

# NOVATO SANITARY DISTRICT

Meeting Date: October 27, 2014

**The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:00 p.m., Monday, October 27, 2014, at the District Offices, 500 Davidson Street, Novato.**

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

## **AGENDA**

### **1. PLEDGE OF ALLEGIANCE:**

### **2. AGENDA APPROVAL:**

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

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

### **4. REVIEW OF MINUTES:**

- a. Approve minutes of the October 13, 2014 meeting.

### **5. CONSENT CALENDAR:**

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

- a. Approve regular, payroll, and payroll-related disbursements.
- b. Approve application from AU Energy, LLC, and authorize Manager-Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of excavation water from removal of underground fuel tanks at former Novato Shell station, 2085 Novato Boulevard.

### **6. SOLID WASTE:**

- a. Receive Solid Waste Committee report.
- b. Receive report on calendar Year (CY) 2015 solid waste rate adjustments, and consider staff recommendations.

**7. WASTEWATER OPERATIONS:**

- a. Receive Wastewater Operations Committee Report.
- b. Receive Criticality Assessment update.

**8. CAPITAL PROJECTS:**

- a. WWTP Upgrade - Contract C (Digester No. 2/Solids Handling), Account No. 73001: Grant Final Acceptance of the Project, and authorize staff to file the Notice of Completion.

**9. STAFF REPORTS:**

- a. Regional Monitoring Program (RMP) 2014 Annual Meeting.

**10. BOARD MEMBER REPORTS:**

- a. North Bay Watershed Association meeting.

**11. MANAGER'S ANNOUNCEMENTS:**

Next resolution no. 3080

**Next regular meeting date: Monday, November 10, 2014, 6:00 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.***

October 13, 2014

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, October 13, 2014, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jean Mariani, Members Jerry Peters, Gary Butler and William Long.

BOARD MEMBERS ABSENT: Board Member Brant Miller was absent.

STAFF PRESENT: Manager-Engineer-Secretary Sandeep Karkal, Field Services Manager Steve Krautheim, and Administrative Secretary Julie Swoboda.

ALSO PRESENT: John Bailey, Project Manager, Veolia Water  
Dee Johnson, Household Hazardous Waste Program Coordinator  
David Patzer, Loss Control Advisor, CSRMA  
Kay Patzer, CSRMA

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the September 22, 2014 meeting.

*On motion of Director Peters, seconded by Director Long, and carried unanimously by those Directors present, the September 22, 2014 Board meeting minutes were approved.*

CONSENT CALENDAR:

*On motion of Director Peters, seconded by Director Butler, and carried unanimously by those Directors present, the following Consent Calendar item was approved:*

- a. Approval of regular disbursements in the amount of \$275,774.14, capital project account disbursements in the amount of \$206,622.54, and Board member disbursements in the amount of \$2,932.00.

SAFETY:

- Receive presentation from David Patzer, Loss Control Advisor, California Sanitation Risk Management Authority, (CSRMA), on District's second place showing for CSRMA's 2013 Safety, Health, Environmental, Liability and Losses (SHELL) Award.  
The Manager-Engineer introduced David Patzer, CSRMA Loss Control Advisor.

Mr. Patzer congratulated the District on its second place showing for CSRMA's Safety, Health, Environmental, Liability and Losses (SHELL) Award. He stated that the District's Safety program is innovative and thanked the Board for establishing a culture of Safety at the District. President Mariani noted that the award was a well deserved validation of the District's safety record. Director Peters commended staff on the award and expressed his appreciation for their hard work.

The Manager-Engineer acknowledged the Safety Committee, District staff, and Dale Thrasher for their completion of the complex application.

#### SOLID WASTE:

- Receive Solid Waste Committee Report. The Manager-Engineer introduced Dee Johnson, Household Hazardous Waste Program Coordinator. She gave an overview of the Solid Waste Committee meeting which was held on September 23<sup>rd</sup> at the District office. She provided an update on the commercial food waste program and stated that it is not yet being accepted at full scale at the Redwood Landfill due equipment issues. She discussed the E-waste event which was held from October 11<sup>th</sup> through the 13<sup>th</sup> at the Household Hazardous Waste Facility on Redwood Blvd. and stated that it was successful.

- Review proposed public hearing notice language, and set public hearing date for establishing Calendar Year (CY) 2015 maximum solid waste rates. The Manager-Engineer stated that the proposed schedule for establishing the calendar year (CY) 2015 maximum solid waste rates was presented to the Board's Solid Waste Committee at its September 23, 2014 meeting. He requested the Board review and approve the public hearing notice language, and set the date for the public hearing for establishing the CY 2015 maximum solid waste rates for its scheduled meeting of November 10, 2014.

*On motion of Director Peters, seconded by Director Butler, and carried unanimously by those members present, the Board approved the public hearing notice language and set the public hearing date for November 10, 2014 to establish Calendar Year 2015 maximum solid waste rates.*

#### PERSONNEL:

- Approve Memorandum of Understanding (MOU) with represented employee group, International Brotherhood of Teamsters Local 315, July 1, 2014 through June 30, 2018. The Manager-Engineer stated that he and the District's designated representative Austris Rungis of IEDA, have successfully negotiated a new MoU with the represented employee group, represented by the International Brotherhood of Teamsters, Local 315. He stated that the District Board had met in closed session to give direction on how to proceed and that the attached MoU is a result of that direction, and guidance from the Board Ad-hoc Labor Relations Committee. He stated that the MoU has been approved

and signed off by Teamsters representative Dustin Baumbach. He recommended that the Board approve the Memorandum of Understanding.

*On motion of Director Long, seconded by Director Peters, and carried unanimously by those members present, the Board approved the Memorandum of Understanding with represented employee group International Brotherhood of Teamsters, Local 315, July 1, 2014 through June 30, 2018 and authorized the Manager-Engineer to sign the document.*

- Approve benefits for unrepresented employees, Management and Confidential (M&C) group, effective July 1, 2014. The Manager-Engineer stated that the District has traditionally applied the same provisions of the "Compensation and Benefits" section of the approved Memorandum of Understanding (MoU) for the represented group, to the unrepresented employees (Management and Confidential Group). He stated that he met with the unrepresented group, and they have indicated their agreement to continue with this practice. He recommended the Board approve the same provisions of the "Compensation & Benefits" section of the MoU for the unrepresented employees, effective July 1, 2014.

*On motion of Director Peters, seconded by Director Long, and carried unanimously by those members present, the Board approved the same provisions of the "compensation & Benefits" section of the MoU (Articles 12 through 21), for the unrepresented employees (Management & Confidential Group), effective July 1, 2014.*

#### CAPITAL PROJECTS:

- Annual Reclamation Facilities Improvements; Account No. 72804: Authorize the Manager-Engineer to execute a contract with Custom Tractor Service (CTS) to rehabilitate irrigated parcels of the Reclamation Facility in the not-to-exceed amount of \$90,000. The Manager-Engineer stated that District Field Services Manager Steve Krautheim would discuss the requested contract and work to be completed. The Field Services Manager stated that the District had previously contracted with Custom Tractor Service (CTS) to perform this rehabilitation work on parcels 21, 25 and 34. He stated that work is proposed for Site 2 which includes parcels 22, 23, 26 and 27. He stated that CTS has submitted a proposal to disc, level, apply lime as needed, and plant District furnished seed to Site 2 for \$1,066.25 per acre for a total estimate of \$89,991.15.

The Field Services Manager noted that mosquito abatement has been successful due to management practices of keeping standing water out of the areas.

*On motion of Director Peters, seconded by Director Long, and carried unanimously by those members present, the Board authorized the Manager-Engineer to execute a contract with Custom Tractor Service to rehabilitate irrigated parcels 22, 23, 26 & 27 of the Reclamation Facility in the not-to-exceed amount of \$90,000.*

BOARD OF DIRECTORS:

- Presidential Appointment of Ad-Hoc Recycled Water Committee. The Manager-Engineer noted that the North Marin Water District (NMWD) has a Recycled Water Committee. He stated that forming a District Ad-Hoc Recycled Water Committee would be helpful for meetings between the District and NMWD, and to provide guidance to staff on recycled water issues.

Consistent with past practice, President Mariani appointed Director Long and herself to serve as the Ad-Hoc Recycled Water Committee.

STAFF REPORTS:

- Bay Area Clean Water Agencies (BACWA) San Francisco Bay Nutrients Symposium Series – Symposium No. 2. The Manager-Engineer stated that he attended the BACWA Symposium on October 6<sup>th</sup> at the Elihu M. Harris State Office Building Auditorium in Oakland. He stated that the symposium discussed the issue of nutrients in San Francisco Bay, and presented nutrient related watershed case studies from around the nation. He stated that all presentations are available on the BACWA website.

- California Special Districts Association (CSDA) 2014 Annual Conference. President Mariani discussed her attendance at the CSDA Annual Conference which was held in Monterey from September 21<sup>st</sup> through September 24<sup>th</sup>. She provided a conference schedule containing links to the documents presented at the conference.

MANAGER'S ANNOUNCEMENTS:

- A Wastewater Operations Committee meeting will be held on Monday, October 20<sup>th</sup> at 2:00 p.m. at the District office.
- A Solid Waste Committee meeting will be held on Tuesday, October 21<sup>st</sup> at 3:00 p.m. at the District office.
- A Regular Board meeting will be held on Monday, October 27<sup>th</sup> at 6:00 p.m at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Mariani adjourned the meeting at 7:11 p.m.

Respectfully submitted,

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Sandeep Karkal  
Secretary

Julie Swoboda, Recording

# Novato Sanitary District Operating Check Register

For October 27, 2014

Date	Num	Name	Credit
<b>Oct 15 - 27, 14</b>			
10/27/2014	57510	Pacific, Gas & Electric	76,973.89
10/27/2014	57485	Custom Tractor Service	31,000.00
10/27/2014	57517	Roy's Sewer Service, Inc.	28,400.00
10/27/2014	57482	Central Marin Sanitation District	19,185.13
10/27/2014	57511	PSC	14,427.20
10/27/2014	57516	RMC Water & Environment, Inc.	10,471.78
10/27/2014	57503	North Marin Water District	9,404.36
10/27/2014	57489	Farwest Corrosion Control, Inc.	7,563.94
10/27/2014	57515	Regional Government Services	7,072.50
10/15/2014	57468	Marin Audubon Society	6,486.52
10/27/2014	57508	Novato, City	6,385.76
10/27/2014	57487	DKF Solutions Group, LLC	4,500.00
10/27/2014	57470	American Express-21007	4,272.91
10/27/2014	57476	California Diesel & Power	4,218.13
10/27/2014	57479	CDPH - Environmental Laboratory...	2,359.00
10/27/2014	57512	R3 Consulting Group, Inc.	2,055.00
10/27/2014	57504	North Marin Water District - Lab	1,980.00
10/27/2014	57505	North Marin Water District Payroll	1,930.00
10/27/2014	57481	CED Santa Rosa, Inc	1,568.62
10/27/2014	57501	MME	1,490.12
10/27/2014	57469	3T Equipment Company Inc.	1,290.38
10/27/2014	57471	Bank of New York Mellon-fee	1,250.00
10/27/2014	57483	Cintas Corporation	1,205.48
10/27/2014	57514	Rauch Communication Consultant...	1,166.21
10/27/2014	57477	California Truck Equip. Co. LLC	1,101.41
10/27/2014	57499	MB Equipment, Inc.	982.73
10/27/2014	57498	Marin/Sonoma Mosquito Dist	907.63
10/27/2014	57493	Frontier Analytical Laboratory, Inc.	800.00
10/27/2014	57500	Meyers, Nave, Riback, Silver & W...	775.00
10/27/2014	57495	Johnson Controls, Inc.	663.25
10/27/2014	57520	Verizon EQ	584.03
10/27/2014	57473	BoundTree Medical, LLC	567.01
10/27/2014	57474	Cagwin & Dorward Inc.	435.00
10/27/2014	57478	Cantarutti Electric, Inc	300.00
10/27/2014	57484	Claremont EAP, Inc.	295.00
10/27/2014	57488	Evoqua Water Technologies - Lab	272.00
10/27/2014	57522	Water Components & Building, Inc.	250.12
10/27/2014	57513	Randall Bros. Auto Inc.	229.69
10/27/2014	57521	Verizon Wireless-	222.28
10/27/2014	57523	Mariani, Jean	211.93
10/27/2014	57496	Labworks Equipment, Inc.	203.34
10/27/2014	57494	Grainger	161.53
10/27/2014	57486	CWEAmembers	156.00
10/27/2014	57480	CDW Government, Inc.	145.00
10/27/2014	57509	Orkin Pest Control, Inc.	131.42
10/27/2014	57492	Foged, Larry-	125.00
10/27/2014	57502	North Bay Portables, Inc.	92.20
10/27/2014	57506	Novato Car Wash	77.96
10/27/2014	57475	CalChamber	48.30
10/27/2014	57518	Staples Business Adv Inc.	44.64
10/27/2014	57507	Novato Toyota	41.50
10/27/2014	57491	First Alarm	38.74
10/27/2014	57497	Marin Conservation League	35.00
10/27/2014	57519	Staples~in store purchases	34.06
10/27/2014	57490	Federal Express	26.10
10/27/2014	57472	Batteries Plus Inc	13.04
<b>Oct 15 - 27, 14</b>			<b><u>256,627.84</u></b>

# Novato Sanitary District Capital Projects Check Register

October 27, 2014

Date	Num	Name	Credit
<b>Oct 27, 14</b>			
10/27/2014	2777	R E Smith Contractor, Inc.	109,023.80
10/27/2014	2779	Valentine Corporation	35,442.36
10/27/2014	2778	RMC Water & Environm...	7,665.37
10/27/2014	2776	NorthBay Reprographics	397.05
<b>Oct 27, 14</b>			<b><u>152,528.58</u></b>

**Novato Sanitary District**  
**Payroll and Payroll Related Check Register**  
**October - 2014**

<u>Date</u>	<u>Description</u>	<u>Amount</u>
10/31/2014	October - Payroll	102,162.09
10/31/2014	October - Retirees Health Benefits	15,274.68
10/24/2014	CALPers Health	28,748.06
10/24/2014	CALPERS Retirement	6,347.47
10/24/2014	United States Treasury	19,618.42
10/24/2014	CalPers Supplemental Income Plan	2,500.00
10/24/2014	EDD	5,648.10
10/24/2014	Lincoln Financial Group	8,640.01
10/24/2014	Lincoln Financial Group-401a Plan	2,399.70
10/24/2014	Lincoln Financial Group-401a Plan	2,651.83
10/24/2014	CALPERS Retirement	17,994.83
10/24/2014	Local Union 315	480.00
10/24/2014	Operating Engineers Trust	282.53
		<u>212,747.72</u>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Consent Calendar: Temporary Discharge Permit – Former Novato Shell, 2085 Novato Blvd.</b>	<b>MEETING DATE: October 27, 2014</b>  <b>AGENDA ITEM NO.: 5.b.</b>
<b>RECOMMENDED ACTION: Approve application from AU Energy, LLC, and authorize Manager-Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of excavation water from removal of underground fuel tanks at former Novato Shell station, 2085 Novato Boulevard.</b>	
<b>SUMMARY AND DISCUSSION:</b>  <p>AU Energy is owner of the former Novato Shell service station at 2085 Novato Boulevard. This site is being remodeled, including the removal of three underground fuel storage tanks. During August 2014 the District received a permit application from AU Energy, LLC, and at the September 8 meeting the District Board approved a temporary, Class I non-domestic discharge permit. The permit issued was only for 36,000 gallons of water that had been used as ballast in the tanks while they were out of service. The application submitted was only for this ballast water and this was the only wastewater sampled and analyzed.</p> <p>On October 17, 2014, the District received an application to discharge to the District sewers the groundwater that is pumped from the excavations during the tank removal and installation of new tanks. The excavation water collected so far is being held in a baker tank at the site. The application included extensive analytical results for a sample of the water in the Baker Tank. Although the levels of pollutants in the water are low, AU Energy intends to pretreat the water with activated carbon prior to discharge, as the pretreatment system used for the more heavily contaminated ballast water is still at the site.</p> <p>Although any contamination will be removed by the activated carbon, the San Francisco Bay Regional Water Quality Board (SFRWQCB) has previously indicated that, as a general practice, treated wastewater from any clean-up site should be discharged to a sanitary sewer, and not a storm drain. The SFRWQCB has also requested that POTWs accept discharge of such wastewater, subject to permit conditions acceptable to the POTW.</p> <p>Therefore, staff recommends that the Board approve the subject application and authorize the Manager-Engineer to issue a one time, temporary Class I non-domestic discharge permit to AU Energy, to include the following conditions:</p> <ol style="list-style-type: none"> <li>1. All wastewater shall be pretreated with activated carbon prior to discharge to the sanitary sewer,</li> <li>2. The total discharge shall not exceed 50,000 gallons,</li> <li>3. The discharger shall not exceed a maximum discharge rate of 50 gpm.</li> </ol>	
<b>ALTERNATIVES: Do not approve the discharge.</b>	
<b>BUDGET INFORMATION: Permit, monitoring, and discharge fees will offset the cost of preparing the permit, site visit(s) while discharging, and treatment/disposal of the discharge.</b>	
<b>DEPT. MGR.:</b>	<b>MANAGER-ENGINEER:</b>

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Solid Waste: Solid Waste Committee meeting report</b>	<b>MEETING DATE: October 27, 2014</b>
	<b>AGENDA ITEM NO.: 6.a.</b>
<b>RECOMMENDED ACTION:</b> Information. Receive report.	
<b>SUMMARY AND DISCUSSION:</b>  The Solid Waste Committee held its meeting on October 21, 2014. Solid Waste Board committee members Mariani and Butler attended. City Council member Pat Eklund also attended.  The District's Household Hazardous Waste (HHW) coordinator Ms. Dee Johnson of DLJ Associates was present, along with representatives from Novato Disposal Services (NDS), the District's solid waste franchisee. Ms. Johnson presented the Solid Waste report. The District Manager-Engineer and William Schoen of R3 Consulting Group presented the Calendar Year CY2015 Solid Waste Rate Adjustment report.  A copy of the Solid Waste committee agenda packet including the Solid Waste report and the CY2015 Solid Waste Rate Adjustment report is attached.	
<b>DEPT. MGR.:</b>	<b>MANAGER-ENGINEER:</b>

**NOVATO SANITARY DISTRICT  
SOLID WASTE COMMITTEE MEETING  
September 23, 2014**

**MINUTES**

Members Present:

Jean Mariani                      Gary Butler

Others in Attendance:

Sandeep Karkal	Dee Johnson	Latisha Richardson	
Steve McCaffrey	Scott Pariani	Ramin Khany	Casey Williams
Pat Eklund	Sonia Tanner		

1. Approve agenda. The agenda for September 23, 2014 was approved as submitted.
2. Public Comment. There was no comment from the public.
3. Minutes of May 29,2014. The minutes of May 29, 2014 were approved as submitted. .
4. Updates/Routine Business Items.
  - City of Novato. There was no update from the City. .
  - Redwood Landfill. Ramin Khany has replaced Dan North as manager of Redwood. He indicated that the compost operation is scheduled for a "soft start" on 10/15 or 11/1, with full scale commercial compost operation to begin by mid 2015. Steve McCaffrey indicated that it was his understanding that the commercial food waste operation would begin by 10/1. Ramin stated that more testing needs to be conducted. The C&D program site needs to go through full closure prior to construction, which is still expected to begin in 2015. Steve McCaffrey indicated that currently Novato's commercial food waste is being delivered to a compost facility in Vacaville. Gary Butler requested an update on Redwood's compost operation at the October Committee meeting.
  - Novato Disposal - Steve McCaffrey discussed the quarterly report. He indicated that there continues to be a drop in recyclables due to markets, particularly those affected by China's "Green Fence" policy, which has implemented higher standards on the quality of recycled materials imported. This has affected markets worldwide. Last year was especially difficult, with mixed paper and plastics showing the greatest drop. Novato Disposal continues to research other markets, and is seeing some slight recovery. China's Green Fence policy ended several months ago, which may open up these markets again. Steve also indicated that 20 gallon can use continues to increase.
  - Marin County JPA and Local Task Force(LTF). Dee indicated that there was nothing to report regarding the Local Task Force, as they had not met over the past several months.
  - Legislation. Dee reported that SB270, the single use bag bill, passed and is awaiting the Governor's signature. The following bills are also awaiting the Governor's signature: AB1594, requiring that green waste no longer be used as ADC; AB1826, requiring commercial businesses to recycle their organics and AB2355, requiring standards for recycled materials in road base and paving. Product stewardship bills for batteries, pharmaceuticals and sharps all failed passage
5. 2014 Disposal/Diversion Monitoring Reports. Dee reviewed the reports. Novato Disposal's diversion for 2<sup>nd</sup> quarter 2014 was 53.18%. Reports were not available from Redwood.
6. Zero Waste Programs Calendar/Timetable Status. Dee and Steve reviewed items included in the Zero Waste Programs calendar, including articles in the next newsletter, planned 2015 outreach campaigns and events, fall route audits, school outreach and work with food waste diversion. Steve introduced Latisha Richardson who will be working with schools to increase recycling programs and initiate food waste programs.
7. Household Hazardous Waste Programs
  - a. 2014 HHW Programs update. Dee reviewed the 2014 report, indicating that July and August were extremely busy.

- b. Fall E-Waste event. The Fall E-Waste event is scheduled for October 11-October 13, 2014 from 10am – 3pm at the Recycling Center.
- 8. Rate Review Schedule. Sandeep indicated that the schedule for the refuse disposal rates was attached. Committee members will consider the rate review report at the next Solid Waste Committee meeting on October 21.
- 9. Adjourn. The next Committee meeting is scheduled for Tuesday, October 21, 2014 at 3:00pm. The meeting adjourned at 11:25am.

# NOVATO SANITARY DISTRICT

## MEMORANDUM

**Date:** October 16, 2014  
**To:** Board Solid Waste Committee - Jean Mariani and Gary Butler  
**From:** Sandeep Karkal, Manager-Engineer *SK*  
**Subject:** Calendar Year (CY) 2015 Solid Waste Rate Adjustments

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The Solid Waste Franchise Agreement between Novato Disposal Service and the District provides for an annual adjustment to Novato Disposal's rates based on the changes in the specified Refuse Rate Index (RRI). In CY2013 there was no rate adjustment because the calculated adjustment would have been -0.13 percent, and in CY2014 the rate adjustment was +1.63 percent.

On September 2, 2014 (September 1, 2014 was the Labor Day holiday), Novato Disposal requested a rate increase of 4.41 percent, based on an RRI adjustment of 1.95 percent, and a 2.46 percent increase to mitigate the impacts on their revenues of account migration from larger carts to smaller carts.

The District engaged R3 Consulting Group (R3), to review Novato Disposal's CY2015 rate adjustment request. R3 completed their analysis and submitted the attached report to the District.

In their report, R3 recommends an RRI adjustment of 1.94 percent, and notes that the District is not obligated to compensate Novato Disposal for account migration impacts. Staff is of the opinion that account migration is (and will likely continue to be) a result of Novato Disposal's efforts to increase recycling in the community to meet the District's zero waste goals, and is obviously an impact to Novato Disposal's revenues.

In numeric terms, R3 observes that their high level review of Novato Disposal's account migration calculation indicates an impact of 1.85 percent for the account migration issue. Along with a 1.94 percent RRI adjustment, the potential overall rate adjustment could be 3.79 percent. However, staff and R3 have negotiated a proposed overall rate increase of 3.00 percent with Novato Disposal, subject to approval by the District Board of Directors. Therefore, staff recommends that the Solid Waste Committee present a recommendation of a CY2015 solid waste rate adjustment of +3.00% to the District Board for its approval.

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September 17, 2014

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

**Re:** Final Letter Report - Review of Novato Disposal Service's Requested Rate Adjustment for Rate Year 2015

Dear Mr. Karkal:

R3 Consulting Group (R3) was engaged by the Novato Sanitary District (District) to assist with a review of Novato Disposal Service's (Company) requested rate adjustment for Rate Year 2015 (January 1, 2015 – December 31, 2015). 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 Letter Report communicates our findings and recommendations.

## 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 2015 rate adjustment based on the results of our review.

## 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 1.

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 2.

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 1<sup>st</sup>, 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 2015 Rate Adjustment Application to the District on Tuesday September 2, 2014, after the September 1<sup>st</sup> deadline. R3 conducted its review without consideration of any action the District may take for the Company’s failure to submit its Rate Adjustment Application by the September 1<sup>st</sup> deadline.<sup>1</sup>

## Recommended Rate Adjustment

The Company’s Rate Adjustment Application calculated a 1.95 percent rate increase (Attachment 3) based on the specified RRI methodology along with R3’s recommended adjustment of 1.94 percent discussed below. The Company is also requesting an additional 2.46 percent rate increase, for a total requested rate increase of 4.41 percent. The additional 2.46 percent rate increase is to account for the impact of account migration from larger carts to smaller carts on the Company’s rate revenues. A copy of the Company’s account migration calculated impact and related correspondence with the District is provided in Attachment 4. Our review of each of these rate adjustment components is provided below.

### Refuse Rate Adjustment

Based on our review we are recommending an RRI rate adjustment of 1.94 percent versus the Company’s calculated 1.95 percent. The difference is due to a minor change in the Other Operating Cost figure and the fact that the Company did not round the calculated indexed adjustment for “Other Operating Costs” to two decimal places as has been the practice and which it did do for each of the other index adjustment calculations. The Company reported that it agrees with R3’s recommended adjustment.

### Account Migration

While not part of our scope of work, R3 conducted a high level review of the Company’s account migration calculation and offers the following observations:

- The RRI rate adjustment methodology does not provide for any adjustments to the rates other than those based on that methodology. Any potential adjustment related to account migration would be at the discretion of the District.
- The Company’s calculated the impact of account migration at 2.65 percent and is requesting an additional rate increase of 2.46 percent essentially offsetting the balancing account rate adjustment of 2.45 percent effective in 2013.
- While there are fewer larger container accounts, the number of overall accounts has increased since 2010, as reported by the Company. While there are certain incremental

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<sup>1</sup> September 1, 2014 was Labor Day.

costs for servicing these additional accounts, we would expect that the additional revenue associated with those accounts more than offsets the additional cost. Furthermore, we would expect there to be some level of reduced disposal expenses associated with account migration, assuming material that was previously disposed is now being diverted, which has contributed to the ability of accounts to migrate to a lower service level. While these factors would have some offsetting impact we estimate that impact at no more than 25 percent of the Company's associated requested rate adjustment (i.e., at most reducing the associated calculated rate adjustment by 25% from 2.46% to 1.85%).

## Balancing Account Calculation

The balancing account was established to account for the change in recycling revenues during years when the RRI is used. When setting the 2008 Base Year rate, recycling revenues were projected at \$542,420. The RRI adjustments that are used for adjusting the rates during interim years (i.e., non-Base Years) do not account for any adjustments to the projected recycling revenues. The Balancing Account is intended to reflect the difference between actual recycling revenues received by the Company as compared to the 2008 Base Year projected recycling revenues.

Recycling revenues are calculated for each year, starting with 2008 and using the specified methodology, and each calculated amount is compared to the 2008 projected revenue amount of \$542,420.<sup>2</sup> The difference 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). Per the rate adjustment methodology in the Agreement, the cumulative Balancing Account amount for 2008 through 2011 was accounted for in full when setting the rates for Calendar Year 2013. That Balancing Account amount of \$1,124,671 due to the District resulted in a net reduction of 2.45 percent to the calculated 2013 rate adjustment. That rate decrease is to remain in effect through 2017 as specified in Exhibit 7.2.b.i of the Agreement. Therefore, as of January 1, 2012 the balancing account balance was zero. Going forward, the Agreement provides for a similar methodology for calculating the balancing account.

Attachment 5 provides the language in the Agreement related to the balancing account. Attachment 6 provides R3's calculated balancing account balance as of December 31, 2013 based on the currently agreed upon methodology. Based on our review of the Company's balancing account calculation, we made an adjustment to the Company's reported monthly per ton OCC revenue for May 2012 and set the CRV per ton adjustment to \$4.19 per ton for both 2012 and 2013 to be consistent with the historical CRV per ton adjustment figure that has been used in the past. The Company reported that it agrees with the balancing account calculation as reflected in Attachment 6.

\* \* \* \* \*

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<sup>2</sup> This amount was established and referenced in R3's Final Report; Review of Novato Disposal Service's Rate Year 2008 Rate Application, December 6, 2007.

Mr. Sandeep Karkal  
September 17, 2014  
Page 4 of 4

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:

- Attachment 1 Article 6 Company's Compensation and Rates
- Attachment 2 Exhibit 2 – Refuse Rate Index
- Attachment 3 Rate Year 2014 Rate Adjustment Calculation
- Attachment 4 Account Migration Information
- Attachment 5 Exhibit 7 – Recyclable Materials Balancing Account
- Attachment 6 Balancing Account Calculation

## 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 30<sup>th</sup> 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 1<sup>st</sup>, 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 1<sup>st</sup>.

### 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 1<sup>st</sup>  
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>
<b>Labor</b>	Series ID: ceu6056210008 Production Workers-Waste Collection
<b>Fuel</b>	California No 2 Diesel Ultra Low Sulfur (0-15 ppm) <a href="http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp">http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp</a>
<b>Vehicle Replacement</b>	Series ID: pcu336211336211 Truck, bus, car and other vehicles bodies, for sale separately.
<b>Vehicle Maintenance</b>	Series ID: pcu333924333924 Parts and attachments for Industrial work trucks.
<b>Disposal Fee</b>	The per ton tip fee charged at the Disposal Facility.
<b>Organic Waste Processing Fee</b>	The per ton tip fee charged at the approved Organic Waste Processing Facility.
<b>All Other</b>	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

<b>Operating Cost Statement - Description</b>	
<b>Operating Costs</b>	
<b>Labor:</b>	List all administrative, officer, operation and maintenance salary accounts. List payroll tax accounts directly related to the above salary accounts.
<b>Fuel:</b>	List all fuel and oil accounts.
<b>Vehicle</b>	
<b>Replacement:</b>	List all Collection and Collection related vehicle depreciation accounts. List all vehicle lease or rental accounts related to Collection or Collection related vehicles.
<b>Vehicle</b>	
<b>Maintenance:</b>	List all Collection or Collection related vehicle parts accounts.
<b>Disposal Fee:</b>	List all Landfill Disposal related accounts.
<b>Organic Waste Processing Fee:</b>	List all Organic Waste Processing related accounts.
<b>All Other:</b>	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

#### Company's Calculated Rate Adjustment

Cost Category	1-1-14 Rate Rev Base Breakdown	7-01-13 to 6-30-14 Change In Index	Percentage Weight for Each Cost Category	Weighted Percentage Change for Each Cost Category
Labor	\$2,647,607	3.230%	24.460%	0.79%
Fuel	\$737,564	-1.690%	6.810%	-0.12%
Vehicle Replacement	\$468,289	0.910%	4.330%	0.04%
Vehicle Maintenance	\$296,724	2.090%	2.740%	0.06%
Disposal Fee	\$1,576,783	1.110%	14.570%	0.16%
Organic Waste Processing Fee	\$524,219	0.000%	4.840%	0.00%
Other operating costs	\$4,573,220	2.403%	42.250%	1.02%
<b>Total allowed operating costs</b>	<b>\$10,824,406</b>		<b>100.000%</b>	<b>1.95%</b>
Discontinue Balancing Account Rate Adjustment (2013-2017) to cover Migration				2.46%
<b>Refuse Rate Index Adjusted for Balancing Account</b>				<b>4.41%</b>

#### R3's Calculated Rate Adjustment

Cost Category	1-1-14 Rate Rev Base Breakdown	7-01-13 to 6-30-14 Change In Index	Percentage Weight for Each Cost Category	Weighted Percentage Change for Each Cost Category
Labor	\$2,647,607	3.230%	24.460%	0.790%
Fuel	\$737,564	-1.690%	6.810%	-0.120%
Vehicle Replacement	\$468,289	0.910%	4.330%	0.040%
Vehicle Maintenance	\$296,724	2.090%	2.740%	0.060%
Disposal Fee	\$1,576,783	1.110%	14.570%	0.160%
Organic Waste Processing Fee	\$524,219	0.000%	4.840%	0.000%
Other operating costs	\$4,569,685	2.400%	42.220%	1.010%
<b>Total allowed operating costs</b>	<b>\$10,820,871</b>		<b>99.970%</b>	<b>1.940%</b>
Discontinue Balancing Account Rate Adjustment (2013-2017) to cover Migration				0.00%
<b>Refuse Rate Index</b>				<b>1.940%</b>

Revised Figure

Cost Category not addressed

## Attachment 4

DATE: September 2, 2014

TO: Sandeep Karkal, Manager and Engineer and the Novato Sanitary District Board of Directors

FROM: Novato Disposal Service, Inc.

SUBJECT: Novato Disposal Migration Study

Pursuant to a continuing conversation we have had with the District regarding the impact of cart size migration on the franchise revenues generated from the current rates, we have performed a study to quantify that impact.

As you are aware, our current rates are structured to encourage source separation of recyclables from the household waste stream. The 20 gallon cart is offered at an attractive rate and residents are encouraged to separate all recyclable materials from their refuse and in turn they are incentivized to downsize their waste carts from the higher volume 96 gal. and 64 gal. to the lower volume 32 gal. and 20 gal. carts.

We have looked at the flow of migration over several years and determined the impact on franchise revenues between Q 4 2013 and Q 1 2010. We have used the cart count data reported to the District on the quarterly reports submitted as a basis for this analysis.

As you have become aware, one of the side effects of migration has been the increase in waste included by residents in the blue recycling cart. As some downsize their carts they may find that at times there is insufficient capacity to accommodate all the non-recyclable materials they need to discard. A convenient way to do that is to put it in the higher volume blue recycling cart. That increases the residuals we must process and discard. Residuals are what is left over once the blue cart contents are processed and all divertible materials are separated on the sort line. That has a detrimental impact on our diversion percentage and our costs of processing the contents of the recycling cart.

An additional fact that we believe is important is that the Franchise Agreement between Novato Disposal and the District requires the maintenance of a balancing account for recycling revenue beginning January 1, 2008. Every 5 years we are to divide that balancing account balance by five and reflect that 1/5th in the rates over the next 5 years. As of 12/31/11 that balancing account was \$1,124,671 and dividing that by 5 = \$224,934 and we were required to reduce the 2013 to 2017 rates by 2.46% per year to recapture that balance. As of the end of 2014, we have recovered \$224,934 X 2 years. That means our rates will continue to be reduced by that 2.46% for the next 3 years (2015,2016 and 2017). The balancing account started over at the beginning of 2012 and at the end of the two years 2012 and 2013 the balance is \$431,685. That means it is increasing at an average of \$215,843 per year which will have to be reflected in the 2018-2022 rates. What that mean is that the balancing account is

#### **Attachment 4**

going to continue to keep our rates lower by about 2.46% than where they would be without the balancing account.

While reflecting on the results of the Migration Study, we noticed that there appears to be a correlation between cart migration and the additional revenue from recycling reflected in the balancing account. We believe the reason is that the balancing account goes up as the recycling tons go up and the recycling tons go up as people divert more and as they divert more they migrate down to the 20 gallon can. We have noticed that the annual \$224,934 being deducted from the rate to recover the balancing account balance over 5 years is roughly the same as the rate revenue being lost from the effects of cart migration. We therefore propose that the balancing account is offset by cart migration and that the balancing account be discontinued and that our 2015 rates go up by the RRI - 1.95% plus the 2.46% that the balancing account recovery of \$224,934/year is reducing the franchise rates. That would give us a total rate adjustment of 4.41% for 2015 and would eliminate that 2.46% rate adjustment going forward and would solve the issue of cart migration in a logical and effective way.

Let us know your thoughts. We would like to solve this issue of cart migration lowering rate revenues in a reasonable manner and believe this proposal achieves that objective. And it uses the balancing account to fund this essential incentive to residents that demonstrably encourages recycling.

Novato Disposal Service

**Attachment 4**

**NOVATO SANITARY DISTRICT  
ANALYSIS OF MIGRATION'S IMPACT ON FRANCHISE REVENUES  
FROM Q 1 2010 TO Q 4 2013**

SERVICE	CUSTOMER COUNTS NDS 4Q 2013	CUSTOMER COUNTS NDS 4Q 2012	CUSTOMER COUNTS NDS 4Q 2011	CUSTOMER COUNTS NDS 1Q 2011	CUSTOMER COUNTS NDS 1Q 2010	EXPECTED COUNTS IF NO MIGRATION NDS 4Q 2013 *	COUNT VARIANCE FROM EXPECTED-NO MIGRATION	RATES IN EFFECT FOR THE NSD 1-1-14	MONTHLY REVENUE LOST FROM MIGRATION Q4 2013 VS Q1 2010
RESIDENTIAL									
1-20 gal 1 x wk	1,926	1,632	1,364	1,162	833	857	1,069	\$11.58	\$12,379
1-32 gal 1 x wk	11,417	11,420	11,350	11,376	11,514	11,849	-432	\$18.52	(\$8,001)
1-64 gal 1 x wk	3,073	3,060	3,113	3,221	3,509	3,611	-538	\$37.02	(\$19,917)
1-96 gal 1 x wk	304	303	333	352	385	396	-92	\$55.55	(\$5,111)
Non-Auto	6	6	7	11	13	13	-7	\$37.02	(\$259)
<b>TOTALS</b>	<b>16,726</b>	<b>16,421</b>	<b>16,167</b>	<b>16,122</b>	<b>16,254</b>	<b>16,726</b>	<b>0</b>		<b>(\$20,908)</b>
<b>Migration's Impact on Franchise Revenues</b>									
<b>Total 2013 Company Collection Revenue</b>									<b>(\$250,897)</b>
<b>Rate Adjustment Required</b>									<b>\$9,469,534</b> <b>2.65%</b>

\* Expected counts are determined by taking the Q 1 2010 counts by cart size and dividing each line by the total of all 2010 carts to determine the % each size cart bears to total number of carts. That % is applied to the total Q 4 2013 carts to determine how many of each size cart there would be in Q 4 2013 if there were no migration.

**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 5

### 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 6

San Francisco OBM Prices (average of high & low) <sup>(1)</sup>												
OBM Per Ton Revenue Amount	Ceiling / Floor Price	CRV Per Ton Adjustment	Per Ton Net Revenue Amount	Mixed Paper		#8 NP		OCC		Variance vs. Prior Month		Price Adjustment
				46%	46%	#8 NP	OCC	8%	Mixed Paper	#8 NP	OCC	
<b>2012</b>												
weighted %=												
Jan	\$70.50	\$4.19	\$74.69	\$82.50	\$120.00	\$135.00	\$107.99	\$70.60	933	\$	\$70.60	\$933
Feb	\$73.60	\$4.19	\$77.79	\$87.50	\$120.00	\$145.00	\$0.80	\$3.10	859	\$	\$3.10	\$859
Mar	\$73.60	\$4.19	\$77.79	\$87.50	\$120.00	\$145.00	\$0.00	\$0.00	1,001	\$	\$0.00	\$77,866
Apr	\$73.60	\$4.19	\$77.79	\$87.50	\$120.00	\$145.00	\$0.00	\$0.00	924	\$	\$0.00	\$71,877
May	\$72.80	\$4.19	\$76.99	\$87.50	\$120.00	\$135.00	\$0.00	\$-0.80	968	\$	\$-0.80	\$74,526
Jun	\$71.60	\$4.19	\$75.79	\$87.50	\$120.00	\$120.00	\$0.00	\$-1.20	1,051	\$	\$-1.20	\$79,655
Jul	\$68.90	\$4.19	\$73.09	\$82.50	\$120.00	\$115.00	\$0.00	\$-2.70	1,162	\$	\$-2.70	\$84,931
Aug	\$52.00	\$4.19	\$56.19	\$67.50	\$100.00	\$105.00	\$-9.20	\$-0.80	1,013	\$	\$-16.90	\$56,920
Sep	\$38.35	\$4.19	\$42.54	\$52.50	\$92.50	\$92.50	\$-5.75	\$-1.00	900	\$	\$-13.65	\$38,286
Oct	\$50.85	\$4.19	\$55.04	\$67.50	\$97.50	\$105.00	\$4.60	\$1.00	1,054	\$	\$12.50	\$58,012
Nov	\$60.10	\$4.19	\$64.29	\$77.50	\$105.00	\$120.00	\$4.60	\$3.45	1,096	\$	\$9.25	\$70,461
Dec	\$54.70	\$4.19	\$58.89	\$72.50	\$100.00	\$110.00	\$-2.30	\$-0.80	1,052	\$	\$-5.40	\$61,952
2012 Balancing Account Calculated Revenues =										\$	810,991	
2012 Projected Recyclable Materials Revenue =										542,420		
July 1, 2007 CRV Adjustment =										40,664		
Total 2012 Balancing Account Projected Revenues =										583,084		
2012 Balancing Account Due to District (Company)										227,907		
<b>2013</b>												
Jan	\$54.70	\$4.19	\$58.89	\$72.50	\$100.00	\$110.00	\$0.00	\$0.00	1,092	\$	\$0.00	\$64,307
Feb	\$59.70	\$4.19	\$63.89	\$82.50	\$100.00	\$115.00	\$0.00	\$0.40	927	\$	\$5.00	\$59,226
Mar	\$60.50	\$4.19	\$64.69	\$82.50	\$100.00	\$125.00	\$0.00	\$0.80	1,010	\$	\$0.80	\$65,336
Apr	\$60.50	\$4.19	\$64.69	\$82.50	\$100.00	\$125.00	\$0.00	\$0.00	1,054	\$	\$0.00	\$68,182
May	\$52.80	\$4.19	\$56.99	\$72.50	\$95.00	\$115.00	\$-2.30	\$-0.80	1,091	\$	\$-7.70	\$62,175
Jun	\$49.35	\$4.19	\$53.54	\$72.50	\$87.50	\$115.00	\$-3.45	\$0.00	1,027	\$	\$-3.45	\$54,985
Jul	\$49.75	\$4.19	\$53.94	\$72.50	\$87.50	\$120.00	\$0.00	\$0.40	1,078	\$	\$0.40	\$58,146
Aug	\$45.55	\$4.19	\$49.74	\$67.50	\$82.50	\$125.00	\$-2.30	\$-0.40	1,020	\$	\$-4.20	\$50,733
Sep	\$45.55	\$4.19	\$49.74	\$67.50	\$82.50	\$125.00	\$0.00	\$0.00	960	\$	\$0.00	\$47,749
Oct	\$45.55	\$4.19	\$49.74	\$67.50	\$82.50	\$125.00	\$0.00	\$0.00	1,016	\$	\$0.00	\$50,534
Nov	\$45.55	\$4.19	\$49.74	\$67.50	\$82.50	\$125.00	\$0.00	\$0.00	978	\$	\$0.00	\$48,644
Dec	\$40.15	\$4.19	\$44.34	\$62.50	\$77.50	\$115.00	\$-2.30	\$-0.80	1,091	\$	\$-5.40	\$48,373
2013 Balancing Account Calculated Revenues =										\$	678,389	
2013 Projected Recyclable Materials Revenue =										542,420		
July 1, 2007 CRV Adjustment =										40,664		
Total 2013 Balancing Account Projected Revenues =										583,084		
2013 Balancing Account Due to District (Company)										95,305		
NET BALANCING ACCOUNT FOR 2012-2013 DUE TO DISTRICT (COMPANY) =										323,212		

<sup>(1)</sup> First weekly OBM issue of each month  
Floor per ton = \$10.00 Max = \$80.00 (to be adjusted for any change in CRV)



October 8, 2014

*Sent Via Email*

Steve McCaffrey  
The Ratto Group  
P.O. Box 1916  
Santa Rosa, California 95402

RE: Redwood Landfill – Commercial Food Waste

Dear Steve,

I wanted to send you a follow-up letter regarding Redwood's ability to accept source separated commercial food waste as part of our compost program. Since the CASP compost operation is new to us and over the years we have been successful in maintaining certain compost certifications and have focused heavily on compost quality standards, we want to enter the commercial food program slowly to ensure our product quality and certifications are not negatively impacted.

We believe that Redwood will be in a position to accept up to 30 tons of commercial food waste per week on or about April 2015. The commercial food we will be interested in considering for acceptance must be select commercial food waste loads that must contain clean food waste and have not gone through a transfer station or processing facility, and will meet Redwood's OMRI certification and quality criteria. Clean food waste is currently defined as having less than 1% contamination by volume, however, new CalRecycle regulations, when enacted, will set finished compost contamination limits at 0.1% by weight. When these regulations go into effect, our contamination limits on inbound feedstock will also have to decrease to 0.1% by weight so that our finished product maintains compliance.

Our proposal is that clean food waste loads be charged at a rate of \$50 per ton for up to 30 tons per week. Contaminated commercial food waste loads (loads greater than 1% contamination volume) delivered as compostable will be sent to landfill and charged the negotiated Agreement disposal rate for that jurisdiction plus a \$5 per ton handling fee.

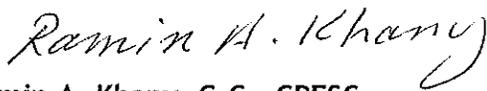
As referenced above, Redwood Landfill will not accept any commercial food waste until the CASP system is constructed and we have completed start-up activities. The CASP is currently under construction, and start-up is expected to begin later this year in November or December. We currently anticipate completion of start-up activities in April of 2015 at which time we will begin to address acceptance of commercial food sources. Once the CASP is operational, Redwood will work with North Bay to communicate the status of start-up progress. We will also work with your team to assure that sources are certified, loads are clean, and the definition and levels of contamination are well understood by both parties. North Bay should know that the process may be tedious at first as customers will need to be

educated and trained on what is acceptable for our operation and that feedstock quality is significant concern.

Redwood appreciates the opportunity to offer a commercial food waste solution to North Bay and your customers. We look forward to your ongoing business and support in making commercial food waste composting a reality and ensuring that the sources of food are certified and meet the quality requirements.

Please do not hesitate to call with any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Ramin A. Khany". The signature is written in black ink and is positioned above the printed name.

**Ramin A. Khany, G.C., CPESC**

District Manager

**Redwood Landfill & Recycling Center**

**CITY OF NOVATO & DISTRICT AB939 DISPOSAL AND DIVERSION MONITORING**

Haulers: Novato Disposal  
Self Haulers

Reporting period: January - December 2014

<b>A. 2014 DIVERSION</b>	<b><u>1st Qtr.</u></b>	<b><u>2nd Qtr</u></b>	<b><u>3rd Qtr.</u></b>	<b><u>4th Qtr.</u></b>	<b><u>TOTAL 2014</u></b>
Novato Disposal Recycled (Curbside & Buyback)	3,047.00	2,996.00			
MRRC recovery	587.81	796.09			
Self haul Inerts Diverted Redwood Landfill	1,357.07	1,444.50			
Redwood Landfill self haul C&D& wood waste recycled	127.67	80.63			
City of Novato C&D diverted(included in Novato Disposal)	N/A	N/A			
ADC from MRRC	0.00	0.00			
Compost from MRRC	46.34	56.88			
Greenwaste From Redwood Landfill self haul/compost	79.31	101.68			
Novato Disposal Inerts	717.00	1,042.00			
Novato Disposal Green/Food Waste used for compost	3,048.00	3,360.00			
Novato Disposal commercial food waste used for compost	19.00	27.00			
North Marin Metal Recycling	10.36	N/A			
<b>2014 TOTAL TONS DIVERTED</b>	<b>9,039.56</b>	<b>9,904.78</b>			
<b>B. 2014 DISPOSAL</b>					
MSW& Debris Box/Novato Disposal	6,204.00	6,537.00			
MRRC Residuals	332.61	290.72			
MRRC Wood/Yard Waste incinerated/transformation	99.72	108.75			
Redwood Landfill self haul C&D waste disposed	526.76	707.84			
Novato waste disposed out-of-county	11.48	N/A			
<b>2014 TOTAL TONS DISPOSED</b>	<b>7,174.57</b>	<b>7,644.31</b>			
<b>C. 2014 TOTAL WASTE GENERATED(TONS)</b>	<b>16,214.13</b>	<b>17,549.09</b>			
<b>D. COMPLIANCE WITH AB939 DIVERSION MANDATE</b>	<b>56.37%</b>	<b>57.06%</b>			
<b>Percent Diverted Using Generation Based Calculation Method(includes 10% incineration waste)</b>					

**REDWOOD LANDFILL SELF HAUL BREAKDOWN (TONS)**

	<b><u>1st Qtr.</u></b>	<b><u>2nd Qtr</u></b>	<b><u>3rd Qtr.</u></b>	<b><u>4th Qtr.</u></b>	<b><u>TOTAL 2014</u></b>
Inerts/ Diverted	1,357.07	1,444.50			
Greenwaste Diverted/compost	79.31	101.68			
C&D/ Disposed	526.76	707.84			
C&D & Wood Waste Recycled	127.67	80.63			
<b>Total</b>	<b>2,090.81</b>	<b>2,334.65</b>			
<b>Percent Redwood self haul diverted</b>	<b>74.81%</b>	<b>69.68%</b>			

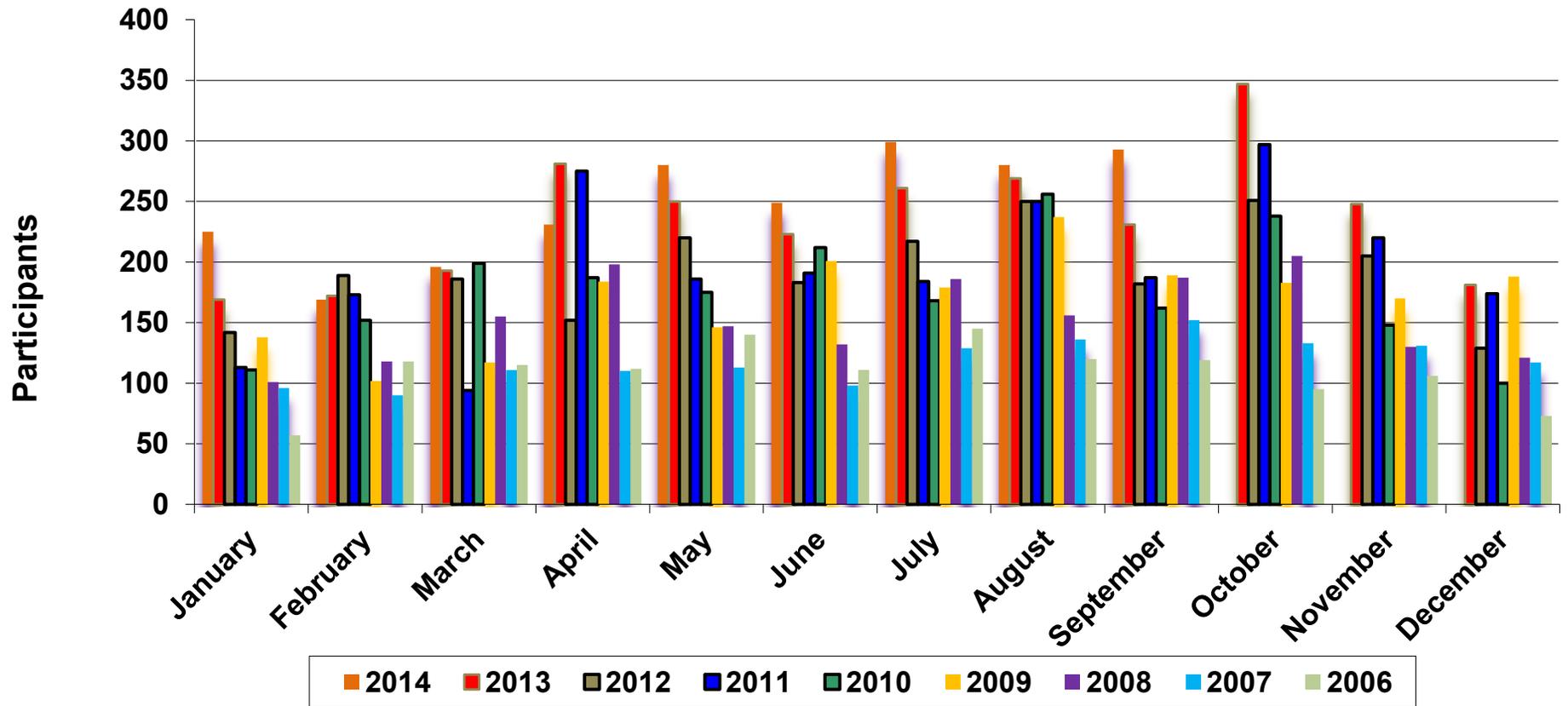
HHW FACILITY SUMMARY 2014	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<b>Total Participants</b>	<b>225</b>	<b>169</b>	<b>196</b>	<b>231</b>	<b>280</b>	<b>249</b>	<b>299</b>	<b>280</b>	<b>293</b>				<b>2,222</b>
Been to events before?(Yes)	181	138	162	183	222	190	241	232	230				1,779
Permanent facility?	160	118	139	149	194	171	202	197	190				1,520
Temporary events?	33	26	34	38	49	34	49	48	56				367
<b>First time user?</b>	<b>44</b>	<b>31</b>	<b>34</b>	<b>48</b>	<b>58</b>	<b>59</b>	<b>58</b>	<b>48</b>	<b>63</b>				<b>443</b>
<b>Type of waste brought in?</b>													
Antifreeze	21	13	12	13	16	22	18	25	24				164
Asbestos	1	0	7	2	3	3	2	4	5				27
<b>Auto products</b>	<b>29</b>	<b>15</b>	<b>36</b>	<b>31</b>	<b>45</b>	<b>32</b>	<b>39</b>	<b>43</b>	<b>38</b>				<b>308</b>
Car batteries	7	3	2	9	13	6	5	9	6				60
Computer monitors	25	12	11	7	22	19	18	30	16				160
<b>Cements, sealers</b>	<b>25</b>	<b>19</b>	<b>27</b>	<b>27</b>	<b>47</b>	<b>40</b>	<b>38</b>	<b>45</b>	<b>35</b>				<b>303</b>
<b>Fluorescent tubes &amp; bulbs</b>	<b>36</b>	<b>24</b>	<b>33</b>	<b>27</b>	<b>46</b>	<b>29</b>	<b>42</b>	<b>49</b>	<b>33</b>				<b>319</b>
<b>Household batteries</b>	<b>45</b>	<b>36</b>	<b>43</b>	<b>50</b>	<b>60</b>	<b>55</b>	<b>56</b>	<b>65</b>	<b>55</b>				<b>465</b>
<b>Household cleaners, polishes</b>	<b>51</b>	<b>36</b>	<b>54</b>	<b>58</b>	<b>72</b>	<b>56</b>	<b>72</b>	<b>76</b>	<b>73</b>				<b>548</b>
<b>Latex paint</b>	<b>71</b>	<b>62</b>	<b>72</b>	<b>83</b>	<b>117</b>	<b>111</b>	<b>116</b>	<b>120</b>	<b>106</b>				<b>858</b>
Mercury Waste	4	1	2	3	2	5	6	3	2				28
Motor oil/filters	26	20	28	32	34	31	37	45	30				283
Old gasoline	9	9	8	17	12	12	11	17	14				109
<b>Oil base paint</b>	<b>47</b>	<b>39</b>	<b>55</b>	<b>68</b>	<b>81</b>	<b>80</b>	<b>77</b>	<b>103</b>	<b>70</b>				<b>620</b>
<b>Paint thinners, solvents</b>	<b>52</b>	<b>51</b>	<b>53</b>	<b>70</b>	<b>93</b>	<b>69</b>	<b>69</b>	<b>92</b>	<b>82</b>				<b>631</b>
<b>Pesticides, herbicides, insecticides</b>	<b>40</b>	<b>23</b>	<b>46</b>	<b>44</b>	<b>60</b>	<b>49</b>	<b>60</b>	<b>67</b>	<b>61</b>				<b>450</b>
Pet care products	5	2	9	9	9	6	6	6	3				55
Photo chemicals	0	1	1	1	1	2	3	2	1				12
Pool Chemicals	6	3	2	6	14	3	13	9	11				67
<b>Propane/helium tanks/fire extinguishers</b>	<b>18</b>	<b>13</b>	<b>23</b>	<b>31</b>	<b>31</b>	<b>26</b>	<b>32</b>	<b>29</b>	<b>27</b>				<b>230</b>
Sharps	2	1	2	3	5	2	5	7	2				29
<b>Spray paints</b>	<b>35</b>	<b>26</b>	<b>31</b>	<b>39</b>	<b>44</b>	<b>55</b>	<b>37</b>	<b>69</b>	<b>49</b>				<b>385</b>
<b>Television</b>	<b>43</b>	<b>24</b>	<b>41</b>	<b>28</b>	<b>21</b>	<b>30</b>	<b>30</b>	<b>24</b>	<b>26</b>				<b>267</b>
Thermometers/Thermostats	2	1	3	1	2	6	1	3	2				21
<b>Wood preservatives, stains</b>	<b>25</b>	<b>25</b>	<b>28</b>	<b>39</b>	<b>42</b>	<b>40</b>	<b>43</b>	<b>51</b>	<b>41</b>				<b>334</b>
<b>Other</b>	<b>46</b>	<b>40</b>	<b>37</b>	<b>36</b>	<b>52</b>	<b>45</b>	<b>47</b>	<b>49</b>	<b>57</b>				<b>409</b>
<b>Hear about program?</b>													
<b>Recycling Center flier</b>	<b>92</b>	<b>76</b>	<b>64</b>	<b>104</b>	<b>126</b>	<b>111</b>	<b>111</b>	<b>104</b>	<b>116</b>				<b>904</b>
Novato Advance ad	5	10	8	13	10	9	17	14	11				97
<i>Novato Patch ad</i>	2	2	3	8	12	6	16	8	7				64
Word of mouth	49	29	38	31	38	41	51	36	47				360
<b>Novato Disposal newsletter</b>	<b>85</b>	<b>62</b>	<b>79</b>	<b>107</b>	<b>100</b>	<b>94</b>	<b>121</b>	<b>111</b>	<b>118</b>				<b>877</b>
Sanitary District newsletter	13	21	17	21	28	18	30	27	26				201
Sanitary District website	18	15	16	12	13	11	23	32	22				162
Other	26	15	25	10	11	15	16	25	18				161

HHW FACILITY SUMMARY 2014	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<b>Change your own motor oil?</b>													
<b>Yes</b>	39	21	31	28	35	32	36	37	27				286
Novato Recycling Center	30	15	20	22	27	24	23	27	19				207
Kragens	10	8	10	7	11	11	12	14	8				91
Pennzoil	1	0	4	0	0	0	1	3	1				10
Other	0	0	0	0	1	2	2	0	2				7
<b>If yes, want curbside pickup?</b>	11	6	10	10	15	13	13	13	12				103
<b>No</b>	<b>186</b>	<b>148</b>	<b>165</b>	<b>203</b>	<b>245</b>	<b>221</b>	<b>263</b>	<b>243</b>	<b>266</b>				<b>1,940</b>
<b>Comments</b>													
<b>Compliments/Good</b>	64	50	55	79	82	88	77	98	102				695
<b>Complaints</b>	1	0	2	0	2	1	1	2	4				13

## HHW PARTICIPANTS 2006 - 2014

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Totals</u>
2014	225	169	196	231	280	249	299	280	293				2,222 open 3 days in April
2013	169	172	193	281	250	223	261	269	231	347	248	181	2,825
2012	142	189	186	152	220	183	217	250	182	251	205	129	2,306
2011	113	173	94	275	186	191	184	250	187	297	220	174	2,344
2010	111	152	199	187	175	212	168	256	162	238	148	100	2,108 August 6 days
2009	138	102	117	184	146	201	179	237	189	183	170	188	2,034 August 6 days
2008	101	118	155	198	147	132	186	156	187	205	130	121	1,836
2007	96	90	111	110	113	98	129	136	152	133	131	117	1,416
2006	57	118	115	112	140	111	145	120	119	95	106	73	1,311
<b>% Change from 2013</b>	33.14%	-1.74%	1.55%	-17.79%	12.00%	11.66%	14.56%	4.09%	26.84%				

## *HHW Facility Monthly Participation 2006- 2014*



**NOVATO SANITARY DISTRICT  
BOARD AGENDA ITEM SUMMARY**

<b>TITLE: Solid Waste: CY2015 Solid Waste Rate Adjustment.</b>	<b>MEETING DATE: October 27, 2014</b>
	<b>AGENDA ITEM NO.: 6.b.</b>

**RECOMMENDED ACTION:** Receive report on Calendar Year (CY) 2015 solid waste rate adjustments, and consider staff recommendation.

**SUMMARY AND DISCUSSION:**

The District's Franchise Agreement with Novato Disposal Service (NDS) provides for an annual rate adjustment. NDS submitted its calendar year (CY) 2015 rate request on September 2, 2014. Pursuant to the Franchise Agreement (Section 6.3.2), the Manager-Engineer deemed the September 2, 2014 submittal timely because September 1, 2014 was a legal holiday.

The District retained R3 Consulting Group, Inc. (R3) of Sacramento to assist with the rate review by preparing its own independent opinion on NDS's proposed rate adjustment for CY 2015. NDS also requested consideration of an adjustment to account for revenue losses related to account migration. The attached Solid Waste Committee meeting packet includes these materials.

The following table summarizes the proposed and recommended adjustments for CY 2015.

Item	Adjustment	NDS Request	R3 Opinion	Staff Recommendation
a.	Refuse Rate Index (RRI) Adjustment	+1.95%	+1.94%	+1.94%
b.	Account Migration Adjustment	+2.46%	+1.85%	+1.06%
	<b>TOTAL ADJUSTMENTS</b>	<b>+4.41%</b>		<b>+3.00%</b>
c.	Funding Source for Account Migration	-2.46% offset from Balancing Account	No Opinion	+1.06% from Rate Adjustment
	<b>TOTAL RATE ADJUSTMENT</b>	<b>1.95%</b>		<b>+3.00%</b>

- a. NDS requested an RRI of +1.95%, which R3 determined should be +1.94%. NDS concurs with this calculation.
- b. NDS further requested an additional adjustment of +2.46% to address the revenue impacts of account migration to smaller carts. R3 calculated the value of the additional adjustment at +1.85%. District staff negotiated an amount of +1.06% for the account migration for a total recommended rate adjustment of +3.00% for CY 2015.
- c. NDS had suggested using funds from the Recycling Materials Balancing Account (Exhibit 7 of the Franchise Agreement included as Attachment 5 in the Solid Waste Committee Report) to offset its request for the account migration adjustment. District staff rejected that suggestion because of the lack of an appropriate nexus between recycling revenue and account migration. Instead, District staff recommends a rate adjustment of +1.06% for a total CY 2015 rate adjustment of +3.00%. NDS concurs with that recommendation.

Note that the requested increase for cart migration is not automatic and could be rejected. The Franchise Agreement includes a full rate review option which would address the migration issue, along with other costs and revenue issues. Staff is not recommending a full rate review at this time

**NOVATO SANITARY DISTRICT  
BOARD AGENDA ITEM SUMMARY**

<b>TITLE: Solid Waste: CY2015 Solid Waste Rate Adjustment</b>	<b>MEETING DATE: October 27, 2014</b> <b>AGENDA ITEM NO.: 6.b. (continued)</b>
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given the small amount of the increase. The overall rate structure continues to be competitive with the market.

The Solid Waste Committee, at its October 21, 2014 meeting, considered District staff's recommendation. After discussion, the Committee forwarded the request without recommendation to the full Board of Directors for its consideration at the October 27, 2014 meeting.

The language of the Franchise Agreement does not exclude rate adjustments other than the RRI adjustment. The proposed rate adjustment of +3.00% for CY 2015 provides acknowledgement of the account migration impact and avoids the time and expense of a detailed rate review.

Additional materials included with this item are: (1) A history of NDS solid waste rate increases from 2005 through 2014; (2) A July 2014 rate comparison with other local agencies; and (3) The impact of the proposed +3.00% rate increase on NDS customer classes.

Staff recommends an overall CY 2015 solid waste rate adjustment of +3.00% comprised of an RRI adjustment of +1.94% and an account migration adjustment of +1.06%.

<b>DEPT. MGR.:</b>	<b>MANAGER-ENGINEER:</b>
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NOVATO SANITARY DISTRICT

HISTORY OF NOVATO DISPOSAL SERVICE SOLID WASTE RATE INCREASES –  
2005 - 2014

Date	Increase	Reason
January 1, 2014	1.63%	Annual adjustment based on changes in Refuse Rate Index (RRI)
2013	None	
January 1, 2012	2.43%	Annual adjustment based on changes in RRI
January 1, 2011	3.34%	Annual adjustment based on changes in RRI
2010	None	
January 1, 2009	8.00%	Annual adjustment based on changes in RRI
July 1, 2008	0.56%	Increase of 1.12% effective July 1, 2008 representing annual increase of 0.56% pro-rated over 6 months. Based on detailed audited financial statements; replacing fleet with split-body trucks; eliminating free service to governmental agencies; reducing debris box fees.
April 1, 2007	7.44%	Increase of 9.92% effective April 1, 2007 representing annual increase of 7.44% pro-rated over 9 months. Based on changes in RRI
January 1, 2006	2.94%	Increase in pass-through costs and operating cost increase
July 1, 2005	1.30%	Increase of 2.60% effective July 1, 2005 representing annual increase of 1.3% pro-rated over 6 months. Based on CPI, increased fuel costs, AB 939, JPA fees.

TABLE 1: RESIDENTIAL & COMMERCIAL COLLECTION RATES – JULY 2014  
RATE COMPARISON WITH OTHER AGENCIES

Agency	Franchise Fee, %	Type	Residential 32 gal can/wk (1) (2)	20 yd Debris Box	2 yd Bin Weekly Dump Monthly fee	3 yd Bin 1/wk
Corte Madera	20	Level Hill	31.93 34.35	540.00	298.58	
Fairfax	10	Level Hill	29.09 33.98	583.00 (5) 25 yd box	285.90	400.95
Larkspur	10	Level Hill	34.26 36.90	583.00 (5) 25 yd box	334.32	436.84
Las Gallinas (County/Novato Portion – City now included in San Rafael)	\$25,000		27.26	583.00 (5) 25 yd box	n/a	394.92
Mill Valley	17 + 3 road impact	Level Hill	39.70 45.54	519.00 (4T)	351.73	
Petaluma	\$500,000+ \$250,000 road impact		16.10 35 gl	610.00 (4T)	280.95	375.92
San Anselmo	10		33.71	583.00 (5) 25 yd box	384.10	553.23
San Rafael	10	Level Hill	31.19 35.33	583.00 (5) 25 yd box	296.00	385.27
Santa Rosa	11		12.79	610.00 (5) (4T)	259.44	316.76
Sausalito	15		36.90	526.00	291.90	
Tiburon	14	Level Hill	37.85 37.85	541.00	360.33	
<b>Novato: 2014</b>	<b>\$48,649</b> (adjusts with CPI)		<b>18.52 (32 gal)</b>	<b>522.82</b> <b>(3T)</b>	<b>191.32</b>	<b>241.32</b>

Notes:

1. All rates include a charge for recycling, hazardous waste, curbside green waste collection, and food composting.
2. Sausalito rates include street sweeping, 2 clean-ups/yr, and City services.
3. Corte Madera and Tiburon rates include street sweeping and 4 clean-ups/yr. Mill Valley rates include street sweeping and 2 clean-ups/yr.
4. Santa Rosa rates include street sweeping and 4 clean-ups/yr. Petaluma rates include street sweeping and 4 clean-ups/yr.
5. Debris Box rates are not included in the Franchise. Petaluma and Santa Rosa rates are \$150 haul fee plus \$115 each ton.
6. Novato rates include food waste composting and 4 clean-ups/yr.

**TABLE 1  
REFUSE COLLECTION RATES**

*(estimated 3% increase)*

RATE CLASSIFICATION	Maximum Monthly Fees <u>Effective 1/1/12</u>	Maximum Monthly Fees <u>Effective 1/1/14</u>	Maximum Monthly Fees <u>Effective 1/1/15</u>
<b>Single Family residential:</b>			
1 20 Gal. can collected weekly	\$11.39	\$11.58	\$11.92
1 32 Gal. can collected weekly	\$18.22	\$18.52	\$19.07
1 68 Gal. can collected weekly	\$36.43	\$37.02	\$38.13
1 95 Gal. can collected weekly	\$54.66	\$55.55	\$57.22
Special Trips - Can not set out	\$11.36	\$11.55	\$11.89
Special Rate - Containers more than 50 feet from street (each 50 feet)	\$5.25	\$5.34	\$5.50
Extra Pickups	\$5.59	\$5.68	\$5.85
Additional 95 gl. Green Waste Carts after 2	\$17.34	\$17.62	\$18.15
<b>Multi-family, mobile home parks, commercial/industrial:</b>			
<u>32 Gallon</u>			
1 x week	\$19.74	\$20.06	\$20.66
2 x week	\$42.10	\$42.79	\$44.07
3 x week	\$64.39	\$65.44	\$67.40
6 x week	\$131.36	\$133.50	\$137.51
<u>68 Gallon</u>			
1 x week	\$37.88	\$38.50	\$39.65
2 x week	\$80.76	\$82.08	\$84.54
3 x week	\$123.50	\$125.51	\$129.28
6 x week	\$251.96	\$256.07	\$263.75
<u>95 Gallon</u>			
1 x week	\$56.82	\$57.75	\$59.48
2 x week	\$121.13	\$123.10	\$126.80
3 x week	\$185.24	\$188.26	\$193.91
6 x week	\$377.95	\$384.11	\$395.63
Extra Pickups	\$5.59	\$5.68	\$5.85
<b>Debris Box Service:</b>			
<u>2 Cu. Yd. Containers</u>			
1 x week	\$188.25	\$191.32	\$197.06
2 x week	\$330.41	\$335.80	\$345.87
3 x week	\$472.53	\$480.23	\$494.64
4 x week	\$614.59	\$624.61	\$643.35
5 x week	\$756.68	\$769.01	\$792.08
6 x week	\$898.75	\$913.40	\$940.80
The above rates include an allowance for container rental as follows:	\$46.18	\$46.93	\$48.34
Extra Pickups	\$51.40	\$52.24	\$53.80

RATE CLASSIFICATION	Maximum Monthly Fees	Maximum Monthly Fees	(estimated 3% increase) Maximum Monthly Fees
	Effective 1/1/12	Effective 1/1/14	Effective 1/1/15
<u>3 Cu. Yd. Containers</u>			
1 x week	\$237.45	\$241.32	\$248.56
2 x week	\$413.20	\$419.94	\$432.53
3 x week	\$589.18	\$598.78	\$616.75
4 x week	\$764.92	\$777.39	\$800.71
5 x week	\$940.85	\$956.19	\$984.87
6 x week	\$1,116.66	\$1,134.86	\$1,168.91
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64	\$64.52
Extra Pickups	\$51.40	\$52.24	\$53.80
<u>4 Cu. Yd. Containers</u>			
1 x week	\$309.16	\$314.20	\$323.63
2 x week	\$542.39	\$551.23	\$567.77
3 x week	\$775.75	\$788.39	\$812.05
4 x week	\$1,008.97	\$1,025.42	\$1,056.18
5 x week	\$1,242.30	\$1,262.55	\$1,300.43
6 x week	\$1,475.57	\$1,499.62	\$1,544.61
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64	\$64.52
Extra Pickups	\$61.64	\$62.64	\$64.52
<u>6 Cu. Yd. Containers</u>			
1 x week	\$452.57	\$459.95	\$473.75
2 x week	\$800.76	\$813.81	\$838.23
3 x week	\$1,148.91	\$1,167.64	\$1,202.67
4 x week	\$1,497.03	\$1,521.43	\$1,567.07
5 x week	\$1,845.21	\$1,875.29	\$1,931.55
6 x week	\$2,193.37	\$2,229.12	\$2,296.00
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64	\$64.52
Extra Pickups	\$102.79	\$104.47	\$107.60
<u>15 Cu. Yd. Containers</u>			
1 x week	\$1,984.96	\$2,017.31	\$2,077.83
2 x week	\$3,974.50	\$4,039.28	\$4,160.46
3 x week	\$5,959.46	\$6,056.60	\$6,238.30
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64	\$64.52
Extra Pickups	\$458.42	\$465.89	\$479.87

<u>RATE CLASSIFICATION</u>	Maximum Monthly Fees <u>Effective 1/1/12</u>	Maximum Monthly Fees <u>Effective 1/1/14</u>	(estimated 3% increase) Maximum Monthly Fees <u>Effective 1/1/15</u>
<b>Cleanup Bins:</b>			
3 yd. - 2 days	\$165.93	\$168.63	\$173.69
3 yd. - weekend	\$165.93	\$168.63	\$173.69
6 yd. - 2 days	\$279.75	\$284.31	\$292.84
6 yd. - weekend	\$279.75	\$284.31	\$292.84
15 - yd. up to 3 T - one week	\$458.42	\$465.89	\$479.87
20 yd. up to 3 T - one week	\$514.43	\$522.82	\$538.50
30 yd. up to 4 T - one week	\$858.40	\$872.39	\$898.56
Additional/ton charge for cleanup bins	\$55.55	\$56.46	\$58.15
Occasional or irregular collections per 5 cubic feet	\$5.59	\$5.68	\$5.85
Special collections other than debris box - plus regular rate	\$23.67	\$24.06	\$24.78
Special collections for debris boxes - plus regular rate	\$51.43	\$52.27	\$53.84
Monthly charge for special collection conditions	\$11.15	\$11.33	\$11.67

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Wastewater Operations Committee – Meeting Report, September 2014</b>	<b>MEETING DATE: October 27, 2014</b>  <b>AGENDA ITEM NO.: 7. a.</b>
<b>RECOMMENDED ACTION:</b> Information. Receive report.	
<b>SUMMARY AND DISCUSSION:</b>  <p>The September 2014 reports for the wastewater treatment operations, collection system operations, and reclamation facilities are attached.</p> <p><b>Wastewater Treatment Facility</b></p> <p>Novato Treatment Plant (NTP) water quality performance was excellent with all parameters well within effluent standards. There were no NPDES violations. The Recycled Water Facility produced 10.87 MG of recycled water in August. Safety performance was excellent with another accident-free month for a total of 1,580 accident-free days at the end of September. Routine maintenance activities were performed at the NTP and the Ignacio Transfer Pump Station (ITPS). The August 2014 Discharge Monitoring Report (DMR) and Electronic Self-Monitoring Report (e-SMR) were submitted on September 19, 2014.</p> <p><b>Odor Control and Landscaping</b></p> <p>Data for validation testing of the process change recommended by the District's odor consultant Dave McEwen of Brown and Caldwell (B&amp;C), of converting anoxic zones B and C at the aeration basins to aerobic zones became available in August. The data was analyzed, and as reported last month, presented some contradictory results. Consequently, it was decided that this operational change needed to be tweaked, particularly the air flow input to the converted anoxic zones, and additional testing be considered to gage impacts from this change. Regardless, results still appear to be good anecdotally, and operations staff continues to monitor performance. On landscaping, there were no new developments, but staff will be bringing further improvements forward at a future meeting.</p> <p><b>Collection System and Pump Stations</b></p> <p>Staff cleaned a total of 71,429 ft, and outside contractors cleaned 12,079 ft of larger diameter sewers. Staff televised 12,090 ft of sewer lines with the CCTV truck, hand televised 946 ft with the Push Cam, and outside contractors televised an additional 8,585 ft of large diameter mains for a total of 21,621 ft. Staff conducted 297 lift station inspections.</p> <p><u>Safety:</u> No lost time accidents in September 2014 for a total of 1,295 accident-free days.</p> <p><u>Standard and Emergency Operating Procedures (SOPs &amp; EOPs):</u> Twelve pump station energy control SOPs were completed, and the SOP for CCTV practices was revised/updated.</p> <p><u>Sanitary Sewer Overflows (SSOs):</u> There were no SSOs in September 2014.</p> <p><b>Reclamation Facility</b></p> <p>The rancher continued to work on routine parcel maintenance. A total of 33.77 MG of recycled water was applied to the irrigation pastures in September. Work began to empty the sludge lagoons, transferring approximately 2.6 MG of sludge into the Dedicated Land Disposal (DLD) site.</p>	
<b>DEPT.MGR.:</b> JB (Veolia), SRK, TMO	<b>MANAGER-ENGINEER:</b> SSK

September 15, 2014

A regular meeting of the Wastewater Operations Committee of Novato Sanitary District was held at 2:00 p.m., Monday, September 15, 2014, at the District Office, 500 Davidson Street, Novato.

**MEMBERS PRESENT:** Committee Members Jerry Peters and Brant Miller.

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

**ALSO PRESENT:** Brian Exberger, Assistant Project Manager, Veolia

**AGENDA APPROVAL:** Approved as presented.

**PUBLIC COMMENT:** None

**APPROVAL OF MEETING MINUTES FOR AUGUST 18, 2014:** The August 18, 2014 meeting minutes were approved as written.

**WASTEWATER TREATMENT FACILITIES OPERATIONS AND MAINTENANCE REPORT FOR AUGUST 2014:**

**- Treatment Plant Performance Report, Maintenance Report and Safety & Training:**

Veolia Project Manager John Bailey gave an overview of treatment plant operations for the month of August and stated that August was another good month with no permit exceedances, violations or excursions. He discussed the key operations and maintenance events at the Novato facility, the Ignacio Transfer Pump Station, the Recycled Water Plant, and the Sludge Lagoons. He discussed training events completed in August and stated that as of August 30<sup>th</sup>, Veolia employees have been accident free for a total of 1,550 days / 70,680 hours. He discussed the training Veolia employees participated in during August. He reviewed the operations and maintenance report and stated that 17.62 million gallons of recycled water were produced.

The Project Manager stated that Jerome Meter (H<sub>2</sub>S) readings continue to be taken within the treatment plant as well as in the Lea Drive neighborhood area and that four (4) odor notifications were received in August.

**- Odor control, noise, and landscaping report:** The Manager-Engineer stated that staff continues to work with the odor control recommendations presented by Dave McEwen, Brown and Caldwell. He stated that Mr. McEwen's recommendation of adding sodium hypochlorite to the influent flow during warm weather periods was implemented in early July. He stated that staff continues to monitor performance and that the results appear to be good. The Manager-Engineer discussed the landscaping in the northeast area of the plant site. He stated that staff is looking into the possibility of transplanting the redwood trees currently in

boxes along the western boundary of the plant site to the northeast corner of the property in October.

**COLLECTION SYSTEMS OPERATION AND MAINTENANCE REPORT FOR AUGUST 2014:**

The Collections System Superintendent discussed the Collection Systems Monthly Report for August 2014. He reported that the Collection Systems crew cleaned a total of 61,271 feet of sewer pipeline and that the department completed 292 maintenance work orders which were generated in August. He stated that the District's CCTV van (Closed Circuit TV) televised 94 line segments for 19,137 feet of production and that no areas were identified as needing repairs or further evaluation. He reported that staff had identified and inspected a total of 42 air relief/vacuum valves (ARV's) and of these, 12 locations will be upgraded to provide better access for maintenance.

The Collections System Superintendent gave an update of the pump station rehabilitations taking place at the Los Robles and the Digital Drive pump stations. He stated that construction work continues on these projects with completion expected by the end of September. He stated that there were zero sanitary sewer overflows in the month of August.

The Collections System Superintendent noted that as of August 30<sup>th</sup>, the Collections Department and the District have worked accident free for a total of 1,265 days.

**RECLAMATION FACILITY REPORT FOR AUGUST 2014:**

The Field Services Manager presented the Reclamation Facilities report for August. He stated that the rancher continues to work on routine parcel maintenance. He stated irrigation times were increased to promote pasture growth on Site 3 & 7. He stated that 88.19 MG of treated effluent was used for irrigation of the parcels in August.

The Field Services Manager stated that an agreement has been executed between the District and Custom Tractor Service of Petaluma to pump sludge out of the sludge lagoons and into the Dedicated Land Disposal area.

**ADJOURNMENT:** There being no further business to come before the Committee, the meeting adjourned at 2:44 p.m. The next Wastewater Operations Committee meeting will be held on Monday, October 20, 2014.

Respectfully submitted,

---

Sandeep Karkal  
Manager-Engineer

Julie Swoboda, Recording



October 15, 2014

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

**Subject: Veolia Water Operations Report – September 2014**

Dear Mr. Karkal:

I am pleased to provide the Monthly Operation Report for September 2014.

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

Best regards,

A handwritten signature in blue ink, appearing to read 'John Bailey', written in a cursive style.

John Bailey  
Project Manager, Veolia



**MONTHLY OPERATIONS REPORT  
September 2014**

Prepared for

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

Prepared by

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

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TREATMENT PLANT PERFORMANCE SUMMARY: September 2014:

Reclamation / Storage – Waste Discharge Requirements (WDR)

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	3.33	3.74	N/A	N/A
Max Peak Hour, MGD – Dry Weather Flow	N/A	N/A	N/A	N/A
Influent BOD <sub>5</sub> , lb/day (month ave/max)	7,453	10,506	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	9,590	11,666	N/A	N/A
Effluent BOD <sub>5</sub> , mg/L (monthly ave/weekly max)	<5	5	40	N/A
Effluent TSS, mg/L (monthly ave/weekly max)	<3	3	N/A	N/A
Effluent BOD <sub>5</sub> - % Removal, Minimum	98	N/A	N/A	N/A
Effluent TSS - % Removal, Minimum	99	N/A	N/A	N/A
Ammonia, mg/L – (monthly ave/daily max)	0.04	0.04	N/A	N/A
pH, su (min / max)	7.0	7.2	6.0	9.0
Enterococcus, mpn (30 day geo mean)	N/A	N/A	N/A	N/A
Fecal Coliform, mpn (30 day median)	N/A	N/A	N/A	N/A
Fecal Coliform, mpn (90 <sup>th</sup> percentile)	N/A	N/A	N/A	N/A
Total Coliform, mpn (5 Sample Median / Max)	140	1700	240	10,000
<b>Total Permit Exceedances (WDR)</b>	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	10.87	N/A
Average Turbidity	NTU	1.2	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	0	72
Minimum CT (disinfection)	mg-min/L	>450	>450
Minimum Dissolved Oxygen (DO)	mg/L	7.4	1.0
Maximum Total Coliform	mpn/100 ml	<2	2

Total Rainfall. – 0.34

Daily Max – 0.32, September 25<sup>th</sup>

**SAFETY AND TRAINING:**

- Monthly plant safety inspections for Novato WWTP and Ignacio Pump Station completed
- Five Minute Tailgate training is held daily with all staff.
- No safety incidents for the month of September
- Accident Free: 6/1/10 – 9/30/14: 1,580 days / 72,048 hours
- Monthly Safety Topic and Training – LOTO (lock-out tag-out)

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

- Routine rounds, readings and maintenance
- Performed annual inspection on Flygt pumps & mixers
- Cleaned digested sludge transfer sump
- Performed annual maintenance on Influent Screen #1
- Replaced Blower #3 variable frequency drive (VFD) fan
- Replaced sensor and board on Primary Clarifier #2 LEL Gas Monitor
- Installed safety railing at abandoned in ground valve structure behind UV Disinfection area

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

- Primary Clarifier #1 (not needed at current flows)
- Secondary Clarifier #2 (not needed at current flows)
- Aeration Basins 1 & 3 (not needed at current flows)

**Ignacio Transfer Pump Station**

- Routine rounds, readings and maintenance
- Annual inspection on Flygt pumps
- Conveyance pump #2 removed for impeller retrofit
- Grinder removed for warranty repair

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

- Grinder (out for repair)

**Recycled Water Plant (RWP)**

- Performed plant rounds and maintenance
- Performed annual inspection on Compressed Air Dryer

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

- None

**Sludge Lagoons**

- Performed routine rounds and inspection
- Flushed Digested Sludge Line and Decant Return Line

**ADMINISTRATION:**

- August Electronic Self Monitoring Report submitted on September 19, 2014
- August DMR and Semi Annual Report submitted on September 19, 2014

**ODORS:**

- Jerome Meter (H<sub>2</sub>S) readings performed in neighborhood and within treatment plant.

**MISCELLANEOUS**

- Process Control Management Plan (PCMP) meetings held weekly.

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

John O'Hare                      Technical Support

## ULTRA VIOLET DISINFECTION MAINTENANCE



Christian Williams and Ralph Loveless changing UV Lamps.  
Lower Right – Ralph Loveless and Brian Exberger (in Arc Flash PPE) locking out electrical power to UV System.

IGNACIO TRANSFER PUMP STATION  
REMOVAL OF CONVEYANCE PUMP  
IMPELLER RETROFIT - SEPTEMBER 29<sup>TH</sup>  
CHANNEL GRINDER REMOVED FOR REPAIR - SEPTEMBER 4<sup>TH</sup>



## CLEANING (PUMPING) SLUDGE LAGOONS AT RECLAMATION



Contractor transferring biosolids from sludge lagoons to dedicated land disposal site. This is a NSD function



Novato Sanitary District  
BOD/TSS Report



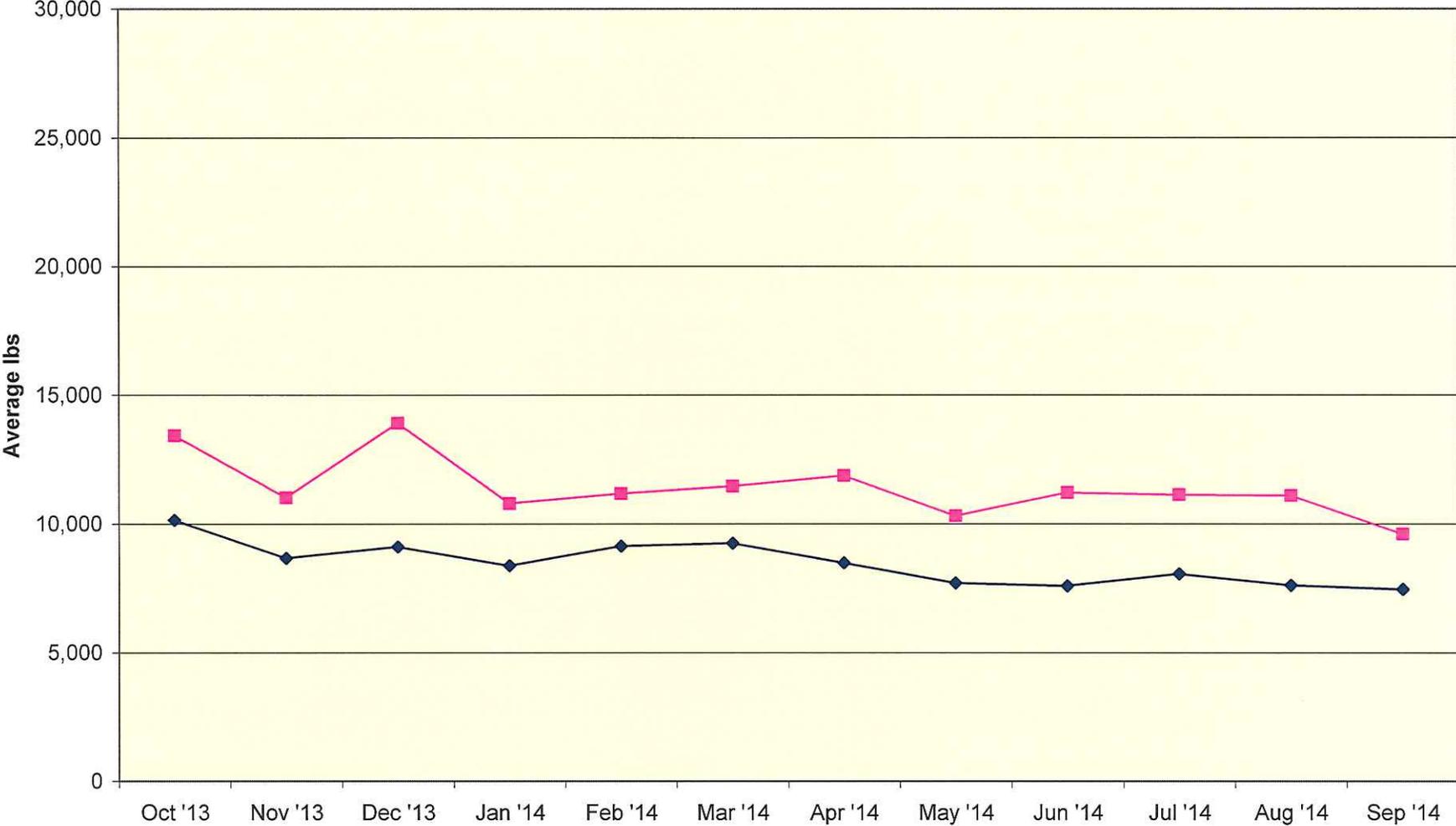
September, 2014

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		
09/01/14	3.74										
09/02/14	3.27										
09/03/14	3.23	330	8,890	414	11,152	<5	<135	<3	<81	98.5	99.3
09/04/14	3.19	239	6,358	311	8,274	<5	<133	<3	<80	97.9	99.0
09/05/14	3.13	230	6,004	295	7,701	<5	<131	<3	<78	97.8	99.0
09/06/14	3.19										
09/07/14	3.31										
09/08/14	3.29	320	8,780	330	9,055	<5	<137	<3	<82	98.4	99.1
09/09/14	3.36	228	6,389	326	9,135	<5	<140	3	84	97.8	99.1
09/10/14	3.20										
09/11/14	3.20										
09/12/14	3.09	249	6,417	353	9,097	6	155	3	77	97.6	99.2
09/13/14	3.39										
09/14/14	3.61										
09/15/14	3.74	264	8,235	374	11,666	<5	<156	3	94	98.1	99.2
09/16/14	3.56										
09/17/14	3.62	348	10,506	377	11,382	<5	<151	<3	<91	98.6	99.2
09/18/14	3.19										
09/19/14	3.06	300	7,656	351	8,958	<5	<128	3	77	98.3	99.1
09/20/14	3.15										
09/21/14	3.41	268	7,622	278	7,906	5	142	3	85	98.1	98.9
09/22/14	3.12										
09/23/14	3.67	150	4,591	359	10,988	<5	<153	3	92	96.7	99.2
09/24/14	3.36										
09/25/14	3.28	292	7,988	357	9,766	<5	<137	3	82	98.3	99.2
09/26/14	3.12										
09/27/14	3.28										
09/28/14	3.36										
09/29/14	3.30										
09/30/14	3.54										
<b>Weekly Averages</b>											
09/06/14	Week 1	266	7,084	340	9,042	5	133	3	80		
09/13/14	Week 2	266	7,195	336	9,096	5	144	3	81		
09/20/14	Week 3	304	8,799	367	10,668	5	145	3	87		
09/27/14	Week 4	237	6,734	331	9,553	5	144	3	86		
	Week 5										
<b>Monthly</b>											
Minimum	3.06	150	4,591	278	7,701	<5	<128	<3	77	97	99
Maximum	3.74	348	10,506	414	11,666	6	<156	3	94	99	99
Total	99.96										
Average	3.33	268	7,453	344	9,590	<5	<141	<3	<84	98	99

TOTAL COLIFORM (RECLAMATION)		
Sep-14		
(1) 5 Sample Median not to exceed 240 mpn/100 mL		
(2) Maximum not to exceed 10,000		
Note (2): Maximum must be confirmed by a follow-up sample taken within 24 hours		
Date	Value	Median
August 22, 2014	7	6
August 25, 2014	11	6
August 27, 2014	13	7
August 29, 2014	8	8
September 1, 2014		
September 2, 2014		
September 3, 2014	300	11
September 4, 2014	26	13
September 5, 2014	130	26
September 6, 2014		
September 7, 2014		
September 8, 2014	140	130
September 9, 2014	50	130
September 10, 2014		
September 11, 2014		
September 12, 2014	50	50
September 13, 2014		
September 14, 2014		
September 15, 2014	1600	130
September 16, 2014		
September 17, 2014	1700	140
September 18, 2014		
September 19, 2014	40	50
September 20, 2014		
September 21, 2014	50	50
September 22, 2014		
September 23, 2014	70	70
September 24, 2014		
September 25, 2014	70	70
September 26, 2014		
September 27, 2014		
September 28, 2014		
September 29, 2014		
September 30, 2014		
Maximum	1700	140

### Influent Load BOD / TSS lbs

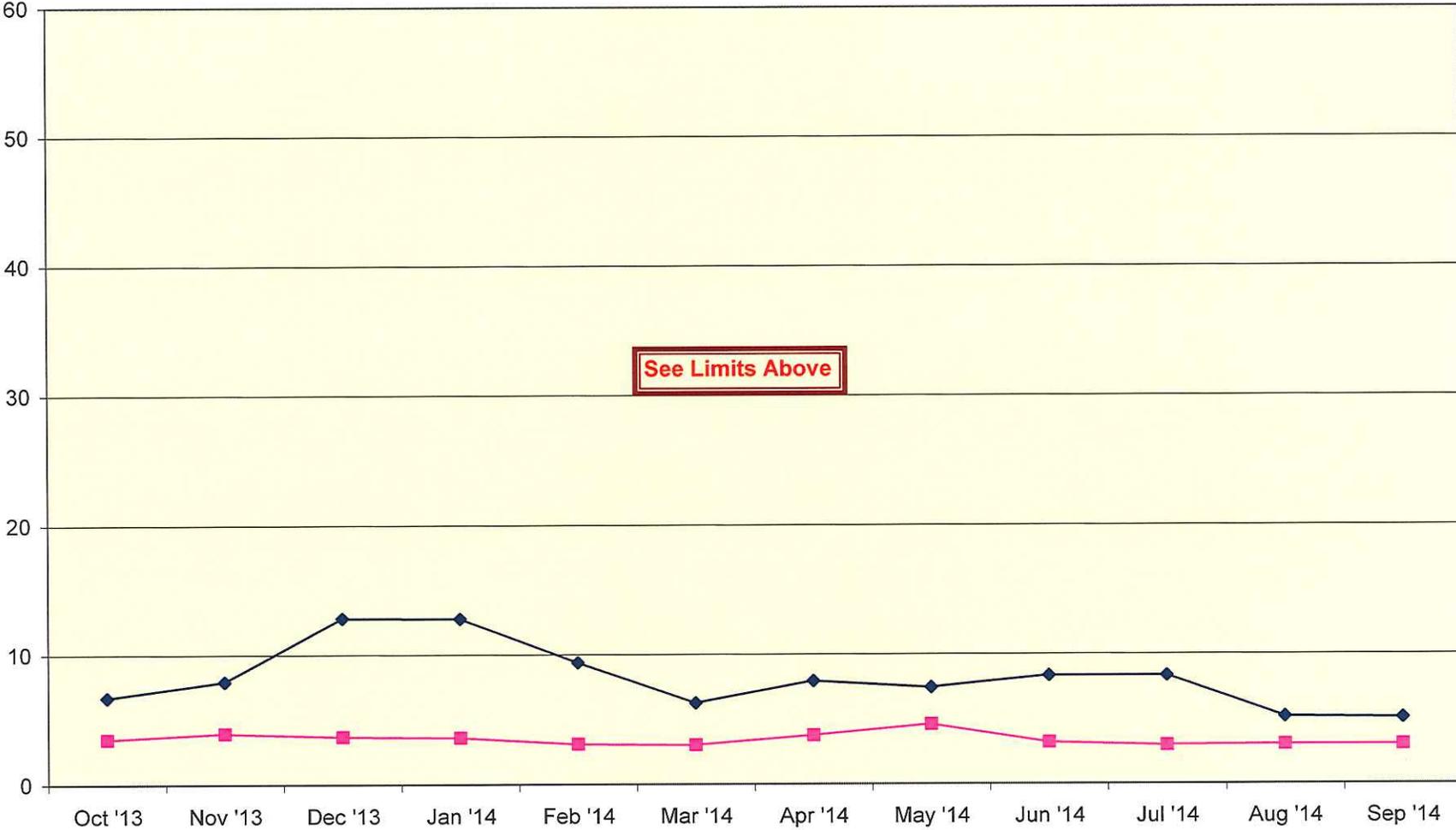
◆ BOD lbs    ■ TSS lbs



# Effluent BOD / TSS Concentration

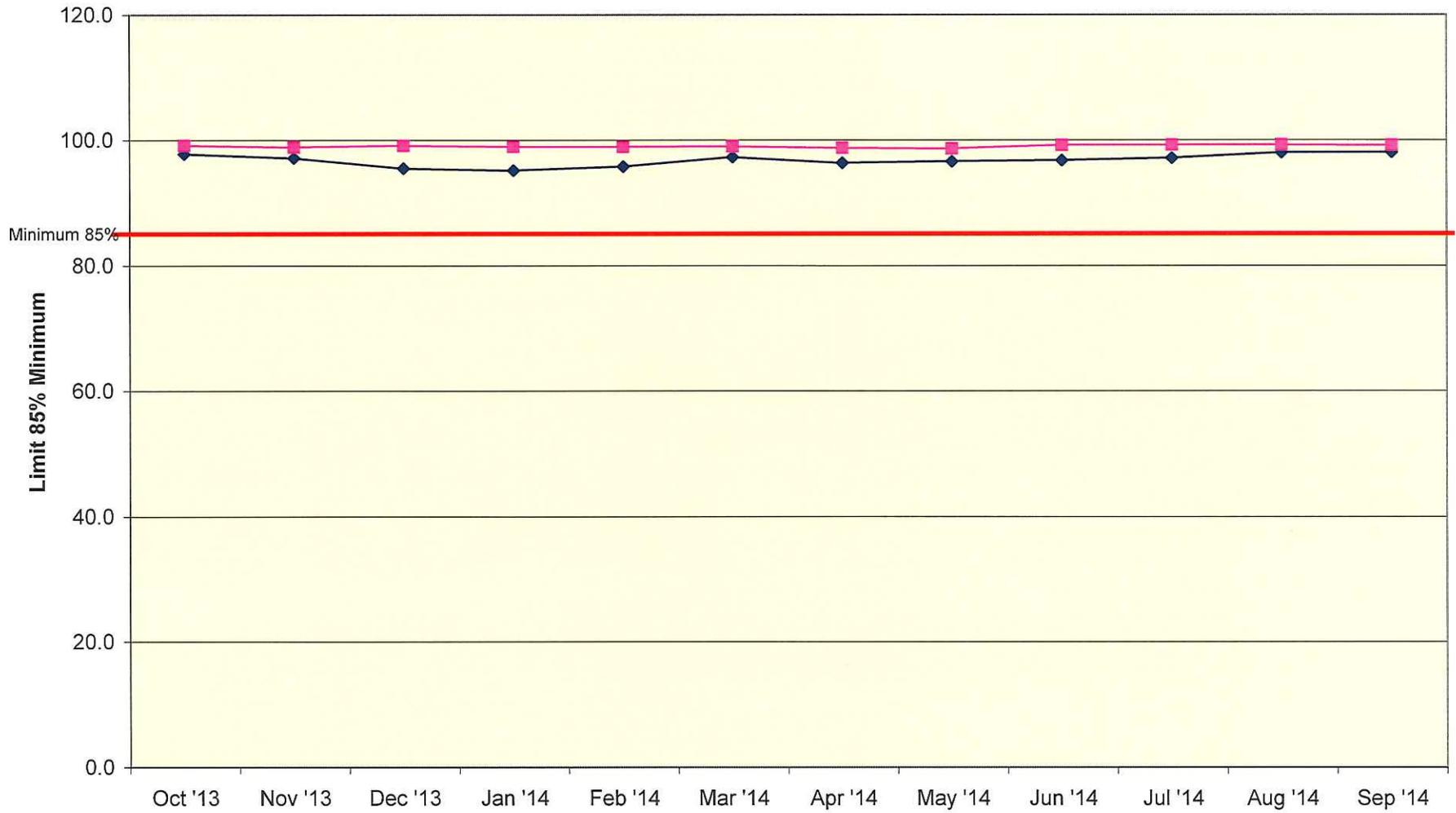
NPDES LIMITS WET SEASON  
BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave  
NPDES LIMITS DRY SEASON  
BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave  
TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave  
**WDR (Waste Discharge Requirements) RECLAMATION**  
**BOD - 40 mg/L**

◆ BOD ■ TSS



# BOD / TSS Percent Removal

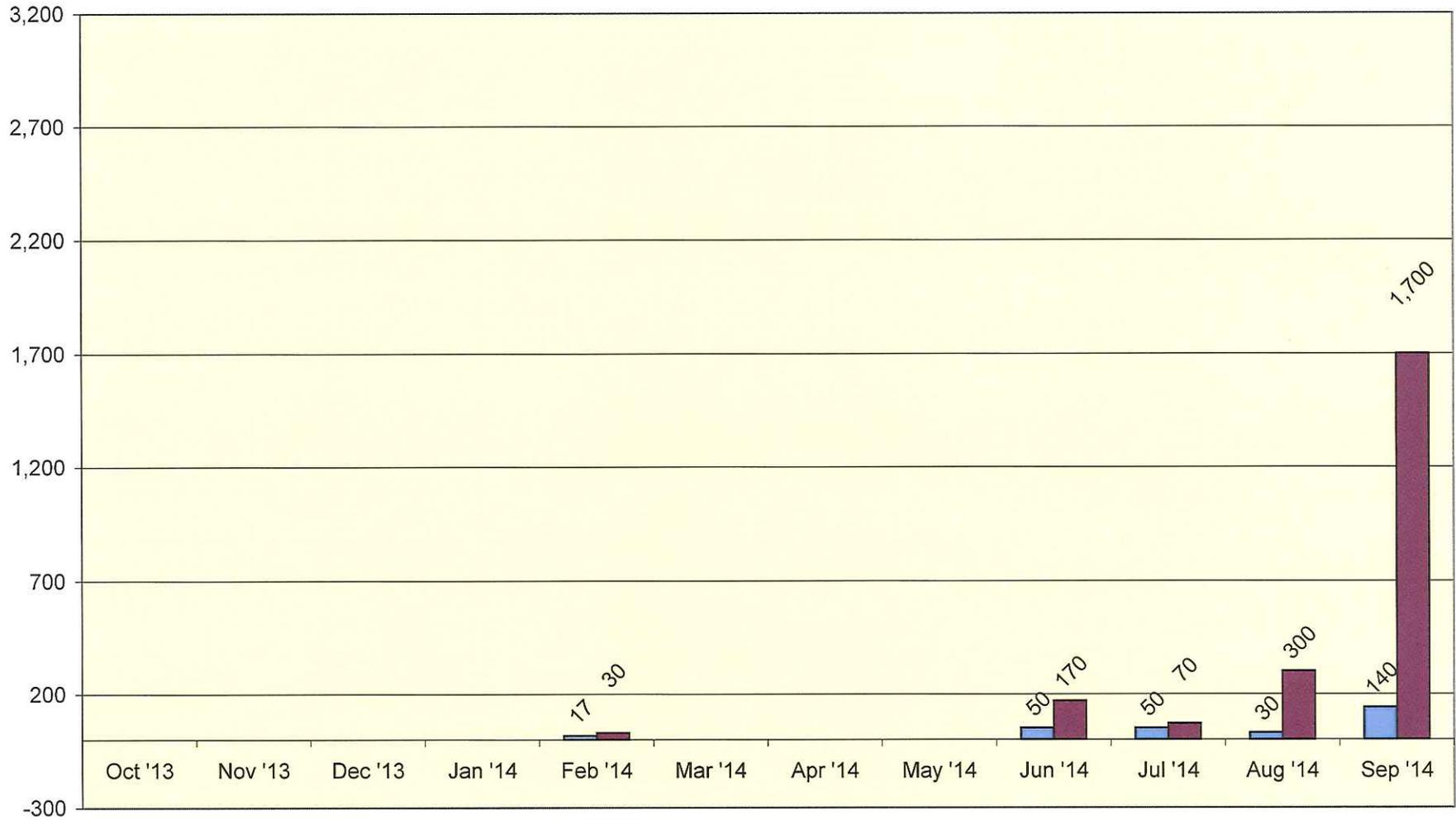
◆ BOD ■ TSS



# Disinfection

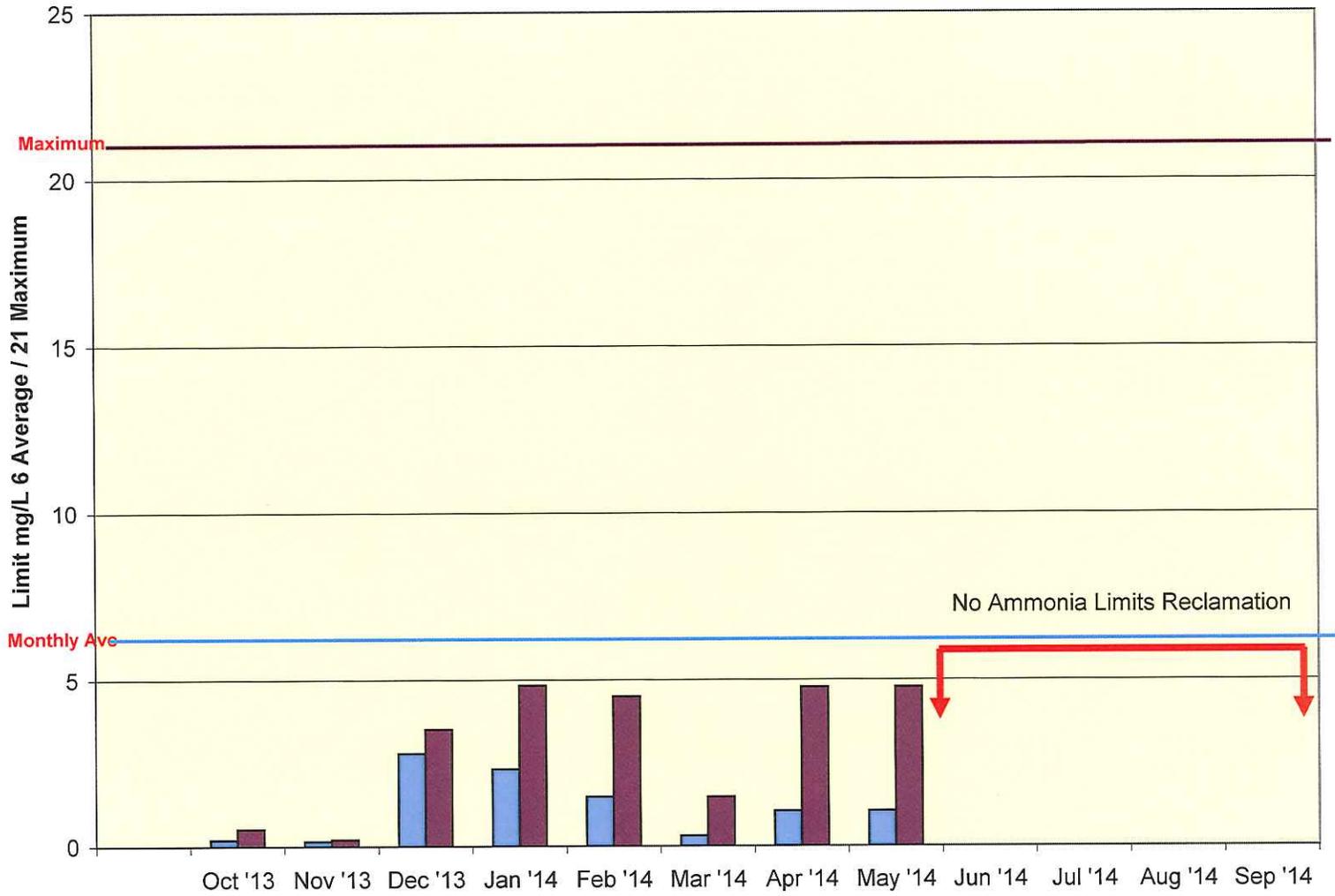
TOTAL COLIFORM LIMITS - WDR  
5 Sample Median - 240 mpn /100 ml  
Maximum - 10,000 mpn/100 ml

5 Sampl Med Monthly Max



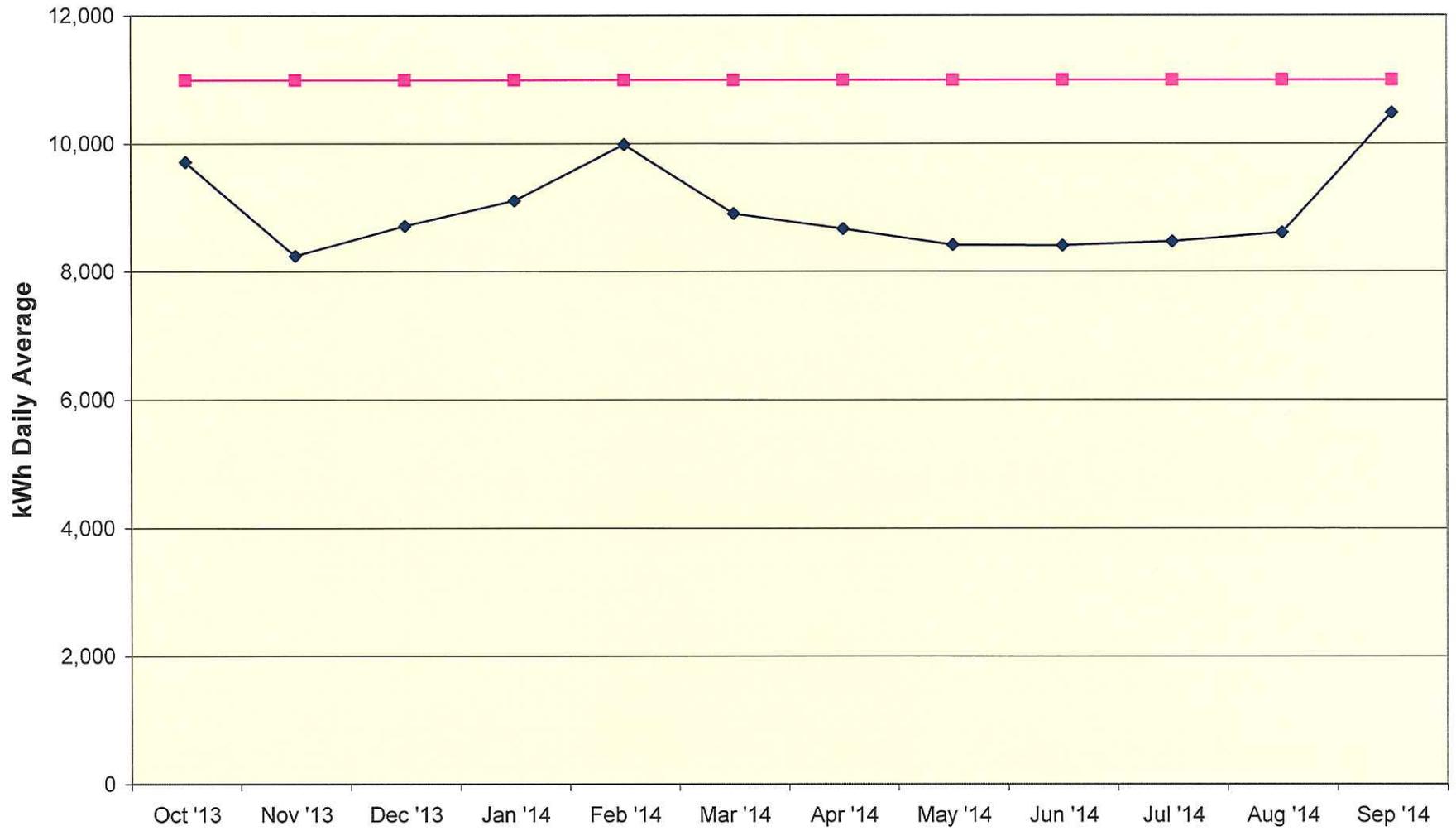
# Effluent Ammonia

Average Maximum

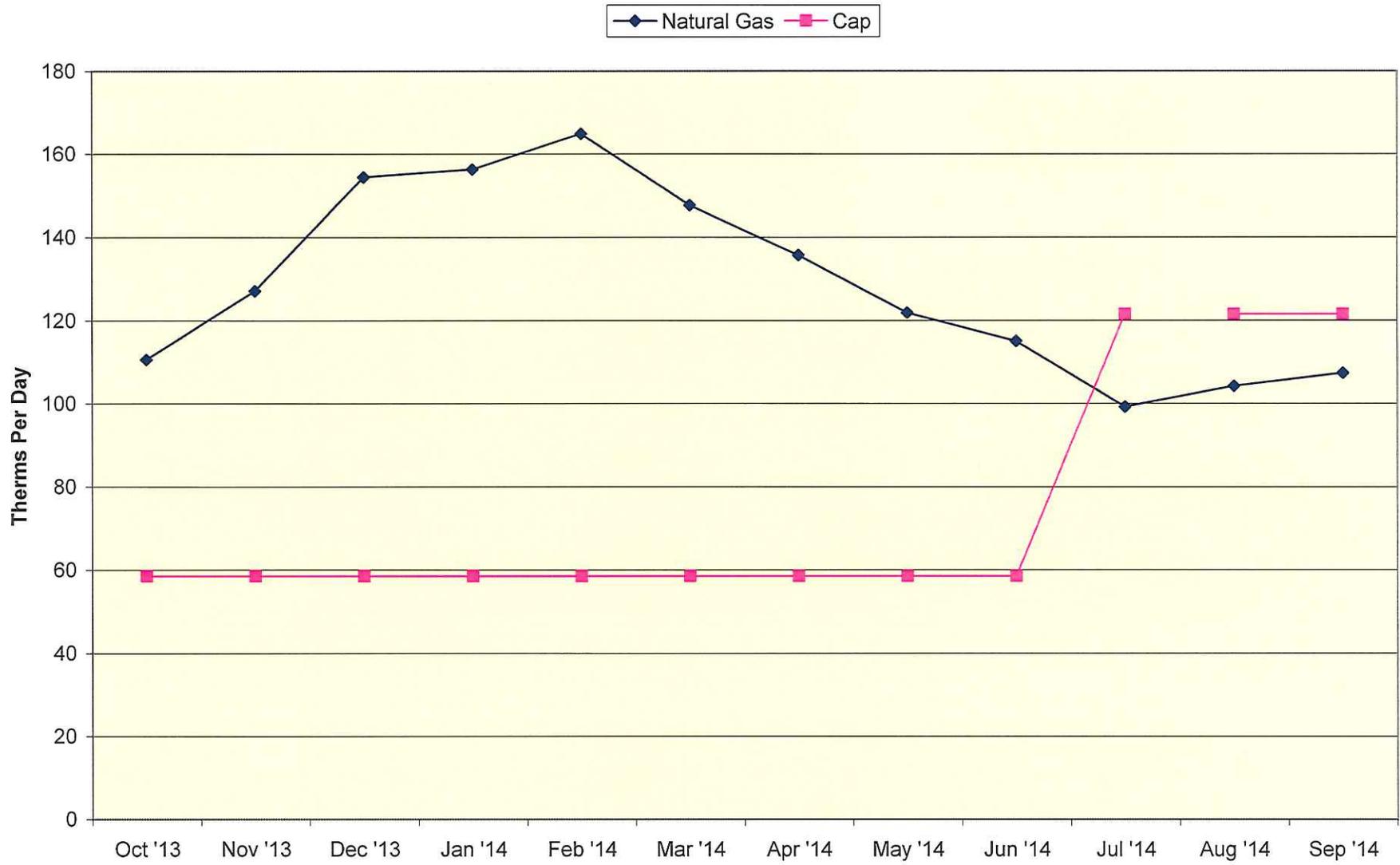


# Energy kWh

◆ kWh    ■ Cap

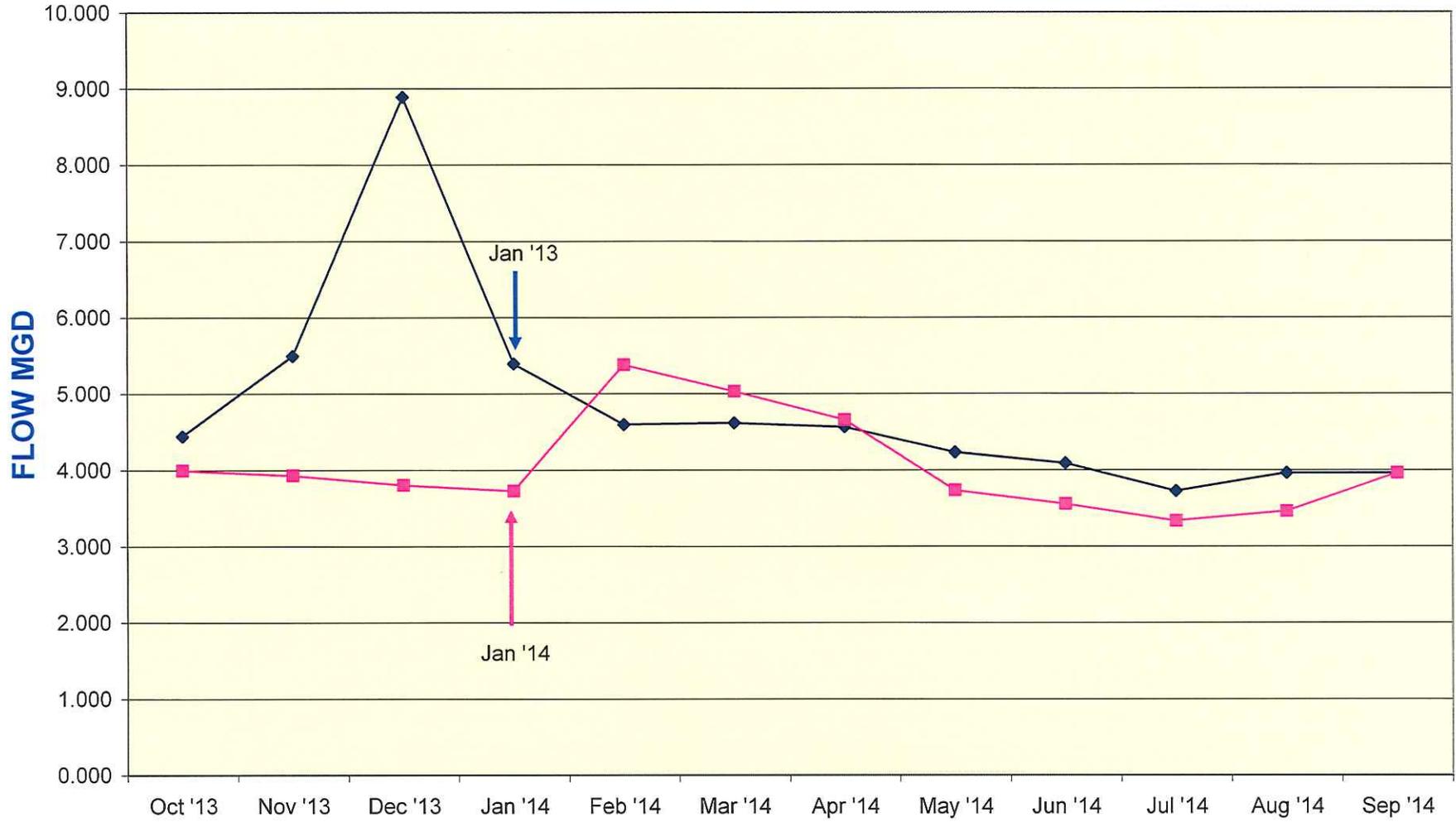


### Natural Gas Use



# FLOW COMPARISON

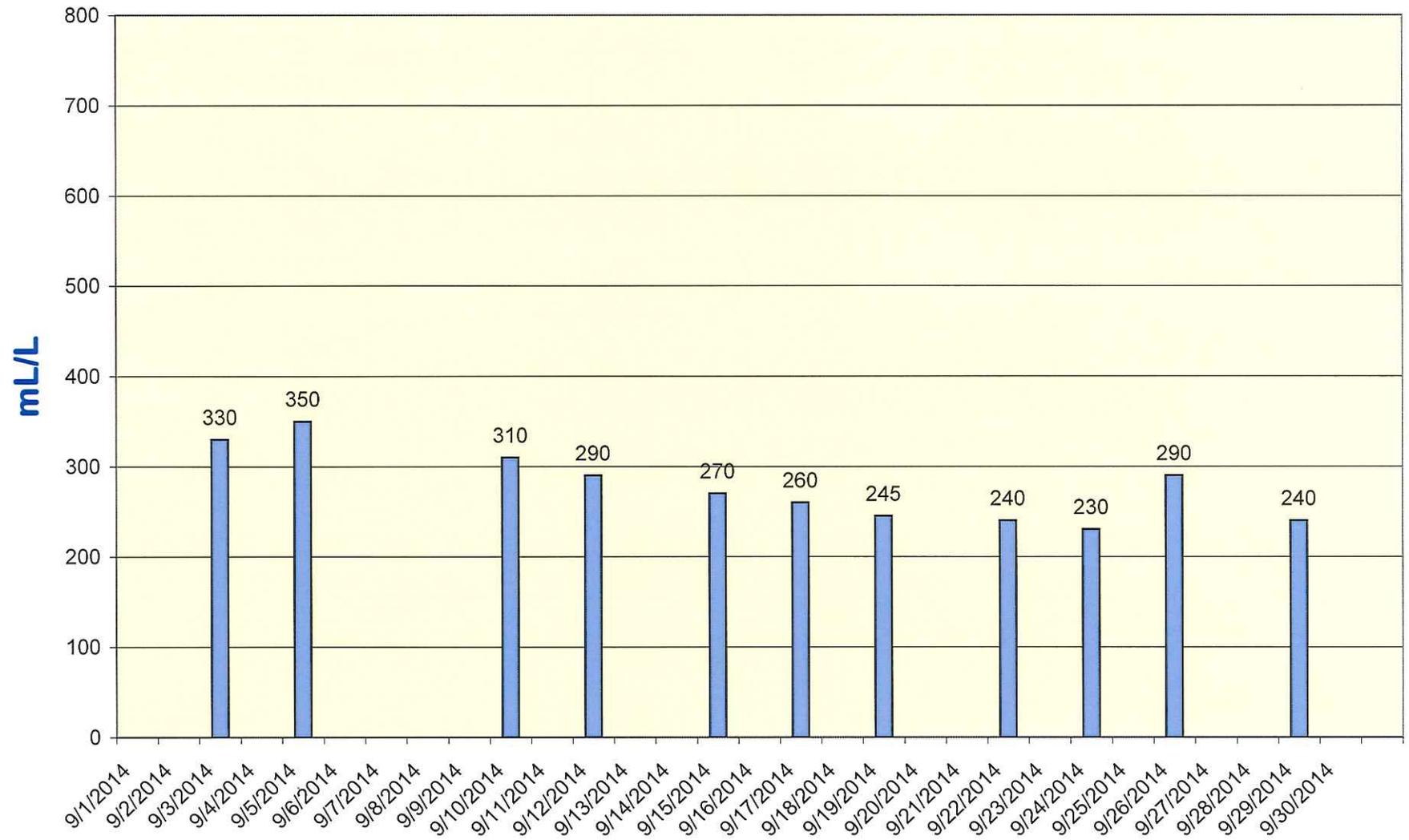
—◆— 2012 / 13    —■— 2013 / 14



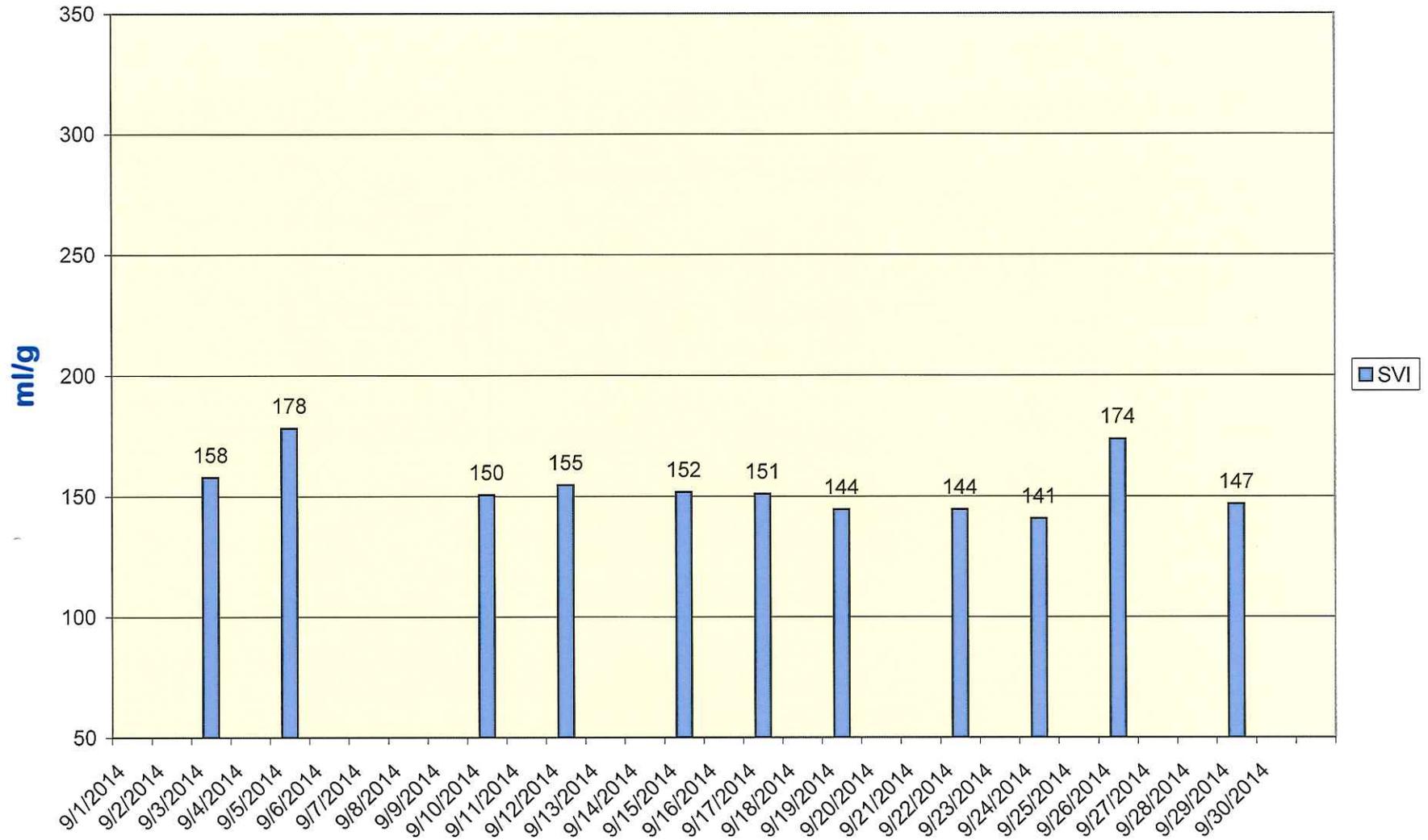
## Process Control Data

	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	F:M Ratio	MCRT	SVI
9/1/2014	3.74						
9/2/2014	3.27						
9/3/2014	3.23	330	2,093	37,276	0.17	8.1	158
9/4/2014	3.19						
9/5/2014	3.13	350	1,966	35,014	0.14	7.6	178
9/6/2014	3.19						
9/7/2014	3.31						
9/8/2014	3.29						
9/9/2014	3.36						
9/10/2014	3.20	310	2,067	36,813		8.3	150
9/11/2014	3.20						
9/12/2014	3.09	290	1,876	33,411	0.17	6.7	155
9/13/2014	3.39						
9/14/2014	3.61						
9/15/2014	3.74	270	1,781	31,718	0.22	7.5	152
9/16/2014	3.56						
9/17/2014	3.62	260	1,723	30,685	0.18	5.8	151
9/18/2014	3.19						
9/19/2014	3.06	245	1,697	30,231	0.23	6.1	144
9/20/2014	3.15						
9/21/2014	3.41						
9/22/2014	3.12	240	1,662	29,607		7.0	144
9/23/2014	3.67						
9/24/2014	3.36	230	1,635	29,126			141
9/25/2014	3.28						
9/26/2014	3.12	290	1,670	29,750			174
9/27/2014	3.28						
9/28/2014	3.36						
9/29/2014	3.30	240	1,635	29,126		7.1	147
9/30/2014	3.54						
Minimum	3.06	230.00	1,635.00	29,126	0.14	5.8	141
Maximum	3.74	350	2,093	37,276	0.23	8.3	178
Total	96.42	3,055	19,802	352,758	1.11	64.1	1,694
Average	3.32	278	1,800	32,069	0.18	7.1	154

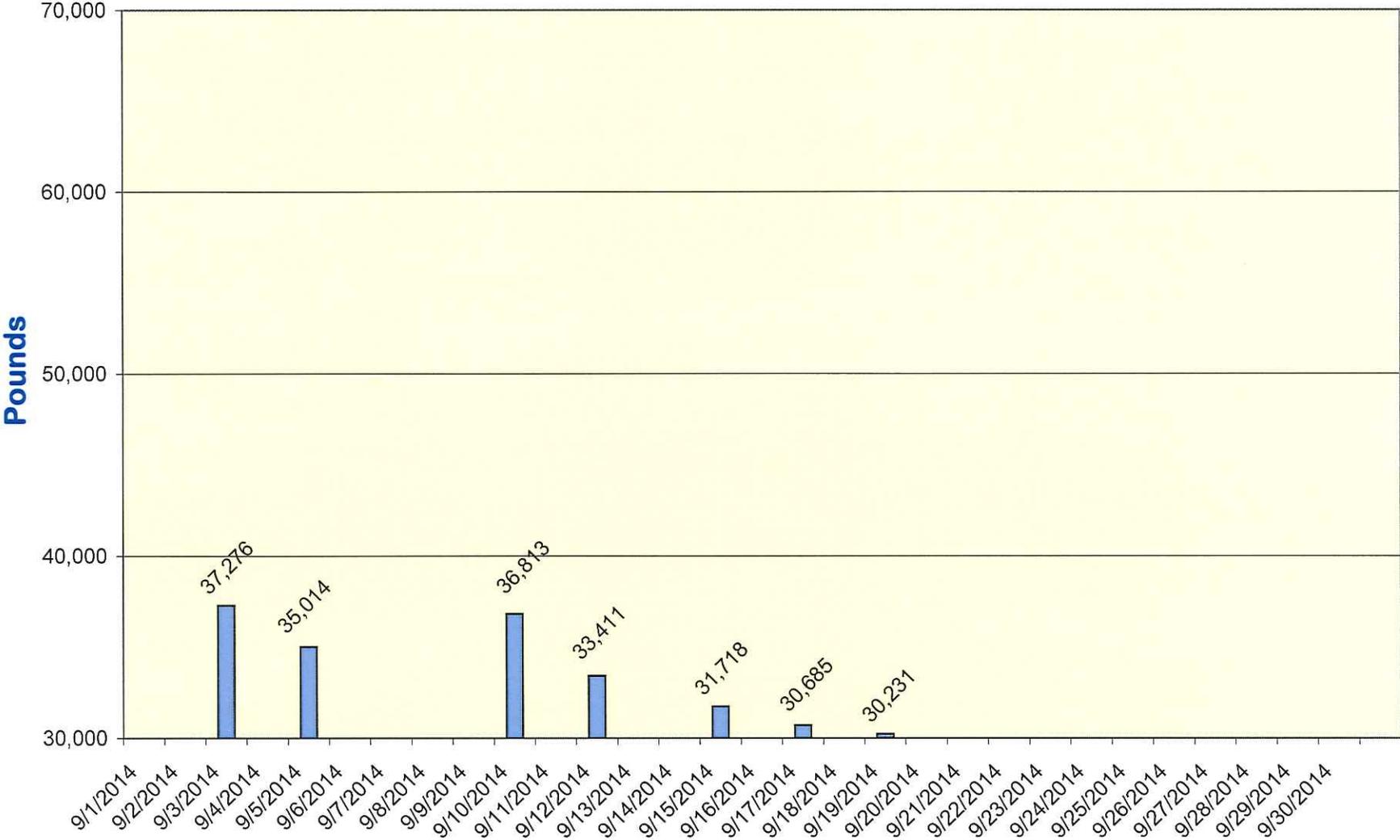
## Settleability



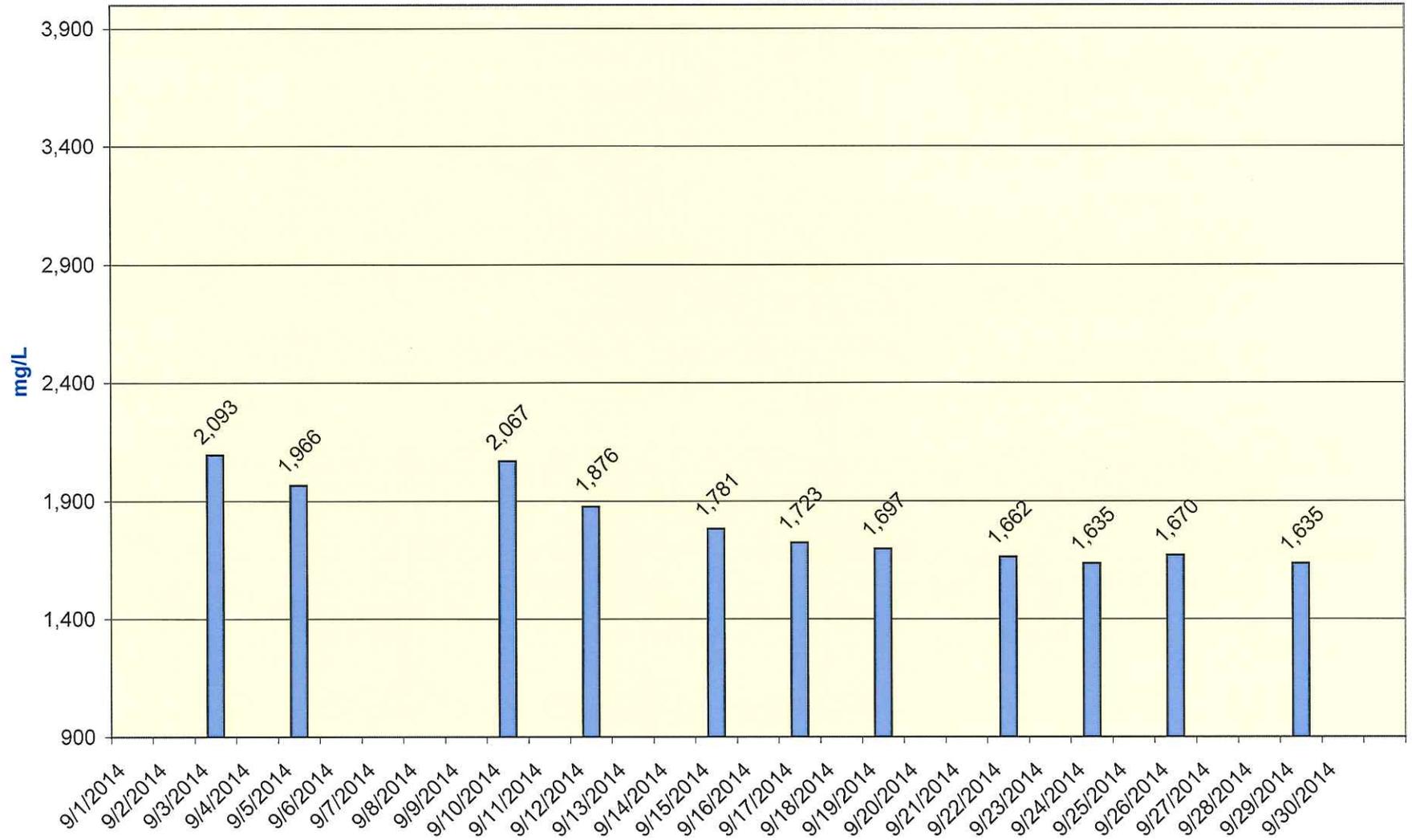
## Sludge Volume Index



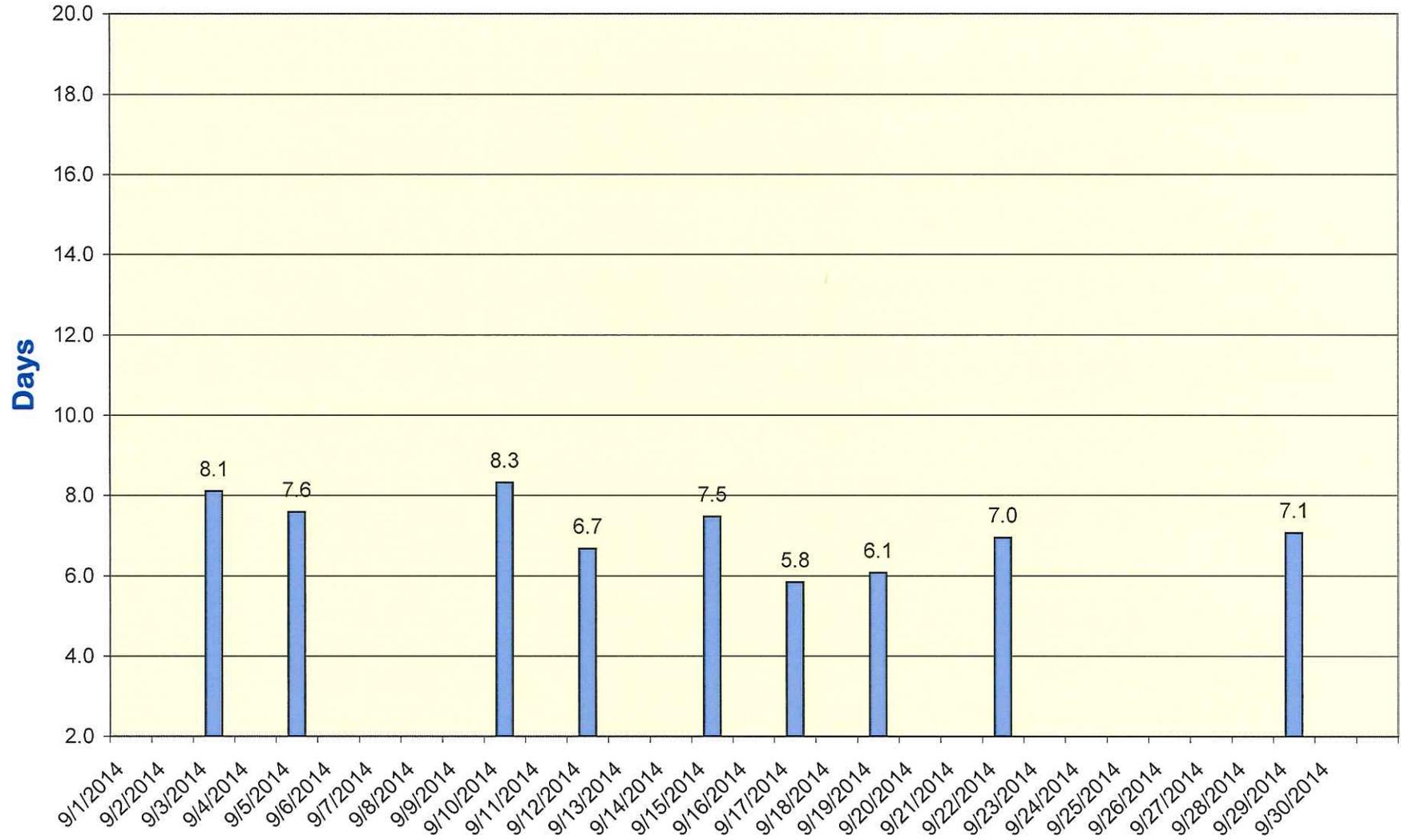
# MLSS Inventory



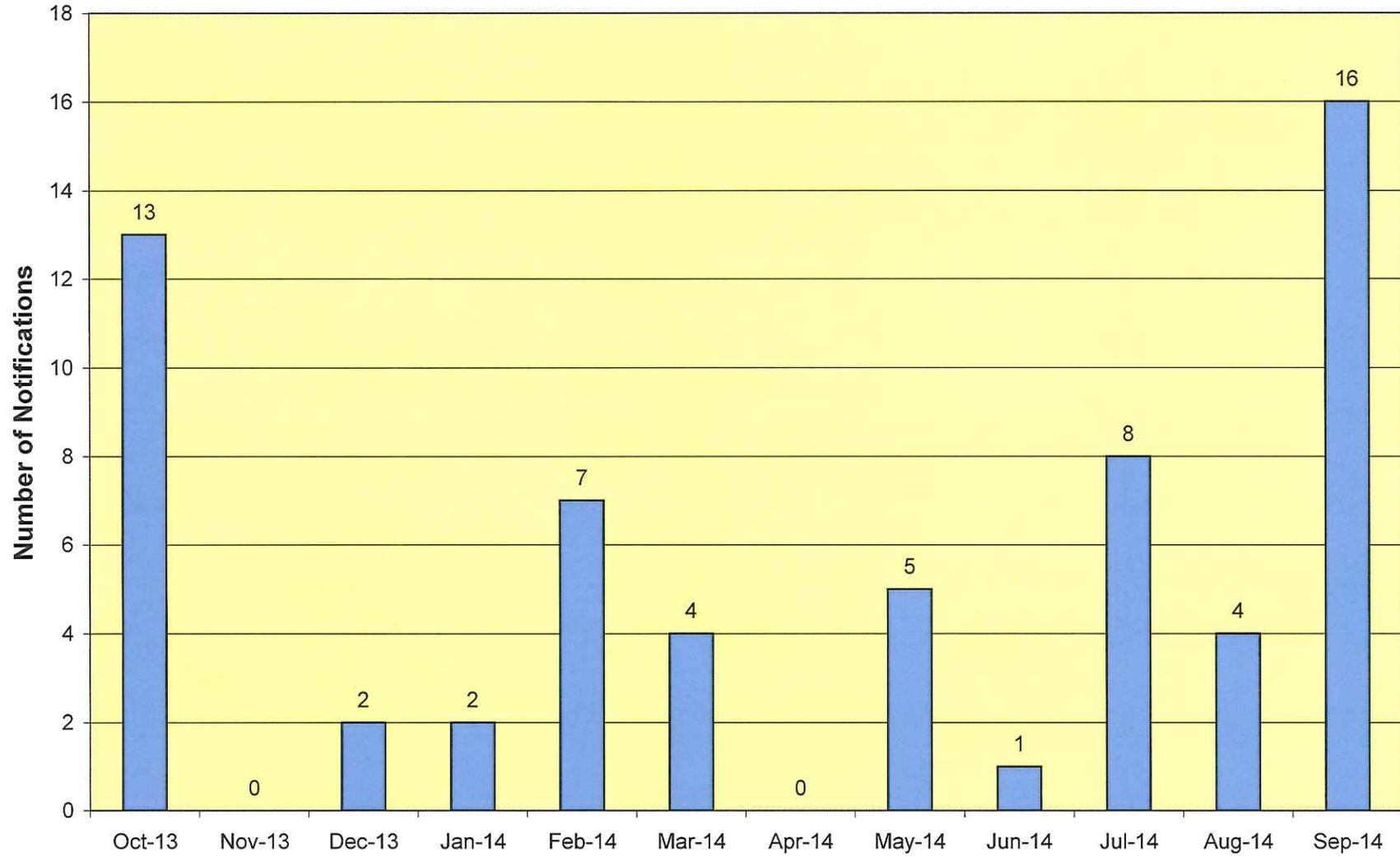
## MLSS Concentration



## Mean Cell Residence Time



# Complaints / Contacts Received



**NOVATO SANITARY DISTRICT**  
**Wastewater Operations Committee Meeting**  
**Odor Control and Landscaping Report**  
**September 2014**

**Background:**

The District continues to work to address issues of odor control and landscaping, specifically in the Lea Drive neighborhood, and at the northeast corner of the Novato Treatment Plant (NTP) site. As mentioned in prior reports, the District has already spent significant amounts beyond the substantial investment for odor control and landscaping from the original WWTP Upgrade, Contract B - Novato Treatment Plant (NTP), Project No. 72609. These additional costs have included operational changes, measures related to further odor control measures, noise abatement, visual screening, wind shielding, and daily monitoring. The District also retained Brown and Caldwell (B&C) and their project manager, Mr. David McEwen, to further study the issue of potential odor emissions from the aeration basins, and any other potential sources not previously considered.

**Odor control:**

As discussed previously, Mr. McEwen's most significant recommendation, i.e. converting anoxic zones B and C at the aeration basins to aerobic zones was implemented earlier this year. Also, Mr. McEwen performed sampling activities for the validation testing of this recommendation in June to reflect a warm weather "worst case" scenario. Results became available in late August and the data was analyzed. As reported last month, the analysis presented some contradictory results. Consequently, it was decided that this operational change needed to be tweaked, particularly the air flow input to the converted anoxic zones, and additional testing be considered to gage impacts from this change. Regardless, results still appear to be good anecdotally, and operations staff continues to monitor performance.

Also, another of Mr. McEwen's odor control recommendations i.e. adding an oxidizing agent, sodium hypochlorite, to the influent flow during warm weather periods, was implemented in July. Again, the results are still good anecdotally, but staff continues to monitor performance.

**Landscaping:**

There was only light activity in this area in September, but staff continues to work with the District's landscaping contractor Cagwin and Dorward (C&D), on vegetation at the District's fence-line on Lea Drive and at the northeast corner area of the NTP. As mentioned in earlier reports, staff intends to bring further improvements to this area for the Committee's consideration. Particularly, staff will be looking to transplant the redwood trees currently in boxes along the western boundary of the plant site to the northeast corner of the property in October or November, depending on weather.

\*\*\*\*\*

**Novato Sanitary District  
Wastewater Operations Committee meeting  
Collection System Operations Report  
September 2014**

**General:**

The breakdown of Collection System department staff time for September 2014, in terms of equivalent full-time employee (FTE) hours utilized, works out approximately as follows:

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

**Collection System Maintenance:**

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

Line Cleaning Performance: A total of 479 work orders were generated for September by the ICOM3 CMMS system. Staff completed 431 maintenance work orders leaving 48 of the work orders outstanding; the outstanding work orders are scheduled to be completed in October. The 431 maintenance work orders completed resulted in a total of 71,429 feet of sewer pipelines cleaned by staff. In addition, outside contractors cleaned 12,079 feet of small and large diameter sewer mains.

CCTV Performance: The District's CCTV van was in the field for 11 working days, televising 69 line segments totaling 12,090 feet of CCTV inspection. In addition, staff also televised 946 feet using the Push Cam. This production is lower than the District's internally set benchmarks due to staff availability. Outside contractors also televised an additional 8,585 feet of large diameter sewer mains for a total CCTV footage of 21,621 feet.

CCTV Findings:

- Infrastructure related: The September CCTV work identified several items that merit further evaluation to determine the extent of pipe repair or replacement, as follows:
  - One hundred twenty five total feet of sewer mains with structural defects (five locations).
  - Twenty feet of tar lined and coated corrugated metal pipe trunk sewer.
  - One buried manhole in Caltrans right-of-way along South Novato Blvd at Highway 101/37, and

**Novato Sanitary District  
Wastewater Operations Committee meeting  
Collection System Operations Report  
September 2014**

- Approximately 300 feet of reinforced concrete pipe with evidence of corrosion.
- O&M related: The September CCTV work did not identify any areas that would require a change in sewer line operations, or merit any changes in maintenance activities in terms of cleaning frequency or method.

**Collection System Projects:**

The District awarded two informal contracts under the provisions of the Uniform Public Construction Cost Accounting Act (UPCCAA): (1) Repair of a sewer main at 14 Angelica Court, and (2) Replacement of 199 feet of sewer main across Redwood Blvd. at Hill Road. Work has not commenced at either location.

**Pump Station Maintenance:**

The Collection System Department conducted 297 lift station inspections this month. 147 of the inspection visits were generated through the District's CMMS system. There are 6 outstanding work orders for the month that will be completed in October. Lift station inspections included 30 submersible pump station visits, once per month, 4 underground style, dry well/wet well pump station visits, once per month, and 4 main pump stations that are visited daily.

Annual service was performed on all on-site and trailer mounted generators as well as on the trailer mounted 4" pump.

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

**Air Relief/Vacuum Valves (ARVs):**

Staff completed maintenance inspections on 3 air relief/vacuum valves.

**Pump Station Rehabilitation:**

Currently, two (2) pump stations are being rehabilitated as part of the District's continuing multi-year Pump Station Rehabilitation Project (Capital Improvement Project Account No. 72403). This current phase, (Project Unit 5), includes rehabilitation of the Los Robles Pump Station, and relocation and replacement of the Digital Drive Pump Station. Construction has progressed to a point where these stations were preliminarily accepted for operation by District staff in September, and punch list items are being completed.

**Safety and Training:**

General: The Collection System staff attended four safety tailgate meetings.

**Novato Sanitary District  
Wastewater Operations Committee meeting  
Collection System Operations Report  
September 2014**

Specialized training: Collection System staff attended Emergency Response training this month. Steve Krautheim and Dasse de longh attended a webinar on SSO Mobile Application for smart phones, and Justin Wall completed Arc Flash Awareness training.

Safety performance: There were no lost time accidents this month for a total of 1,295 accident free days.

**Standard Operating Procedures (SOPs):**

Department staff continues to work on generating new SOPs, and finalizing earlier draft SOPs. 12 draft Energy Control SOPs were completed and the SOP for CCTV practices was revised this month.

**Emergency Operating Procedures (EOPs) – Pump Stations:**

Staff has been working with DKF Solutions over the past year to develop 38 Emergency Operating Procedures (EOPs) for all of the District pump stations. At this time, all EOP's have been through a final review by staff. Staff expects the final EOPs to be in place (District staff has already received all relevant training) by the end of October 2014. Also included in DKF Solution's contract was an interactive training program hosted on CSRMA's website and on CD. At this time, staff expects completion of this portion of the Contract by the end of November. The timeline for completion was delayed a month while District staff generated a method to include a common Emergency Contact and Vendor List into the Procedures that will also be used in other Procedures.

**Sanitary Sewer Overflows (SSOs):**

There were no SSO's in September.

**Novato Sanitary District**  
**Collection System Monthly Report For September 2014 (as of September 30, 2014)**

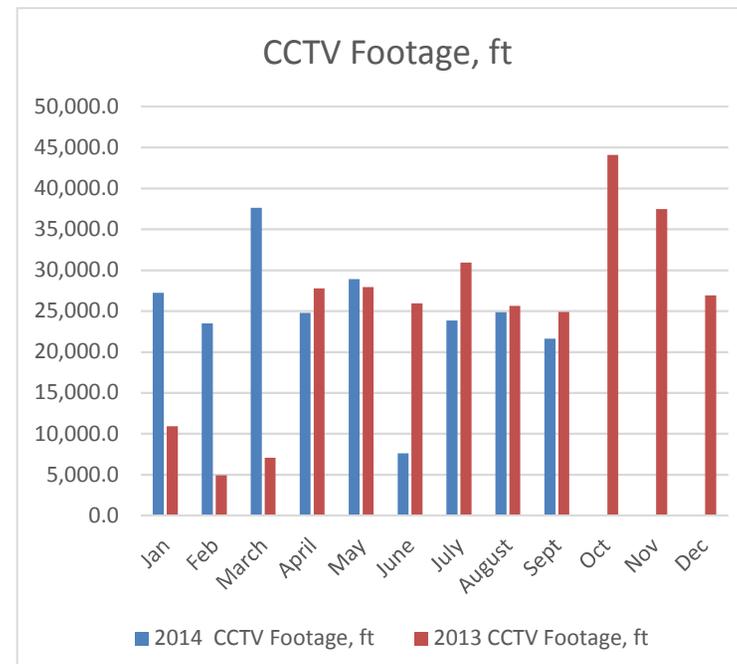
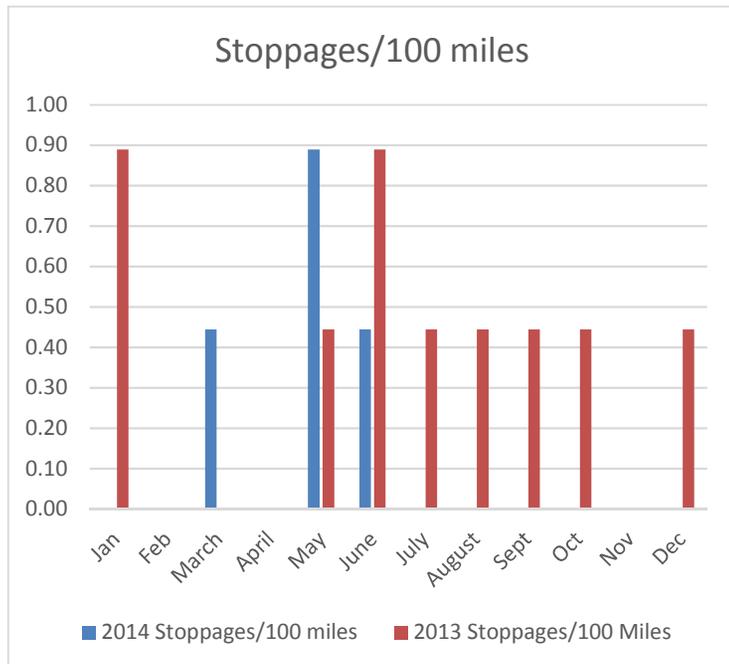
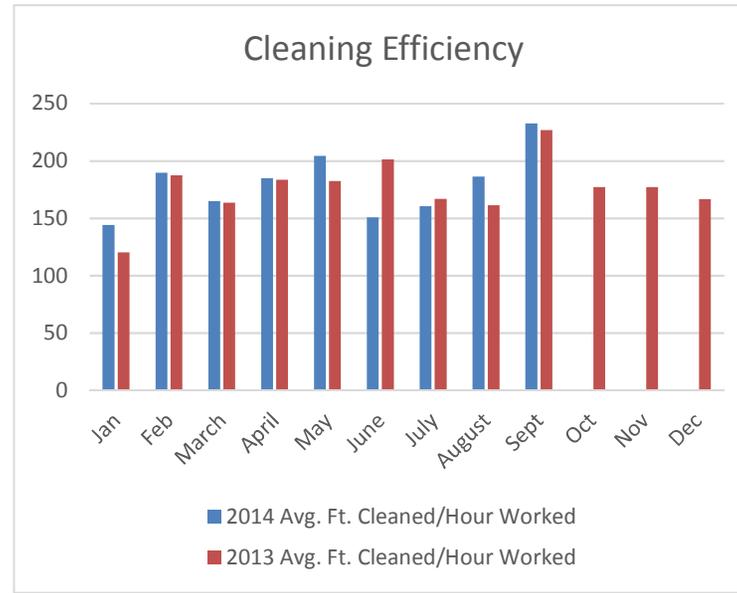
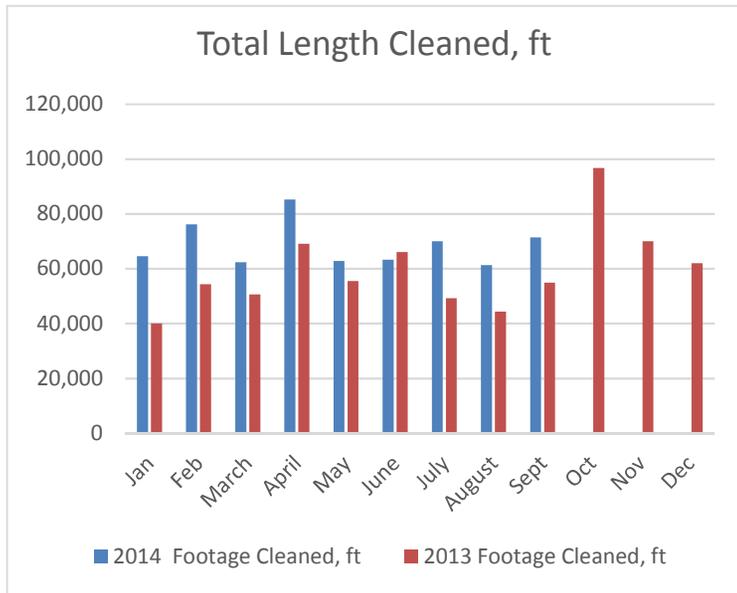
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
<b>A. Employee Hours Worked</b>														
Number of FTEs (main line cleaning), hrs.	2.6	2.5	2.2	2.6	1.8	2.5	2.3	2.0	1.7				NA	2.2
Number of FTEs (other)	1.7	1.6	2.1	1.8	1.7	2.1	1.9	1.8	1.7				NA	1.8
Number of FTEs (CCTV)	0.9	0.8	1.0	0.8	0.9	0.2	0.3	0.9	0.6				NA	0.7
Total, FTEs	5.2	4.9	5.3	5.1	4.4	4.8	4.6	4.7	4.0				NA	4.8
Regular Time Worked, (main line cleaning), hrs	448	402	378	461	308	420	436	329	307					
Regular Time Worked on Other, hrs (1)	294	262	350	313	297	362	358	298	303					
Regular Time Worked on CCTV (2)	158	125	172	136	164	38	63	145	110					
Total Regular time, worked, hrs	900	789	900	909	768	820	857	772	720				7,434	826
Total Vacation/Sick Leave/Holiday, hrs	285	151	101	143	220	195	198	126	294				1,713	190
Vacation/Sick Leave/Holiday, FTEs	1.6	0.9	0.6	0.8	1.3	1.2	1.1	0.8	1.7				9.9	1.1
Overtime Worked on Coll. Sys., hrs	2	8	3	15	0	3	17	1	5				54	6
Overtime Worked on Other, hrs (1)	22	17	16	31	35	26	15	17	27				206	23
Overtime Worked on CCTV (2)	0	0	0	3	0	0	4	0	0				7	1
Total Overtime, hrs	24	25	19	49	35	29	36	18	32	NA	NA	NA	267	30
<b>B. Productivity</b>														
<b>1. Line Cleaning</b>														
Rodder Work Orders generated	57	30	24	78	20	72	73	68	29				451	50
Rodder 3203 ft. cleaned	10,989	3,337	6,378	11,933	1,388	12,770	9,286	6,005	289				62,375	6,931
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0	3,494				3,494	388
Flusher Work Orders generated	351	352	369	532	313	308	333	288	450				3,296	366
Truck 3205V ft. cleaned	16,187	16,552	18,158	802	13,575	9,410	17,136	3,441	16,834				112,095	12,455
Truck 3206V ft. cleaned	37,342	56,332	37,781	72,511	47,863	41,143	43,561	51,825	54,306				442,664	49,185
Flusher - outside services, ft. cleaned	2,301	1,570	6,492	11,155	0	0	7,216	1,717	8,585				39,036	
Total Footage cleaned(3)	64,518	76,221	62,317	85,246	62,826	63,323	69,983	61,271	71,429				617,134	68,570
Work Orders completed	408	361	393	580	313	348	371	292	431				3,497	389
Work Orders backlog	66	21	0	30	20	32	35	64	48				316	35
<b>2. Closed Circuit Television (CCTV)</b>														
Camera Work Orders generated	0	0	0	0	0	0	0	0	0				0	
CCTV Truck 3126T, ft. videoed	24,487	21,931	31,116	19,331	27,555	5,560	11,827	19,137	12,090				173,034	19,226
CCTV (hand cam), ft. videoed	449	0	0	5,428	1,340	2,056	4,802	3,983	946				19,004	
CCTV Inspection - outside services, ft. videoed	2,301	1,570	6,492	0	0	0	7,216	1,717	8,585				27,881	
Total CCTV footage(3)	27,237	23,501	37,608	24,759	28,895	7,616	23,845	24,837	21,621	NA	NA	NA	219,919	
<b>C. Sanitary Sewer Overflows (SSOs)</b>														
Minor (Category III)	0	0	1	0	2	1	0	0	0				4	NA
Major (Category II)	0	0	0	0	0	0	0	0	0				3	NA
Major (Category I)	0	0	0	0	0	0	0	0	0				0	NA
Major (Category I)	0	0	1	0	0	0	0	0	0				1	NA
Overflow Gallons	0	0	180	0	50	235	0	0	0				465	NA
Volume Recovered	0	0	0	0	50	235	0	0	0				285	NA
Percent Recovered	NA	NA	0%	NA	100%	100%	NA	NA	NA	NA	NA	NA	61%	NA
<b>D. Service Calls (non-SSO related)</b>														
Service calls, normal hours, #	8	3	5	4	4	3	6	9	5				47	5
Normal hours S.C. response time, mins (avg.)	38	19	25	18	14	16	15	16	20				181	20
Service Callouts, after hours, #	0	1	1	1	1	1	3	1	0				9	1
After Hours S.C. response time, mins (avg.)	0	15	40	42	13	25	34	10	0				179	20
<b>E. Benchmarks</b>														
Average Ft. Cleaned/Hour Worked	144	190	165	185	204	151	161	186	233	NA	NA	NA	NA	180
Total Stoppages/100 Miles	0.0	0.0	0.4	0.0	0.9	0.4	0.0	0.0	0.0				1.8	NA
Average spill response time (mins)	0	0	18	0	39	14	0	0	0				NA	8
Callouts/100 Miles	0.0	0.4	0.4	0.4	0.4	0.4	1.3	0.4	0.0				4.0	0.4
Overtime hours/100 Miles	1	4	1	7	0	1	8	0	2				24.00	3
Overflow Gallons/100 Miles	0	0	80	0	22	104	0	0	0				207	23

(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 2013-14 Graphs



Novato Sanitary District

Pump Station Monthly Report For September 2014 (as of September 30, 2014)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
<b>Employee Hours Worked</b>	248	212	205	226	251	190	334	304	258				2,228	
Number of Employees (FTEs)	1.4	1.1	1.1	1.1	1.3	1.0	1.4	1.5	1.3					1.2
Regular Time Worked on Pump Sta	231	181	183	194	229	169	255	250	232				1,923	
Overtime Worked on Pump Sta	17	31	22	32	22	22	79	54	26				305	
After Hours Callouts	1	5	1	5	6	1	11	7	6				43	
Average Callout response time (mins)	30	26	25	33	13	22	39	27	26				241	27
<b>Work Orders</b>														
Number generated in month	124	115	147	116	130	143	150	122	153				1200	
Number closed in month	121	110	142	109	128	139	127	112	147					
Backlog	3	5	5	7	2	4	23	10	6					

**COLLECTION SYSTEM (Pump Stations)  
WORK ORDER STATISTICS  
September 1, 2014 - September 30, 2014**

	<b>Open Work Orders Due Prior to 9/1/2014</b>	<b>Open Work Orders 9/1/2014 - 9/30/2014</b>	<b>Total Open Work Orders</b>
Preventive	3	153	153
Corrective	3	0	0
Total	6	153	153

	<b>Closed Work Orders 9/1/2014 - 9/30/2014</b>
Preventive	147
Corrective	0
Total	147

<b>Total Outstanding Work Orders as of 9/30/2014</b>	<b>6</b>
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**NOVATO SANITARY DISTRICT**  
**Wastewater Operations Committee Meeting**  
**Reclamation Facilities Report**  
**September 2014**

**Summary:**

The rancher continued to work on routine parcel maintenance. A total of 33.77 MG of recycled water was applied to the irrigation pastures in September. Work began to empty the sludge lagoons, transferring approximately 2.6 MG of sludge into the Dedicated Land Disposal (DLD) site.

**Ranch Operations:**

The rancher continued to perform annual parcel maintenance, spraying weeds and thistles, and making sprinkler and fence repairs. The rancher also removed accumulated mud and debris from the end of plugged culverts in Site 7. This material is deposited there when cattle enter the ditches around the ends of the culverts to drink water in the ditches.

The rancher had to start feeding cattle baled hay because of low grass feed production on the Parcels. Irrigation has been off for some time due to the failed main breaker at the Irrigation Pump Station.

**Irrigation Parcels:**

There are no significant activities to report this month since irrigation did not occur for a large portion of the month due to the main breaker failure at the Irrigation Pump Station in the previous month.

**Irrigation Pump Station:**

On September 20<sup>th</sup> the main breaker for the Irrigation Pump Station was replaced, tested and put back into service. The pump station and related equipment have operated through the end of the month with no issues. Approximately 33.77 MG of recycled water was used for irrigation of the parcels during the remainder of the month.

The Wildlife Pond recirculation system remains out of service due to a leak in the line. Staff will pursue finding the leak when time allows. Recirculation of the water through the Wildlife Pond is not an essential function of the Reclamation Facility.

**Sludge Handling & Disposal:**

Custom Tractor Service (CTS) of Petaluma began pumping sludge out of the sludge lagoons and into the DLD area. Approximately 2.6 MG of sludge was pumped out of lagoons 1, 2, 4, 5 & 6. Lagoon 3 will be emptied in October after the heavier, bottom solids have been excavated from the other lagoons.

\*\*\*

**NOVATO SANITARY DISTRICT**  
**Reclamation Facility - Monthly Statistics for Calendar Year 2014, as of July 2014**

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
<b>Irrigation Pump Station</b>														
Plant flow to ponds (MG)	0	59.39	0	0	0	90.36	103.36	89.67	89.11				431.89	35.99
Irrigation (MG)	17.87	0	7.0	0	15.57	65.36	63.45	88.19	37.77				295.21	24.60
Irrigation Pump 1 Hours	29.3	0	13.5	0	27.5	107.8	106.8	127.4	77.2				489.5	40.79
Irrigation Pump 2 Hours	0	0	2.9	0	35.3	106.6	103.8	126.7	84.4				459.7	38.31
Irrigation Pump 3 Hours	31.4	0	14.4	0	25.9	133.1	103.2	120.3	0.3				428.6	35.72
Washdown Water Pump Hours	0	0	0	0	0	0	0	0	0				0	0.00
Wildlife Feed Pump Hours	0	0	0	0	352.9	747.6	212.4	0	0				1312.9	109.41
Water Circulated through Wildlife Pond (MG)	0	0	0	0	22.23	47.10	13.38	0	0	0	0	0	82.7127	6.89
Strainer No. 1 Hours	-	-	0.9	0	10.9	44.1	37.2	43.5	23.6				160.2	13.35
Strainer No. 2 Hours	-	-	1	0	10.8	43.9	38.2	47.7	20.9				162.5	13.54
Pond 1 Gauge @ Beginning of Month	3.3	2.4	6.1	5.2	5.2	3.9	4.4	5.3	4.2	7				
Pond 1 Gauge @ End of Month	2.4	6.1	5.2	5.2	3.9	4.4	5.3	4.2	7					
Pond 1 Gallons Stored @ End of Month(MG)	15.2	45.8	37.6	37.6	27.2	31.2	38.4	29.6	53					
Pond 2 Gauge @ Beginning of Month	3.3	2.2	6.1	5.2	5.2	4	4.4	5.4	4.3	7				
Pond 2 Gauge @ End of Month	2.2	6.1	5.2	5.2	4	4.4	5.4	4.3	7					
Pond 2 Gallons Stored @ End of Month(MG)	17	58	49	49	36	40	51	39	68					
Total Irrigation Water Stored	32.2	103.8	86.6	86.6	63.2	71.2	89.4	68.6	121	0	0	0		
<b>Drainage Pump Station No. 3</b>														
Drainage Pump No. 1 Hours	0	0	0	0	0	0	0	0	16.9					
Drainage Pump No. 2 Hours	0	0	14	0	0	0	0	0	0					
Drainage Pump No. 3 Hours	0.7	134.5	0	31.1	0.8	0	0	0	0					
Total Gallons Stormwater Pumped (MG)	0.21	40.35	4.2	9.33	0.24	0	0	0	5.07	0	0	0	59.4	4.95
<b>Drainage Pump Station No. 7</b>														
Drainage Pump No. 1 Hours	0	24.2	13.2	3.9	0	0	0	0	0.6					
Drainage Pump No. 2 Hours	0	106.6	48.8	9.5	0	0	0	0	0.4					
Drainage Pump No. 3 Hours	0	1.7	0.9	0	0	0	0	0	0.3					
Total Gallons Stormwater Pumped (MG)	0	59.63	28.31	6.03	0	0	0	0	0.585	0	0	0	94.545	7.88

**NOVATO SANITARY DISTRICT  
BOARD AGENDA ITEM SUMMARY**

<b>TITLE:</b> Wastewater Facility Upgrade Project, Contract C – Digester No. 2 Upgrade, Account No. 73001	<b>MEETING DATE:</b> October 27, 2014  <b>AGENDA ITEM NO.:</b> 8.a.
<b>RECOMMENDED ACTION:</b> Consider granting Final Acceptance of the Project and authorize staff to file the Notice of Completion.	
<b>SUMMARY AND DISCUSSION:</b>  On May 13, 2013 the District’s Board of Directors awarded the Contract for the WWTP Upgrade, Contract C – Digester No. 2 Upgrade Project, to R.E. Smith Contractor, Inc. for a low bid amount of \$2,814,928. Work began on the project on June 17, 2013 and substantial completion was granted on August 26, 2014.  The final cost of the project is \$2,794,254 or \$20,674 (0.73%) below the bid amount.  An amount of \$2,500 is being withheld from the final Payment as the Contractor must still provide the final hard copies of the Electrical O&M manuals. The withheld amount will be released when this task is satisfactorily complete. In the event this item is not completed, the District may use withheld amounts to complete the work as defined in the Contract.  It is recommended that final acceptance be granted and staff authorized to file the Notice of Completion.	
<b>ALTERNATIVES:</b> Do not grant Final Acceptance at this time.	
<b>BUDGET INFORMATION:</b> N/A	
<b>DEPT. MGR:</b> CRD, SSK	<b>MANAGER-ENGINEER:</b>

# RMP

ANNUAL MEETING

# 2014

# AGENDA

9:00 **Welcome and Introduction** Tom Mumley, San Francisco Bay Regional Water Quality Control Board

1 **SESSION 1: STATUS AND TRENDS**

9:10 **Selenium Status and Trends and the Selenium TMDL** Barbara Baginska, San Francisco Bay Regional Water Quality Control Board

9:30 **PCB Status and Trends and the PCB Synthesis** Jay Davis, San Francisco Estuary Institute

9:50 **Adapting Status and Trends Monitoring** Phil Trowbridge and Don Yee, San Francisco Estuary Institute

10:10 **Status and Trends Monitoring Discussion** Moderated by Bridgette DeShields, Integral Consulting Inc.

10:30 **BREAK**

2 **SESSION 2: SMALL TRIBUTARY LOADS**

10:50 **PCB and Mercury Source Areas and Control Measure Opportunities: Lessons Learned in the Bay Area During MRP 1.0** Chris Sommers, EOA, Inc.

11:10 **Small Tributaries Loading Strategy: Phase 2 (EMC Synthesis)** Lester McKee, San Francisco Estuary Institute

11:30 **Green Infrastructure Planning in the Bay Area** Matt Fabry, San Mateo County

11:50 **Small Tributary Loads Discussion** Moderated by Adam Olivieri, EOA, Inc.

12:10 **LUNCH**

3 **SESSION 3: NUTRIENTS**

1:10 **Lower South Bay Synthesis** David Senn, San Francisco Estuary Institute

1:30 **Algal Toxins** Raph Kudela, University of California - Santa Cruz

1:50 **Nutrient Monitoring** Emily Novick, San Francisco Estuary Institute

2:10 **Nutrients Discussion** Moderated by Ian Wren, San Francisco Baykeeper

2:30 **BREAK**

4 **SESSION 4: CONTAMINANTS OF EMERGING CONCERN**

2:50 **CEC Strategy Update** Rebecca Sutton, San Francisco Estuary Institute

3:10 **Bioanalytical Tool Development** Nancy Denslow, University of Florida

3:30 **Fipronil and Current Use Pesticides** Ellen Willis-Norton, San Francisco Estuary Institute

3:50 **Emerging Contaminant Discussion, General Discussion** Moderated by Eric Dunlavey, City of San Jose

4:10 **ADJOURN**