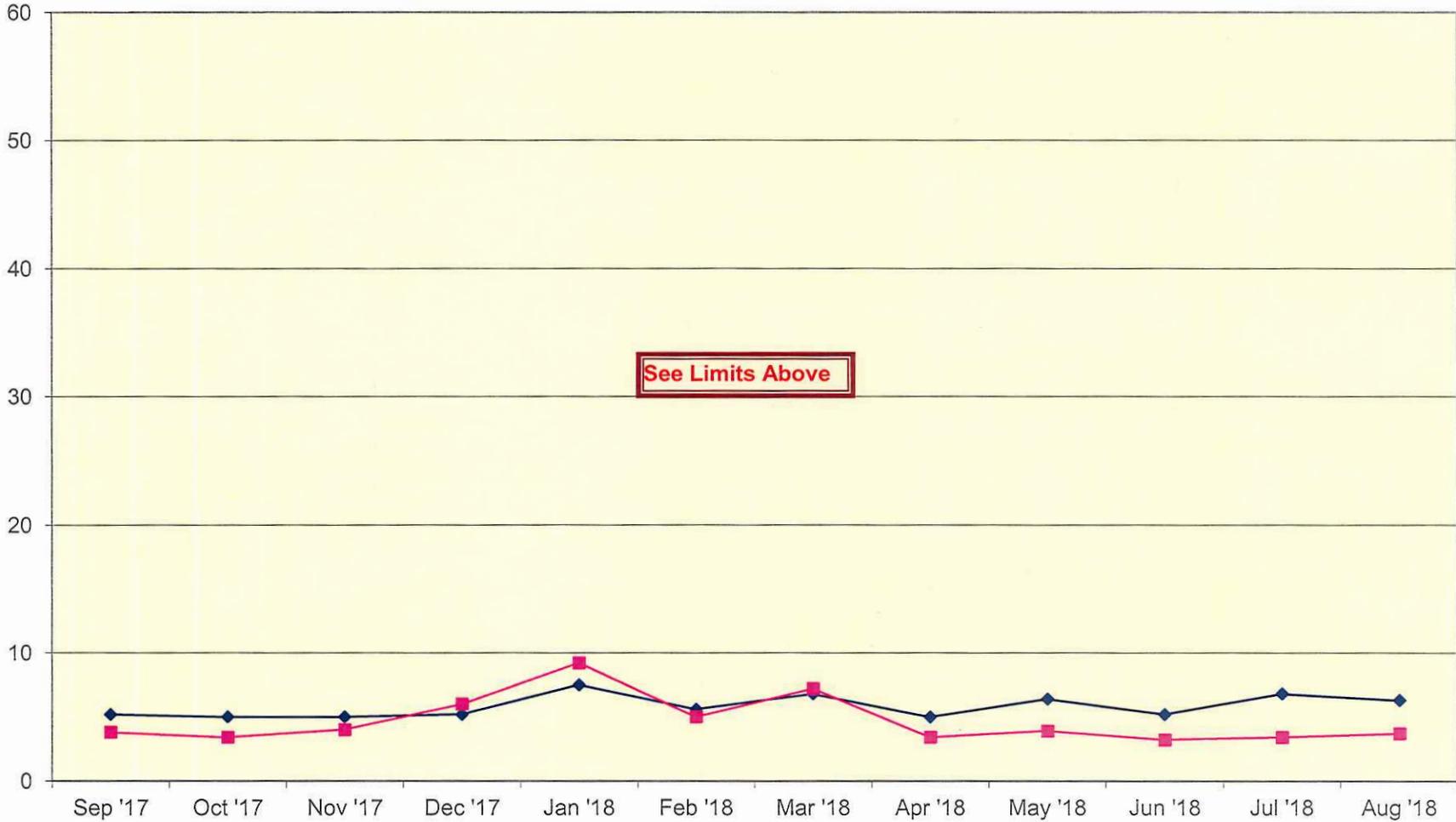
Influent Load BOD / TSS lbs



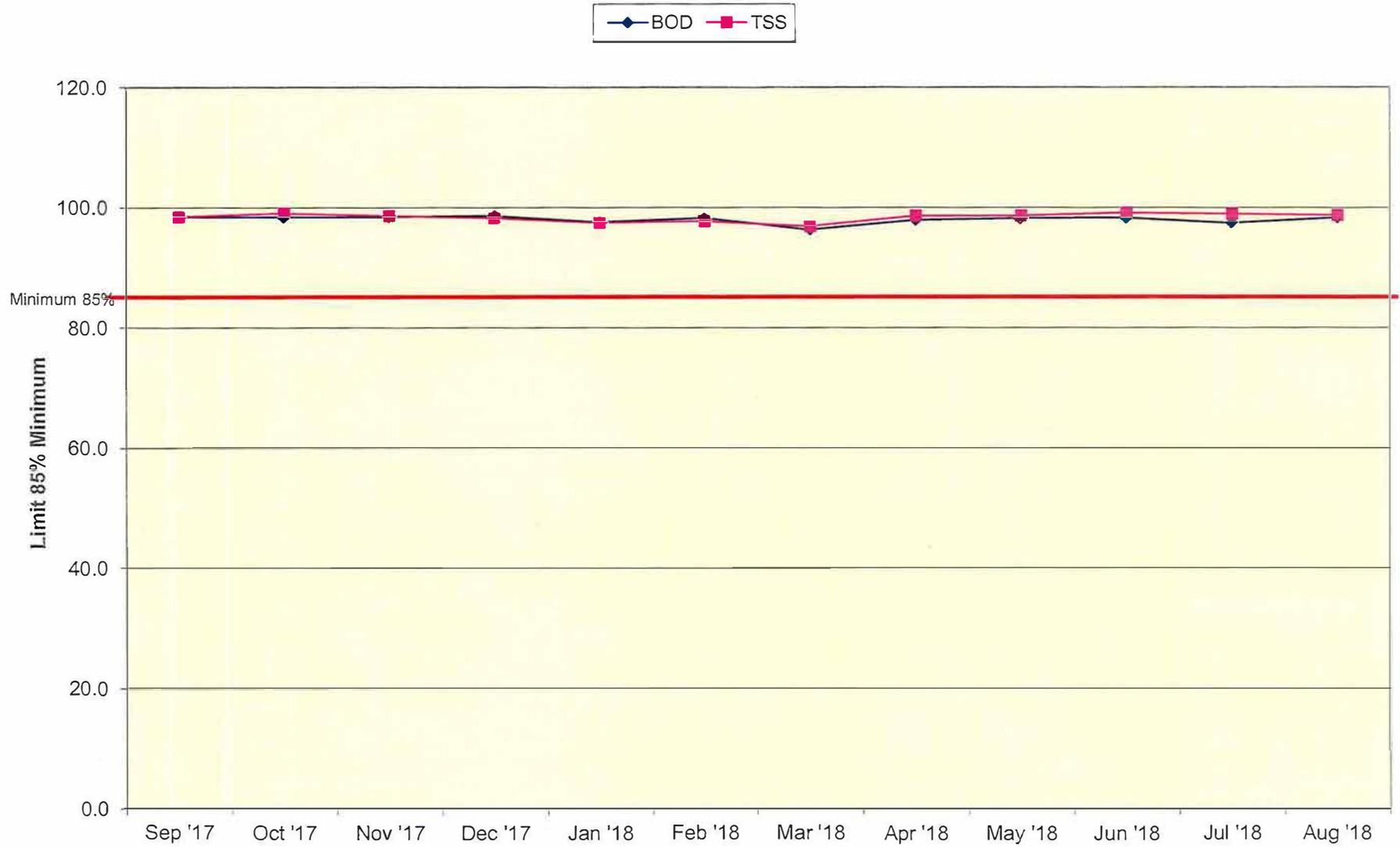
Effluent BOD / TSS Concentration

NPDES LIMITS WET SEASON
 BOD & TSS - 30 mg/L Monthly Avg. (Peak Limit) 7/18
 NPDES LIMITS DRY SEASON
 BOD - 15 mg/L Monthly Avg. (Peak Limit) 7/18
 TSS - 10 mg/L Monthly Avg. (Peak Limit) 7/18
WDR (Waste Discharge Requirements) RECLAMATION
BOD - 40 mg/L

◆ BOD ■ TSS

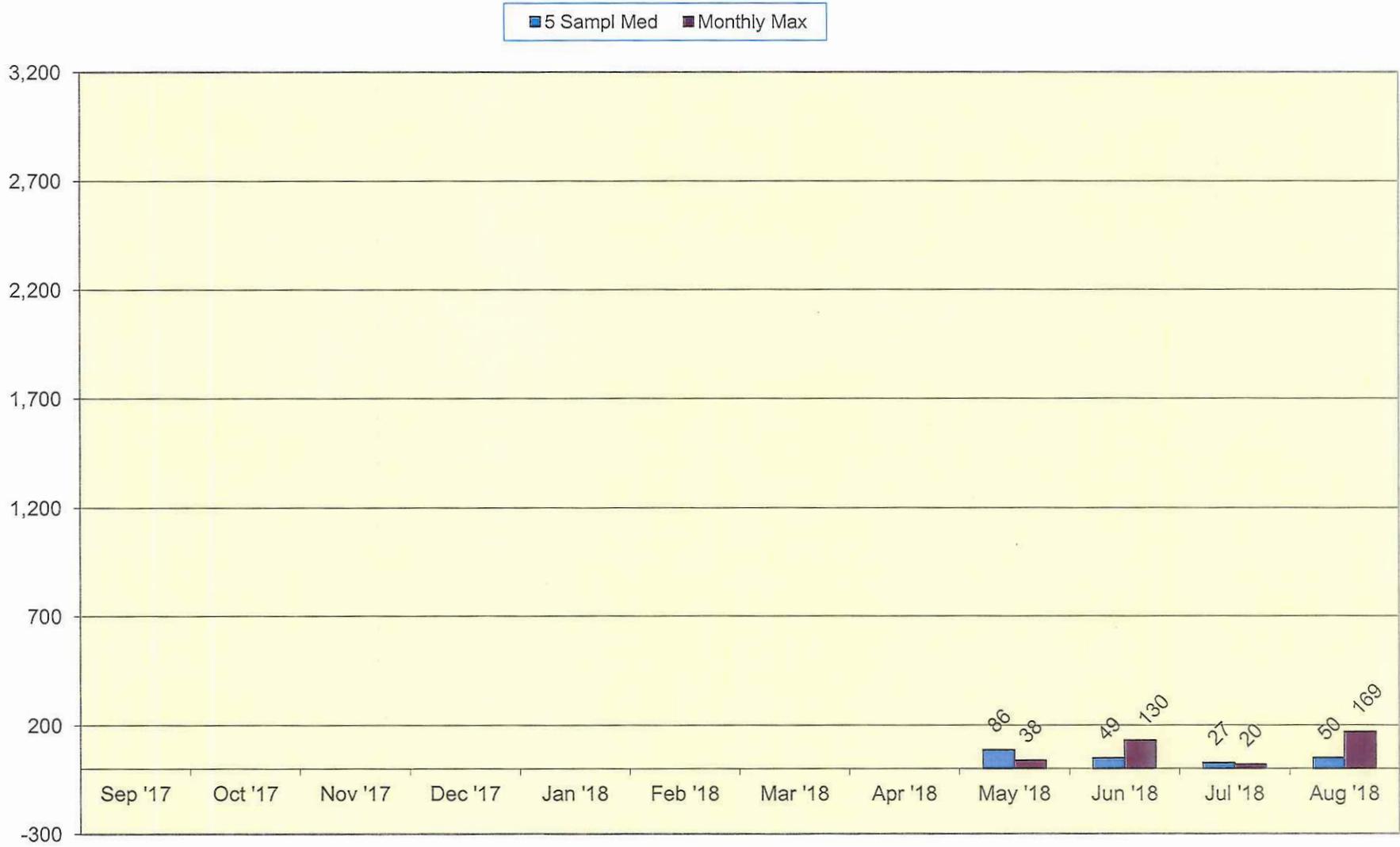


BOD / TSS Percent Removal

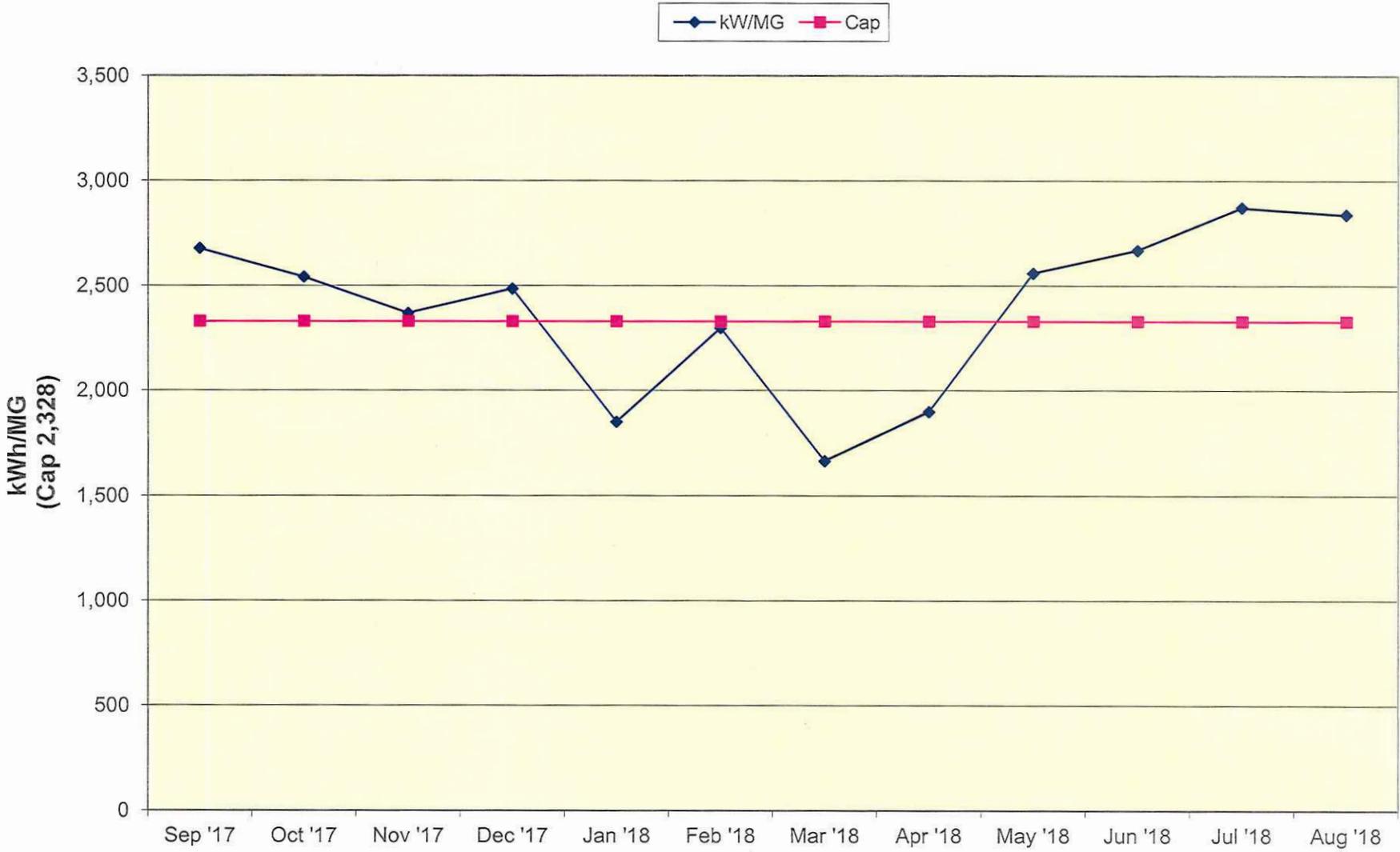


Disinfection - Total Coliform

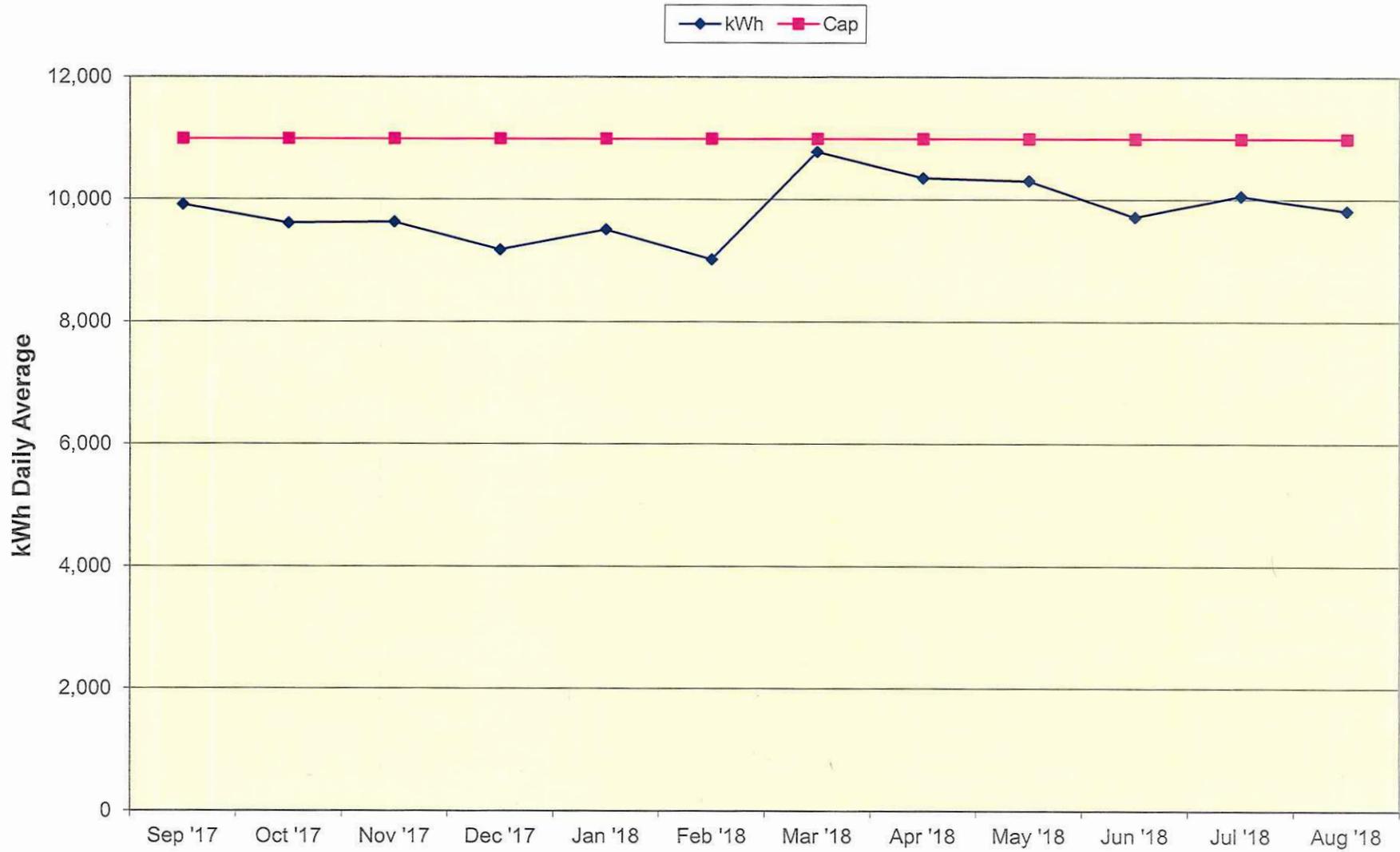
TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml



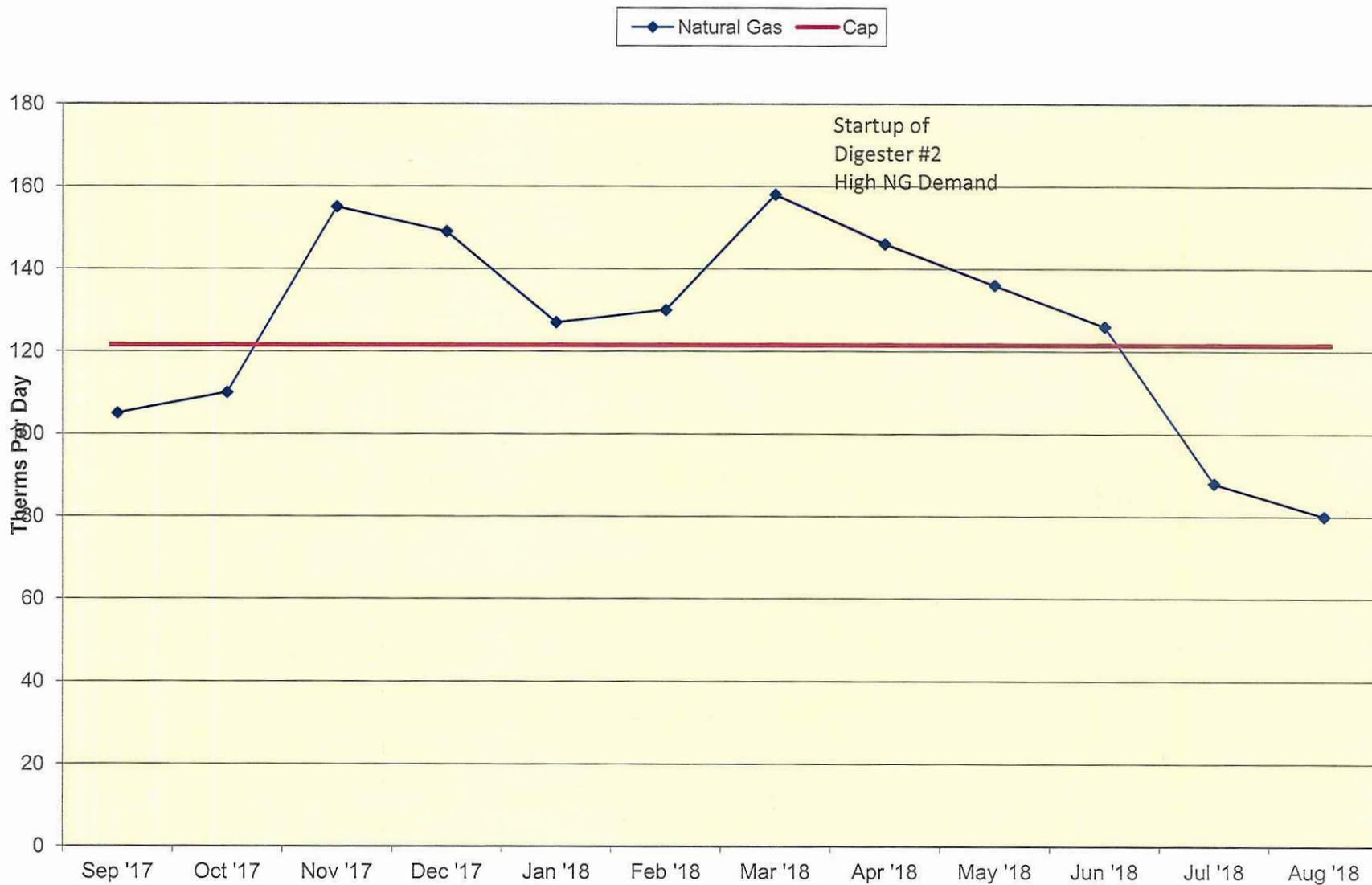
Energy kWh/MG



Energy kWh

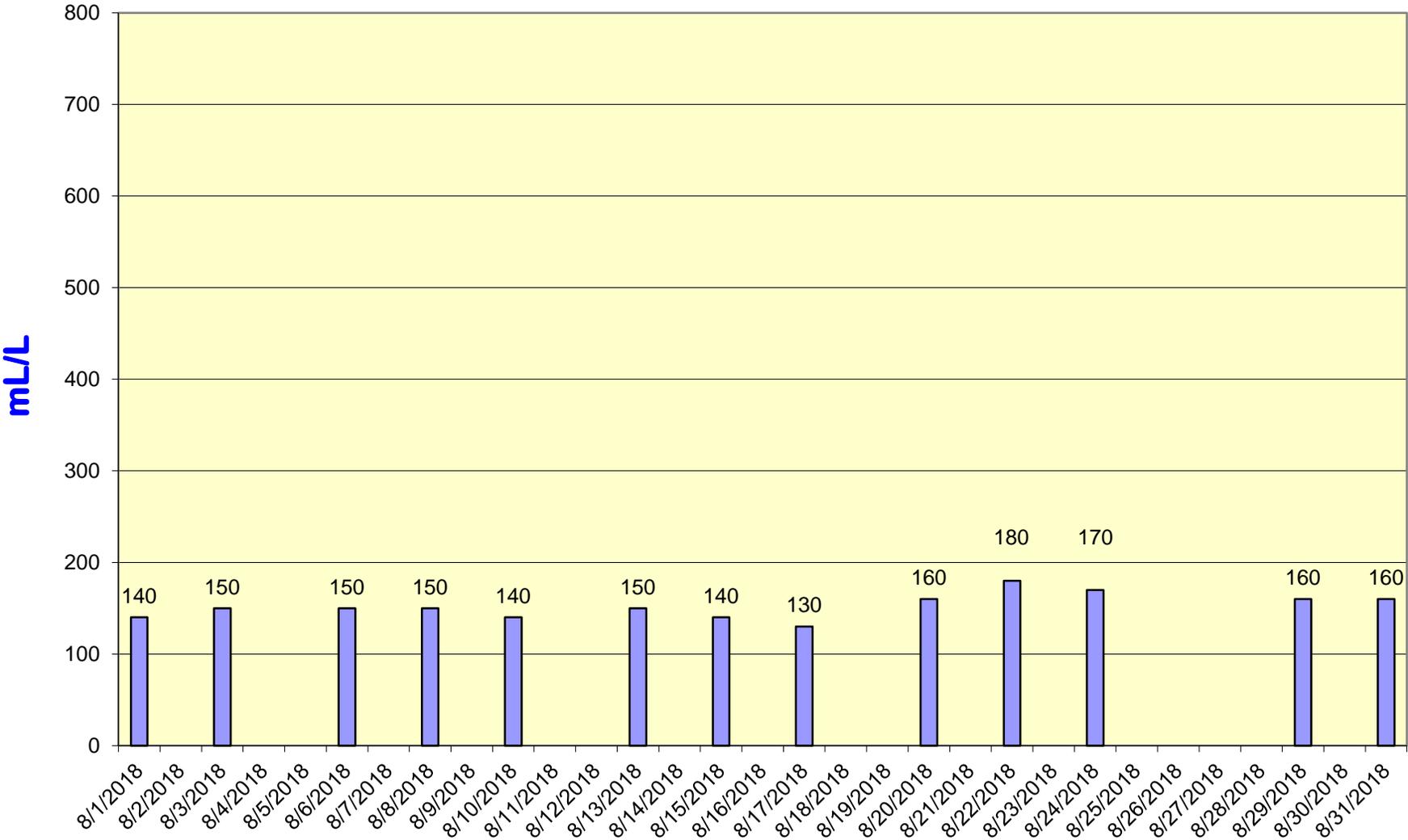


Natural Gas Use

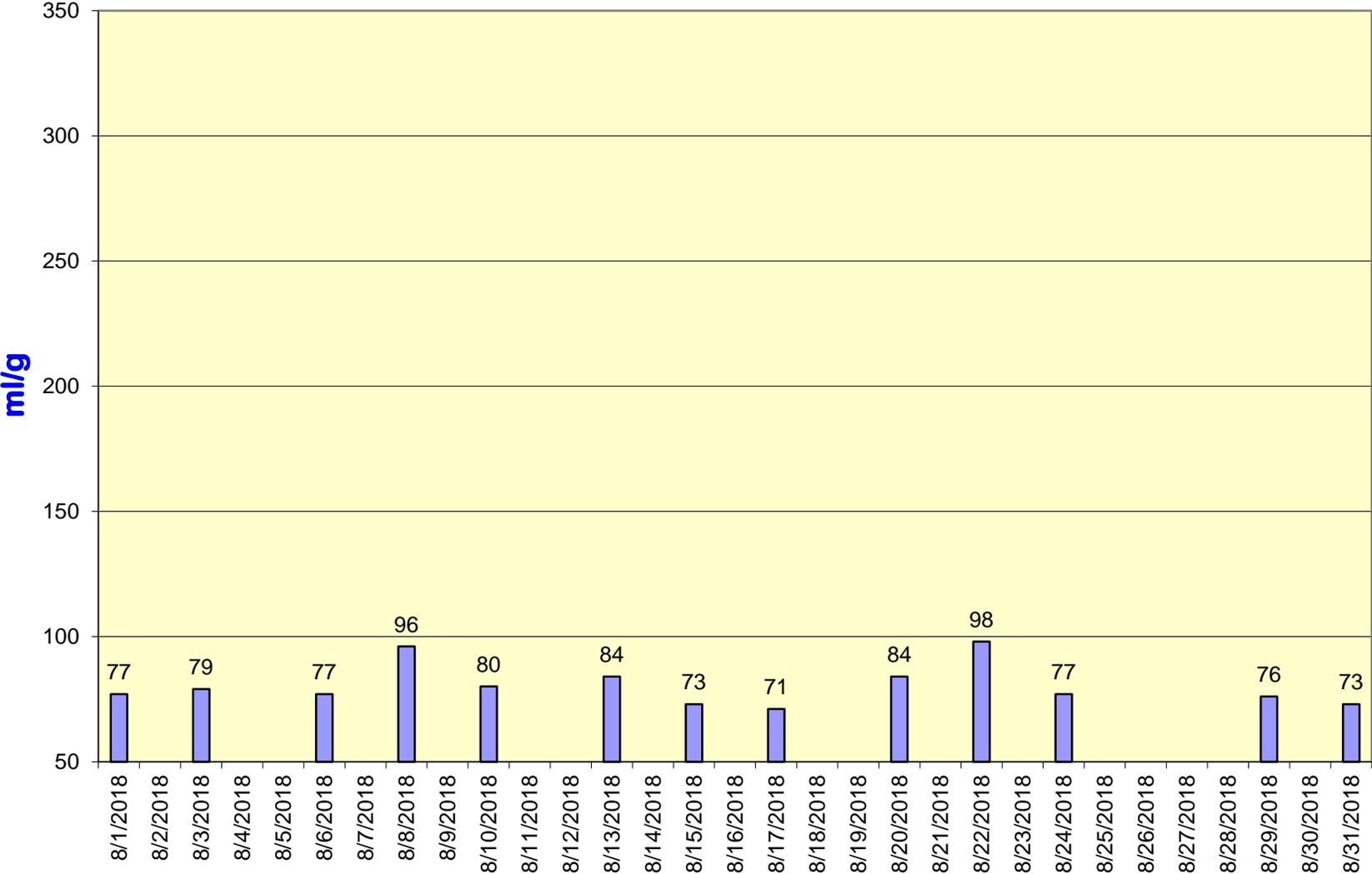


5) PROCESS CONTROL DATA / GRAPHS

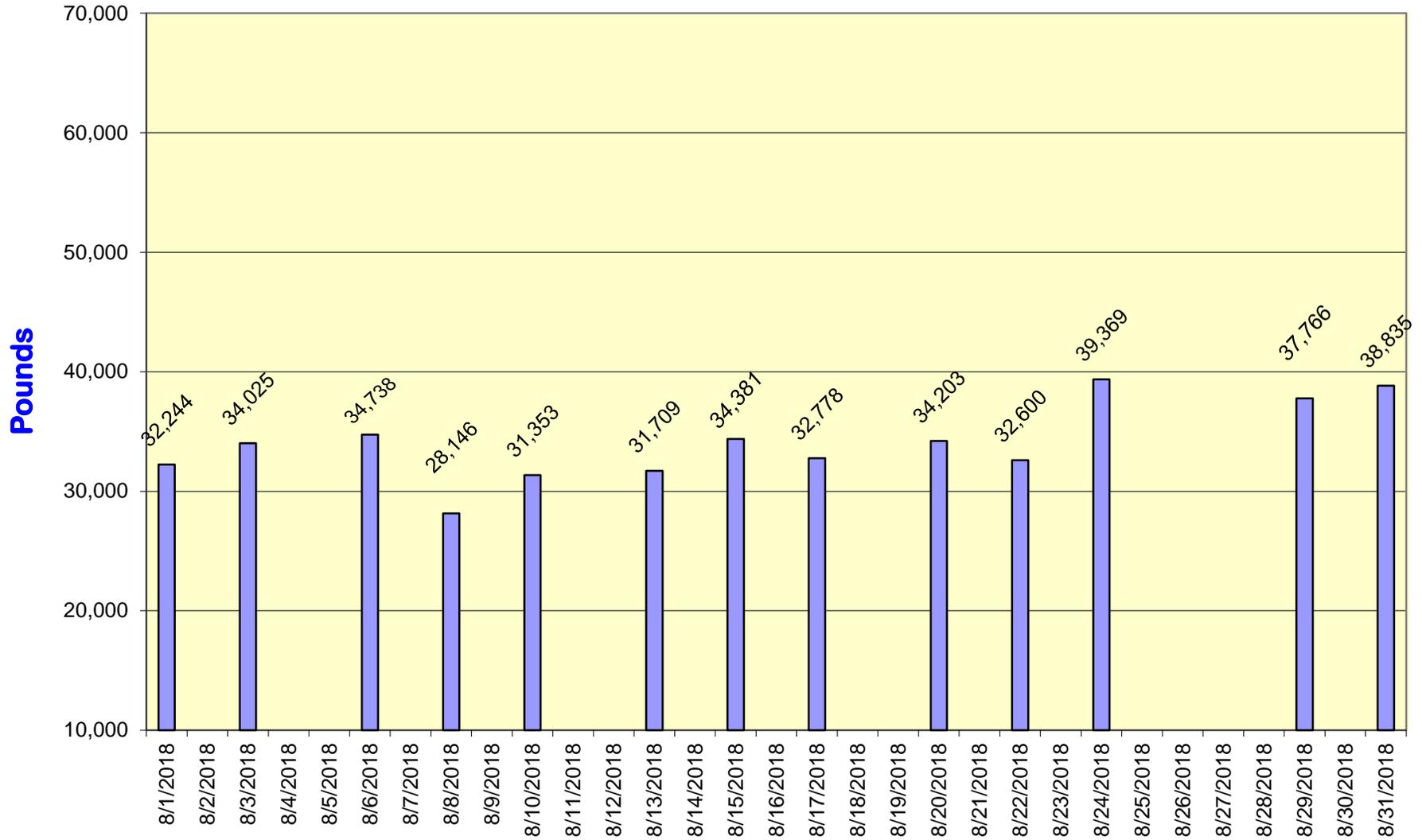
Settleability



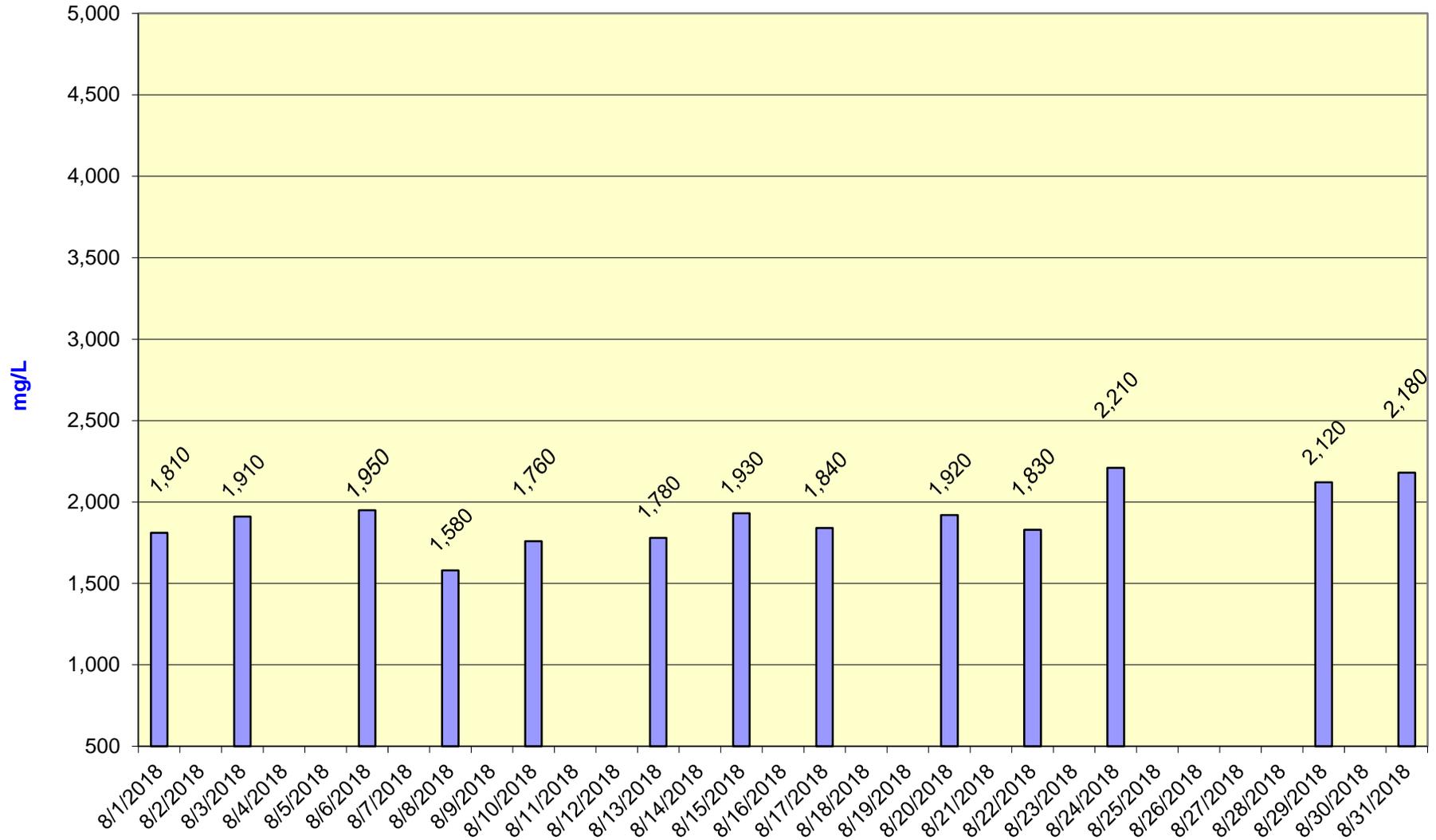
Sludge Volume Index



MLSS Inventory



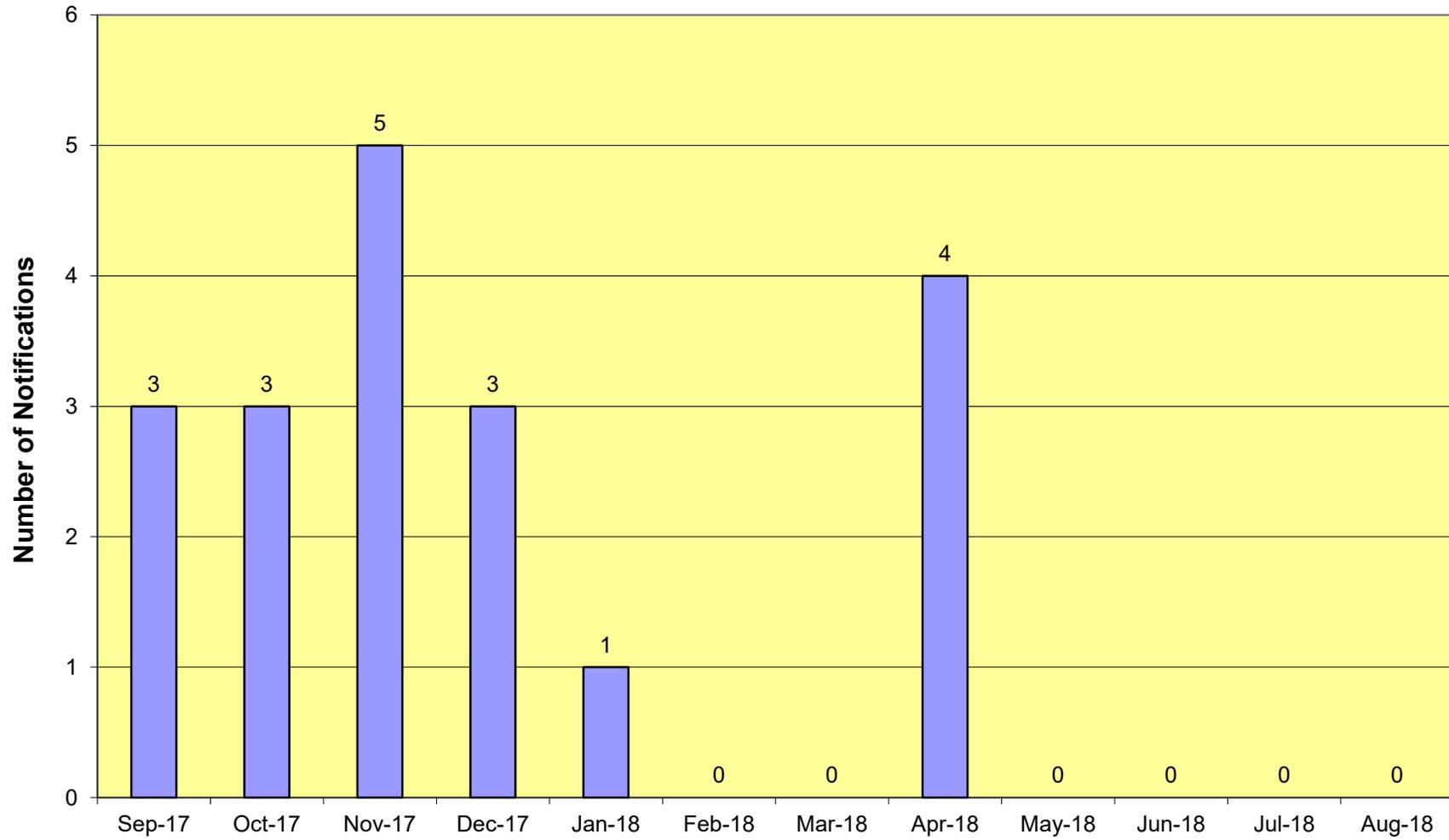
MLSS Concentration



Process Control Data					
	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	SVI
8/1/2018	3.50	140	1,810	32,244	77
8/2/2018	3.43				
8/3/2018	3.26	150	1,910	34,025	79
8/4/2018	3.43				
8/5/2018	3.47				
8/6/2018	3.43	150	1,950	34,738	77
8/7/2018	3.50				
8/8/2018	3.33	150	1,580	28,146	96
8/9/2018	3.59				
8/10/2018	3.35	140	1,760	31,353	80
8/11/2018	3.31				
8/12/2018	3.38				
8/13/2018	3.43	150	1,780	31,709	84
8/14/2018	3.63				
8/15/2018	3.39	140	1,930	34,381	73
8/16/2018	3.54				
8/17/2018	3.42	130	1,840	32,778	71
8/18/2018	3.38				
8/19/2018	3.70				
8/20/2018	3.30	160	1,920	34,203	84
8/21/2018	3.51				
8/22/2018	3.49	180	1,830	32,600	98
8/23/2018	3.62				
8/24/2018	3.34	170	2,210	39,369	77
8/25/2018	3.38				
8/26/2018	3.65				
8/27/2018	3.57				
8/28/2018	3.60				
8/29/2018	3.64	160	2,120	37,766	76
8/30/2018	3.31				
8/31/2018	3.31	160	2,180	38,835	73
Minimum	3.26	130	1,580	28,146	71
Maximum	3.70	180	2,210	39,369	98
Total	107.19				
Average	3.46	152	1,909	34,011	80

6) NEIGHBORHOOD CONTACTS

Neighborhood Contacts Received

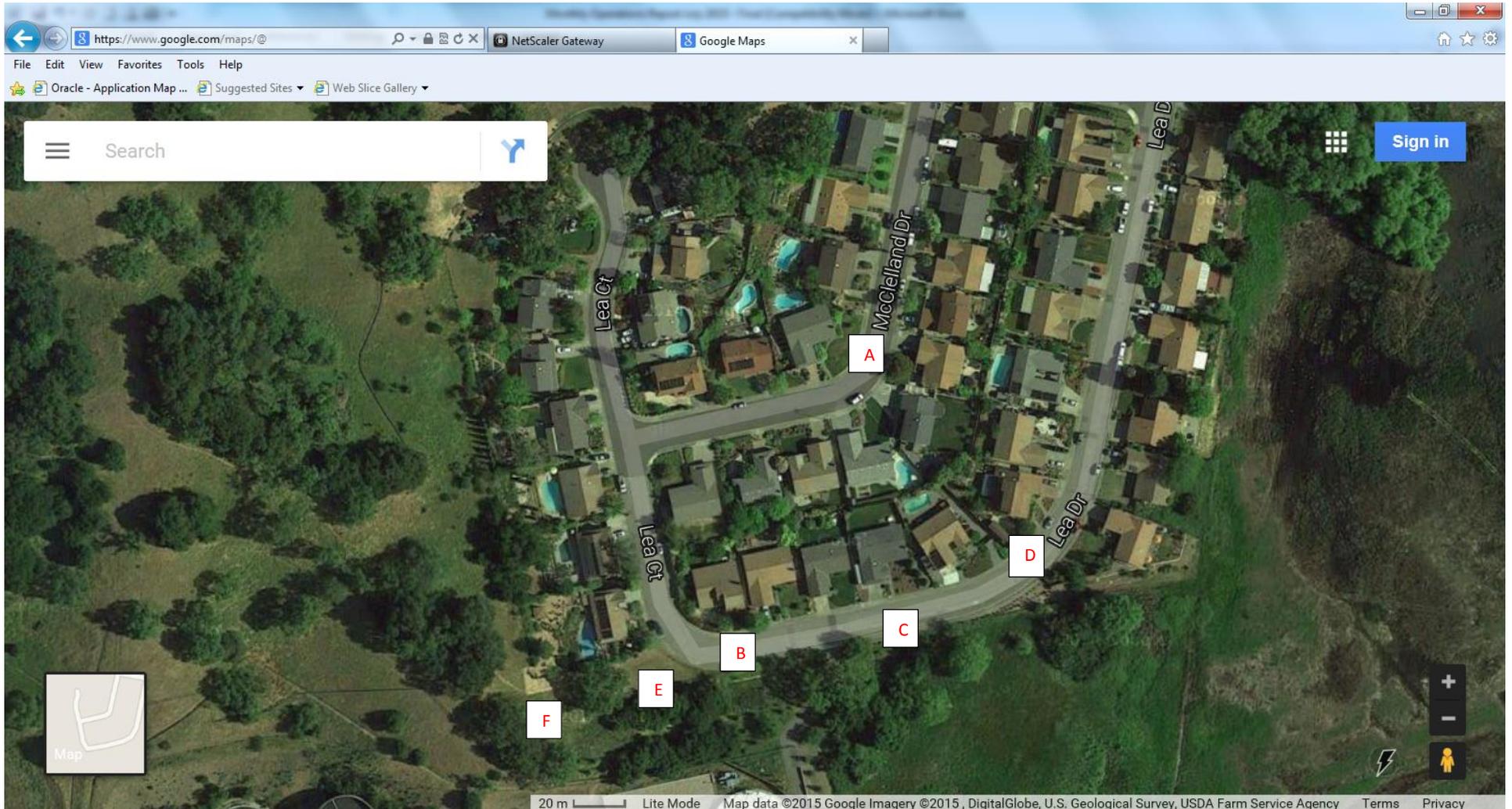


7) JEROME METER READINGS & LOCATIONS

JEROME METER READINGS -AUGUST 2018

Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.006	0.0017	Neighborhood
B: Lea 1	0.000	0.003	0.0015	Neighborhood
C: Lea 2	0.000	0.002	0.0012	Neighborhood
D: Lea 3	0.000	0.002	0.0012	Neighborhood
E: Lea 4	0.000	0.003	0.0013	Neighborhood
F: Lea 5	0.000	0.002	0.0010	Neighborhood

NEIGHBORHOOD JEROME METER LOCATIONS – LEA AND McCLELLAND



NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
August 2018

1.0 Summary:

1.1 During August 2018:

- District staff continued to irrigate pastures.
- A potable water leak was located and repaired.
- Custom Tractor Service (CTS) performed access road mowing.

2.0 Ranch Operations:

2.1 Ranching operations are going well this season. Approximately 700 head of cattle are consuming significant fresh grass and appear to be very healthy. The rancher continues to replace sprinkler heads to improve irrigation effectiveness and minimize runoff.

2.2 As District staff see high potable water use, staff contacts the rancher to locate and repair leaks in and around the cattle water troughs. In August, high potable water use was noted at Site 2. District staff worked with both the rancher and a leak detection specialist to troubleshoot and repair the potable water leak.

2.3 The District's contractor, Custom Tractor Service (CTS) performed road and sludge lagoon side mowing to control vegetation and improve access.



Figure 1: Cattle Grazing on Site 3

3.0 Irrigation Parcels:

3.1 District staff continued to troubleshoot and repair various electric actuators and related wiring in Sites 3 and 7. By the end of August, staff had made many repairs to the distributed irrigation valve control system and plans to start replacing 5 to 10 electric actuators annually. Through proper automatic valve control, irrigation effectiveness can be improved and ponding can be minimized.

3.2 District staff have been meeting regularly with Marin-Sonoma Mosquito Vector Control District staff to discuss adjustments to the irrigation system

NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
August 2018

to reduce ponding and ditch water. The recommended adjustments appear to have improved conditions and District staff will continue to monitor and reduce runoff as irrigation activities continue. Approximately 53.4 MG of irrigation water was applied to the pastures in August.

4.0 Irrigation Pump Station:

- 4.1 The Wildlife Pond circulation pump continues to circulate water in the wildlife pond. The wildlife pond level was increased to 6 feet at the end of June, and is being maintained at 6 feet with the telescoping valve. Storage ponds 1 and 2 were at approximately 4.5 feet at the beginning of August, and 4.6 feet at the end of August.



Figure 2: Mowing Operations

5.0 Sludge Handling & Disposal:

- 5.1 There were no sludge handling activities this month. Veolia laboratory staff performed sludge sampling in preparation for sludge handling services projected to be carried out by Custom Tractor Service (CTS) in October.

NOVATO SANITARY DISTRICT														
Reclamation Facility - Monthly Statistics for Calendar Year 2018, as of August 31, 2018														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)	--	--	--	--	63.5	86.8	80.6	78.2	--	--	--	--	309.1	25.76
Irrigation (MG)	--	--	--	--	7.3	29.34	125.9	53.4	--	--	--	--	215.9	18.00
Irrigation Pump 1 Hours	--	--	--	--	11.6	36.8	103	82.2	--	--	--	--	233.6	19.47
Irrigation Pump 2 Hours	--	--	--	--	12.8	33.9	195.6	93.4	--	--	--	--	335.7	27.98
Irrigation Pump 3 Hours	--	--	--	--	1.3	36.9	194.2	83.9	--	--	--	--	316.3	26.36
Washdown Water Pump Hours	--	--	--	--	--	--	--	--	--	--	--	--	-	0.00
Wildlife Feed Pump Hours	0	0	0	688	744	720	744	744					3,640.0	303.33
Water Circulated through Wildlife Pond (MG)	--	--	--	43.344	46.9	45.4	46.9	46.9	--	--	--	--	229.3	19.11
Strainer No. 1 Hours	0	0	0	0	0	11.1	61.7	32.6	--	--	--	--	105.4	8.78
Strainer No. 2 Hours	0	0	0	0	0	11.3	62	33	--	--	--	--	106.3	8.86
Pond 1 Gauge @ Beginning of Month (feet)	2.5	3.2	3	3.5	3.2	6	7.9	4.5	--	--	--	--	--	--
Pond 1 Gauge @ End of Month (feet)	3.2	3	3.5	3.2	6	7.9	4.5	4.6	--	--	--	--	--	--
Pond 1 Gallons Stored @ End of Month(MG)	22	20	24	22	45	59	32	33					--	--
Pond 2 Gauge @ Beginning of Month (feet)	2.5	3.2	3	3.5	3.2	6	7.9	4.5	--	--	--	--	--	--
Pond 2 Gauge @ End of Month (feet)	3.2	3	3.5	3.2	6	7.9	4.5	4.6	--	--	--	--	--	--
Pond 2 Gallons Stored @ End of Month(MG)	27	25	31	27	57	76	41	42					--	--
Total Irrigation Water Stored (MG)	49	45	55	49	102	135	73	75	--	--	--	--	--	--
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	0	0	0.1	0	0	0	0	0	--	--	--	--	0.1	--
Drainage Pump No. 2 Hours	11.1	5.8	83.9	297.8	6.6	0	0	0	--	--	--	--	405.2	--
Drainage Pump No. 3 Hours	31.9	0	0	18.6	0	0	0	0	--	--	--	--	50.5	--
Total Gallons Stormwater Pumped (MG)	12.9	1.74	25.2	94.92	1.98	NA	NA	0	--	--	--	--	136.74	27.35
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	14.8	0	0.3	27.1	2	0	0	0	--	--	--	--	44.2	--
Drainage Pump No. 2 Hours	0	0	69.5	10.1	0	0	0	0	--	--	--	--	79.6	--
Drainage Pump No. 3 Hours	10.7	11.7	20.8	0	0	0	0	0	--	--	--	--	43.2	--
Total Gallons Stormwater Pumped (MG)	11.48	5.27	40.77	16.74	0.90	NA	NA	0.00	--	--	--	--	75.15	15.03

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Recycled Water Facility Expansion, Account No. 73005	MEETING DATE: September 17, 2018 AGENDA ITEMS NO.: 10.a.
<p>RECOMMENDED ACTION: Approve a contract amendment in the amount of \$66,201 with Woodard and Curran (W&C) on a time and expense basis to provide additional Engineering Services During Construction for this project, and increase the overall contract amount to \$279,477; and authorize the General Manager to execute the amendment.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>At its September 11, 2017 meeting, the District Board approved a contract with W&C to perform Engineering Services During Construction (ESDC) on the Recycled Water Facility expansion project. The original scope of work included four distinct tasks: (1) Project Management, (2) Bidding Services, (3) ESDC (including RFIs, submittal review, change orders and record drawings), and (4) PLC and SCADA Programming. The original contract budget amount was \$213,276.</p> <p>At this time, staff is requesting an increase of \$66,201 to W&C's contract budget amount to accommodate additional activities under Task 3 as follows:</p> <ul style="list-style-type: none"> • Increase number of Construction meetings from 10 to 14 • Increase number of Responses to Requests for Information from 24 to 40 • Increase number of Submittal Reviews from 24 to 71 <p>Staff has reviewed W&C's estimate for the additional activities for Task 3, believes it to be reasonable, and recommends that the Board approve the contract amendment with W&C.</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.</p>	
<p>BUDGET INFORMATION: This work is funded from Account No. 73005: RWF Expansion, which has a FY 18-19 budget amount of \$2,020,000. The FY 18-19 budget is adequate to meet project expenditures through the remainder of FY 18-19.</p>	
DEPT. MGR.: esb	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects Update,
August 2018.

MEETING DATE: September 17, 2018

AGENDA ITEM NO.: 10.b.

RECOMMENDED ACTIONS: Receive Capital Projects Update for August 2018.

SUMMARY AND DISCUSSION:

The August 2018 Capital Projects Update is attached.

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

ATTACHMENTS: 1. Capital Projects Update, August 2018.

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

DEPT. MGR.: EB

GENERAL MANAGER: SSK

**Novato Sanitary District
Capital Improvement Program (CIP)
Capital Projects Update
August 2018**

Account No. 72403: Pump Station Improvements

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

- No update this month.

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

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

- No update this month.

Account No. 72706: Collection System Improvements

1. Redwood Blvd. Sewer Rehab Project: Rehabilitation of about 1,850 feet of 12-inch sewer main along Redwood Blvd. between Lamont Avenue and Diablo Avenue.
 - Currently at 95% Design
 - Advertise for Bids Late Fall/Early Winter 2018,
 - FY 18/19 Budget: \$850,000.
2. Bel Marin Keys Blvd. Sewer Rehab Project: Rehabilitation of about 950 feet of 10-inch and about 1,350 feet of 8-inch sewer main in Bel Marin Keys Blvd.
 - Advertise for Bids Late Fall/early Winter 2018 for work in 2019.
 - FY 18/19 Budget: \$700,000.
3. Golden Gate Place: Realignment/replacement of approximately 1,000 feet of 8-inch sewer with new 10-inch PVC sewer.
 - Project at 65% design level.
 - Estimated construction Summer 2019. A portion of the project (approx. 100 feet) will be constructed prior to winter 2018.
4. Collection System Master Plan (CSMP): Continuing work associated with the CSMP currently underway for the District.
5. Birdie Drive Sewer Main Replacement: Relocation of about 700 feet of 8-inch sewer main.
 - Awarded July 9 to Team Ghilotti for Bid Amount of \$386,603.

- Approximately 320 lineal feet of sewer installed through the end of August.
- Expected substantial completion October 2018

Account No. 72706-1: Lateral Replacement Program

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

- No update this month.

Account No. 72707: Hamilton Wetlands/Outfall Integration

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

- No update this month.

Account No. 72708: Cogeneration/Alt. Energy

- The District's Consultant, Woodard and Curran has submitted the Draft Cogeneration Evaluation Technical Memo Update. District staff are currently evaluating the recommendations.
- District and Veolia staff are working with Enovity (Consultant), an energy services company who are evaluating optimization/energy savings measures/projects eligible for PG&E's on bill financing (OBF) program. The Consultant is currently in the data gathering stage.

Account No. 72803: Annual Collection System Repairs

This account is established annually primarily to fund smaller projects to repair District collection system facilities, primarily point and spot repairs, or to replace short reaches of sewer main(s).

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

Account 72804: Annual Reclamation Facilities Improvements

The budget in this account is established annually to fund small projects to repair District facilities at the Reclamation Area.

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

Account No. 72805: Annual Treatment Plant Improvements

This budget account is established to fund small projects to repair District treatment related facilities at the Novato Treatment Plant.

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

Account No. 72806: Annual Pump Station Improvements

This budget account was established to fund small projects to repair District pumping facilities at the various pump stations throughout the District.

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

Account No. 72807: Annual Ignacio Facility Improvements

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

- FY 18-19 Budget for this account is \$50,000.
- Staff made a site visit in August and is evaluating demolition/backfill of the old filter backwash area.

Account No. 72808: Strategic Plan Update:

- No update this month.

Account No. 72809: Novato Creek Watershed

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

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

- No update this month.

Account No. 73003: Administration Building Upgrades/Maintenance Building

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

- Staff is working on procurement documents for a modular building, and expects to issue an RFQ in late September with project completion in summer 2019.

Account No. 73004: Odor and Landscaping Improvements

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

- Removal of existing, and installation of new media in the large odor control bed serving the Headworks is expected to be complete by the end of October 2018.

Account No. 73005: RWF Expansion

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

- As of 8/31/18 the project is approximately 83% complete with \$1,609,108 of progress payments issued or in process for the original \$1,940,122 contract. There are 6 construction change orders totaling \$26,419, to date.
- Substantial completion of the project is expected 9/20/18.

Account No. 73006: NTP Corrosion Control

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

- The Headworks Protective Coating Project is at the 90% design level. Completion of design and advertisement for bids is expected early 2019, with the work to be conducted during the time of lowest influent flows in the late summer/early fall of 2019.

Account No. 73090: Vehicle Replacement

This account includes a budget amount for the purchase a 40kw portable generator and replacement of up to four light duty trucks.

- A light duty 2WD truck is currently on order and expected to arrive late September.
- The vehicle above was procured under the FY 17-18 budget. The FY 18-19 budget for Vehicle Replacement is \$140,000 and includes provisions for a new portable generator and up to four (4) light duty vehicles.

**NOVATO SANITARY DISTRICT
BOARD AGENDA ITEM SUMMARY**

<p>TITLE: Board of Directors: Board Meetings – meeting date.</p>	<p>MEETING DATE: September 17, 2018</p> <p>AGENDA ITEM NO.: 11.a.</p>
<p>RECOMMENDED ACTION: Adopt Resolution No. 3127 to change the District Board of Directors’ regular meetings from the second and fourth Mondays of each calendar month to the second Monday of each calendar month, and approve changes to Policy No. 5010 - Board Meetings.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>The Board of Directors regular meeting date and time was set by Board Resolution No. 95 adopted December 29, 1952. The regular meeting date and time has been changed by Board Resolutions from time to time; most recently the meeting time was changed from 6:00 pm to 5:30 pm by Board Resolution No. 3105, adopted February 13, 2017, and memorialized in paragraph 5010.1 of District Board Policy No. 5010.</p> <p>The Board periodically reviews its regular meeting date with consideration given to changing it or leaving it unchanged. At its July 9, 2018 and August 27, 2018 meetings, the Board reviewed its regular meeting dates. At its August 27, 2018 meeting, the Board concluded that the meeting dates would be changed from the second and fourth Mondays of each calendar month to the second Monday of each calendar month, and directed staff to bring forward the appropriate enabling Resolution and updates to Policy No. 5010, for the Board’s consideration at a future Board meeting.</p> <p>Accordingly, a draft Resolution No. 3127 and draft updated Policy No. 5010 are attached for Board approval and adoption.</p>	
<p>ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. Draft Resolution No. 3127. 2. Draft Updated Policy No. 5010 – Board Meetings. 	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 3 (Alignment and Communications) and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.</p>	
<p>DEPT. MGR.: ssk</p>	<p>GENERAL MANAGER: SSK</p>

RESOLUTION NO. 3127

**A RESOLUTION CHANGING DATE OF MEETING
OF THE BOARD OF DIRECTORS**

NOVATO SANITARY DISTRICT

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

WHEREAS, the Board of Directors of Novato Sanitary District, in Resolution No. 95, adopted December 29, 1952, provided for the regular date of meetings of said District;

WHEREAS, said regular meeting date and time has been changed by Resolutions of the Board of Directors from time to time;

WHEREAS, the Board of Directors of Novato Sanitary District desires to further change the regular meeting date of said District;

NOW, THEREFORE, IT IS ORDERED, as follows:

Sec. 1 of said Resolution No. 95, adopted December 29, 1952, shall be, and it is hereby, amended to read as follows:

"Sec. 1. REGULAR MEETINGS: The regular meetings of the Novato Sanitary District, Marin County, California, shall hereafter be held on the **second Monday of each and every calendar month, at five thirty (5:30) o'clock P.M.**"

* * * * *

I hereby certify that the foregoing resolution was passed and adopted by the Board of Directors of Novato Sanitary District, Marin County, California, at a special meeting held on the 17th day of September, 2018, by the following vote of the members thereof:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

A. Gerald Peters,
President, Board of Directors
Novato Sanitary District

ATTEST:

Sandeep Karkal,
Secretary, Board of Directors
Novato Sanitary District

Novato Sanitary District

POLICY HANDBOOK

POLICY TITLE: Board Meetings
POLICY NUMBER: 5010

5010.1 Regular meetings of the Board of Directors shall be held on the second ~~and fourth~~ Mondays (Res. #3127, 09/10/2018) of each calendar month at 5:30 p.m. (Res. #3105, 02/13/2017) in the Conference Room of Novato Sanitary District at 500 Davidson Street, Novato, CA.

5010.2 Special meetings (non-emergency) of the Board of Directors may be called by the Board President.

5010.2.1 All Directors, the General Manager-Chief Engineer, the Deputy General Manager-Engineer, District Counsel and other staff members as appropriate shall be notified of the special Board meeting and the purpose or purposes for which it is called. Said notification shall be in writing, delivered to them at least 24 hours prior to the meeting.

5010.2.2 Newspapers of general circulation in the District, radio stations and television stations, organizations, and property owners who have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54963) shall receive written notice by any means that ensures receipt at least 24 hours prior to the meeting.

5010.2.3 There is no express agenda requirement for special meetings, but the notice of the meeting effectively serves as the agenda and limits the business that may be conducted.

5010.3 Special Meetings (emergency). In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the 24-hour notice required in 5010.2.1, above. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by the General Manager-Chief Engineer, Board President or President Pro Tem in the President's absence.

5010.3.1 Newspapers of general circulation in the District, radio stations and television stations which have requested notice of special meetings in accordance with the Ralph M. Brown Act (California Government Code §54950 through §54963) shall be notified by at least one hour prior to the emergency special meeting, as long as such notification would not endanger the public health or safety, as determined by a majority of the Board. In the event that telephone services are not

5010 – 1
Adopted 02/25/08
Rev. 10/08/2012
Rev. 02/13/2017
Rev. 09/17/2018

functioning, the notice requirement of one hour is waived, but the General Manager-Chief Engineer, or his/her designee, shall notify such newspapers, radio stations, or television stations of the fact of the holding of the emergency special meeting, and of any action taken by the Board, as soon after the meeting as possible.

5010.3.2 The Board may meet in closed session during an emergency special meeting only for the purposes of consulting with law enforcement or security officials, and only if agreed to by a two-thirds vote of the Board, or, if less than two-thirds of the Board members are present, by a unanimous vote of the Board members present. All other rules governing special meetings shall be observed with the exception of the 24-hour notice. The minutes of the emergency special meeting, a list of persons the General Manager-Chief Engineer or designee notified or attempted to notify, a copy of the roll call vote(s), and any actions taken at such meeting shall be posted for a minimum of ten days in the District office as soon after the meeting as possible.

5010.4 Adjourned Meetings. A majority vote by the Board of Directors may adjourn any Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager-Chief Engineer may declare the meeting adjourned to a stated time and place, and he/she shall cause a written notice of adjournment to be given to those specified in 5010.2.2 above. If a meeting is adjourned to a date within five calendar days and no new items are to be introduced, no new agenda will be posted. A copy of the order of adjournment will be posted within 24 hours after the adjournment, at or near the door of the place where the meeting was held.

5010.6 Election of Officers. At its ~~second~~ meeting in June of each year, the Board of Directors shall elect a President and President Pro Tem to serve during the coming fiscal year, and will appoint the General Manager-Chief Engineer as the Board's Secretary/Treasurer and the Administrative Services Manager or Administrative Secretary as the District's Secretary/Treasurer Pro Tem.

5010.7 The Chairperson of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

5010.8 The Chairperson and the General Manager-Chief Engineer shall ensure that appropriate information is available for the audience at meetings of the Board of Directors, and that physical facilities for said meetings are functional and appropriate.

5010 – 2
Adopted 02/25/08
Rev. 10/08/2012
Rev. 02/13/2017
Rev. 09/17/2018