

NOVATO SANITARY DISTRICT

Meeting Date: August 27, 2018

The Board of Directors of Novato Sanitary District will hold a regular meeting at 5:30PM Monday, August 27, 2018, at the District Offices, 500 Davidson Street, Novato.

Materials related to items on this agenda that are public records, are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours. They are also available on the District's website: www.novatosan.com. Note: All times and order of consideration for agenda items are for reference only. The Board of Directors may consider item(s) in a different order than set forth herein.

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

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

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

4. REVIEW OF MINUTES:

- a. Consider approval of minutes of the July 9, 2018 regular meeting
- b. Consider approval of minutes of the July 16, 2018 special meeting.

5. CONSENT CALENDAR:

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

- a. Ratify regular disbursements, July 9-August 27, 2018.
- b. Ratify July and August 2018 payroll and payroll related disbursements.
- c. Receive deposit summary, July 2018.
- d. Receive 4th Quarter Investment Report, Fiscal Year 2017-18 (FY 17-18).
- e. Receive 4th Quarter Financial Report, FY 17-18.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2018.
- g. Approve transfer of \$19,084 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY 17-18.
- h. Approve the Collection Systems Superintendent to attend the California Water Environment Association (CWEA), the Nevada Water Environment Association (NWEA) and the Arizona Water Association (AWA) joint Tri-State Seminar 2018 training conference in Las Vegas, Nevada.
- i. Cancel regular Board meetings of September 10, 2018 and 24, 2018, and schedule a special meeting at 5:30PM on September 17, 2018.

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6. ANNUAL BUDGET: FINAL FISCAL YEAR 2018-19 (FY 18-19) BUDGET:

- a. Receive and adopt the Final FY 18-19 District Annual Budget, subject to minor edits.
- b. Adopt Resolution No. 3125 establishing appropriations limit for FY 18-19, subject to minor edits.

7. ELECTRONIC-WASTE (E-WASTE) OPERATIONS:

- a. Receive report and ratify change in E-Waste collection operations to move from two collection events per year to year-around collection in conjunction with Household Hazardous Waste (HHW) collection at the HHW facility.

8. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Report, July 2018:
 - i. Collection Systems
 - ii. Treatment Facilities
 - iii. Reclamation Facilities
- b. Adopt Resolution No. 3126 recertifying the District's Sewer System Management Plan (SSMP).

9. CAPITAL PROJECTS:

- a. Receive Capital Projects Update, July 2018.

10. RECLAMATION: SLUDGE DISPOSAL, ACCOUNT NO. 63115

- a. Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoon cleaning in a not-to-exceed amount of \$204,000 and authorize the General Manager-Chief Engineer to execute it.

11. ADMINISTRATION/FINANCE:

- a. Approve transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget as of June 30, 2018, to the District's Public Agency Retirement Services (PARS) Trust account.

12. BOARD OF DIRECTORS:

- a. Receive information on regularly scheduled Board/Commission meeting days and start times for Marin County water and sanitary districts, and other Bay Area sewer districts, and provide direction, if any.

13. BOARD MEMBER REPORTS AND REQUESTS:

- a. California Association of Sanitation Agencies (CASA) 2018 Annual Conference (Monterey).

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14. INFORMATIONAL ITEMS:

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

- a. Copy of Platinum6 Peak Performance Award Certificate from 2018 Awards Ceremony of the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony, Boston, MA, July 23 - 26, 2018.

15. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

16. ADJOURNMENT:

Next Resolution No. 3127.

Next meeting date: Monday, September 17, 2018, 5:30 PM (special meeting), 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.

**DRAFT
MINUTES**

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: July 9, 2018

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, July 9, 2018, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, and Administrative Secretary Julie Hoover.

ALSO PRESENT:

Jeff Andress, Collection System Superintendent, NSD
John Bailey, Assistant Project Manager (APM), Veolia
Jeff Boheim, Field Services Manager, NSD
Erik Brown, Deputy General Manager, NSD
John O'Hare, Project Manager (PM), Veolia
Dale Thrasher, Administrative Risk Services/Safety Officer, NSD
Dee Johnson, Solid and Household Hazardous Waste Program Coordinator
Fred Stemmler, General Manager, Recology-Sonoma/Marin
Celia Furber, Waste Zero Manager, Recology-Sonoma/Marin
Gary Butler, Novato resident
Joe Moreno, Collection System Worker, NSD (arrived at 6:13 pm)

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

The General Manager announced that Director Long would not be present (excused absence).

PUBLIC COMMENT: None

REVIEW OF MINUTES:

Consider approval of minutes of the June 11, 2018 special meeting.

On motion of Director Miller, seconded by Director Mariani, and carried unanimously by those Directors present, the June 11, 2018 Board meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approve Board member disbursements in the amount of \$1,615.71, regular disbursements in the amount of \$102,223.97, and capital project disbursements

- in the amount of \$729,730.27. Ratification of June 25th regular disbursements in the amount of \$115,446.04, and capital project disbursements in the amount of \$205,615.80.
- b. Ratify payroll and payroll related disbursements for the month of June in the amount of \$276,432.44.
 - c. Receive Deposit Summary, June 2018.
 - d. Approve District Statement of Investment Policy, Policy 3120 – Investment of Public Funds, subject to minor edits or changes.
 - e. Approve an application from Pacific Gas and Electric Company (PG&E) and authorize the General Manager-Chief Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of excavation groundwater encountered at the project along Rush Creek Place.
 - f. Adopt Resolution No. 3123 Authorizing Acceptance of Grant of Sanitary Sewer Easement from City of Novato to Novato Sanitary District – Hamilton Parkway SME, (Hamilton Cottages Subdivision).
 - g. Authorize General Manager-Chief Engineer to approve Project Plans for Sewer Main Extension (SME); and adopt Resolution No. 3124 Authorizing Acceptance of Grant of Sanitary Sewer Easement-Oakmont Senior Living (OSL) Novato, Johnson Street SME.

On motion of Director Dillon-Knutson, seconded by Director Mariani, and carried unanimously by those Directors present, the above listed Consent Calendar items were approved.

SOLID WASTE OPERATIONS:

The General Manager stated that the Solid Waste Operations reports would be presented by Solid and Household Hazardous Waste Program Coordinator Dee Johnson, along with Recology Sonoma/Marin personnel: General Manager Fred Stemmler, and Waste Zero Manager Celia Furber.

- Receive Recology – 1st Quarter 2018 Report. Celia Furber, Waste Zero Manager Recology Sonoma/Marin, provided a review of Recology's 1st Quarter 2018 report. She stated that Recology is working with Dee Johnson to comply with reporting requirements for State legislative bills regarding recycling and diversion rates. She stated that Recology will perform a custom diversion analysis of recycled materials of Novato's commercial accounts, and said that this data will be provided to the District Board when the audit is completed. General Manager Fred Stemmler provided additional details of the commercial recycling audit. A general discussion followed between Mr. Stemmler and members of the Board.

- Receive verbal report on Marin County JPA and Local Task Force. Ms. Johnson stated that she had no updates on the JPA or the Local Task Force because they have not met since June.

- Receive Disposal/Diversion reports for 2018. Ms. Johnson reviewed Recology's 2018 Disposal/Diversion reports. She directed the Board's attention to Recology's Disposal/Diversion report and provided clarification of the data presented. She noted that Recology identifies their total recycled amount collected and then reduces this amount by the residuals that are disposed, and that Novato Disposal Service identified only their total

tons shipped for recycling. She provided the Board with the AB939 Disposal and Diversion Monitoring report for the first quarter of 2018, and a brief discussion followed.

- Receive 1st Quarter 2018 Household Hazardous Waste (HHW) report. Ms. Johnson then reviewed the 1st quarter 2018 HHW facility report, noting that participation went down slightly from the second quarter of 2017, but anticipates that overall participation will continue to increase. She stated that the District participated, with Recology, at the Novato Art, Wine, and Music Festival outreach event on June 9th and 10th. Ms. Johnson also stated that she participated with Recology in the July 4th Downtown Novato parade.

- Approve contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2018/19 in the not-to-exceed amount of \$107,964, & authorize the General Manager-Chief Engineer to execute it. The General Manager stated that DLJ Associates (Dee Johnson) has managed the District's Household Hazardous Waste and AB939 services for many years. He stated that her proposed contract of \$107,964 is a very effective use of resources on the District's behalf, and he recommended the Board approve the contract with DLJ Associates for FY2018/19 in the not-to-exceed amount of \$107,964.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously by those Directors present, the contract with DLJ Associates to provide AB939, household hazardous waste, and related services for FY2018/19 in the not-to-exceed amount of \$107,964 was approved, and the General Manager-Chief Engineer was authorized to execute it.

At 5:53 p.m., Fred Stemmler, Celia Furber, and Dee Johnson left the meeting.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Reports, June 2018: Collection System; Treatment Facilities; Reclamation Facilities:

Collection System Report: The Deputy General Manager provided the Collections System Report for June 2018. He stated that the Collection Department cleaned 57,518 lineal feet of sewer pipelines and that an additional 41,318 feet were cleaned and provided root treatment by staff and a District contractor. He stated that staff completed 506 maintenance work orders, leaving zero work orders outstanding, and that 4,641 feet of sewer main were televised. He stated that some root intrusion and sources of inflow and infiltration (I&I) were identified, and noted that these have been documented and placed on the spot-repair list for future repair. He continued, stating that staff conducted 157 lift station inspections and completed maintenance inspections on four (4) air relief/vacuum valves.

The Deputy General Manager then outlined the training provided in June, noting that the Collection Department staff attended three specialized training events, and attended four (4) safety tailgate meetings. He reported that there were no lost time accidents, and no sanitary sewer overflows (SSOs) during the month of June 2018.

Treatment Facilities Report: Veolia Project Manager, John O'Hare, provided the June Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant

performance, and noted that there were no discharge violations or excursions. He stated that the Recycled Water Facility (RWF) was running at peak performance and produced 22.371 million gallons of recycled water in June. Mr. O'Hare reviewed the monthly routine inspections and maintenance for the Novato facility, the Ignacio transfer pump station, and the recycled water facility. He stated that Veolia Water Environmental Services Supervisor Liz Falejczyk attended the June 2018 Bay Area Clean Water Agencies (BACWA) Laboratory Committee and Permits Committee meeting, and that Laboratory Technician Kurt Hawkyard attended the June 2018 State of California Environmental Laboratory Accreditation Program TNI 2016 Standard Training Series/Session 1 of 6 trainings. He concluded his presentation, stating that no odor contacts were received, and that there were no lost time accidents in June.

Reclamation Facilities Report: The Deputy General Manager summarized the Reclamation Facilities report for June. He stated that the rancher finished cutting pasture grass in Sites 3 and 7, and that cattle were delivered to these harvested pastures. The Deputy General Manager concluded, stating that approximately 29 MG (million gallons) of reclaimed water were applied to Sites 3 and 7 during June.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706 – Birdie Drive Sewer Relocation: Review Bids received, and authorize the General Manager-Chief Engineer to award the construction contract to Team Ghilotti, Inc. and to execute it in the bid amount of \$386,603. The General Manager stated that at the June 11th Board meeting, the District Board made CEQA findings and authorized the General Manager to accept plans and specifications, and advertise for bids for this project. He stated that six bids were received, with the apparent lowest bid coming from Team Ghilotti (Petaluma, CA) in the amount of \$386,603. He noted that the bids compared favorably to the Engineer's Estimate of \$413,000. The General Manager continued, stating that Team Ghilotti's bid documents have been reviewed and are in order. Also, staff had contacted Team Ghilotti to discuss their bid, and they are comfortable and confident with their bid.

The General Manager recommended that the Board award the construction contract to Team Ghilotti, and authorize the General Manager-Chief Engineer to execute the contract in the bid amount of \$386,603.

On motion of Director Dillon-Knutson, seconded by Director Miller, and carried unanimously by those Directors present, the Board authorized the General Manager-Chief Engineer to: award the construction contract for the Birdie Drive Sewer Relocation to Team Ghilotti, Inc. and to execute it in the bid amount of \$386,603.

- Collection System Improvements, Account No. 72706 – Bel Marin Keys Blvd. Sewer Rehabilitation; Project No. 72706-2017-09: Make California Environmental Quality Act (CEQA) findings, approve plans and specifications, and authorize the General Manager-Chief Engineer to advertise for bids. The General Manager stated that District staff had worked with the District's consultant, GHD, Inc., to prepare plans and specifications for the project, and that the project is ready to bid. He outlined the scope of the project, and stated that the engineer's estimate for this work is \$564,000. He stated that staff has completed the California Environmental Quality Act (CEQA) documentation and determined that the

project is categorically exempt. The General Manager stated that staff recommends the Board approve the CEQA findings, and authorize the General Manager-Chief Engineer to accept plans and specifications and advertise for bids.

Director Miller asked if the prior work on the upstream portion of the Bel Marin Keys sewer pipeline had been televised to determine its condition. The General Manager replied that a one-year warranty inspection was recently performed, and that a small defect was found and subsequently repaired by the contractor.

On motion of Director Miller, seconded by Director Dillon-Knutson, and carried unanimously by those Directors present, the Board authorized the General Manager-Chief Engineer to make CEQA findings, approve plans and specifications, and advertise for bids for the Bel Marin Keys Blvd. Sewer Rehabilitation, Project No. 72706-2017-09.

- Receive Capital Projects Update, June 2018. The General Manager stated that in the interest of keeping the Board and members of the public informed on the progress of administering the Capital Improvement Program, staff will be presenting a monthly Capital Projects Update. He stated that the Deputy General Manager would provide the report.

Deputy General Manager Erik Brown began with an overview and update of the District's Capital projects as of June, 2018. He provided details of the various upgrade and improvement projects, and responded to Board member questions. Director Dillon-Knutson asked if the Lateral Replacement Grant program was being advertised to increase public awareness. The Deputy General Manager stated that the District utilizes outreach events as well as notifications in the District newsletter to inform residents of the program. He continued, stating that due to the success of the Lateral Replacement Grant Program in previous years, the program will continue in the current fiscal year with a budgeted amount of \$80,000.

The Board expressed their appreciation for the detailed Capital Project Update report.

STAFF REPORTS: (INFORMATION ONLY)

- Receive report on CalPERS Health Plan Premium Rates for 2019. The General Manager stated that this item was for information only, on the upcoming CalPERS Health Plan Premium rates for 2019. He stated that the health care premiums were lower than anticipated, and noted that the final Budget, which will be presented for Board approval in August, will be revised to reflect the actual rates.

- Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for Fiscal Year (FY) 2017-18. The General Manager stated that the UPCCAA Act was implemented by the District through Resolution No. 2947 in 2006, and updated by Ordinance No. 118 in August 2013. He stated that the District utilizes relevant provisions of the Act to allow the District to complete projects with less administrative effort while maintaining work quality.

The Deputy General Manager noted that the list of accounts on the Board item summary was similar to projects of prior years, with the total amount of work performed under the Act's provisions being just over \$250,000. He stated that this was an effective process that allows staff to efficiently bid smaller District projects informally.

BOARD OF DIRECTORS:

- Receive information on regularly scheduled Board/Commission meeting days and start times for Marin County water and sanitary districts, and other Bay Area sewer districts, and provide direction, if any. The General Manager stated that at the June 11, 2018 Board meeting, Directors discussed a change to the Board's meeting schedule, whereby the current schedule of two regular meetings per month would be changed to one regular meeting per month. The Board also discussed potentially changing its meeting start time to be earlier than the current 5:30 p.m. He reviewed the start times and meeting frequency of comparable Marin County water/sewer districts and other Bay Area sewer districts. He continued, stating that District Counsel had provided an opinion that from a legal perspective, there was no reason not to give it a try if it will work better from management and the Board's perspective.

Director Mariani asked if the full Board would be present at the next regular Board meeting on August 27th, and the General Manager responded to the affirmative. She then recommended that this topic be tabled until all Board members were present for discussion. The remaining three Directors were in consensus, and the item was tabled until the August 23rd Regular Board meeting.

At 6:49 p.m., President Peters requested a short recess.

At 6:56 p.m., President Peters reconvened the meeting.

- Presidential appointment of members to Board Committees, FY2018-19. Changes to the List of Board Committee Assignment sheet: California Association of Sanitation Agencies Committee: Jerry Peters, Delegate; Jean Mariani, Delegate; ~~Carole Dillon-Knutson~~, Alternate; Sandeep Karkal, Alternate. President Peters also suggested that the Board revisit Committee appointments after the Board election and Presidential appointment in December, 2018. The remaining Directors voiced no opposition.

BOARD MEMBER REPORTS AND REQUESTS:

The North Bay Watershed Association meeting will be held on July 13th, and Director Miller is planning to attend.

INFORMATIONAL ITEMS:

The General Manager stated that the following were informational items only:

- Marin Independent Journal article, June 16, 2018: "Marin County employee wages rank high nationally, but strike threat looms".

- Marin Independent Journal article, June 18, 2018: “Marin public employees’ union authorizes strike”.

- Marin County news release, June 30, 2018: “Labor Deal Reached, Employee Strike Averted”.

- Article from “Estuary News” (a publication of the San Francisco Estuary Partnership), June 2018: “NYC and Novato Sewage Plants Adapt”.

- California Special Districts Association article, July 3, 2018: “Supreme Court Decision Impacts Public Employee Unions”.

GENERAL MANAGER’S REPORT AND ANNOUNCEMENTS:

- Announcements:

- The General Manager will attend the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony in Boston, July 23rd – 26th. This event will coincide with his vacation, July 18th – 20th.
- The 63rd Annual California Association of Sanitation Agencies (CASA) Conference will be held in Monterey from August 8th – 10th. All Board members have been registered for this event.

- Reports:

- The next regular Board meeting will be held on Monday, August 27th at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:05 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: July 16, 2018

A special meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, July 16, 2018, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, and Administrative Secretary Julie Hoover.

ALSO PRESENT: Dale Thrasher, Administrative Risk Services/Safety Officer, NSD
Erik Brown, Deputy General Manager, NSD
Joe Moreno, Collections System Worker, NSD
Javier Vega, Collections System Leadworker, NSD
Austris Rungis, Labor Consultant, IEDA

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

PERSONNEL:

- Receive recommendations of Ad-Hoc Labor Relations Committee, ratify attached Tentative Agreement (TA) with represented employee group, International Brotherhood of Teamsters, IBT Local 315, and direct the General Manager-Chief Engineer to finalize a Memorandum of Understanding (MoU), for the period of July 1, 2018 through June 30, 2023 with IBT Local 315. The General Manager stated that the intent of the Special Meeting was to address this single item. He stated that the Ad-Hoc Labor Relations Committee members were appointed by President Peters and consisted of Directors Long and Mariani. He stated that the Committee met several times throughout the negotiations process with the District's labor negotiations team, consisting of the District's long time labor relations negotiator Austris Rungis, Deputy General Manager Erik Brown, and Administrative Services Officer Dale Thrasher. He continued, stating that the employees group was represented by Teamsters Business Agent John Bottali, and District employees Joe Moreno and Aaron Hendricks.

The General Manager stated that contract negotiations began in June, and that good progress was made. He said that he appreciated the efforts of the labor negotiators and noted that the final agreement was the result of both teams' efforts. He stated that in past years, the MoU Agreement process was conducted in closed session, but after discussion with District Council Kent Alm, it was agreed that this item would be presented during open session, and if requested by the Board, a closed session meeting

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could be called on Tuesday, July 17th. The Board did not indicate that a closed session would be necessary, so the meeting continued.

The General Manager introduced Austris Rungis of IEDA, lead negotiator for the District's labor negotiations. Mr. Rungis began by thanking Ad-Hoc Labor Negotiations Committee members Long and Mariani for their availability and clear direction throughout the process. He continued, thanking Teamster Shop Stewards Joe Moreno and Aaron Hendricks for providing a positive, professional, and calm manner for negotiations. He also expressed thanks to District General Manager-Chief Engineer Sandeep Karkal, Deputy General Manager Erik Brown, and Administrative Services Officer Dale Thrasher. Mr. Rungis concluded, with a summary of current events that are affecting local and regional labor unions.

The General Manager thanked the Board members for accommodating a special meeting into their schedules.

Director Mariani expressed appreciation to the Teamsters Stewards for being thoughtful, careful, and thorough in accomplishing the proposed MoU Tentative Agreement. She also thanked District management for their efforts in reaching this agreement.

Director Long also thanked those involved in the process, and stated that he was pleased with the feedback he received regarding the constructive approach taken by the Teamsters Stewards.

Deputy Manager Erik Brown stated that it was a cordial process, and that everyone worked together effectively.

On motion of Director Long, seconded by Director Miller, and carried unanimously by those Directors present, the Board moved to ratify the Tentative Agreement (TA) with represented employee group, International Brotherhood of Teamsters, IBT Local 315, and directed the General Manager-Chief Engineer to finalize a Memorandum of Understanding (MoU), for the period of July 1, 2018 through June 30, 2023 with IBT Local 315.

The General Manager stated that subject to scheduling, he hoped to have the finalized MoU agreement executed in August or September.

BOARD MEMBER REPORTS AND REQUESTS:

Director Miller stated that he attended the North Bay Watershed Association (NBWA) meeting on July 13th. He discussed a presentation given by Delta Watermaster Michael Patrick George on water policy issues impacting the North Bay and regional waters. Director Miller stated that it was a great presentation.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- Announcements:

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- The General Manager thanked the individuals who participated in the labor negotiation process for their diligent efforts in completing the Tentative Agreement MoU.
- The annual California Association of Sanitation Agencies (CASA) conference is being held in Monterey, CA, August 8th - 10th. All Board members are attending.
- The next Regular Board meeting is scheduled for Monday, August 27, 2018 at 5:30PM.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 6:09 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

**Novato Sanitary District
Board Fees Check Register**

**Item 5.a.
(Pages 14 to 22)**

For July 2018

Date	Num	Name	Credit
Aug 13, 18			
08/13/2018	5628	Dillon-Knutson-, Carole	407.79
08/13/2018	5629	Long, William C	729.36
08/13/2018	5630	Mariani, Jean M	686.36
08/13/2018	5631	Miller, Brant	
08/13/2018	5632	Peters, Arthur Gerald	401.58
Aug 13, 18			<u>2,225.09</u>

Novato Sanitary District Operating Check Register

July 23, 2018

Date	Num	Name	Credit
Jul 23, 18			
07/23/2018	62034	Veolia Water North America,...	173,574.83
07/23/2018	61988	Pacific, Gas & Electric	88,816.07
07/23/2018	62006	CSRMA-	73,566.00
07/23/2018	62035	Veolia Water North America,...	29,244.98
07/23/2018	62032	Stericycle	17,027.22
07/23/2018	62005	County of Marin-Central Coll...	15,546.70
07/23/2018	61987	Koffler Electrical Mech, Inc.	10,559.72
07/23/2018	62025	Rauch Communication Cons...	7,905.20
07/23/2018	62021	Novato, City	6,513.35
07/23/2018	62000	Cagwin & Dorward Inc.	5,284.00
07/23/2018	62004	Citi Visa (Costco)	5,034.00
07/23/2018	62001	Caltest Analytical Lab Inc.	4,393.75
07/23/2018	61998	B.W.S. Distributors, Inc.	3,616.20
07/23/2018	62002	CASA	3,450.00
07/23/2018	62018	North Marin Water District - ...	2,706.00
07/23/2018	61994	Able Tire & Brake Inc.	1,704.06
07/23/2018	62013	Johnson Controls, Inc.	1,537.80
07/23/2018	61995	Alliant Insurance Services, Inc	1,514.98
07/23/2018	62031	Siemens Industry	1,431.12
07/23/2018	62019	North Marin Water District P...	1,240.00
07/23/2018	62012	IEDA, INC	1,225.00
07/23/2018	62022	Nute Engineering Inc.	1,174.00
07/23/2018	62016	Meyers, Nave, Riback, Silve...	1,125.00
07/23/2018	62027	RedHawk Glass, Inc.	925.00
07/23/2018	61996	Alpha Analytical Lab, Inc.	819.00
07/23/2018	62011	Grainger	793.58
07/23/2018	62028	Rice Lake, formerly Heusser...	750.00
07/23/2018	62015	Marin/Sonoma Mosquito Dist	671.62
07/23/2018	62010	Frontier California Inc EQ	570.15
07/23/2018	62033	U.S. Bank Equipment Finance	497.75
07/23/2018	62029	Rotary Club of Novato Sunrise	480.00
07/23/2018	62008	Deluxe for Business, Inc.	407.06
07/23/2018	62014	Leonardi Automotive & Elect...	312.52
07/23/2018	61999	BoundTree Medical, LLC	272.55
07/23/2018	62026	Recology Sonoma Marin	267.26
07/23/2018	62007	Datco Billing Inc.	234.00
07/23/2018	62003	CDW Government, Inc.	199.17
07/23/2018	62017	North Marin Water District	157.78
07/23/2018	62023	Orkin Pest Control, Inc.	151.84
07/23/2018	62020	Novato Builders Supply	126.37
07/23/2018	62009	Fishman Supply Company	112.82
07/23/2018	62030	Sebastopol Bearing & Hydra...	70.17
07/23/2018	61997	American Messaging	62.45
07/23/2018	62024	Pacific, Gas & Electric	18.98
07/23/2018	61993	void	
Jul 23, 18			<u>466,090.05</u>

Novato Sanitary District
Safety Recognition Summary

July 24, 2018

	Name	Amount
Jul 24, 18		
	Employee Safety	
	Recognition Checks	1,540.00
		<u>1,540.00</u>
		<u><u>1,540.00</u></u>

Novato Sanitary District Operating Check Register

August 13, 2018

Date	Num	Name	Amount
Aug 13, 18			
08/13/2018	62098	Veolia Water North America, Inc.	237,955.17
08/13/2018	62104	U.S. Bank Corporate	160,251.25
08/13/2018	62082	Pacific, Gas & Electric	96,526.75
08/13/2018	62099	Veolia Water North America, Lab	30,586.64
08/13/2018	62088	Shape Incorporated	21,783.68
08/13/2018	62073	Koffler Electrical Mech, Inc.	14,063.66
08/13/2018	62084	PARS-PSRP-Post Employment Benefits Trust	12,084.00
08/13/2018	62057	Cagwin & Dorward Inc.	8,640.00
08/13/2018	62072	Johnson, Dee	6,840.00
08/13/2018	62083	PARS-OPEB-Post Employment Benefits Trust	6,833.63
08/13/2018	62077	North Marin Water District	2,848.71
08/13/2018	62059	Central Marin Sanitation District	2,848.58
08/13/2018	62051	B.W.S. Distributors, Inc.	2,626.64
08/13/2018	62103	U.S. Bank	2,475.00
08/13/2018	62095	Underground Service Alert, Inc.	2,463.54
08/13/2018	62080	Novato Chamber of Commerce	1,300.00
08/13/2018	62067	IEDA, INC	1,225.00
08/13/2018	62068	Instrument Technology Corporation	1,117.55
08/13/2018	62071	Jan-Pro Cleaning Systems	1,005.00
08/13/2018	62090	T & B Sports, Inc	806.02
08/13/2018	62096	UniFirst Corporation	783.05
08/13/2018	62063	Evoqua Water Technologies - Lab	731.16
08/13/2018	62048	Alpha Analytical Lab, Inc.	702.00
08/13/2018	62053	Batteries Plus Inc	630.87
08/13/2018	62055	BoundTree Medical, LLC	602.84
08/13/2018	62062	DKF Solutions Group, LLC	600.00
08/13/2018	DD	Karkal, Sandeep	580.86
08/13/2018	62075	Leete Generators	558.00
08/13/2018	62100	Vision Service Plan	553.94
08/13/2018	62070	Irvine Consulting Services Inc.	534.60
08/13/2018	62054	Boheim, Jeff-	527.01
08/13/2018	62102	Woodard & Curran formerly RMC	483.75
08/13/2018	62061	CWEAmembers	473.00
08/13/2018	62074	Leak Detection Pros Inc	450.00
08/13/2018	62091	Telstar Instruments Inc	430.00
08/13/2018	62085	Pini Hardware	331.73
08/13/2018	62058	CDW Government, Inc.	269.00
08/13/2018	62086	Recology Sonoma Marin	267.26
08/13/2018	62060	Claremont EAP, Inc.	250.00
08/13/2018	62066	Grainger	244.95
08/13/2018	62052	Barnett Medical LLC	225.00
08/13/2018	62093	U.S. Bank Equipment Finance	218.63
08/13/2018	62089	Staples Advantage	165.69
08/13/2018	62081	Orkin Pest Control, Inc.	151.84

Novato Sanitary District Operating Check Register

August 13, 2018

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
08/13/2018	62064	Farmery, Russell-	140.55
08/13/2018	62047	All Star Rents LLP	109.74
08/13/2018	62101	VWR International Inc.	103.88
08/13/2018	62079	Novato Car Wash	98.00
08/13/2018	62094	Uline	97.53
08/13/2018	62097	USA BlueBook	95.02
08/13/2018	62050	AT&T Mobility	64.79
08/13/2018	62049	American Messaging	63.95
08/13/2018	62078	Novato Builders Supply	50.95
08/13/2018	62069	Integrity Shred LLC	50.00
08/13/2018	62087	Rice Lake, formerly Heusser Neweigh	50.00
08/13/2018	62065	First Alarm	41.11
08/13/2018	62056	Buck's Saw Service, Inc.	17.25
08/13/2018	62076	NAPA Auto Parts	16.92
08/13/2018	62092	VOID	0.00
			<u><u>626,045.69</u></u>

Aug 13, 18

Novato Sanitary District Operating Check Register

August 27, 2018

Date	Num	Name	Credit
Aug 27, 18			
08/27/2018	62123	Veolia Water Recycled Water...	17,849.41
08/27/2018	62111	Central Marin Sanitation District	13,744.09
08/27/2018	62112	Citi Visa (Costco)	12,664.70
08/27/2018	62119	North Marin Water District	3,483.80
08/27/2018	62109	Cagwin & Dorward Inc.	3,438.00
08/27/2018	62110	Caltest Analytical Lab Inc.	2,812.95
08/27/2018	62120	North Marin Water District Pa...	1,233.25
08/27/2018	62115	Johnson Controls, Inc.	1,130.10
08/27/2018	62114	Herc Corporation	785.54
08/27/2018	62107	BoundTree Medical, LLC	660.57
08/27/2018	62113	Frontier California Inc EQ	570.15
08/27/2018	62116	Leonardi Automotive & Electri...	507.75
08/27/2018	62106	Bay Area Air Quality	450.00
08/27/2018	62108	Buckles-Smith1	212.21
08/27/2018	62122	Ray Morgan, formerly Ricoh	175.70
08/27/2018	62118	NAPA Auto Parts	135.09
08/27/2018	62117	McMaster-Carr Supply Co.	91.69
08/27/2018	62105	Batteries Plus Inc	41.12
08/27/2018	62121	Pacific, Gas & Electric	18.98
Aug 27, 18			<u>60,005.10</u>

Novato Sanitary District Capital Projects Check Register

July 23, 2018

Date	Num	Name	Credit
Jul 23, 18			
07/23/2018	3305	National Auto Fleet Group	172,934.34
07/23/2018	3307	Woodard & Curran formerly ...	43,804.30
07/23/2018	3306	POSM Software	15,568.72
07/23/2018	3303	Covello Group, The	12,350.00
07/23/2018	3302	Cagwin & Dorward Inc.	6,758.00
07/23/2018	3304	Linscott Engineering Contra...	3,703.94
Jul 23, 18			<u>255,119.30</u>

Novato Sanitary District Capital Projects Check Register

August 13, 2018

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Aug 13, 18			
08/13/2018	3311	Team Ghilotti, Inc.	88,910.98
08/13/2018	3312	Woodard & Curran formerly RMC	14,108.70
08/13/2018	3309	Lateral-Klinge	2,000.00
08/13/2018	3310	Marin Independent Journal	710.50
08/13/2018	3308	GHD Inc.	420.00
			<hr/>
Aug 13, 18			106,150.18
			<hr/> <hr/>

Novato Sanitary District Capital Projects Check Register

August 27, 2018

Date	Num	Name	Credit
Aug 27, 18			
08/27/2018	3315	Team Ghilotti, Inc.	17,626.33
08/27/2018	3316	Woodard & Curran formerly ...	9,801.74
08/27/2018	3314	Nute Engineering Inc.	2,614.65
08/27/2018	3313	Lateral-Dodson	2,000.00
Aug 27, 18			<u>32,042.72</u>

**Novato Sanitary District
Payroll and Payroll Related Disbursements
July - 2018**

**Item 5.b.
(Pages 23 to 24)**

Date	Description	Amount
07/31/2018	July Payroll	122,705.15
07/31/2018	United States Treasury	23,593.78
07/31/2018	EDD	8,167.24
07/20/2018	CalPERS - Annual Required Contribution	279,880.00
07/20/2018	CalPERS Health	31,940.95
07/20/2018	June - Retirees Health Benefits	15,781.82
07/20/2018	Dearborne National	2,641.89
07/20/2018	Delta Dental	3,284.95
07/20/2018	PARS-OPEB Contribution	6,833.63
07/20/2018	PARS-Pension Contribution	12,084.00
07/20/2018	CALPERS Retirement	11,621.62
07/20/2018	CALPERS Retirement	14,074.86
07/20/2018	CalPers Supplemental Income Plan	2,000.00
07/20/2018	Lincoln Financial Group 457	8,611.41
07/20/2018	Lincoln Financial Group 457 Roth	750.00
07/20/2018	Lincoln Financial Group-401a Plan	8,462.86
07/20/2018	Local Union 315	540.00
07/20/2018	California State Disbursement Unit	571.00
07/20/2018	ICMA-RC Retiree Health Program	1,495.35
Total for July 2018		555,040.51

**Novato Sanitary District
Payroll and Payroll Related Disbursements
August - 2018**

Date	Description	Amount
08/31/2018	August Payroll	123,859.88
08/31/2018	United States Treasury	24,208.18
08/31/2018	EDD	8,374.42
08/24/2018	CalPERS Health	33,621.11
08/24/2018	August Retiree Health Benefits	15,781.82
08/24/2018	Dearborne National	2,641.49
08/24/2018	PARS-OPEB Contribution	9,125.96
08/24/2018	PARS-Pension Contribution	12,084.00
08/24/2018	CALPERS Retirement	11,703.16
08/24/2018	CALPERS Retirement	14,180.52
08/24/2018	CalPers Supplemental Income Plan	2,000.00
08/24/2018	Lincoln Financial Group 457	8,711.41
08/24/2018	Lincoln Financial Group 457 Roth	750.00
08/24/2018	Lincoln Financial Group-401a Plan	8,474.71
08/24/2018	Local Union 315	540.00
08/24/2018	California State Disbursement Unit	571.00
08/24/2018	ICMA-RC Retiree Health Program	1,502.46
Total for August 2018		<u>278,130.12</u>

**Novato Sanitary District
Deposit Detail
July 2018**

Item 5.c.

Date	Name	Account	Amount
07/10/2018		11113 - Westamerica - Operations	
	Zaragoza Plumbing	41040 - Permit & Inspection Fee	40.00
	PG&E	41090 - Non-domestic Permit Fees	175.00
	S.Waters Plumbing	41040 - Permit & Inspection Fee	40.00
	Peter Levi Plumbing	41040 - Permit & Inspection Fee	80.00
	Pipe Spy Marin	41040 - Permit & Inspection Fee	40.00
	North Marin Water District-	11200-Accounts Receivable	(1) 1,651.00
TOTAL			<u>2,026.00</u>
07/10/2018		11113 - Westamerica - Operations	
TOTAL	North Marin Water District-	11200-Accounts Receivable	(1) 10,100.79
07/12/2018		11113 - Westamerica - Operations	
TOTAL	USCG	11200-Accounts Receivable	15,342.30
07/17/2018		11113 - Westamerica - Operations	
	Finance Group	66170 - Travel, Meetings & Training	183.00
	Gene Burch Plumbing	41040 - Permit & Inspection Fee	40.00
	Marin Plumbing	41040 - Permit & Inspection Fee	40.00
	Marin H2O Inc	41040 - Permit & Inspection Fee	60.00
	Pipe Spy Marin	41040 - Permit & Inspection Fee	40.00
	Pipe Spy Marin	41040 - Permit & Inspection Fee	40.00
	Maggiora & Ghilotti	72706 - Collection System Improv	20.00
	Roy's Sewer Service, Inc.-	11200-Accounts Receivable	(2) 1,353.39
	Veolia Water	11200-Accounts Receivable	4,000.00
	County of Marin	11200-Accounts Receivable	(3) 160,198.13
TOTAL			<u>165,974.52</u>
07/31/2018		11113 - Westamerica - Operations	
	Michels Corp	72706 - Collection System Improv	40.00
	Ben Franklin Plumbing	41040 - Permit & Inspection Fee	40.00
	Glosage Engineering	72706 - Collection System Improv	20.00
	County of Marin	51015 - Property Taxes	(3) 54.95
	Lamassu Utility Services, Inc	72706 - Collection System Improv	20.00
	County of Marin	51015 - Property Taxes	3,218.64
	Hardiman Construction	41040 - Permit & Inspection Fee	40.00
	Pete Mrabe Mgmt Inc	51020 - Connection Charges	11,530.00
	Sancon Tech	72706 - Collection System Improv	20.00
	Linscott Engineering	41040 - Permit & Inspection Fee	40.00
	CSRMA	11200-Accounts Receivable	(4) 1,488.75
	Petaluma Septic	11200-Accounts Receivable	(2) 312.26
	Roto Rooter	11200-Accounts Receivable	(2) 155.86
TOTAL			<u>16,980.46</u>
		Total Deposits for July 2018	<u>210,424.07</u>
	(1) Collection of Recycled Water Facility billing for March and April 2018 from North Marin Water District.		
	(2) Collection of receivables from following septic haulers: Roy's Sewer, Petaluma Septic, and Roto Rooter.		
	(3) Collection of final property taxes and sewer service charges for FY 2017-18.		
	(4) Reimbursements for Safety expenditures through CSRMA Safety Grant program and Health & Wellness.		

Novato Sanitary District

16-Aug-18

QUARTERLY INVESTMENT REPORT -- For Quarter Ended June 30, 2018

INVESTMENT	ACTIVITY	April	May	June	Qtr Total/Min/Max
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	7,622,000	87,000	980,000	8,689,000
	Total transfers out	714,000	734,000	1,014,000	2,462,000
Current Yield 1.854%	Minimum daily balance	19,420,418	25,758,461	25,724,461	19,420,418
	Maximum daily balance	26,405,461	26,405,431	25,758,461	26,405,461
	Interest earned	0	0	117,704	117,704
TRUST ACCOUNTS					
BANK OF NEW YORK MELLON For COP Bond Funds (4)	Total deposits/transfers in	0	0	0	0
	Total transfers out	0	315	0	315
	Minimum daily balance	315	0	0	0
	Maximum daily balance	315	315	0	315
	Interest earned	0	0	0	0
For New Bond Funds - (3) Refunding 2017	Total deposits/transfers in	0	0	0	0
	Total transfers out	0	0	0	0
	Minimum daily balance	20,745	20,745	20,745	20,745
	Maximum daily balance	20,745	20,745	20,745	20,745
	Interest earned	0	0	0	0
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Code Section 53646e					
CHECKING ACCOUNTS					
Interest Rate	Regular Warrants Account				
0.02%	Total deposits & transfers in	8,405,127	1,035,171	2,036,991	11,477,289
	Total checks & transfers out	8,423,810	907,060	2,154,625	11,485,495
	Minimum daily balance	13,142	7,639	10,063	7,639
	Maximum daily balance	7,665,325	582,671	860,296	7,665,325
	Interest earned	7	3	3	13
Payroll Account					
0.02%	Total transfers in	127,600	129,400	132,000	389,000
	Total checks & transfers out	128,036	129,346	131,728	389,110
	Minimum daily balance	467	520	480	467
	Maximum daily balance	113,232	116,162	118,235	118,235
	Interest earned	1	1	1	3
Project Account					
0.02%	Total transfers in	31,900	162,800	405,100	599,800
	Total checks & transfers out	198,617	186,885	241,775	627,277
	Minimum daily balance	36,632	2,658	2,700	2,658
	Maximum daily balance	53,243	141,258	221,145	221,145
	Interest earned	1	1	1	3

- NOTES:** (1) The above investments are consistent with the annual Statement of Investment Policy approved by the District Board, most recently July 2018. The District has the ability to meet six months cash needs.
- (2) LAIF interest rate is currently 1.854% which is an increase from 1.524% in March of 2018 and 1.239% in December of 2017, 1.111% in September of 2017 and .978% in June of 2017.
- (3) New bond fund accounts consist primarily of escrow and cost of issuance accounts. Escrow account to be closed upon bond call date of prior 2011 COP Bonds which is in 2020, however amount no longer District liability thus journal entry removed from cash balances.
- (4) Account closed in May of 2018.



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
07/16/18	1.94	1.93	188
07/17/18	1.94	1.93	187
07/18/18	1.94	1.93	187
07/19/18	1.95	1.93	189
07/20/18	1.95	1.94	188
07/21/18	1.95	1.94	188
07/22/18	1.95	1.94	188
07/23/18	1.95	1.94	186
07/24/18	1.95	1.94	190
07/25/18	1.96	1.94	189
07/26/18	1.96	1.94	188
07/27/18	1.96	1.94	190
07/28/18	1.96	1.94	190
07/29/18	1.96	1.94	190
07/30/18	1.96	1.94	190
07/31/18	1.98	1.94	194
08/01/18	1.98	1.95	199
08/02/18	1.98	1.95	198
08/03/18	1.98	1.95	197
08/04/18	1.98	1.95	197
08/05/18	1.98	1.95	197
08/06/18	1.98	1.95	197
08/07/18	1.98	1.95	195
08/08/18	1.98	1.95	195
08/09/18	1.98	1.95	195
08/10/18	1.98	1.95	195
08/11/18	1.98	1.95	195
08/12/18	1.98	1.95	195
08/13/18	1.98	1.96	192
08/14/18	1.98	1.96	190
08/15/18	1.99	1.96	191

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

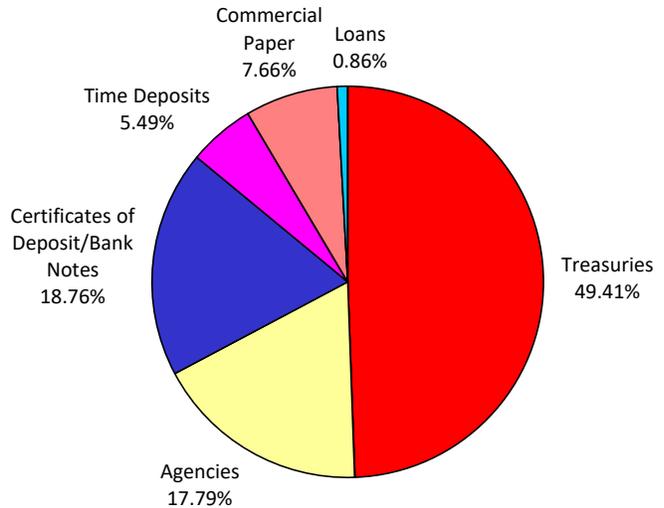
Quarter Ending 06/30/18

Apportionment Rate: 1.90%
 Earnings Ratio: 0.00005216919081336
 Fair Value Factor: 0.998126869
 Daily: 1.92%
 Quarter to Date: 1.76%
 Average Life: 193

PMIA Average Monthly Effective Yields

July 2018 1.944
 June 2018 1.854
 May 2018 1.755

**Pooled Money Investment Account
Portfolio Composition
07/31/18
\$90.0 billion**



Based on data available as of 8/15/2018



State of California Pooled Money Investment Account Market Valuation 6/30/2018

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
1* United States Treasury:				
Bills	\$ 15,515,706,740.80	\$ 15,606,139,290.87	\$ 15,596,583,000.00	NA
Notes	\$ 26,759,493,974.77	\$ 26,750,630,461.92	\$ 26,629,882,500.00	\$ 73,723,356.00
1* Federal Agency:				
SBA	\$ 825,001,427.53	\$ 825,001,427.53	\$ 815,954,863.84	\$ 1,381,409.64
MBS-REMICs	\$ 29,303,504.33	\$ 29,303,504.33	\$ 29,847,169.21	\$ 136,825.25
Debentures	\$ 1,998,416,070.50	\$ 1,997,919,837.87	\$ 1,986,861,900.00	\$ 5,758,745.15
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 300,000,000.00	\$ 300,000,000.00	\$ 295,668,000.00	\$ 1,921,709.00
Discount Notes	\$ 12,856,645,347.11	\$ 12,904,163,694.26	\$ 12,899,708,000.00	NA
1* Supranational Debentures	\$ 589,036,885.09	\$ 589,036,885.09	\$ 586,421,000.00	\$ 1,950,779.00
1* Supranational Debentures FR	\$ 100,530,876.06	\$ 100,375,183.89	\$ 100,699,984.77	\$ 536,523.90
2* CDs and YCDs FR	\$ 425,000,000.00	\$ 425,000,000.00	\$ 425,000,000.00	\$ 1,694,459.24
2* Bank Notes	\$ 900,000,000.00	\$ 900,000,000.00	\$ 899,729,548.85	\$ 5,764,500.01
2* CDs and YCDs	\$ 15,400,000,000.00	\$ 15,400,000,000.00	\$ 15,394,663,524.14	\$ 58,042,847.26
2* Commercial Paper	\$ 7,498,660,819.38	\$ 7,521,101,541.69	\$ 7,521,009,486.12	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 4,882,240,000.00	\$ 4,882,240,000.00	\$ 4,882,240,000.00	NA
AB 55 & GF Loans	\$ 733,964,000.00	\$ 733,964,000.00	\$ 733,964,000.00	NA
TOTAL	\$ 88,813,999,645.57	\$ 88,964,875,827.45	\$ 88,798,232,976.93	\$ 150,911,154.45

Fair Value Including Accrued Interest

\$ 88,949,144,131.38

* Governmental Accounting Standards Board (GASB) Statement #72

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (**0.998126869**).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at **\$19,962,537.38** or \$20,000,000.00 x **0.998126869**.



PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	\$ 500	\$ 3,250	\$ 3,750	\$ 2,050	\$ 2,750	\$ 5,200	\$ 1,300	\$ 7,400	\$ 5,950	\$ 9,150	\$ 1,300		
REPO													
TDs	\$ 1,580	\$ 699	\$ 871	\$ 540	\$ 337	\$ 856							
AGENCY	\$ 3,375	\$ 1,800	\$ 2,000	\$ 2,825	\$ 1,250	\$ 775	\$ 550	\$ 2,025	\$ 300	\$ 1,860	\$ 1,088	\$ 50	
CP	\$ 2,700	\$ 1,650	\$ 1,450	\$ 750	\$ 150	\$ 850							
CDs + BNs	\$ 4,850	\$ 2,850	\$ 1,900	\$ 3,300	\$ 900	\$ 600	\$ 650	\$ 400	\$ 1,175	\$ 100			
CORP BND													
TOTAL													
\$ 89,656	\$ 13,005	\$ 10,249	\$ 9,971	\$ 9,465	\$ 5,387	\$ 8,281	\$ 2,500	\$ 9,825	\$ 7,425	\$ 11,110	\$ 2,388	\$ 50	\$ -
PERCENT	14.5%	11.4%	11.1%	10.6%	6.0%	9.2%	2.8%	11.0%	8.3%	12.4%	2.7%	0.1%	0.0%

Notes:

1. SBA Floating Rate Securities are represented at coupon change date.
2. Mortgages are represented at current book value.
3. Figures are rounded to the nearest million.
4. Does not include AB55 and General Fund loans.

NOVATO SANITARY DISTRICT

MEMORANDUM

BOARD

MEETING DATE: August 27, 2018

TO: District Board of Directors

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

SUBJECT: Fiscal Year (FY) 17-18 Year End Financial Report (Unaudited)

INTRODUCTION

This memorandum presents a summary unaudited year-to-date financial report for the District for the fiscal year ended June 30, 2018, excluding in-process transactions for FY17-18. The following items are presented herein:

1. Revenue and Expenditure Report (for the year ended June 30, 2018).
2. Debt Service Schedule as of June 30, 2018.

1.0 REVENUE AND EXPENDITURES REPORT

This section presents an overview of revenues and expenditures for the operating and capital funds through the fourth quarter of Fiscal Year 2017-18. A more detailed summary is presented in the attached tables titled “DRAFT – Revenues and Expenditures – Budget vs. Actual”. A brief discussion and analysis of items displaying variance from the final budget is also provided below, as appropriate.

OPERATING FUND

Table 1: OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Overage	Pct. Received
Total Operating Revenues	\$10,736,389	\$10,654,033	\$82,356	100.8%

Discussion

Overall, operating revenues are approximately 100.8% of the total budget amount at the close of the fiscal year. The operating revenue accounts are within the normal range for this time of year, since the District receives its primary revenues in December and April. Note that there is a significant variance in Account No. 41060 due to an increase in interest income received versus budgeted from higher than anticipated interest rates.

Table 2: OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenditures	\$ 9,068,856	\$10,329,235	\$1,260,379	87.8%

Discussion

Overall, operating expenditures are at approximately 87.8% of budget at the close of the fiscal year. Variances in individual expenditure accounts are discussed below:

Collection System (78.8%)

General: In general, no significant variances noted for this cost center for the fourth quarter.

Treatment Facilities - Contract Operations: (94.2%)

General: In general, no significant variances noted for this cost center for fourth quarter.

Reclamation/Disposal Facilities: (88.3%)

General: One significant variance in percentage terms only (not dollar terms) noted for this cost center for the fourth quarter as discussed below. Note that overall cost center is within budget.

Water: 302.4%. Water is a reimbursable expenditure billed and paid by the rancher at the end of the fiscal year. In addition, in the fall of 2017 there was a significant leak at Site 2 water troughs resulting in high water bills for July through October. The District has paid 50% of these costs associated with the water leak. Once the District has been reimbursed by the Rancher, the account will still be over budget due to the small budget amount allocated to this account. However, as noted, overall cost center is within budget.

Laboratory/Monitoring: (81.4%)

General: One significant variance in percentage terms only (not in dollar terms) noted for this cost center for the fourth quarter as discussed below – note that overall cost center is within budget for the fiscal year.

Permits & Fees: 132.4%. Significant variance on a small budgeted base amount of \$4,000, primarily due to the annual permit fee for the California Environmental Laboratory Accreditation Program (ELAP) increasing by about \$1,300 from the prior fiscal year due to the addition of another FOT (Field of Testing).

Pump Stations: (85.1%)

General: In general, no significant variances noted for this cost center for fourth quarter.

Administration and Engineering: (87.6%)

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

Employee Benefits: 109.2%. Per review of account, significant variance due to the additional contribution to PARS of \$150k authorized by the board in March of 2018 which was allocated to this account and not split between cost centers or other accounts.

Insurance Expense: 105.6%. Per review of account, significant variance due to the pooled liability insurance premium increase of approximately 20% when the projected increase was for 10% for the current fiscal year. District staff has addressed this in the insurance projection for the proposed budget.

Agency Dues: 104.3%. Significant variance due primarily to the increase in the California Association of Sanitation Agencies (CASA) membership fee; since the District's budget moved from less than \$10 million for the operating budget to the next level above \$10 million for the operating budget, which increased the District's CASA membership fee by approximately 34% or \$4,000 for the current fiscal year. District staff has included this new fee structure in the proposed FY18-20 budgets.

Telephone: 107.6%. Per review of account, no significant items noted. This account has been adjusted to reflect the increasing cost of this service in the proposed budget.

County Fees – Property Taxes (122.1%)/Sewer Service Charges (72.0%): Per review of the County Fee accounts, overall budget variance is approximately 92% of the budgeted amount for the fiscal year.

AB 939 Solid Waste Programs: (79.9%)

General: In general, no significant variances noted for this cost center for fourth quarter.

Recycled Water: (102.0%)

General: In general, significant variances noted for this cost center for the fourth quarter. Variances in individual expenditure accounts are discussed below.

Operating Chemicals: 120.5%. Normal operations for Recycled Water Facility are the highest during July through December. January through April the facility is basically off line. However, in April the Recycled Water Facility began producing recycled water. The production of recycled water for the last three months of the fiscal year was an increase over prior year of 19% thus resulting in higher expenditures at year end. The staff has adjusted the proposed budget to reflect the increased expenditures for this cost center

Gas & Electricity: 146.5%. Please refer to explanation above for Operating Chemicals.

CAPITAL FUND

Table 3: CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under) Budget	Pct. Received
Sewer Service Charges	\$7,875,116	\$ 7,753,152	\$121,964	101.6%
Prop Taxes-RDA Funds	70,139	0	70,139	100.0%
Property Taxes	2,290,112	2,188,693	101,419	104.6%
Connection Charges	234,495	447,600	(213,105)	52.4%
Collector Sewer/Special Equalization Charges	4,230	2,000	2,230	211.5%
Interest	139,466	40,000	99,466	348.7%
Other Revenue	0	20,000	(20,000)	0.0%
Grant Revenue	257,183	475,000	(217,817)	54.1%
Total Revenue	\$10,870,741	\$10,926,445	(\$55,704)	99.5%

Discussion

Overall capital revenues are 99.5% of budget at the close of the fiscal year, consistent with the District receiving the bulk of its revenue in December and April. Note that there is a significant variance in Account No. 41060 due to an increase in interest income received versus budgeted from higher than anticipated interest rates.

Table 4: CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$8,925,223	\$12,723,504	(\$3,798,281)	70.1%

Discussion

The list of capital project accounts is shown in the attached tables. Overall expenses are 70.1% of budget. Note that capital project work related expenditures are lower than budgeted primarily due to the retirements that occurred in the first half of the year. The retiring personnel in those positions were typically responsible for carrying out the capital project work across the Capital Improvement Program. With the hiring of new personnel in most of those positions, it is anticipated that capital project work will pick up in the next fiscal year.

Attachments:

1. Draft Revenue and Expenditure Reports:
 - a. Operating, July 2017-June 2018.
 - b. Capital, July 2017-June 2018.
2. Debt Service Schedule as of June 30, 2018

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Income				
41000 - OPERATING INCOME				
41010 - Sewer Service Charges	9,780,623.65	9,691,440.00	89,183.65	100.92%
41030 - Plan Check & Inspection Fee	9,503.90	500.00	9,003.90	1,900.78%
41040 - Permit & Inspection Fee	5,405.00	6,000.00	(595.00)	90.08%
41060 - Interest Income	169,777.34	43,000.00	126,777.34	394.83%
41080 - Engineering & Admin Charges	19,084.31	165,000.00	(145,915.69)	11.57%
41090 - Non-domestic Permit Fees	21,736.00	20,000.00	1,736.00	108.68%
41100 - Garbage Franchise Fees	54,358.00	53,438.00	920.00	101.72%
41105 - AB 939 Collector Fees	376,426.00	376,426.00	0.00	100.0%
41107 - Oil/Bev/Tire Grants	64,693.00	62,729.00	1,964.00	103.13%
41130 - Ranch Income	77,731.54	70,000.00	7,731.54	111.05%
41135 - Recycle Water Facility Revenue	138,258.39	135,500.00	2,758.39	102.04%
41140 - Other Revenue	18,791.84	20,000.00	(1,208.16)	93.96%
41142 - Loss on disposal of assets	0.00	10,000.00	(10,000.00)	0.0%
Total 41000 - OPERATING INCOME	10,736,388.97	10,654,033.00	82,355.97	100.77%
Expense				
60000 - COLLECTION SYSTEM				
60010 - Salaries & Wages	586,702.50	650,120.00	(63,417.50)	90.25%
60020 - Employee Benefits	298,957.40	299,148.00	(190.60)	99.94%
60060 - Gas, Oil & Fuel	12,775.13	15,000.00	(2,224.87)	85.17%
60085 - Safety	2,593.58	3,500.00	(906.42)	74.1%
60091 - Software Maint	19,712.78	20,000.00	(287.22)	98.56%
60100 - Operating Supplies	13,229.77	28,000.00	(14,770.23)	47.25%
60150 - Repairs & Maintenance	42,256.75	80,000.00	(37,743.25)	52.82%
60152 - Small Tools	2,030.96	2,000.00	30.96	101.55%
60153 - Outside Services	67,304.25	175,000.00	(107,695.75)	38.46%
60192 - Water	10,654.99	12,000.00	(1,345.01)	88.79%
60193 - Telephone	1,844.83	4,000.00	(2,155.17)	46.12%
60200 - Other(Garbage Coll)	405.05	1,000.00	(594.95)	40.51%
60201 - Permits & Fees	12,727.18	70,000.00	(57,272.82)	18.18%
Total 60000 - COLLECTION SYSTEM	1,071,195.17	1,359,768.00	(288,572.83)	78.78%
61000 - TREATMENT FACILITIES				
61000-0 - Contract Operations				
61000-1 - Fixed Fee	2,119,698.00	2,173,976.00	(54,278.00)	97.5%
61000-2 - Insurance & Bonds	12,726.75	14,000.00	(1,273.25)	90.91%
61000-3 - Major Repair/Replacement	95,727.96	150,000.00	(54,272.04)	63.82%
61000-4 - Water/Permits/Telephone	61,627.13	90,000.00	(28,372.87)	68.48%
61000-5 - Gas & Electricity	686,895.85	732,499.00	(45,603.15)	93.77%
Total 61000-0 - Contract Operations	2,976,675.69	3,160,475.00	(183,799.31)	94.18%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
63000 · RECLAMATION/DISPOSAL				
63010 · Salaries & Wages	66,707.68	71,693.00	(4,985.32)	93.05%
63020 · Employee Benefits	18,797.24	24,860.00	(6,062.76)	75.61%
63060 · Gasoline & Oil	1,781.33	2,000.00	(218.67)	89.07%
63085 · Safety	0.00	500.00	(500.00)	0.0%
63091 · Software Maintenance	1,094.25	2,000.00	(905.75)	54.71%
63100 · Operating Supplies	596.99	2,000.00	(1,403.01)	29.85%
63115 · Sludge Disposal	215,658.41	240,000.00	(24,341.59)	89.86%
63150 · Repairs & Maintenance	63,428.23	65,000.00	(1,571.77)	97.58%
63152 · Small Tools	35.79	500.00	(464.21)	7.16%
63157 · Ditch/Dike Maintenance	3,600.00	10,000.00	(6,400.00)	36.0%
63191 · Gas & Electricity	75,839.27	95,000.00	(19,160.73)	79.83%
63192 · Water - Reclamation	9,071.07	3,000.00	6,071.07	302.37%
63201 · Permits & Fees	4,041.57	5,000.00	(958.43)	80.83%
Total 63000 · RECLAMATION/DISPOSAL	460,651.83	521,553.00	(60,901.17)	88.32%
64000 · LABORATORY/MONITORING				
64010 · Contract Lab Services	351,603.55	363,761.00	(12,157.45)	96.66%
64060 · Gasoline & Oil	1,336.00	1,500.00	(164.00)	89.07%
64085 · Safety	0.00	1,000.00	(1,000.00)	0.0%
64091 · Software Maintenance	0.00	1,000.00	(1,000.00)	0.0%
64100 · Operating Supplies	20,105.20	20,000.00	105.20	100.53%
64150 · Repairs & Maintenance	5,062.18	19,200.00	(14,137.82)	26.37%
64160 · Research & Monitoring	88,733.25	147,500.00	(58,766.75)	60.16%
64170 · Pollution Prevention/Public Ed	15,836.95	41,500.00	(25,663.05)	38.16%
64201 · Permits & Fees	5,294.00	4,000.00	1,294.00	132.35%
Total 64000 · LABORATORY/MONITORING	487,971.13	599,461.00	(111,489.87)	81.4%
65000 · PUMP STATIONS				
65010 · Salaries & Wages	289,939.05	358,335.00	(68,395.95)	80.91%
65020 · Employee Benefits	139,281.43	153,974.00	(14,692.57)	90.46%
65060 · Gasoline & Oil	3,022.76	5,000.00	(1,977.24)	60.46%
65085 · Safety Expenses	1,079.96	2,000.00	(920.04)	54.0%
65091 · Software Maintenance	5,464.60	8,000.00	(2,535.40)	68.31%
65100 · Operating Supplies	3,808.98	10,000.00	(6,191.02)	38.09%
65101 · Operating Chemicals	0.00	2,000.00	(2,000.00)	0.0%
65150 · Repairs & Maintenance	113,310.35	115,000.00	(1,689.65)	98.53%
65152 · Small Tools	1,962.81	2,000.00	(37.19)	98.14%
65153 · Outside Services, Electrical	14,040.84	30,000.00	(15,959.16)	46.8%
65191 · Gas & Electricity	111,474.99	115,000.00	(3,525.01)	96.94%
65192 · Water	5,823.52	7,000.00	(1,176.48)	83.19%
65193 · Telephone	19,442.72	24,000.00	(4,557.28)	81.01%
65201 · Permits & Fees	3,236.00	4,000.00	(764.00)	80.9%
Total 65000 · PUMP STATIONS	711,888.01	836,309.00	(124,420.99)	85.12%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
66000 · ADMIN/ENGINEERING				
66010 · Salaries & Wages	1,006,454.51	1,235,744.00	(229,289.49)	81.45%
66020 · Employee Benefits	551,586.72	504,955.00	46,631.72	109.24%
66021-1 · Retiree Health Benefits (Trust)	162,786.00	162,786.00	0.00	100.0%
66021 · Retiree Health Benefits	226,479.55	224,377.00	2,102.55	100.94%
66022 · Pension Expense (Trust)	223,152.00	223,152.00	0.00	100.0%
66030 · Director's Fees	22,725.00	40,000.00	(17,275.00)	56.81%
66060 · Gasoline & Oil	4,737.00	5,000.00	(263.00)	94.74%
66070 · Insurance	158,326.59	150,000.00	8,326.59	105.55%
66071 · Insurance Claim Expense	0.00	45,000.00	(45,000.00)	0.0%
66075 · Agency Dues	56,326.63	54,000.00	2,326.63	104.31%
66080 · Memberships	8,896.50	10,000.00	(1,103.50)	88.97%
66085 · Safety	1,024.85	2,000.00	(975.15)	51.24%
66090 · Office Expense	25,454.42	26,000.00	(545.58)	97.9%
66100 · Engineering Supplies	4,534.71	10,000.00	(5,465.29)	45.35%
66121 · Accounting & Auditing	25,964.00	26,000.00	(36.00)	99.86%
66122 · Attorney Fees	24,261.21	65,000.00	(40,738.79)	37.33%
66123 · O/S Contractual	143,097.06	223,000.00	(79,902.94)	64.17%
66124 · IT/Misc Electrical	27,049.86	40,000.00	(12,950.14)	67.63%
66125 · Safety & Wellness Incentive Pro	4,174.75	10,000.00	(5,825.25)	41.75%
66130 · Printing & Publications	17,860.33	22,000.00	(4,139.67)	81.18%
66150 · Repairs & Maintenance	49,565.37	50,000.00	(434.63)	99.13%
66170 · Travel, Meetings & Training	53,378.48	65,000.00	(11,621.52)	82.12%
66193 · Telephone	12,908.31	12,000.00	908.31	107.57%
66202 · County Fees - Property Taxes	31,753.15	26,000.00	5,753.15	122.13%
66203 · County Fees - Sewer Service Chg	28,802.00	40,000.00	(11,198.00)	72.01%
66250 · Service Charge Sys Exp	0.00	5,000.00	(5,000.00)	0.0%
Total 66000 · ADMIN/ENGINEERING	2,871,299.00	3,277,014.00	(405,715.00)	87.62%
67000 · AB 939 SOLID WASTE PROGRAMS				
67400 · Consulting Services	90,921.59	138,118.00	(47,196.41)	65.83%
67500 · Household Hazardous Waste	226,415.97	242,500.00	(16,084.03)	93.37%
67530 · Used Oil/Beverage Cont Grant	5,220.00	22,537.00	(17,317.00)	23.16%
67540 · Outreach/Publicity/Education	18,304.23	21,000.00	(2,695.77)	87.16%
67600 · Other	75.00	5,000.00	(4,925.00)	1.5%
67610 · City AB 939 Admin Services	10,000.00	10,000.00	0.00	100.0%
Total 67000 · AB 939 SOLID WASTE PROGRAMS	350,936.79	439,155.00	(88,218.21)	79.91%
68000 · Recycled Water				
68010 · O & M Services	45,655.50	50,000.00	(4,344.50)	91.31%
68100 · Operating Supplies	1,893.04	2,000.00	(106.96)	94.65%
68101 · Operating Chemicals	32,901.77	27,300.00	5,601.77	120.52%
68150 · Repairs & Maintenance	19,676.20	24,200.00	(4,523.80)	81.31%
68160 · Research & Monitoring	13,200.00	14,000.00	(800.00)	94.29%
68191 · Gas & Electricity	24,911.88	17,000.00	7,911.88	146.54%
68201 · Permits & Fees	0.00	1,000.00	(1,000.00)	0.0%
Total 68000 · Recycled Water	138,238.39	135,500.00	2,738.39	102.02%
Total Expense	9,068,856.01	10,329,235.00	(1,260,378.99)	87.8%
Net Income	1,667,532.96	324,798.00	1,342,734.96	513.41%

Novato Sanitary District
DRAFT Revenues & Expenditures - Capital
 July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Income				
51000 · CAPITAL IMPROVEMENT INCOME				
51010 · Sewer Service Charges	7,875,116.07	7,753,152.00	121,964.07	101.57%
51015-1 · Property Tax - RDA Funds	70,139.38	0.00	70,139.38	100.0%
51015 · Property Taxes	2,290,111.61	2,188,693.00	101,418.61	104.63%
51020 · Connection Charges	234,494.79	447,600.00	(213,105.21)	52.39%
51030 · Collector Sewer Charges	0.00	1,000.00	(1,000.00)	0.0%
51040 · Special Equalization Charge	4,230.00	1,000.00	3,230.00	423.0%
51060 · Interest	139,466.48	40,000.00	99,466.48	348.67%
51070 · Other Revenue	0.00	20,000.00	(20,000.00)	0.0%
51072 · Grant Revenue	257,183.07	475,000.00	(217,816.93)	54.14%
Total 51000 · CAPITAL IMPROVEMENT INCOME	10,870,741.40	10,926,445.00	(55,703.60)	99.49%
Expense				
72000 · CAPITAL IMPROVEMENT PROJECTS				
72403 · Pump Station Rehabilitation	3,323.15	150,000.00	(146,676.85)	2.22%
72508 · N. Bay Water Recycling Auth	81,801.27	100,000.00	(18,198.73)	81.8%
72706-1 · Lateral Replacement Program	32,000.00	80,000.00	(48,000.00)	40.0%
72706 · Collection System Improv - Other	231,981.67	1,700,000.00	(1,468,018.33)	13.65%
72707 · Hamilton Wetlands/Outfall Monit	214.01	10,000.00	(9,785.99)	2.14%
72708 · Cogeneration	9,926.80	350,000.00	(340,073.20)	2.84%
72802 · Annual Sewer Adj. for City Proj	9,782.98	40,000.00	(30,217.02)	24.46%
72803 · Annual Collection Sys Repairs	107,527.14	200,000.00	(92,472.86)	53.76%
72804 · Annual Reclamation Fac Imp	49,834.93	175,000.00	(125,165.07)	28.48%
72805 · Annual Treatment Plnt Improv	20,862.82	300,000.00	(279,137.18)	6.95%
72806 · Annual Pump Station Improv	58,649.41	100,000.00	(41,350.59)	58.65%
72807 · Annual Ignacio Facility Improv	0.00	50,000.00	(50,000.00)	0.0%
72808 · Strategic Plan Update	0.00	20,000.00	(20,000.00)	0.0%
72809 · Novato Creek Watershed	0.00	5,000.00	(5,000.00)	0.0%
73003 · Admin Bldg/Maint.Bldg Upgrades	58,081.22	350,000.00	(291,918.78)	16.6%
73004 · Odor Control & NTP Landscaping	56,058.00	50,000.00	6,058.00	112.12%
73005 · RWF Expansion	1,016,483.47	1,460,000.00	(443,516.53)	69.62%
73006 · NTP Corrosion Control	21,184.36	150,000.00	(128,815.64)	14.12%
73090 · Vehicle Replacement	383,380.59	390,000.00	(6,619.41)	98.3%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS	2,141,091.82	5,680,000.00	(3,538,908.18)	37.7%
78400 · Principal and Interest				
78500 · Interest - Capital Projects	1,979,919.06	2,259,292.00	(279,372.94)	87.63%
78501 · Principal - Capital Projects	4,804,211.80	4,784,212.00	19,999.80	100.42%
Total 78400 · Principal and Interest	6,784,130.86	7,043,504.00	(259,373.14)	96.32%
Total Expense	8,925,222.68	12,723,504.00	(3,798,281.32)	70.15%
Net Income	1,945,518.72	(1,797,059.00)	3,742,577.72	(108.26%)

**Novato Sanitary District
State Revolving Fund Loan Payable
and
COP and Revenue Bond Payable Balances**

2.0 Debt Service Schedule as of June 30, 2018

	<u>State Revolving Fund Loan</u>		
		Principal	Interest
	SRF Loan Payable 7/1/2017.....	63,322,683	
	Principal Payment 2017-18	(3,859,212)	
	Interest payments 2017-18		(1,519,744)
	SRF Loan Balance/Interest Paid 6/30/2018...	59,463,471	(1,519,744)
	<u>COP Bond Financing Issued October 2011</u>		
	COP Payable Balance 7/1/2017.....	17,475,000	
	Debt Refunded 11/8/2017	(17,475,000)	
	Interest payments 2017-18		(369,774)
	COP Payable Balance/Interest Paid 6/30/2018	0	(369,774)
	<u>Refunding Wastewater Revenue Bonds Issued November 2017</u>		
	Revenue Bond Payable Balance 7/1/2017.....	-	
	Issued Bonds November 8, 2017	14,355,000	
	Principal payments 2017-18	(945,000)	
	Interest payments 2017-18		(165,481)
	Revenue Bond Payable Balance/Interest Paid 6/30/2018	13,410,000	(165,481)
	Note: Principal and Interest payment for SRF Loan paid in December 2017.		
	Interest payment for COP Bond Payable paid in August 2017 and COP Bonds refunded in November 2017. Issued new Refunding Wastewater Revenue Bonds in November 2017. Principal and Interest on new debt paid in February 2018.		

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Accounts Receivable Aging Summary for the Period Ended June 30, 2018.	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 5.f.
RECOMMENDED ACTION: Receive Accounts Receivable Report as of June 30, 2018.	
SUMMARY AND DISCUSSION: <p>The attached Accounts Receivable Summary shows the following receivables as of June 30, 2018:</p> <p><u>1-45 days - \$554,802:</u> Current.</p> <p><u>46-120 days - \$0:</u> No receivables in this category.</p> <p><u>120+ days - \$62,569:</u> Considered collectible primarily for rancher's lease of District's property which he uses for his cattle.</p>	
ATTACHMENTS: 1. Accounts Receivable (A/R) Aging Summary.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
DEPT. MGR.: lmc, ssk	GENERAL MANAGER: SSK

**Novato Sanitary District
A/R Aging Detail
As of June 30, 2018**

**Item 5.f.
(Attachment 1)**

	Current	46 - 120	> 120	TOTAL
Biomarin	250.00	0.00	4,630.35	4,880.35 (1)
Central Marin Sanitation Agency	4,122.49	0.00	0.00	4,122.49 (2)
City of Novato - Used Oil/Beverage	15,404.74	0.00	0.00	15,404.74 (3)
County of Marin	160,198.13	0.00	0.00	160,198.13 (4)
CSRMA	1,488.75	0.00	0.00	1,488.75 (5)
Hayden, Ron	57,696.93	0.00	57,938.41	115,635.34 (6)
Kleinfelder	1,000.23	0.00	0.00	1,000.23 (7)
North Marin Water District-	52,416.25	0.00	0.00	52,416.25 (8)
Petaluma Septic	312.26	0.00	0.00	312.26 (9)
Roto Rooter	155.86	0.00	0.00	155.86 (9)
Roy's Sewer Service, Inc.-	1,383.39	0.00	0.00	1,383.39 (9)
Sonoma County Water Agency-	232,839.00	0.00	0.00	232,839.00 (10)
USCG	15,145.15	0.00	0.00	15,145.15 (11)
USCG-Finance Center	197.15	0.00	0.00	197.15 (11)
Veolia Water	12,191.46	0.00	0.00	12,191.46 (12)
TOTAL	<u>554,801.79</u>	<u>0.00</u>	<u>62,568.76</u>	<u>617,370.55</u>

- (1) Lab monitoring and analysis fees.
- (2) Billing for Central Marin Sanitary Agency for shared safety expenses for June 2018.
- (3) Billing for Beverage Grant reimbursed through the City of Novato for FY2017/18.
- (4) Billing for Final Teeter from County of Marin for sewer service charges and property taxes for FY2017/18.
- (5) Billing for reimbursement for safety expenses through CSRMA grant program.
- (6) Rancher's lease fees for the fourth quarter of FY2016/17, all of the quarters for FY2017/18 and billing for reimbursement of water usage.
- (7) Billing for temporary dscharge permits for Kleinfelder projects.
- (8) Billing for April through June 2018 for Recycled Water Facility operations.
- (9) Billing for septic haulers for May and June 2018.
- (10) Billing for reimbursement from Sonoma County Water Agency through NBWRA for recycled water expansion project for fourth quarter of FY2017/18.
- (11) Billing for monthly sewer service charges for U.S. Coast Guard.
- (12) Billing for reimbursement of quarterly expenses from Veolia Water for fourth quarter FY2017/18.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Annual Fund Transfer from Capital Account to Operating Account	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 5.g.
RECOMMENDED ACTION: Approve transfer of \$19,084.31 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY17-18.	
SUMMARY AND DISCUSSION: <p>At the end of each fiscal year, the Operating Fund is reimbursed from the Capital Fund for staff time spent on Capital Projects. Expenditures are based on actual time spent on an hourly rate basis, plus an allowance of 35% for overhead and supervision.</p> <p>On this basis, staff time for fiscal year 2017-18 amounted to \$14,136.53, plus overhead of \$4,947.78 for a total of \$19,084.31.</p> <p>For comparative purposes, the Capital Fund to Operating Fund transfer for FY16-17 was \$95,869. Due to several staff retirements in FY17-18, the transfer allocation of the time spent on capital projects is much less than in previous years.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
BUDGET INFORMATION: Reclassifies \$19,084 as expenditures from the Capital Fund to the Operating Fund.	
DEPT. MGR.: lmc, ssk	GENERAL MANAGER: SSK

**NOVATO SANITARY DISTRICT
BOARD AGENDA ITEM SUMMARY**

<p>TITLE: Administration: Attendance at the CWEA/NWEA/AWA Tri-State Seminar - 2018.</p>	<p>MEETING DATE: August 27, 2018</p> <p>AGENDA ITEM NO.: 5.h.</p>
<p>RECOMMENDED ACTION: Approve the Collection Systems Superintendent to attend the California Water Environment Association (CWEA), the Nevada Water Environment Association (NWEA) and the Arizona Water Association (AWA) joint Tri-State Seminar 2018 training conference in Las Vegas, Nevada.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>Since 1985, the Tri-State Seminar (TSS) has been providing affordable, high quality education to water and wastewater operators from the Western United States through an annual three-day seminar designed to provide professional development, continuing education, and technology transfer to support the vision and missions of its partner organizations; AZ Water Association, California Water Environment Association and the Nevada Water Environment Association..</p> <p>The topics covered in the TSS align well with the District’s Strategic Plan goal of achieving operational and organizational excellence.</p> <p>To ensure that District staff continue to grow professionally and increase their knowledge base by keeping abreast of current trends in the industry, the General Manager-Chief Engineer recommends that the Board authorize the Collection Systems Superintendent to attend the CWEA/NWEA/AWA Tri-State Seminar to be held September 24-27, 2018 in Las Vegas, Nevada.</p>	
<p>BUDGET INFORMATION: The cost of this attendance would be funded from Account #66170, which has a preliminary FY18-19 budget of \$75,000.</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.</p>	
<p>DEPT. MGR.: esb</p>	<p>GENERAL MANAGER: SSK</p>



FINAL BUDGET

For

Fiscal Year 2018-19

(And Preliminary Budget for Fiscal Year 2019-20)

Presented August 27, 2018

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LETTER OF TRANSMITTAL



NOVATO SANITARY DISTRICT

500 DAVIDSON STREET * NOVATO * CALIFORNIA 94945 * PHONE (415) 892-1694 * FAX (415) 898-2279
www.novatosan.com

BOARD OF DIRECTORS

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

KENTON L. ALM
Legal Counsel

August 27, 2018

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

Honorable Board Members:

The proposed Final District Budget for fiscal year (FY) 2018-19 and Preliminary Budget for FY2019-20 is attached for your consideration and approval. The Final Budget includes the following components:

- Summary of Fund Balances including Operating, Capital Improvement, and Reserve Funds (Section I).
- Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category (Section II).
- Detailed Operating Budget by Cost Center and Account Category (Section III).
- Capital Improvement Budget: Revenue and Expenditures Budget (Section IV)
- FY18-19 Wastewater Capital Reserve Fund and Certificates of Participation Reserve Fund (Section V)
- FY18-19 Rate Stabilization Fund (Section VI)
- FY18-19 Debt Service Fund Summary (Section VII).

Note that this year's annual Sewer Service Charge (SSC) increases from \$594 to \$615 per service unit, or an increase of 3.5% over the prior year. The basis of the rate increase is District Ordinance No. 120 – AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2016-17, 2017-18, 2018-19, 2019-20, AND 2020-21. This Ordinance No. 120 was adopted by the District Board at its regular meeting of June 13, 2016 upon completion of the appropriate Proposition 218 process.

As in prior years, the sewer service charge is divided in FY18-19, with \$345 (55%) allocated to the Operating Budget, and \$270 (45%) allocated to the Capital Budget.

A. BUDGET STRUCTURE

The District's budget is prepared on a cash basis. Operating and Capital Revenues and Expenditures are summarized in Table 1, and illustrated in Figure 1 at the end of this transmittal letter. Table 1 also compares the adopted budget for the immediate past year with the proposed budget for the next year. Total revenues are projected to increase overall by about 3.4 percent from a combination of the sewer service charge increase discussed above and anticipated increases in property tax revenues accruing to the District. Variances between the two budget years are also provided later in this letter.

	FY 17/18 Adopted Budget	FY 18/19 Proposed Budget	% Change FY 18 to FY 19
Operating Revenues	\$ 10,654,033	\$ 11,282,802	5.90%
Capital Revenues	\$ 10,926,445	11,035,274	1.00%
Total Revenues	\$ 21,580,478	\$ 22,318,076	3.42%
Operating Expenditures	10,329,235	10,740,490	3.98%
CIP Expenditures	5,680,000	6,803,000	19.77%
Debt Service	7,043,504	6,839,456	-2.90%
Total Expenditures	\$ 23,052,739	\$ 24,382,946	5.77%

B. FISCAL YEAR 2018-19 OPERATING BUDGET DETAILS

Operating Revenues

The proposed FY 18-19 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 2), along with the amounts for the past two fiscal years. Total operating revenues are projected to increase by 5.9% or \$628,769 from FY 17-18.

Funding Sources by Category	FY 16-17 Adopted Budget	FY 17-18 Adopted Budget	FY 18-19 Proposed Budget	% Change FY 18 to FY 19
Operating Sewer Service Charges	\$ 9,208,992	\$ 9,691,440	\$ 10,145,760	4.69%
Permit & Inspection fees	31,500	26,500	31,500	18.87%
Interest Income	20,000	43,000	120,000	179.07%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	52,186	53,438	55,041	3.00%
AB 939 Collector Fees	354,134	376,426	400,772	6.47%
Oil and Beverage Grant	59,880	62,729	62,729	0.00%
Ranch Income	70,000	70,000	70,000	0.00%
Recycled Water Revenue	117,000	135,500	202,000	49.08%
Other Revenue	30,000	30,000	30,000	0.00%
Total Operating Revenue	\$10,108,692	\$10,654,033	\$11,282,802	5.90%

Operating Sewer Service Charges (SSCs): projected increase of \$504,320 or 4.7% primarily from the approved 3.5% rate increase recommended by the 2016 sewer service charge rate study, and adopted by Ordinance No. 120.

Interest Income: projected increase of \$77,000 or 179.1% from the continued potential increase in interest rates.

AB 939 Collector Fees: projected increase of \$24,346 or 6.5% due to the current projection for the Solid/HHW Cost center revenue.

Recycled Water Revenue: projected increase of \$66,500 or 49% from expanded recycled water production and use, with cost recovery of operating costs through an agreement with the North Marin Water District (NMWD).

Operating Expenditures

A summary of proposed and past two fiscal years Operating Expenditures is shown in Table 3. The proposed FY18-19 Operating Expenditures are also shown graphically in Figure 3 (by expense type) and Figure 4 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 3.98% or \$411,255 between FY 17-18 and FY 18-19. In terms of staffing, note that FY17-18 expenditures for Salaries and Benefits within individual cost centers were skewed by retirements of the long-term incumbents in the following District positions: Construction Inspector, Senior Engineer, Collection System Superintendent, Collection System Worker II, and Field Services Manager. The actual retirement dates for these individuals ranged from July through November 2017, but the retirements affected budgeted expenditures through the year as the District addressed these staff transitions.

Since FY 16-17, the District has moved forward on addressing its liabilities under Government Accounting Standards Board (GASB) Statement 45 (GASB 45 – Other Post-Employment Benefits or OPEB) and Statement 68 (GASB 68 – Net Pension Liability or NPL). The District set up and initiated funding a trust account with Public Agency Retirement Services (PARS), Irvine, CA, which incorporates separate sub-accounts for each of the GASB 45 and 68 liabilities. Consistent with Board direction (provided November 14, 2016), future District budgets (including the FY18-20 budgets) will include amounts to fund this trust, subject to Board approval.

Table 3: Operating Budget Expenditures Three-year Summary:

Expenditures by Department	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Collections	\$ 1,392,148	\$ 1,359,767	\$ 1,371,942	0.90%
Treatment	3,076,191	3,160,475	3,266,628	3.36%
Reclamation	521,538	521,554	490,972	-5.86%
Laboratory	648,636	599,461	583,410	-2.68%
Pump Stations	854,139	836,309	835,226	-0.13%
Administration/Engineering	2,947,210	3,277,014	3,526,811	7.62%
Hazardous Household Waste	415,787	439,155	463,501	5.54%
Recycled Water	117,000	135,500	202,000	49.08%
Total Expenditures	\$ 9,972,648	\$ 10,329,235	\$ 10,740,490	3.98%

Operating Budget – Variances

Table 4 summarizes the main anticipated operating budget variances from the prior year. Note that whereas these variances may appear significant in percentage terms, the dollar values of individual variances are small in terms of the overall budget.

Also, where the percentage variance of individual variances appears to be very significant (for example, line items 5. and 6.), the variance is on small budgeted amounts where a minor change in dollar terms can result in an apparent large percentage variance.

Anticipated Budget Variances – Year-over-year, FY 17-18 to FY 18-19	Budget Impact
1. 4.5% increase in employee benefits category.	\$ 44,338
2. 11.2% increase in retiree health benefits.	\$ 43,533
3. 30.0% increase in contributions to fund trust for pension expenses.	\$ 66,864
4. 18.6% increase in insurance expense.	\$ 30,500
5. 93.6% increase in District Software maintenance expenses.	\$ 29,000
6. 112.0% increase in District's reimbursable Recycled Water Facility Operating Chemicals expenses.	\$ 32,800
7. 23.1% decrease in attorney fees in the Admin & Eng. cost center.	\$ (15,000)
8. 14.6% decrease in Outside services in the Pump Station & Collection System cost centers.	\$ (30,000)
9. 13.9% decrease in Research & Monitoring fees in the Lab cost center.	\$ (22,500)

C. FISCAL YEAR 2018-19 CAPITAL BUDGET DETAILS

Capital Revenues

The proposed FY 18-19 Capital Budget by Revenue source is shown in Table 5 below, along with the figures for the past two fiscal years. Percentage changes in actual property tax revenue for the last ten years is illustrated in Figure 5 (attached to this letter). Total capital revenues for FY 18-19 are expected to increase by 1.0% or \$108,829 from FY 17-18. Notable items include:

Capital SSC Revenues - projected increase of \$187,008 or 2.4% primarily from the 3.5% rate increase recommended by the current sewer service charge rate study.

Property Taxes - projected increase of \$147,221 or 6.7% from greater activity in the housing market over the past few years. For comparative purposes, Figure 5 illustrates percentage changes in property tax-related revenues for the last ten years.

Connection Fees – projected to increase \$13,600 or 3.0% assuming about forty (40) new connections per year.

Interest Income – projected increase of \$85,000 or 212.5% from the continued potential increase in interest rates.

Grant Revenue – projected decrease of \$324,000 or 68.2% over FY 17-18 anticipated amounts as work on the Recycled Water Facility (RWF) expansion project continues to progress and the District receives reimbursement of these funds via the USBR Title XVI grant funds through the North Bay Water Reuse Authority (NBWRA) Phase I Program. Note that while the flow of grant funds to the District through NBWRA may not track precisely with the revenue flow for this item as presented in the budget, the District is on track to receive all of its eligible grant funds.

Funding Sources by Category	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Capital Sewer Service Charges	\$ 7,595,952	\$ 7,753,152	\$ 7,940,160	2.41%
Property Taxes	1,938,000	2,188,693	2,335,914	6.73%
Connection Charges	434,400	447,600	461,200	3.04%
Collector/Special Equalization Chgs	2,000	2,000	2,000	0.00%
Interest Income	25,000	40,000	125,000	212.50%
Grant Revenue	0	475,000	151,000	-68.21%
Other Revenue	20,000	20,000	20,000	0.00%
Total Capital Revenues:	\$10,015,352	\$10,926,445	\$11,035,274	1.00%

Capital Expenditures

The proposed Capital Improvement Program (CIP) Budget for FY 18-19 is \$13,642,456 or \$918,952 more or an increase of 7.2% over last year. Capital projects for FY 18-19 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

On-going major capital project work, including Collection System Improvements and the expansion of the Recycled Water Facility (RWF).

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

Lateral Replacement Program: The District established this program as a sub-account within the Collection System Improvements account, as part of a long-term approach to reducing infiltration and inflow from private residential laterals into the District’s collection system. The program seeks to incentivize individual homeowners financially to replace the entire sewer lateral between their residence and the sewer main, and currently provides a grant for half of the replacement cost up to \$2,000 to replace a residential sewer lateral in the District’s service area. In FY18-19, the proposed budget amount is \$80,000.

Debt service of \$6,839,456 including principal and interest payments on the District’s State Revolving Fund (SRF) loan and the 2017 Revenue Refunding Bonds.

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

Capital Expenditures	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Capital Projects	\$4,675,000	\$5,680,000	\$6,803,000	19.77%
Debt Service	7,059,705	7,043,504	6,839,456	-2.9%
Total	\$11,734,705	\$12,723,504	\$13,642,456	7.2%

Debt Coverage Ratio: In the 2011 Certificates of Participation(COP) Installment Sale Agreement, the District agreed to collect rates and charges during each fiscal year that are sufficient to yield net revenues equal to at least 120 percent of the installment payments on the COPs and all parity debt in the fiscal year, or a debt coverage ratio of 1.20. In October of 2017, the District retired these COPs with the issuance of the 2017 Revenue Refunding Bonds saving the District over \$2 million in debt service over the next twenty years. While the new 2017 Revenue Refunding Bonds do not require disclosure of the debt coverage ratio, for informational purposes only, the District's projected Debt Coverage Ratio for 2018-19 is 1.65, significantly greater than the minimum requirement of 1.20.

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

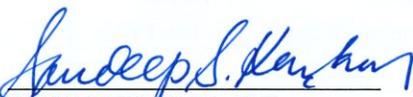
The following table compares the District's rate with those of other nearby sanitation agencies. For illustrative purposes, Figure 6 (following this letter) compares the District's SSC changes relative to changes in the Consumer Price Index (CPI) for the Water and Sewer Services industry for the last ten years.

AGENCY	RATE (\$/yr.)
Sanitary District No. 5 – Belvedere	1,985 ^(b)
Tamalpais Community Services District	1,734 ^(b)
Sausalito-Marín City Sanitary District ⁽¹⁾	1,377 ^(b)
Sanitary District No. 1 – City of Larkspur	1,178 ^(b)
Sanitary District No. 5 – Tiburon	1,034 ^(b)
City of Santa Rosa	995 ^(b)
Ross Valley Sanitary District (SD#1)	909 ^(b)
Las Gallinas Valley Sanitary	898 ^(b)
San Rafael Sanitation	861 ^(b)
City of Petaluma	864 ^(b)
City of Mill Valley	779 ^(a)
Napa Sanitation District	676 ^(b)
NOVATO SANITARY DISTRICT	615 ^(b)
Vallejo Sanitation & Flood Control District	585 ^(b)
Town of Corte Madera	500 ^(a)

Notes: ⁽¹⁾ Includes SMCS D charge of \$866 and City of Sausalito charge of \$511
^{a)}FY2017-18 charges; ^(b)FY2018-19 (proposed or adopted)

In conclusion, the proposed FY2018-19 budget will be able to accomplish the District's commitments to achieving the key goals set forth in its Strategic Plan while maintaining reasonable rates for its customers.

Sincerely,


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


LAURA CREAMER, CPA
Finance Officer

Additional Charts for Informational Purposes:
Figure 1:

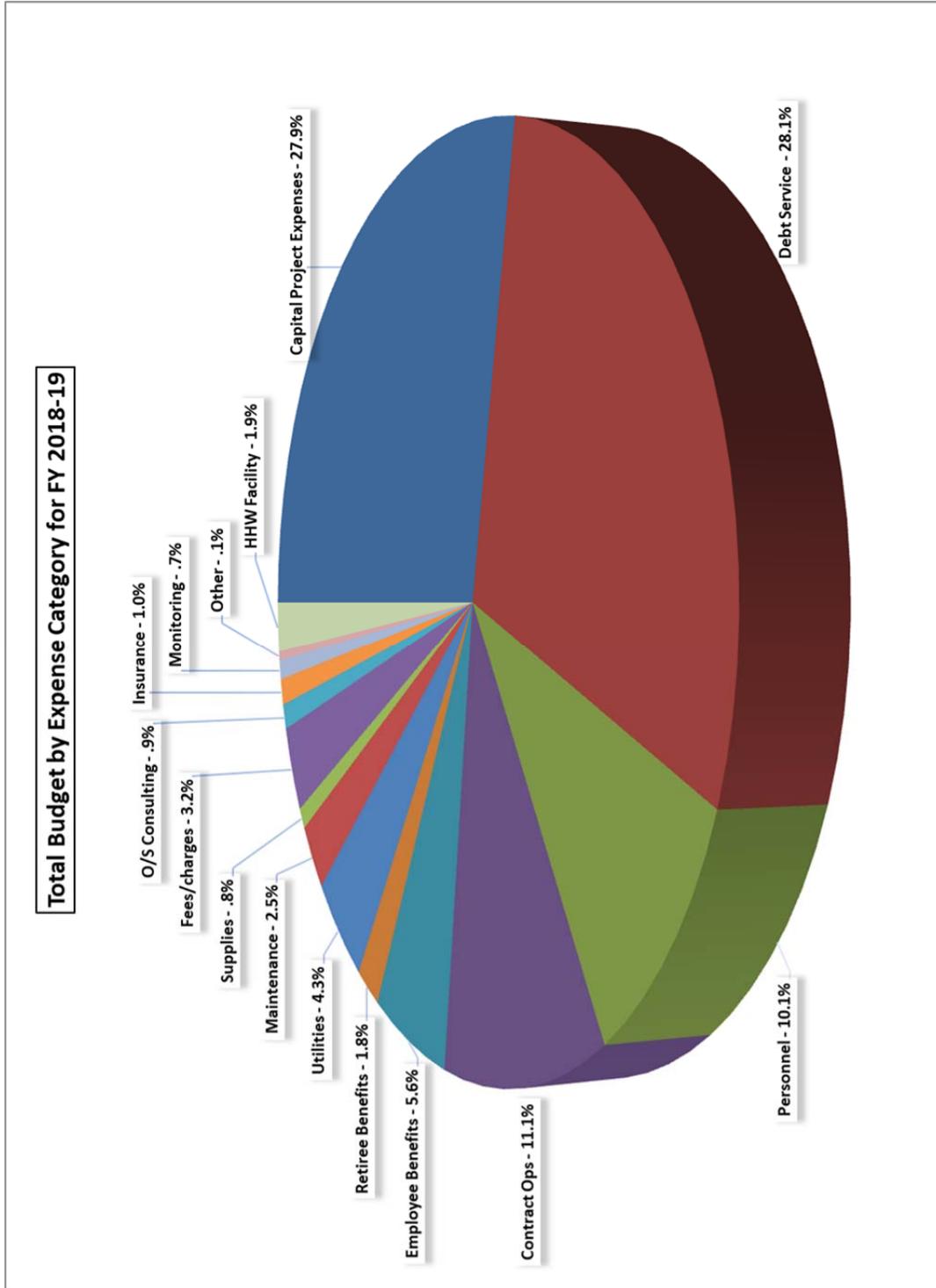


Figure 2:

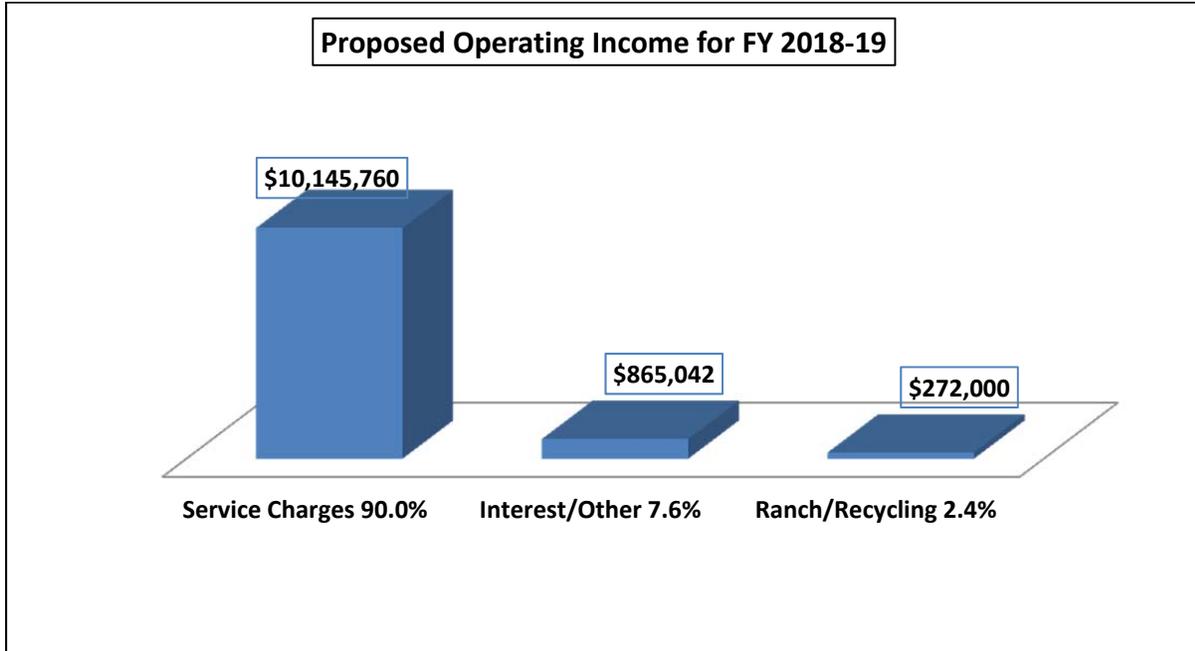


Figure 3:

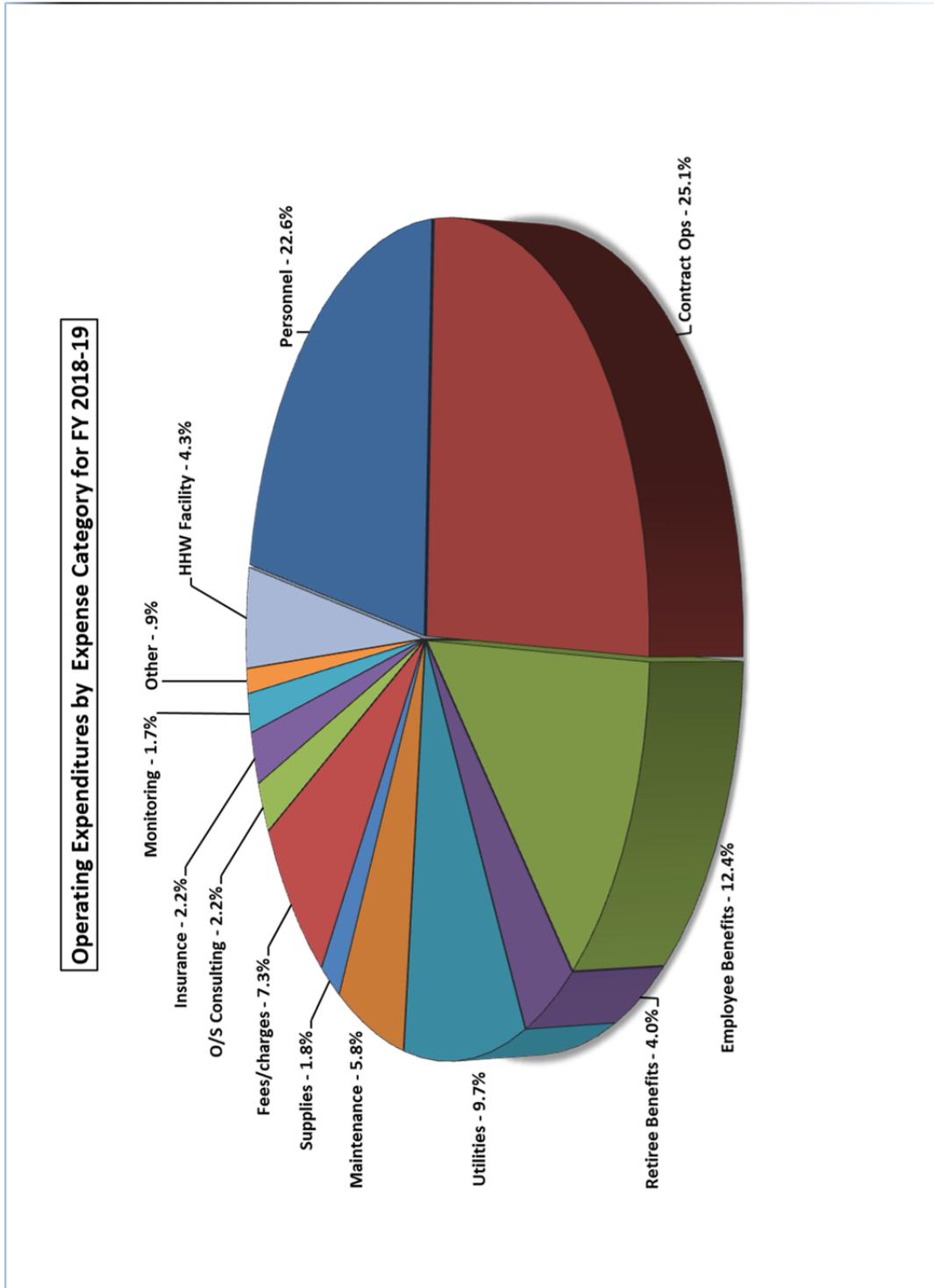


Figure 4:

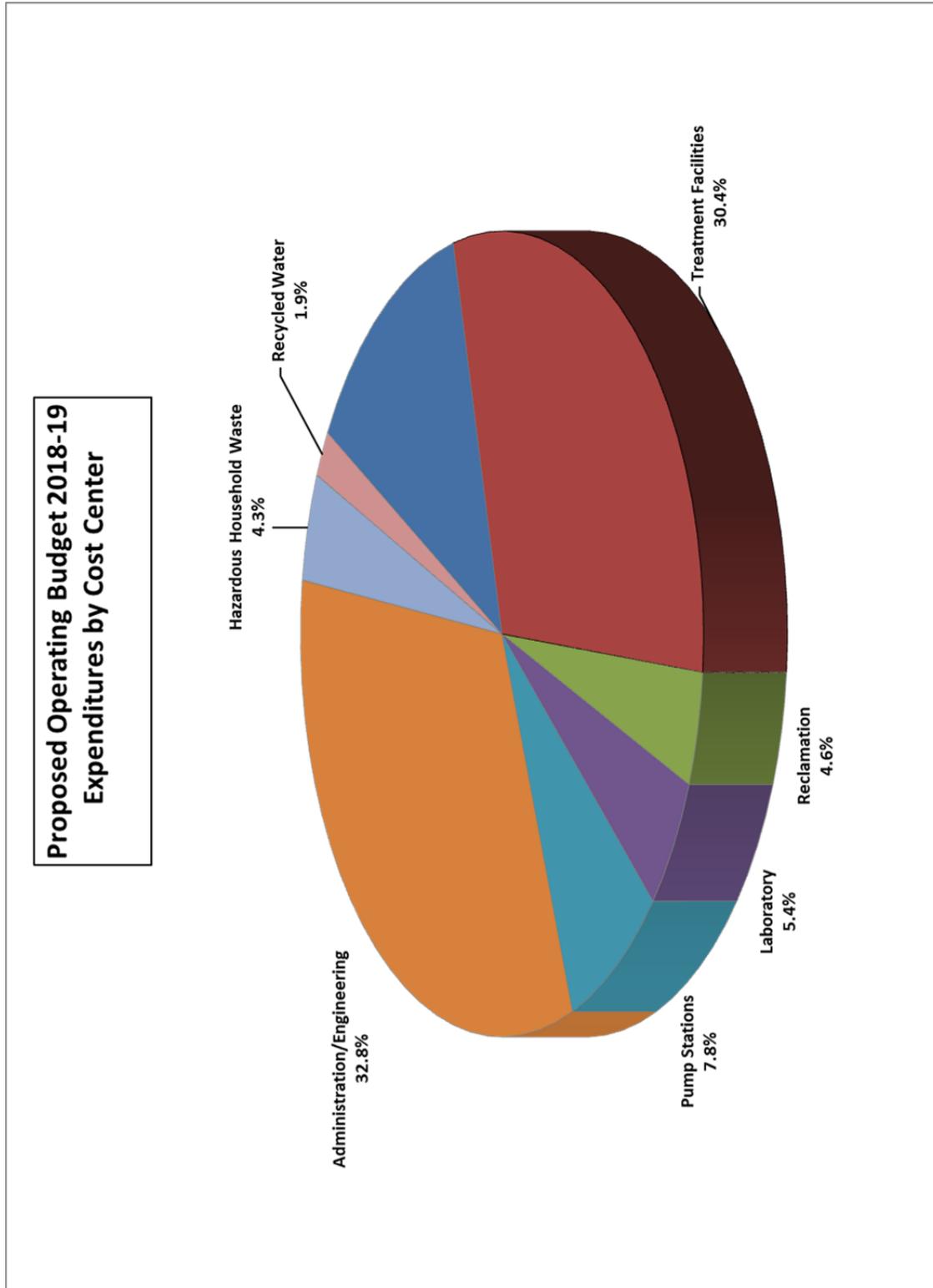
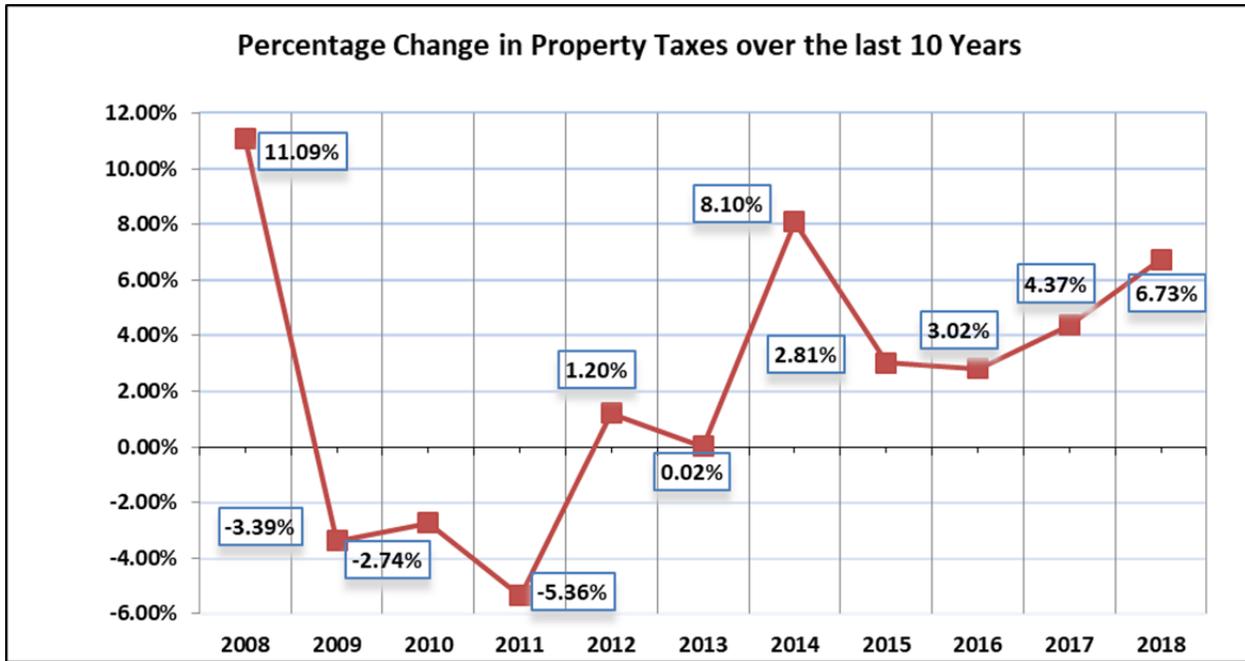
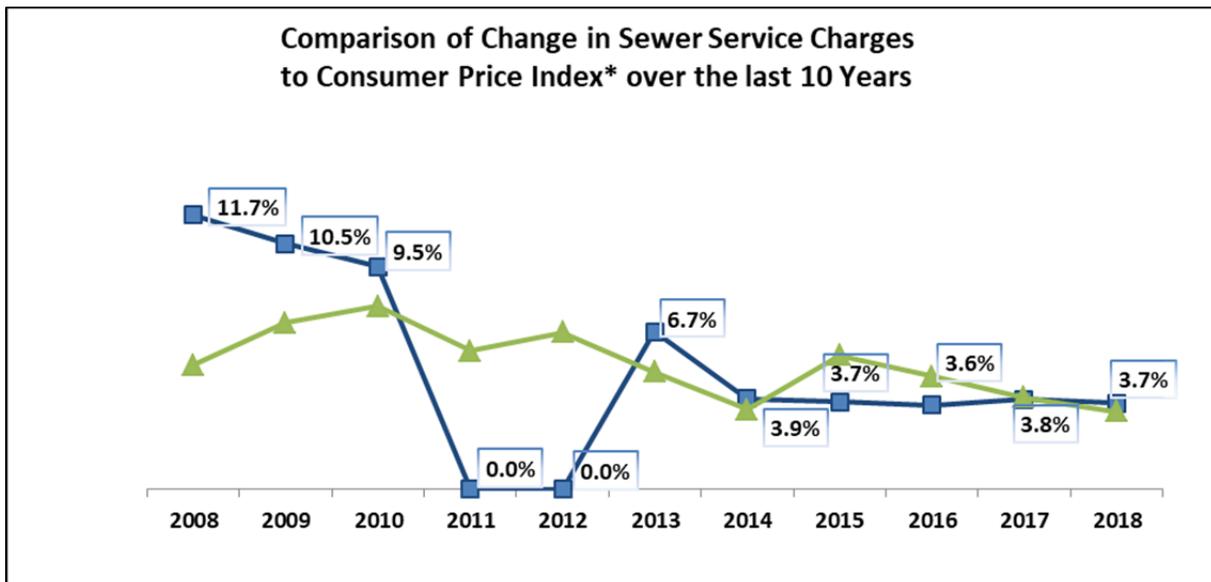


Figure 5:



Note: Based on actual revenues received through 17/18.

Figure 6:



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

SECTION I

SUMMARY OF FUND BALANCES

**Novato Sanitary District
2018-20 Final Budget
Summary of Fund Balances**

	Actual Rev/Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Operating Fund at July 1st Beginning of Each Year	12,542,995	12,833,255	12,910,706	13,131,214
Operating Revenue (p. 2)	10,736,389	11,282,802	11,282,802	11,470,054
Operating Expenditures (p. 3)	9,068,856	10,705,237	10,740,490	11,469,425
Net Operating Revenue	1,667,533	577,565	542,312	629
Transfers Out (1)	1,299,822	339,430	321,804	0
Net Operating Revenue after transfers	367,711	238,135	220,508	629
Operating Fund after transfers at the End of Each Year	12,910,706	13,071,390	13,131,214	13,131,843
Capital Improvement Fund at July 1st Beginning of Each Year	7,857,190	9,376,765	9,329,817	6,696,474
Capital Revenue (p. 15)	10,870,741	11,220,560	11,035,274	11,383,312
Transfers In (2)	1,249,174	288,782	271,156	0
Capital Expenditures (p. 16)	2,141,092	6,663,000	6,803,000	4,615,000
Debt Service (p. 19)	6,784,131	6,839,456	6,839,456	6,829,956
Transfers Out (3)	1,722,065	297,317	297,317	297,317
Total Capital Expenditures	10,647,288	13,799,773	13,939,773	11,742,273
Capital Improvement Fund Balance at the End of Each Year (4)	9,329,817	7,086,334	6,696,474	6,337,513
Wastewater Capital Reserve Fund Balance at the End of Each Year (p. 16)	27,336	324,653	324,653	621,970
Rate Stabilization Fund Balance at the End of Each Year (p. 18)	1,688,264	1,738,912	1,738,912	1,791,079
Fund Balances at The End of Each Year	23,956,123	22,221,289	21,891,253	21,882,405

(1) To Rate Stabilization Fund and Capital Improvement Fund.

(2) From Operating Fund.

(3) To Wastewater Capital Reserve Fund and Escrow account for Revenue Refunding Bond issue of 2017.

(4) Includes the 2011 Certificates of Participation(COP) Reserve fund balance. Due to refunding of 2011 COPs and issuance of 2017 Revenue Refunding Bonds reserve balance transferred to Escrow account (See also on p. 17).

SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

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

Operating Fund Revenue Center - 41000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Revenues 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
41010 · Sewer Service Charges (1)	9,208,992	9,691,440	9,780,624	10,145,760	10,145,760	10,306,800
41030 · Plan Check & Inspection Fee	500	500	9,504	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	5,405	6,000	6,000	6,000
41060 · Interest Income	20,000	43,000	169,777	120,000	120,000	130,000
41080 · Engineering & Admin Charges	165,000	165,000	19,084	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (2)	25,000	20,000	21,736	25,000	25,000	25,000
41100 · Garbage Franchise Fees	52,186	53,438	54,358	55,041	55,041	56,692
41105 · AB 939 Collector Fees	354,134	376,426	376,426	400,772	400,772	409,333
41107 · Oil/Bev/Tire Grants (3)	59,880	62,729	64,693	62,729	62,729	62,729
41130 · Ranch Income	70,000	70,000	77,732	70,000	70,000	70,000
41135 · Recycled Water Revenue	117,000	135,500	138,258	202,000	202,000	208,000
41140 · Other Revenue (4)	20,000	20,000	18,792	20,000	20,000	20,000
41142 · Loss on disposal of assets	10,000	10,000	0	10,000	10,000	10,000
Totals	10,108,692	10,654,033	10,736,389	11,282,802	11,282,802	11,470,054

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For FY 18/19 the charge is \$615 split between operating (\$345) and capital(\$270).
 - For FY 19/20 the charge is \$636 split between operating (\$350) and capital (\$286).
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants ~ \$29,000/ JPA Reimb Fees \$33,000
- (4) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMITATION

The appropriations limitation, pursuant to Article XIIB of the California Constitution, is determined to be \$6,553,365 for FY 18-19.

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

Operating Cost Center	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Collections	1,392,148	1,359,767	1,071,195	1,381,782	1,371,942	1,431,136
Treatment Facilities	3,076,191	3,160,475	2,976,676	3,282,731	3,266,628	3,424,497
Reclamation	521,538	521,554	460,652	491,542	490,972	529,514
Laboratory	648,636	599,461	487,971	583,012	583,410	620,860
Pump Stations	854,139	836,309	711,888	838,716	835,226	922,043
Administration/Engineering	2,947,210	3,277,014	2,871,299	3,461,953	3,526,811	3,861,313
Solid/Hazardous Household Waste	415,787	439,155	350,937	463,501	463,501	472,062
Recycled Water	117,000	135,500	138,238	202,000	202,000	208,000
	9,972,648	10,329,235	9,068,856	10,705,237	10,740,490	11,469,425

Novato Sanitary District												
2018-19 Final Operating Budget												
Operating Budget:By Cost Center and Account Category												
	Treatment Facilities	Recl	L-M	Pump Stations	Collection System	A-E	HHW Program	Recycled Water	Total	As Percent of Budget	Over/Under PY Budget	% Over/Under PY Budget
Salaries and Wages		86,021		345,078	666,060	1,208,103			2,305,262	21.46%	(10,629)	-0.46%
Contract Services (Operations & Lab)	2,262,043		378,910					55,000	2,695,953	25.10%	108,216	4.18%
Employee Benefits		22,950		144,149	318,682	541,496			1,027,276	9.56%	44,338	4.51%
Retiree Health Benefits						430,696			430,696	4.01%	43,533	11.24%
Pension Expense(Trust)						290,016			290,016	2.70%	66,864	29.96%
Directors' Fees						34,000			34,000	0.32%	(6,000)	-15.00%
Election Expense						90,000			90,000	1%	90,000	0.00%
Gasoline, Oil & Fuel		2,000	1,500	5,000	15,000	5,000			28,500	0.27%	-	0.00%
Insurance	14,000					180,500			194,500	1.81%	30,500	18.60%
Ins Claims Expense						45,000			45,000	0.42%	-	0.00%
Agency Dues						66,000			66,000	0.61%	12,000	22.22%
Memberships						14,000			14,000	0.13%	4,000	40.00%
Office Expense						28,000			28,000	0.26%	2,000	7.69%
Safety		500	1,000	2,000	3,500	2,000			9,000	0.08%	-	0.00%
Software Maint		2,000	1,000	7,000	50,000				60,000	0.56%	29,000	93.55%
Operating Supplies		2,000	20,000	10,000	25,000	5,000		4,400	66,400	0.62%	(5,600)	-7.78%
Operating Chemicals				2,000				60,100	62,100	0.58%	32,800	111.95%
Sludge Disposal-Contractual		220,000							220,000	2.05%	(20,000)	-8.33%
Accounting & Auditing						28,000			28,000	0.26%	2,000	7.69%
Attorney						50,000			50,000	0.47%	(15,000)	-23.08%
Outside Consulting						231,000			231,000	2.15%	8,000	3.59%
IT/Misc. Electrical						43,000			43,000	0.40%	3,000	7.50%
Safety & Wellness Incentive Program						10,000			10,000	0.09%	-	0.00%
Printing & Publication						24,000			24,000	0.22%	2,000	9.09%
Repairs & Maintenance		60,000	10,000	120,000	75,000	50,000		30,500	345,500	3.22%	(7,900)	-2.24%
Unusual Equipment Maint	150,000								150,000	1.40%	-	0.00%
Small Tools		500		2,000	2,000				4,500	0.04%	-	0.00%
Outside Services				55,000	120,000				175,000	1.63%	(30,000)	-14.63%
Ditch/Dike Maintenance		10,000							10,000	0.09%	-	0.00%
Research & Monitoring			125,000					14,000	139,000	1.29%	(22,500)	-13.93%
Travel, Mtgs & Train.						70,000			70,000	0.65%	5,000	7.69%
Pollution Prevention/Pub. Ed.			40,000						40,000	0.37%	(1,500)	-3.61%
Gas & Electricity	755,586	75,000		105,000				38,000	973,586	9.06%	14,087	1.47%
Water		5,000		7,000	12,000				24,000	0.22%	2,000	9.09%
Telephone				24,000	4,000	13,000			41,000	0.38%	1,000	2.50%
Other/Operational Assistance					700				700	0.01%	(300)	-30.00%
Permits & Fees	85,000	5,000	6,000	7,000	80,000			0	183,000	1.70%	9,000	5.17%
Co. Collection Fees						63,000			63,000	0.59%	(3,000)	-4.55%
Ser. Chg. System Exp						5,000			5,000	0.05%	-	0.00%
AB 939 Solid Waste Programs							463,501		463,501	4.32%	24,346	5.54%
Total	3,266,628	490,972	583,410	835,226	1,371,942	3,526,810	463,501	202,000	10,740,490	100.00%	411,255	3.98%
	30.41%	4.57%	5.43%	7.78%	12.77%	32.84%	4.32%	2%	100.00%			

SECTION III

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

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
60010 · Salaries & Wages	627,355	650,120	586,703	668,458	666,060	725,086
60020 · Employee Benefits	286,293	299,148	298,957	326,125	318,682	365,350
60060 · Gas, Oil & Fuel	28,000	15,000	12,775	15,000	15,000	15,500
60085 · Safety	3,500	3,500	2,593	3,500	3,500	3,500
60091 · Software Maint	75,000	20,000	19,712	50,000	50,000	22,000
60100 · Operating Supplies	30,000	28,000	13,230	25,000	25,000	28,000
60150 · Repairs & Maint	85,000	80,000	42,257	75,000	75,000	80,000
60152 · Small Tools	2,000	2,000	2,031	2,000	2,000	2,000
60153 · Outside Services	175,000	175,000	67,304	120,000	120,000	155,000
60192 · Water	12,000	12,000	10,655	12,000	12,000	12,000
60193 · Telephone	2,000	4,000	1,845	4,000	4,000	4,000
60200 · Other(Garbage Coll)	1,000	1,000	405	700	700	700
60201 · Permits & Fees	65,000	70,000	12,728	80,000	80,000	18,000
	1,392,148	1,359,767	1,071,195	1,381,782	1,371,942	1,431,136

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Treatment Facilities**

			Actual Exp	Proposed Budget	Final Budget	Preliminary Budget
Treatment Facilities - Cost Center - 61000	Adopted Budget 16/17	Adopted Budget 17/18	2017-18	2018-19	2018-19	2019-20
Accounts						
61000-1 · Fixed Fee(1)	2,113,278	2,173,976	2,119,698	2,262,043	2,262,043	2,321,640
61000-2 · Insurance & Bonds	14,000	14,000	12,727	14,000	14,000	14,000
61000-3 · Major Repair/Replcmn	150,000	150,000	95,728	150,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	90,000	61,627	85,000	85,000	90,000
61000-5 · Gas & Electricity(2)	708,913	732,499	686,896	771,688	755,586	848,857
	3,076,191	3,160,475	2,976,676	3,282,731	3,266,628	3,424,497

Comments:

- (1) Fixed fee - 5% increase from prior year, and an allowance for contractual incentive payment.
(2) Assumes 10% increase for purchased utility power based on actual expenditures for 2017/18, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between District and Veolia.

**Novato Sanitary District
2018-2020 Final Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
63010 · Salaries & Wages	91,943	71,693	66,708	86,292	86,021	98,681
63020 · Employee Benefits	36,595	24,860	18,798	23,249	22,950	27,835
63060 · Gasoline & Oil	4,000	2,000	1,781	2,000	2,000	2,000
63085 · Safety	500	500	0	500	500	500
63091 · Software Maint	2,000	2,000	1,094	2,000	2,000	2,000
63100 · Operating Supplies	2,000	2,000	597	2,000	2,000	2,000
63115 · Sludge Disposal	190,000	240,000	215,658	220,000	220,000	225,000
63150 · Repairs & Maint	70,000	65,000	63,428	60,000	60,000	70,000
63152 · Small Tools	500	500	36	500	500	500
63157 · Ditch/Dike Maint	20,000	10,000	3,600	10,000	10,000	11,000
63191 · Gas & Electricity	95,000	95,000	75,839	75,000	75,000	80,000
63192 · Water	3,000	3,000	9,071	5,000	5,000	5,000
63201 · Permits & Fees	6,000	5,000	4,042	5,000	5,000	5,000
	521,538	521,554	460,652	491,542	490,972	529,514

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
64010 · Contract Lab Services (1)	368,136	363,761	351,604	378,512	378,910	406,760
64060 · Gasoline & Oil	2,500	1,500	1,336	1,500	1,500	1,600
64085 · Safety	1,000	1,000	0	1,000	1,000	1,000
64091 · Software Maintenance	4,000	1,000	0	1,000	1,000	1,000
64100 · Operating Supplies	20,000	20,000	20,105	20,000	20,000	20,500
64150 · Repairs & Maintenance	25,000	19,200	5,062	10,000	10,000	12,000
64160 · Research & Monitoring	182,000	147,500	88,733	125,000	125,000	130,000
64170 · Pollution Prev/Public Ed	43,000	41,500	15,837	40,000	40,000	41,500
64201 · Permits & Fees	3,000	4,000	5,294	6,000	6,000	6,500
	648,636	599,461	487,971	583,012	583,410	620,860

Comments:

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

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
65010 · Salaries & Wages	344,528	358,335	289,939	346,294	345,078	394,924
65020 · Employee Benefits	154,611	153,974	139,281	146,422	144,149	169,518
65060 · Gasoline & Oil	6,000	5,000	3,023	5,000	5,000	5,000
65085 · Safety	2,000	2,000	1,080	2,000	2,000	2,000
65091 · Software Maintenance	12,000	8,000	5,465	7,000	7,000	8,000
65100 · Operating Supplies	10,000	10,000	3,809	10,000	10,000	10,000
65101 · Operating Chemicals	15,000	2,000	0	2,000	2,000	2,000
65150 · Repairs & Maintenance	115,000	115,000	113,310	120,000	120,000	120,000
65152 · Small Tools	2,000	2,000	1,963	2,000	2,000	2,100
65153 · Outside Services, Elec	35,000	30,000	14,041	55,000	55,000	55,000
65191 · Gas & Electricity	110,000	115,000	111,475	105,000	105,000	115,000
65192 · Water	7,000	7,000	5,824	7,000	7,000	7,000
65193 · Telephone	24,000	24,000	19,442	24,000	24,000	24,000
65201 · Permits & Fees	17,000	4,000	3,236	7,000	7,000	7,500
	854,139	836,309	711,888	838,716	835,226	922,043

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Administration/Engineering**

Administration and Engineering Cost Center - 66000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
66010 · Salaries & Wages	1,152,160	1,235,744	1,006,454	1,212,656	1,208,103	1,350,195
66020 · Employee Benefits	473,551	504,956	551,587	571,552	541,496	645,276
66021 · Retiree Health Benefits(1)	377,348	224,377	226,480	247,223	218,550	215,955
66021-1 · Retiree Health Benefits(2)	0	162,786	162,786	164,007	212,146	222,344
66022 · Pension Expense (3)	0	223,152	223,152	290,016	290,016	360,743
66030 · Director's Fees	38,000	40,000	22,725	34,000	34,000	34,000
66040 · Election Expense	0	0	0	60,000	90,000	0
66060 · Gasoline & Oil	10,000	5,000	4,737	5,000	5,000	5,000
66070 · Insurance	150,000	150,000	158,327	180,500	180,500	192,500
66071 · Insurance Claim Expense	50,000	45,000	0	45,000	45,000	45,000
66075 · Agency Dues	62,000	54,000	56,327	66,000	66,000	69,300
66080 · Memberships/Certifications	10,000	10,000	8,896	14,000	14,000	15,000
66085 · Safety	2,000	2,000	1,025	2,000	2,000	3,000
66090 · Office Expense	27,000	26,000	25,454	28,000	28,000	28,000
66100 · Engineering Supplies	10,000	10,000	4,535	5,000	5,000	5,000
66121 · Accounting & Auditing	27,000	26,000	25,964	28,000	28,000	29,000
66122 · Attorney Fees	75,000	65,000	24,261	50,000	50,000	55,000
66123 · O/S Contractual	218,000	223,000	143,097	181,000	231,000	295,000
66124 · IT/Misc Electrical	45,000	40,000	27,050	43,000	43,000	45,000
66125 · Safety & Wellness Incent Prog	10,000	10,000	4,175	10,000	10,000	10,000
66130 · Printing & Publications	22,000	22,000	17,860	24,000	24,000	24,000
66150 · Repairs & Maintenance	50,000	50,000	49,565	50,000	50,000	52,500
66170 · Travel, Meetings & Training	55,000	65,000	53,378	70,000	70,000	75,000
66193 · Telephone	10,000	12,000	12,908	13,000	13,000	13,500
66202 · County Fees-Property Taxes	26,000	26,000	31,754	33,000	33,000	35,000
66203 · County Fees-Sewer Ser Chg	42,000	40,000	28,802	30,000	30,000	31,000
66250 · Service Charge Sys Exp	5,150	5,000	0	5,000	5,000	5,000
	2,947,210	3,277,014	2,871,299	3,461,953	3,526,811	3,861,313

Comments:

(1) Projected contribution to current retirees' health care premiums.

(2) Represents FY18-20 Unfunded Actuarial Liability (UAL) contributions into the PARS Trust (OPEB sub-account) established in November 2016.

(3) Represents FY18-20 projected contributions to PARS Trust (Pension sub-account).

*PARS = Public Agency Retirement Services.

OPEB = Other Post-Employment Benefits.

Novato Sanitary District					
Final Operating Budget 2018-20					
PERSONNEL DETAIL					
Number	Position	Cost Center	Pay Range	Salaries	
				2018-19	2019-20
1.00	General Manager-Chief Engineer.....	A/E		233,508	241,447
1.00	Deputy General Manager.....	A/E	MC122.5	177,840	193,085
1.00	Field Services Manager25AE/.25CS/.25PS/.25Rec	MC119	149,265	162,064
1.00	Senior Engineer.....	.65AE/.25PS/.10Rec	MC116.5	62,160	134,974
0.46	Administrative Services Specialist	A/E	MC117.5	69,744	72,115
1.00	Administrative/Risk Services and Safety Officer (1)	A/E	MC117.5	138,206	150,050
1.00	Administrative Assistant	A/E	MC103	30,630	66,510
1.00	Administrative Secretary.....	A/E	MC106	86,196	89,127
1.00	Finance Officer.....	A/E	MC115	133,716	138,262
1.00	Staff Engineer.....	.5A/E/.5CS	47	110,016	113,757
1.00	Construction Inspector.....	A/E	44.5	81,472	88,457
1.00	Information System Specialist II.....	.5A/E/.5CS	43.5	92,772	95,926
1.00	Electrical/Instrumentation Tech I.....	.34A/E/.33PS/.33Rec	40.5	73,290	79,573
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	112,356	121,926
1.00	Collection System Leadworker.....	.67CS/.33PS	47	106,520	113,757
3.00	Collection System Worker II.....	.67CS/.33PS	40.5	239,136	249,544
4.00	Collection System Worker I.....	.67CS/.33PS	38.5	229,657	281,529
1.00	Admin Intern	A/E	N/A	7,200	7,200
1.00	Engineering Aide - temp	A/E	N/A	8,640	8,640
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	32,000	32,000
	Allowance for Overtime.....	C/S		33,000	33,000
	Allowance for Overtime.....	A/E		7,500	7,500
	Allowance for Standby Duty Pay.....	C/S		36,000	36,000
	Adjustment for CMSA Reimbursement(1)	A/E		(17,863)	(19,319)
	Subtotal			2,232,962	2,497,122
	Allowance for Possible COLA - across the board	3.40% (FY 18-19)		72,300	71,764
		3.00% (FY 19-20)			
				2,305,262	2,568,887
23.86	Administration and Engineering (A/E)		1,208,103	1,350,195	
	Collection System	67%	666,060	725,086	
	Pump Stations	33%	345,078	394,924	
	Reclamation Facilities		86,021	98,681	
	Total		2,305,262	2,568,887	
(1) A portion of the compensation for this position to be reimbursed by Central Marin Sanitation Agency (CMSA) under the Joint Safety Program between CMSA and the District.					

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Solid/Household Hazardous Waste**

Solid/HHW Cost Center - 67000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
67400 · Management Services	134,750	138,118	90,921	142,464	142,464	146,025
67500 · Household Haz. Waste	220,000	242,500	226,416	260,000	260,000	265,000
67530 · Used Oil Grant	11,269	11,269	2,610	11,269	11,269	11,269
67530-1 Beverage Container Grant	11,268	11,268	2,610	11,268	11,268	11,268
67540 · Education/Public Outreach	23,500	21,000	18,304	23,500	23,500	23,500
67600 · Other	5,000	5,000	76	5,000	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000	10,000
	415,787	439,155	350,937	463,501	463,501	472,062

Comments:

Per proposed budget by HHW Coordinator.

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 16/17	Adopted Budget 17/18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
68010 · O & M Services	50,000	50,000	45,656	55,000	55,000	57,000
68100 · Operating Supplies	2,000	2,000	1,893	4,400	4,400	5,000
68101 · Operating Chemicals	26,000	27,300	32,902	60,100	60,100	62,000
68150 · Repairs & Maintenance	22,000	24,200	19,676	30,500	30,500	31,000
68160 · Research & Monitoring	14,000	14,000	13,200	14,000	14,000	14,000
68191 · Gas & Electricity	2,000	17,000	24,911	38,000	38,000	39,000
68201 · Permits & Fees	1,000	1,000	0	0	0	0
	117,000	135,500	138,238	202,000	202,000	208,000

SECTION IV

CAPITAL IMPROVEMENT BUDGET

**Novato Sanitary District
2018-20 Final Budget
Capital Improvement Budget - Summary of Revenues**

			Actual	Proposed	Final	Preliminary
Capital Fund	Adopted	Adopted	Revenue	Budget	Budget	Budget
Revenue Center - 51000	Budget 16/17	Budget 17/18	2017-18	2018-19	2018-19	2019-20
Accounts						
Capital Improvement Income						
51010 · Sewer Service Charges(1)	7,595,952	7,753,152	7,875,116	7,940,160	7,940,160	8,422,128
51015 · Property Taxes	1,938,000	2,188,693	2,290,112	2,289,200	2,335,914	2,334,984
51015-1 · Redevelopment Agency(2)	0	0	70,139	0	0	0
51020 · Connection Charges(3)	434,400	447,600	234,495	461,200	461,200	475,200
51030 · Collector Sewer Charges	1,000	1,000	0	1,000	1,000	2,000
51040 · Special Equalization Chrg	1,000	1,000	4,230	1,000	1,000	4,000
51060 · Interest	25,000	40,000	139,466	125,000	125,000	125,000
51070 · Other Revenue	20,000	20,000	0	20,000	20,000	20,000
51072 · Grant Revenue - RWF	0	475,000	257,183	383,000	151,000	0
Total Capital Improvement Income	10,015,352	10,926,445	10,870,741	11,220,560	11,035,274	11,383,312
Comments:						
(1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:						
- For FY 18/19 the charge is \$615 split between operating (\$345) and capital (\$270).						
- For FY 19/20 the charge is \$636 split between operating (\$350) and capital (\$286).						
(2) Redevelopment Agency(RDA) related revenues are being shown separately as they have increased over the past few years from the dissolution and distribution of assets of these agencies. Also, projections for future RDA fund distributions are not available at this time.						
(3) Connection Charges projected at 40 new connections each year.						
- Per Ordinance 120, the connection charge beginning July 1, 2018 is \$11,530 per EDU, and increases by 3% on July 1, 2019 to \$11,880 per EDU.						

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

Capital Improvements			Actual	Proposed	Final	Preliminary
Cost Centers - 72000 & 73000	Adopted	Adopted	Exp	Budget	Budget	Budget
	Budget 16/17	Budget 17/18	2017-18	2018-19	2018-19	2019-20
Accounts						
72403 · Pump Station Rehabilitation	50,000	150,000	3,323	50,000	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	440,000	100,000	81,801	10,000	80,000	10,000
72706 · Collection System Improvments	1,200,000	1,700,000	231,982	2,450,000	2,450,000	2,200,000
72706-1 · Lateral Replacement Program	60,000	80,000	32,000	80,000	80,000	100,000
72707 · Hamilton Wetlands/Outfall Integration	10,000	10,000	214	10,000	10,000	10,000
72708 · Cogeneration/Alt. Energy	45,000	350,000	9,927	350,000	350,000	700,000
72802 · Annual Sewer Adj. for City Proj	10,000	40,000	9,783	25,000	25,000	25,000
72803 · Annual Collection Sys Repairs	200,000	200,000	107,527	225,000	225,000	225,000
72804 · Annual Reclamation Fac Improvements	100,000	175,000	49,835	175,000	175,000	140,000
72805 · Annual Treatment Plant Improvements	100,000	300,000	20,863	300,000	300,000	100,000
72806 · Annual Pump Station Improvements	100,000	100,000	58,649	140,000	140,000	100,000
72807 · Annual Ignacio Facility Improvements	0	50,000	0	50,000	50,000	50,000
72808 · Strategic Plan Update	20,000	20,000	0	20,000	20,000	20,000
72809 · Novato Creek Watershed	10,000	5,000	0	5,000	5,000	5,000
73003 · Admin Building Upgrade/Maint. Building	350,000	350,000	58,081	350,000	350,000	20,000
73004 · Odor Control and NTP Landscaping	75,000	50,000	56,058	50,000	100,000	50,000
73005 · RWF Expansion (1)	1,300,000	1,460,000	1,016,484	2,020,000	2,020,000	10,000
73006 · NTP Corrosion Control	180,000	150,000	21,184	233,000	233,000	100,000
73090 · Vehicle Replacement	425,000	390,000	383,381	120,000	140,000	500,000
Subtotal before Debt Service	4,675,000	5,680,000	2,141,092	6,663,000	6,803,000	4,615,000
78500 · Interest - SRF Loan	1,610,195	1,519,744	1,519,744	1,427,123	1,427,123	1,332,279
78500 · Principal - SRF Loan	3,768,762	3,859,212	3,859,212	3,951,833	3,951,833	4,046,677
78500 · Interest - COP Bond/Rev. Refunding Bond	775,748	739,548	460,175	670,500	670,500	631,000
78500 · Principal - COP Bond/Rev. Refunding Bond	905,000	925,000	945,000	790,000	790,000	820,000
Subtotal for Debt Service	7,059,705	7,043,504	6,784,131	6,839,456	6,839,456	6,829,956
Totals	11,734,705	12,723,504	8,925,223	13,502,456	13,642,456	11,444,956

Comments:

(1) FY17-18 expenditures include provisions for USBR Title XVI grant funds through the NBWRA Phase I program, and potential reimbursement from the joint NMWD/NSD Recycled Water Capital Replacement and Expansion Fund.

SECTION V

***WASTEWATER CAPITAL RESERVE FUND &
CERTIFICATE OF PARTICIPATION (COP)
RESERVE FUND***

**Novato Sanitary District
2018-20 Final Budget
Wastewater Capital Reserve Fund**

		2018-20 Budget	
		Prelim	Final
<u>Wastewater Capital Reserve Fund</u>			
FUND BALANCE 6/30/17		3,275,000	3,275,000
	Required Deposits	27,336	27,336
FUND BALANCE 6/30/18		3,302,336	3,302,336
	Required Deposits/Transfers In	297,317	297,317
ANTICIPATED FUND BALANCE 6/30/19		3,599,653	3,599,653
	Proposed Deposits/Transfers In	297,317	297,317
ANTICIPATED FUND BALANCE 6/30/20		3,896,970	3,896,970
Note:	The District borrowed \$81,307,947 between 2008 and 2011 from the State Revolving Fund (SRF) program, under a loan agreement with the State Water Resources Control Board (SWRCB). The loan agreement requires the District to deposit sufficient funds to build up the Wastewater Capital Reserve Fund (WCRF) at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten years, beginning in FY08-09. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 General Obligation (GO) bonds may be used to offset, dollar for dollar, the required cash deposits to the WCRF. The maximum required WCRF balance is \$3,599,654 of which \$3,275,000 is satisfied by the unused GO bonding capacity. District Policy No. 3500 (adopted August 8, 2013), paragraph 3500.33, sets the reserve amounts in accordance with the terms of the loan, and requires the remainder to be funded as follows: \$27,336 in FY17-18, and \$297,317 in FY18-19. These amounts are being funded from unreserved amounts in the capital improvement fund, and the total of these required deposits (i.e. \$324,653 in FY 18-19 and \$621,970 in FY 19-20) is included in the Summary of Fund Balances table (Page 1). Note that, beginning in FY 19-20, the budget continues to allocate funds each year to build up the District's capital reserves.		

SECTION VI

RATE STABILIZATION FUND

**Novato Sanitary District
2018-20 Final Budget
Rate Stabilization Fund**

		2018-20 Budget	
		Prelim	Final
<u>RATE STABILIZATION FUND</u>			
FUND BALANCE 6/30/17		1,639,091	1,639,091
	Required Deposits/Transfers from Operating	49,173	49,173
FUND BALANCE 6/30/18.....		1,688,264	1,688,264
	Required Deposits/Transfers from Operating	50,648	50,648
FUND BALANCE 6/30/19		1,738,912	1,738,912
	Required Deposits/Transfers from Operating	52,167	52,167
FUND BALANCE 6/30/20		1,791,079	1,791,079
Note: This fund is maintained at a minimum balance of \$1,500,000 adjusted annually for inflation from unreserved amounts in the operating fund. Beginning FY17-18, this Fund is also included in the Summary of Fund Balances table (Page 1) to relate the cash based methodology of the budget document with the accrual methodology of the Comprehensive Annual Financial Report (CAFR).			

SECTION VII

DEBT SERVICE FUND SUMMARY

**Novato Sanitary District
2018-20 Final Budget
State Revolving Fund Loan
COP Bond Fund
Revenue Refunding Bond**

		2018-20 Budget		
		Preliminary	Final	
<u>State Revolving Fund Loan</u>				
DEBT BALANCE 6/30/17		63,322,683	63,322,683	
Principal Payment 2017-18		(3,859,211)	(3,859,211)	
Interest payments 2017-18		(1,519,744)	(1,519,744)	
Transfer from Capital Improvement Fund 2017-18		1,519,744	1,519,744	
DEBT BALANCE 6/30/18		59,463,472	59,463,472	
Principal Payment 2018-19		(3,951,833)	(3,951,833)	
Interest payments 2018-19		(1,427,123)	(1,427,123)	
Transfer from Capital Improvement Fund 2018-19		1,427,123	1,427,123	
ANTICIPATED DEBT BALANCE 6/30/19		55,511,639	55,511,639	
<u>COP Bond Financing Issued October 2011</u>				
DEBT BALANCE 6/30/17		17,475,000	17,475,000	
Principal Payment 2017-18		(925,000)	(925,000)	
Interest payments 2017-18		(775,748)	(775,748)	
Transfer from Capital Improvement Fund 2017-18		775,748	775,748	
Refunded COP with Revenue Bond listed below		(16,550,000)	(16,550,000)	
DEBT BALANCE 6/30/18		-	-	
<u>Revenue Refunding Bond Financing Issued October 2017</u>				
DEBT BALANCE 6/30/17		-	-	
Revenue Refunding Bond Issued to Refund COP 2011		14,355,000.00	14,355,000.00	
Principal Payment 2017-18		(945,000)	(945,000)	
Interest payments 2017-18		(165,481)	(165,481)	
Transfer from Capital Improvement Fund 2018-19		165,481	165,481	
DEBT BALANCE 6/30/18		13,410,000	13,410,000	
Principal Payment 2018-19		(790,000)	(790,000)	
Interest payments 2018-19		(670,500)	(670,500)	
Transfer from Capital Improvement Fund 2018-19		670,500	670,500	
ANTICIPATED DEBT BALANCE 6/30/19		12,620,000	12,620,000	
Note: Second payment for COP Bond payable paid with escrow funds.				
		Actual	Final	Preliminary
		Rev/Exp	Budget	Budget
Debt Coverage Ratio(1)		Budget 17/18	2017-18	2018-19
		2019-20		
Net Operating Revenue		113,226	367,711	220,508
Capital Revenue		10,926,445	10,870,741	11,035,274
Annual Debt Service		7,043,504	6,784,131	6,829,956
Debt Coverage Ratio		1.57	1.66	1.65
Net revenues covenant requires a 1.20 coverage ratio				
(1) Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio				

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Appropriations Limit for FY2018-19.	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 6.b.
RECOMMENDED ACTION: Adopt Resolution No. 3125 Establishing the District's Appropriations Limit for FY2018-19, subject to minor edits.	
SUMMARY AND DISCUSSION: <p>Under the Gann Spending-Limitation Initiative (Article XIII B of the State Constitution) adopted as Proposition 4 in June 1979 (and subsequently modified by Proposition 111 in June 1990), the District is required to annually adopt a resolution setting an appropriations limit for the upcoming year. For 2018-19, staff projects that the District's appropriations subject to limitation will be \$6,553,365.</p> <p>The Gann Spending-Limitation Initiative provides for the limitation of state and local government appropriations and is actually a limitation on tax revenues rather than a direct limitation on appropriations.</p> <p>Appropriations subject to limitation may not exceed appropriations made in 1978-79 except as adjusted for increases in the cost of living, population and service responsibility transfers.</p> <p>Appropriations financed through service fees (to the degree that they do not exceed the cost of performing the service), grant programs, and other specified "non-tax" sources are not subject to the appropriations limit.</p> <p>Originally, the Gann Initiative was self-executing, requiring no formal review; however, Proposition 111 requires that the annual calculation be reviewed as part of the annual financial audit.</p> <p>The annual adjustment factors for changes in population and cost of living for the appropriations limit calculation must be selected by a recorded vote of the Board.</p>	
ATTACHMENTS: 1. Memorandum - 2018-19 Appropriations Limit 2. Draft Resolution No 3125.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
DEPT. MGR.: lmc, ssk	GENERAL MANAGER: SSK

MEMORANDUM

TO: Board of Directors

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

BOARD

MEETING DATE: August 27, 2018

SUBJECT: 2018-19 Appropriations Limit

It is necessary to determine the District's appropriations limit for 2018-19 based on growth factors provided by the State Department of Finance.

Price Factor

Proposition 111, adopted in 1990, specifies that each entity of local government select its cost of living factor by a vote of its governing body. The District may select either (a) the percentage change in the California per capita personal income (CPCPI), or (b) the percentage change in the local assessment roll due to the addition of non-residential new construction.

The CPCPI percentage change over the prior year is 3.67% according to the State Department of Finance. Information obtained from the County Auditor-Controller's office shows the change in assessment due to new non-residential construction amounts to 3.75%. We have used the percentage change in the California per capita personal income for setting our 2018-19 appropriations limit.

Change in Population

Senate Bill 88, implementing Proposition 111, provides that a special district shall select its change in population annually by a recorded vote of the governing body. The Board may choose to use the change in population within its jurisdiction or within the county in which it is located. If a special district is wholly within a county, the county population shall be used unless the district requests a special census from the Department of Finance.

2018-19 Appropriations Limit

It is recommended that the 2018-19 appropriations limit be set at \$6,553,365 using the change in California per capita personal income percentage change and the annual percentage change in population for Marin County.

Attached are worksheets showing the adjustment factors to obtain the 2018-19 limit, and a historical Comparison of Limit to Tax Revenue.

Attachments

**Novato Sanitary District
APPROPRIATIONS LIMIT**

2018-19

APPROPRIATION LIMIT ADJUSTMENT FACTORS

Under law (Proposition 111), the District's appropriations limit may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment roll due to local non-residential construction:

May use Per Capita Change: 3.67%
 Per Capita converted to a ratio: 1.0367 Use for 2018-19 Calculation
 or

Change due to non-residential construction (1): 3.75%
 Change due to non-residential construction ratio: 1.0375

Population Change for Marin County: 0.17

Per Capita converted to a ratio: 1.0367
 Population converted to a ratio: 1.0017

Calculation of Factor for FY 2018-19:

Price factor (1.0367) x Population factor (1.0017)= 1.0385

The change factor is applied to last year's appropriation limit to obtain this year's limit:

Appropriation Limit prior FY	2017-18	6,310,643
Change Factor for this FY	2018-19	<u>1.0385</u>

APPROPRIATION LIMIT FOR 2018-19 \$ 6,553,365

(1) The following information was provided by the County Auditor-Controller's Office:

Change in AV due to Construction Growth from 3-01-17 to 3-1-18	<u>21,330,211</u>	:	3.75%
Increase in total AV (+exemptions) from 2016-17 to 2017-18	568,934,803		

APPROPRIATIONS LIMIT WORKSHEET

Comparison of Limit to Tax Revenue

Year Ended June 30	APPROPRIATIONS SUBJECT TO LIMITATION				Amount Under Limit
	Approp Limit	Increase over PY	Tax Revenue	Increase/Decrease over PY	
2005	4,611,180	5.86%	1,279,567	-8.13%	3,331,613
2006	4,872,715	5.67%	1,763,422	37.81%	3,109,293
2007	5,103,161	4.73%	1,796,003	1.85%	3,307,158
2008	5,380,409	5.43%	1,995,120	11.09%	3,385,289
(2) '2009	5,663,413	5.26%	2,527,507	26.68%	3,135,906
2010	5,744,684	1.44%	1,874,691	-25.83%	3,869,993
2011	5,792,485	0.83%	1,774,216	-5.36%	4,018,269
2012	5,841,350	0.84%	1,795,489	1.20%	4,045,861
2013	5,899,391	0.99%	1,795,781	0.02%	4,103,610
2014	5,925,116	0.44%	1,941,241	8.10%	3,983,875
2015	5,936,316	0.19%	1,999,816	3.02%	3,936,500
2016	5,995,198	0.99%	2,055,935	2.81%	3,939,263
2017	6,075,132	1.33%	2,171,007	5.60%	3,904,125
2018	6,310,643	3.88%	2,290,112	5.49%	4,020,531
(1) 2019	6,553,365	3.85%	2,289,200	-0.04%	4,264,165
15-Year Average		2.78%		4.29%	

(1) As Provided in Proposition 111, the change in the California per capita personal income factor was used to calculate appropriations limit.

(2) Property Taxes of approximately, \$600k were miscoded at year end to sewer service charges thus the significant jump in property taxes on this spreadsheet.

**RESOLUTION NO. 3125
A RESOLUTION OF THE NOVATO SANITARY DISTRICT
CORRECTING AND AMENDING PRIOR CALCULATIONS
AND MAKING DETERMINATION AND ESTABLISHING
THE 2018-19 APPROPRIATION LIMIT**

RESOLVED, by the Board of Directors of the Novato Sanitary District, Marin County, California, that in order to conform to modifications in the appropriation limit calculation as provided by Proposition 111 amending Article XIII B of the Constitution of the State of California and regulations adopted thereunder and by Senate Bill No. 88, Chapter 60 of Statutes of 1990 and especially the amendment of Section 7901 relating to the calculations of appropriation limits and the addition of Section 7914 defining "qualified capital outlay project" of the Government Code of the State of California, and in order to correct and adjust earlier calculations to comply with constitutional changes and with regulations adopted thereunder, the previously calculated limits for the District shall be amended in accordance with the appropriation limit calculations which have been on file and available in the office of the Secretary of the Novato Sanitary District. The District has calculated the maximum limit applicable to the appropriation of tax proceeds for the fiscal year 2018-19 to be the sum of SIX MILLION FIVE HUNDRED FIFTY-THREE THOUSAND THREE HUNDRED SIXTY-FIVE AND NO/100 (\$6,553,365). The basis of said calculations are available and on file in the office of the Secretary and the Board of Directors does hereby determine that for said fiscal year the calculations are based on the percentage change in the California per capita personal income and the population change of the County of Marin within which the District is situated, and that this resolution shall be posted by the Secretary at the official places of posting and shall be effective immediately.

* * * * *

I hereby certify that the foregoing resolution was passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof held on the 27th day of August, 2018, by the following vote of the members thereof:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

President
Board of Directors

APPROVED:

Secretary

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Electronic Waste (E-Waste) Operations.	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 7.a.
RECOMMENDED ACTIONS: Receive report and ratify change in E-Waste collection operations to move from two collection events per year to year-around collection in conjunction with Household Hazardous Waste (HHW) collection at the HHW facility.	
SUMMARY AND DISCUSSION: <p>The District has been sponsoring electronic (E-Waste) collection events 2 times a year for over 10 years. Although successful, these events have limited the number of days residents can dispose of their electronics. In program surveys, the number one issue residents ask for is greater availability of days and times to drop off electronics.</p> <p>Two months ago, the District's E-Waste recycler for these annual events, ECS Inc., went out of business. Although unfortunate, this gave staff the opportunity to review future options for ongoing electronics collection.</p> <p>Currently, residents can drop off TV's, computers and small amounts of electronics at the Household Hazardous (HHW) Facility during regular open days, 4 times a month. The District's HHW contractor, Stericycle Inc., informally accepts all types of E-Waste at the HHW facility and ships it - at no cost to the District - to a local E-Waste recycler, who is certified to collect electronics in California.</p> <p>In order to increase the availability of formal E-Waste collection for residents, it is recommended the Board ratify the proposed change in E-Waste collection operations so that the Household Hazardous Waste Facility can formally continue to accept all types of electronics on a regular basis. This service will replace the bi-annual events and expand the number of days residents can drop off electronics from 6 times a year to 48 times a year, or 4 times/month. In addition to increasing the service to residents, this will save the costs that are associated with separate E-Waste recycler contract and labor.</p> <p>The District's proposed FY18-19 budget includes provisions for separate recycler contract and labor costs, which staff proposes to leave in place for the FY18-19 fiscal year, with an option to revisit them or eliminate them from future budgets, based on the District's experience with Stericycle over the remainder of the year.</p> <p>Also, all future outreach materials, including newsletters, websites, hotlines, and fliers will be tailored to publicize information on this added service.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: dlj	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, July 2018.

MEETING DATE: August 27, 2018

AGENDA ITEM NO.: 8.a.

RECOMMENDED ACTIONS: Receive Wastewater Operations Reports for July 2018:

- Collection System
- Treatment Facilities Operations
- Reclamation Facilities

SUMMARY AND DISCUSSION:

The July 2018 Wastewater Operations Report incorporating operations reports for collections system, wastewater treatment facilities, and the reclamation facilities is attached.

District and Veolia staff will be present at the meeting to provide overviews of the reports for their operational areas, and be available to discuss the reports or respond to any questions.

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

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

DEPT. MGR.: JO (Veolia), EB

GENERAL MANAGER: SSK

Novato Sanitary District
Wastewater Operations - Collection System Operations Report (Pages 92 to 134)
July 2018

1.0 General:

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

- 1.9 FTE field workers for Sewer Maintenance (main line cleaning)
- 0.8 FTE field workers for Pump Station Maintenance
- 0.1 FTE field workers for Closed Circuit Television (CCTV) work
- 0.3 FTE field workers for Underground Service Alert Mark and Locate (USA)
- 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 the activities listed above, or special activities (for e.g. smoke testing of mainlines), and
- 2.2 FTE field workers for vacation, holiday or sick leave.

2.0 Collection System Maintenance:

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

Line Cleaning Performance

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 514 work orders for the month. Collections staff completed 514 work orders, leaving zero (0) work orders outstanding. The completed work orders resulted in 76,877 feet of sewer pipelines cleaned by staff. An additional 6,400 feet of sewer line were treated for root intrusion by staff and a District contractor for a total of 83,277 feet of cleaned sewer line.



Bahia Main PS after mowing and weed eating.

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for four (3) working days and televised a total of 8,059 feet of sewer main.

CCTV Findings:

- Infrastructure related: CCTV work identified a few holes in a vitreous clay pipe (vcp) sewer line. The line has been documented and placed on the spot repair list for future repair.
- O&M related: CCTV work did not identify any area that would require a change in sewer line maintenance operations.

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

3.0 Pump Station Maintenance:

Collections staff conducted 175 lift station inspections this month. 68 of the inspections were generated through the District's JobsCal Plus CMMS system. There are no outstanding work orders for the month. A Pump Stations Work Order Statistics summary is attached.

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on thirteen (13) air relief/vacuum valves this month.

5.0 Safety and Training:

General:

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

Specialized Training:

- Collections staff attended a POSM CCTV inspection program training.
- Collections staff attended a full day CUES CCTV van training on new District CCTV van.
- Collections staff also attended a full day Underground Locating training.

Safety performance:

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

6.0 Miscellaneous Projects:

Collections staff assisted a contractor in reinstalling pump #3 at Olive Pump Station. At Golden Gate Place, collections staff continues to monitor and pump out the isolated sewers to prevent overflows. They will continue to do so until the permanent solution is implemented.

7.0 Sanitary Sewer Overflows (SSOs):

There were no (0) sanitary sewer overflows in July. The CIWQS no spills certification number is 2521429.



Clean-up at Ignacio Treatment Plant site

Novato Sanitary District
Collection System Monthly Report For June 2018 (as of June 30, 2018)

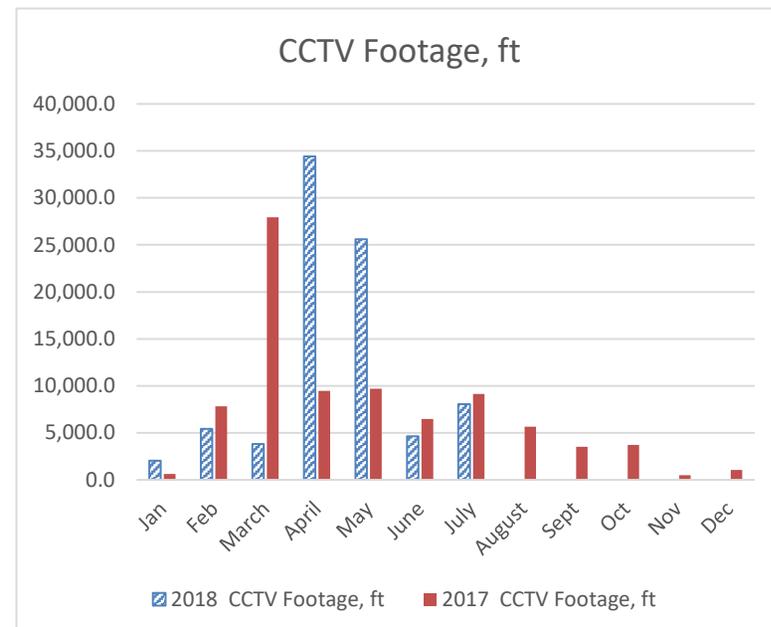
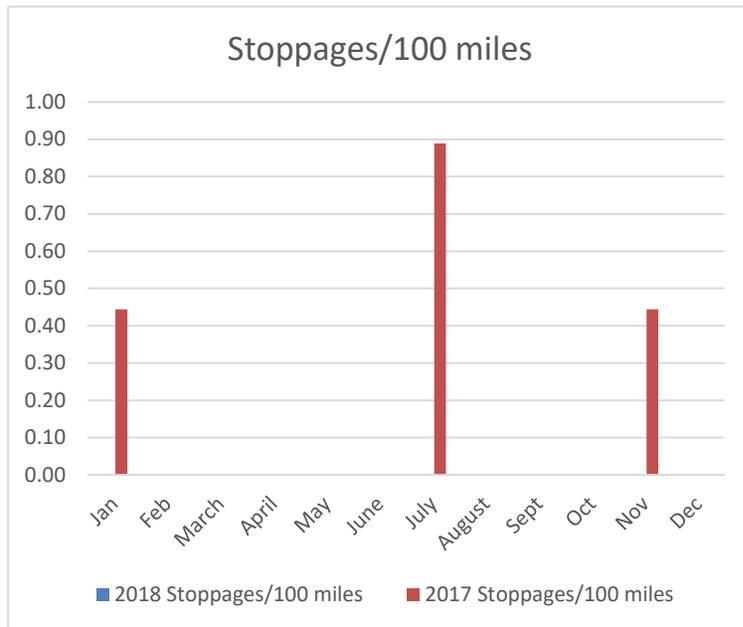
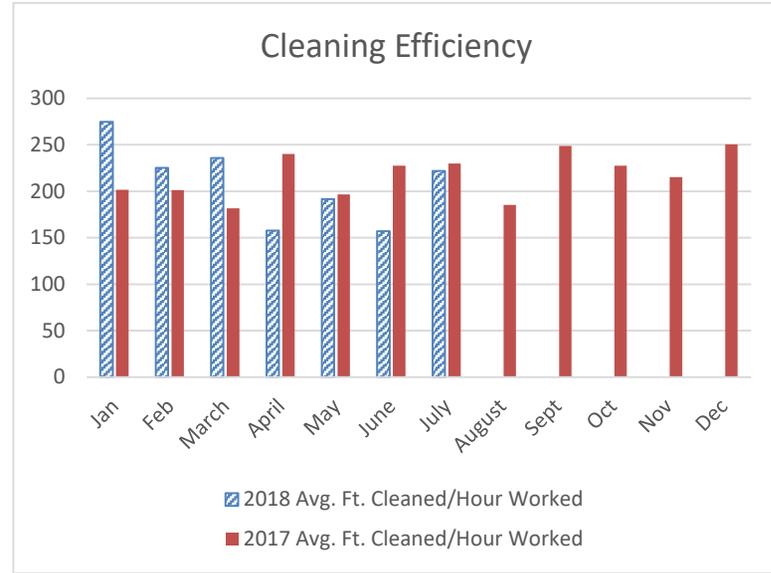
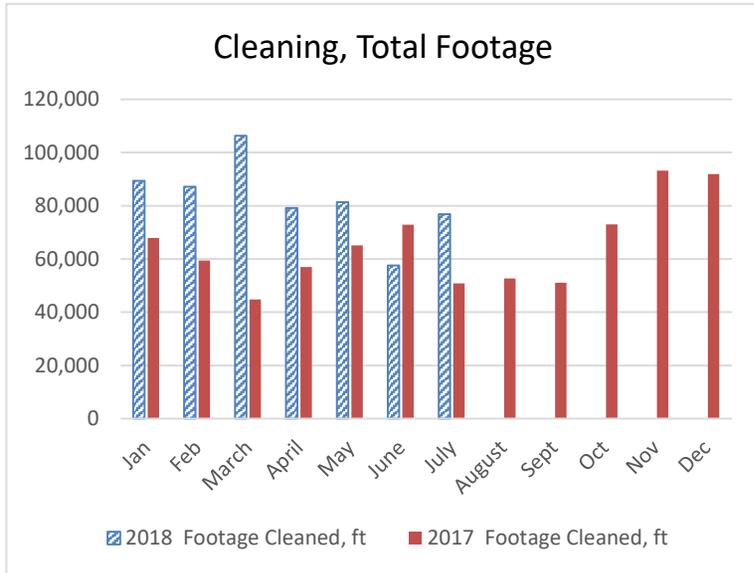
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.8	2.4	2.5	3.0	2.3	2.1	1.9	0.0	0.0	0.0	0.0	0.0	NA	1.3
Number of FTEs (other)	1.8	1.9	1.9	1.7	1.4	1.7	1.7	0.0	0.0	0.0	0.0	0.0	NA	1.0
Number of FTEs (USAs)	0.3	0.3	0.2	0.3	0.3	0.2	0.3	0.0	0.0	0.0	0.0	0.0	NA	0.2
Number of FTEs (CCTV)	0.2	0.2	0.2	0.3	0.8	0.3	0.1	0.1	0.0	0.0	0.0	0.0	NA	0.2
Total, FTEs	4.0	4.9	4.8	5.4	4.7	4.4	4.0	0.1	0.0	0.0	0.0	0.0	NA	2.7
Regular Time Worked, (main line cleaning), hrs	325	387	451	502	425	367	347	0	0	0	0	0		
Regular Time Worked on Other, hrs (1)	324	303	352	288	263	298	306	0	0	0	0	0		
Regular Time Worked on USAs	51	59	41	53	49	43	45							
Regular Time Worked on CCTV (2)	32	40	40	57	149	51	18	0	0	0	0	0		
Total Regular time, worked, hrs	732	788	882	900	885	758	851	0	0	0	0	0	5,794	483
Total Vacation/Sick Leave/Holiday, hrs	216	106	123	70	186	156	396	0	0	0	0	0	1,250	104
Vacation/Sick Leave/Holiday, FTEs	1.2	0.7	0.7	0.4	1.0	0.9	2.2	0.0	0.0	0.0	0.0	0.0	7.1	0.6
Overtime Worked on Coll. Sys., hrs	11	7	3	6	11	20	11	0	0	0	0	0	68	6
Overtime Worked on Other, hrs (1)	4	0	0	0	4	1	10	0	0	0	0	0	19	2
Overtime Worked on USAs, hrs	0	0	0	0	0	0	0							
Overtime Worked on CCTV (2)	0	0	0	0	0	1	0	0	0	0	0	0	1	0
Total Overtime, hrs	15	7	3	6	15	22	21	NA	NA	NA	NA	NA	88	13
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	28	33	65	65	28	1	61	0	0	0	0	0	281	23
Rodder 3208 ft. cleaned	6,241	6,875	12,729	10,481	4,023	301	7,502	0	0	0	0	0	48,152	4,013
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flusher Work Orders generated	401	413	472	403	404	305	422	0	0	0	0	0	2,820	235
Truck 3205V ft. cleaned	22,719	28,924	43,973	2,861	0	12,920	145	0	0	0	0	0	111,542	9,295
Truck 3206V ft. cleaned	60,376	51,396	18,896	28,966	6,896	41,633	22,236	0	0	0	0	0	230,399	19,200
Truck 3209F ft. cleaned	0	0	30,733	36,879	70,447	2,664	46,994	0	0	0	0	0	187,717	15,643
Flusher - outside services, ft. cleaned	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Footage cleaned(3)	89,336	87,195	106,331	79,187	81,366	57,518	76,877	NA	NA	NA	NA	NA	577,810	82,544
Work Orders completed	429	446	537	616	432	506	483	0	0	0	0	0	3,449	314
Work Orders backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CCTV Truck 3126T, ft. videoed	2,048	5,420	3,805	0	20,712	4,233	0	0	0	0	0	0	36,218	3,018
CCTV (hand cam), ft. videoed	0	0	0	34,429	4,893	408	8,059	0	0	0	0	0	47,789	
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total CCTV footage(3)	2,048	5,420	3,805	34,429	25,605	4,641	8,059	NA	NA	NA	NA	NA	84,007	
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category II)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category I)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Overflow Gallons	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Volume Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	8	4	2	2	0	4	3	0	0	0	0	0	23	2
Normal hours S.C. response time, mins (avg.)	39	29.25	17	18.5	0	18	66.3	0	0	0	0	0	188	16
Service Callouts, after hours, #	1	0	0	0	0	0	0	0	0	0	0	0	1	0
After Hours S.C. response time, mins (avg.)	37	0	0	NA	NA	NA	0	NA	NA	NA	N/A	0	37	7
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	275	225	236	158	192	157	222	NA	NA	NA	NA	NA	NA	209
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	0
Callouts/100 Miles	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
Overtime hours/100 Miles	5	3	1	3	5	9	5	0	0	0	0	0	30.22	3
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Collection System: 2018 & 2017 Graphs



Novato Sanitary District
Pump Station Monthly Report For July 2018 (as of July 31, 2018)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked	372	254	212	251	276	266	185	0	0	0	0	0	1,815	
Number of Employees (FTEs)	1.8	1.4	1.2	1.2	1.3	1.3	0.8	0.0	0.0	0.0	0.0	0.0		0.7
Regular Time Worked on Pump Sta	325	226	212	197	238	231	136	0	0	0	0	0	1,563	
Overtime Worked on Pump Sta	47	28	32	54	38	35	50	0	0	0	0	0	283	
After Hours Callouts	3	1	1	1	1	0	9	0	0	0	0	0	16	
Average Callout response time (mins)	36	28	6	9	8	0	24	0	0	0	0	0	111	9
Work Orders														
Number generated in month	95	89	77	85	71	56	68	0	0	0	0	0	541	45
Number closed in month	95	89	77	85	71	56	68	0	0	0	0	0	541	45
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

	Open Work Orders Due Prior to 7/1/2018	Open Work Orders 7/1/2018-7/31/2018	Total Open Work Orders
Preventive	0	68	68
Corrective	0	0	0
Total	0	68	68

	Closed Work Orders 7/1/2018 -7/31/2018
Preventive	68
Corrective	0
Total	68

Total Outstanding Work Orders as of 7/31/2018	0
------------------------------------------------------------------	----------



August 22, 2018

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

Subject: Veolia Water Operations Report – July 2018

Dear Mr. Karkal:

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

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

Best regards,

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

John P. O'Hare
Project Manager, Veolia



**MONTHLY OPERATIONS REPORT
July 2018**

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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- E: ADMINISTRATION
- F: ODORS & LANDSCAPING
- G: MISCELLANEOUS

ATTACHMENTS

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

A: TREATMENT PLANT PERFORMANCE SUMMARY - July 2018

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	3.50	4.68	N/A	
Influent				
BOD ₅ , lb/day (month ave/max)	7,591	8,882	N/A	
TSS, lb/day (monthly ave/max)	7,951	10,183	N/A	
Effluent				
BOD ₅ , mg/L (monthly ave/max weekly ave)	<6	11	40	N/A
TSS, mg/L (monthly ave/max weekly ave)	<4	4	N/A	N/A
BOD ₅ - % Removal, Average	98		No Limit	
TSS - % Removal, Average	99		No Limit	
Ammonia, mg/L – (monthly ave/daily max)	N/A	N/A	N/A	N/A
pH, su (min / max)	6.9	7.1	6.5	8.5
Enterococcus, MPN/100 ml (30 day geo mean)	N/A		N/A	
Fecal Coliform, MPN/100 ml (monthly median)	N/A		N/A	
Fecal Coliform, MPN/100 ml (90 th PCTL)	N/A		N/A	
Total Coliform, MPN/100 ml (5 sample median)	24		240	
Total Coliform, MPN/100 ml (monthly maximum)	79		10,000	

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	26.86	N/A
Average Turbidity	NTU	0.9	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	15	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	7.4	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 days	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

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

B: SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTP and Ignacio Transfer Pump Station completed.
- Five minute tailgate training held during morning meetings with all staff.
- No safety incidents for the month of July 2018.
- Monthly Safety Topics and Training: Heat Stress



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

- Routine rounds, readings and maintenance.
- Replaced waste activated sludge pump #1
- Annual emergency generator service
- Annual wet weather pump service
- Replaced Microcool® pump (odor mister)

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

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

Ignacio Transfer Pump Station

- Routine rounds, readings and preventative maintenance.
- Replaced electrical contractor on supply fan
- Annual emergency generator service
- Repaired waterline to eyewash station located at the hypochlorite storage tank
- Weed abatement performed throughout the facility

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

- None

Recycled Water Plant (RWP)

- Routine rounds and maintenance.
- Continued to assist the contractor's needs and bring new equipment online during the upgrade to the RWP.
- Installed and calibrated new ATI chlorine residual analyzers
- Assisted contractor with shut downs & other needs

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

- None

Sludge Lagoons (and Reclamation Area)

- Performed routine rounds and inspection
- Weed abatement performed in the area of the access docks

D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY**Discharge to Reclamation / Irrigation July 1 - 31, 2018**

Training

Liz Falejczyk, Veolia Water Environmental Services Supervisor and Kurt Hawkyard, Veolia Water Laboratory Technician welcomed a summer intern from a local high school. The internship includes training for basic laboratory safety and technique. Training is also being provided to assist with non-regulatory laboratory analysis. Also, a Food Service Establishments searchable MS Excel® spreadsheet is being developed. Liz also attended HACH WIMS™ user group training at the Napa Sanitation District.

Public Education

Liz Falejczyk and Julie Hoover, Novato Sanitary District Administrative Secretary attended the first day of Watershed Week for STRAW (Students and Teachers Restoring A Watershed) event sponsored by Point Blue Conservation Science. During the event, twenty four dispersible packets were given out to attendees. These learning packets include a lesson plan to explore the use of three recyclable plastic bottles which contained either toilet paper; wipes (“flushable” and non-flushable) and tissues, when with the takeaway that only toilet paper should be flushed down the toilet. The teachers that attended were very receptive to the dispersible demonstration on display at the Public Education table.

Bay Area Clean Water Agency (BACWA)

Liz Falejczyk attended the BACWA Laboratory Meeting and Permits Committee conference call.

Nutrients Data

Liz Falejczyk submitted nutrient data to HDR, Inc. for the BACWA 2018 Group Annual Report Workbook.

Pretreatment Program**Permits**

- Issued one temporary discharge permit for groundwater discharge
- Issued one permit for an industrial waste hauler

Inspections and Sampling

- Continued monitoring one Food Service Establishment (FSE) to verify grease removal several times per week
- Received supporting documentation confirming continued compliance from three FSEs
- Inspected one categorical Significant Industrial User
- Inspected one categorical Zero Discharger

Reports

- Submitted the Semi-Annual Pretreatment Report
- Received quarterly reports from all Significant Industrial Users (SIUs)

E: ADMINISTRATION:

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

F: ODORS & LANDSCAPING:

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



G: MISCELLANEOUS

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

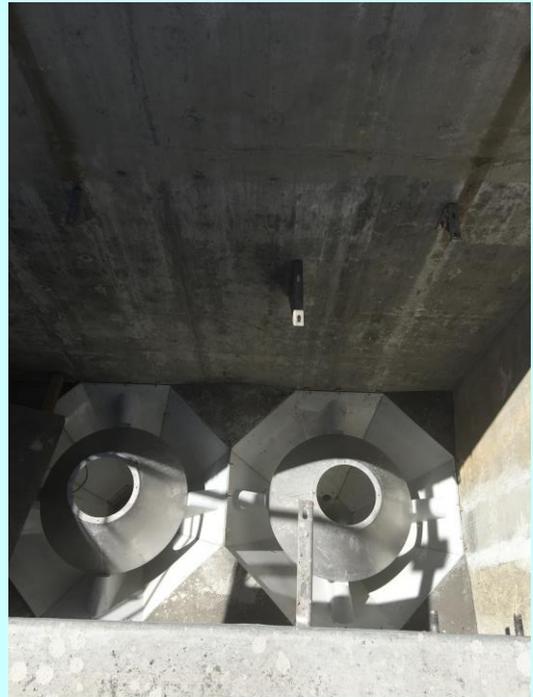
Veolia Support Staff On/Off Site (Various Times)

Ed Dix, West Region Technical Director

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

1) PHOTOS

RECYCLED WATER PLANT JULY 2018



Above – Installation of the new piping and filter components

PROCESS CONTROL TESTING JULY 2018



Top Right – Preparation for Volatile Acid / Alkalinity analysis

Top Left – John Bailey performing process control for the facility biological process

DEER ISLAND
JULY 2018



Above – Sunrise over Deer Island

2) *LABORATORY DATA*

Novato Sanitary District
BOD/TSS Report



July, 2018

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal PERCENT
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
07/01/18	3.45										
07/02/18	3.90										
07/03/18	3.66										
07/04/18	3.62					8	188	6	141		
07/05/18	3.72					15	381	<3	<76		
07/06/18	3.55	300	8,882	230	6,810	10	222	<3	<66	96.7	98.7
07/07/18	3.24										
07/08/18	3.77										
07/09/18	4.68										
07/10/18	3.23	290	7,812	378	10,183	7	142	<3	<61	97.6	99.2
07/11/18	3.29					<5	<121	<3	<73		
07/12/18	3.64					<5	<115	<3	<69		
07/13/18	3.45										
07/14/18	3.21										
07/15/18	3.46										
07/16/18	3.42	280	7,986	290	8,272	4	82	4	82	98.6	98.6
07/17/18	3.45					3	61	3	61		
07/18/18	3.32					<3	<58	<3	<58		
07/19/18	3.40										
07/20/18	3.26										
07/21/18	3.38										
07/22/18	3.46										
07/23/18	3.48										
07/24/18	3.65					<5	<109	4	87		
07/25/18	3.88					<5	<120	3	72		
07/26/18	2.84	240	5,685	276	6,537	6	103	4	69	97.5	98.6
07/27/18	3.32										
07/28/18	3.36										
07/29/18	3.46										
07/30/18	3.44										
07/31/18	3.60										
Weekly Averages											
07/07/18	Week 1	300	8,882	230	6,810	11	264	4	95		
07/14/18	Week 2	290	7,812	378	10,183	6	126	3	67		
07/21/18	Week 3	280	7,986	290	8,272	3	67	3	67		
07/28/18	Week 4	240	5,685	276	6,537	5	111	4	76		
	Week 5										
Monthly											
Minimum	2.84	240	5,685	230	6,537	<3	<58	<3	<58	97	99
Maximum	4.68	300	8,882	378	10,183	15	381	6	141	99	99
Total	108.59										
Average	3.50	278	7,591	294	7,951	<6	<142	<4	<76	98	99

Novato Sanitary District
Conventional Pollutants Report



July, 2018

Date	INFLUENT - A001			Effluent - E002							
	Flow	pH	Ammonia	Coliform / Bacteria			pH	Ammonia	Oil & Grease	Temp	Rainfall
	Total			Fecal	Entero	Total					
	MGD	su	mg/L	MPN/100 mL			su	mg/L	mg/L	Deg C	Inches
07/01/18	3.45										0.00
07/02/18	3.90						7.0			24.3	0.00
07/03/18	3.66					7	7.0			24.5	0.00
07/04/18	3.62						7.0			22.7	0.00
07/05/18	3.72					3	7.0			23.3	0.00
07/06/18	3.55	7.4				8	6.9			23.8	0.00
07/07/18	3.24										0.00
07/08/18	3.77										0.00
07/09/18	4.68						7.0			24.8	0.00
07/10/18	3.23					23	6.9			24.5	0.00
07/11/18	3.29					12	6.9			23.7	0.00
07/12/18	3.64					39	7.0			24.1	0.00
07/13/18	3.45						7.0			24.4	0.00
07/14/18	3.21										0.00
07/15/18	3.46										0.00
07/16/18	3.42					23	7.0			24.2	0.00
07/17/18	3.45	7.2				23	6.9			24.0	0.00
07/18/18	3.32					24	6.9			24.2	0.00
07/19/18	3.40						6.9			24.8	0.00
07/20/18	3.26						7.0			25.3	0.00
07/21/18	3.38										0.00
07/22/18	3.46										0.00
07/23/18	3.48						7.0			24.2	0.00
07/24/18	3.65					79	7.0			24.2	0.00
07/25/18	3.88					58	7.0			24.6	0.00
07/26/18	2.84					19	6.9			24.6	0.00
07/27/18	3.32						7.0			24.3	0.00
07/28/18	3.36										0.00
07/29/18	3.46										0.00
07/30/18	3.44						7.1			24.6	0.00
07/31/18	3.60						7.0			24.4	0.00
Monthly											
Minimum	2.84	7.2				3	6.9			22.7	0.00
Maximum	4.68	7.4				79	7.1			25.3	0.00
Total	108.59										0.00
Average	3.50	7.3					7.0			24.3	0.00
5-Median						24					

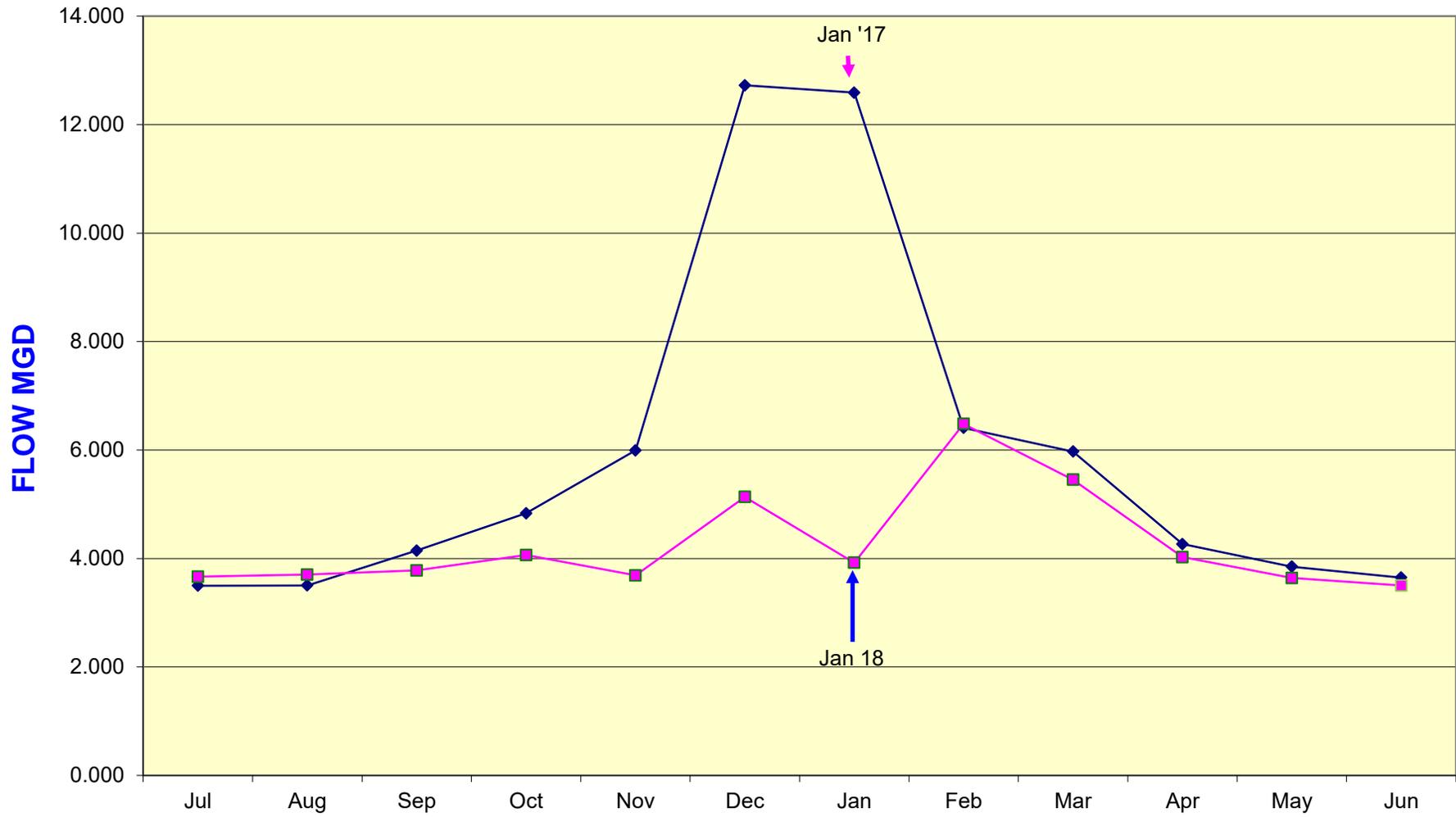
3) RECYCLED WATER REPORT

**NOVATO SANITARY DISTRICT
RECYCLED WATER
COMPLIANCE SUMMARY REPORT**

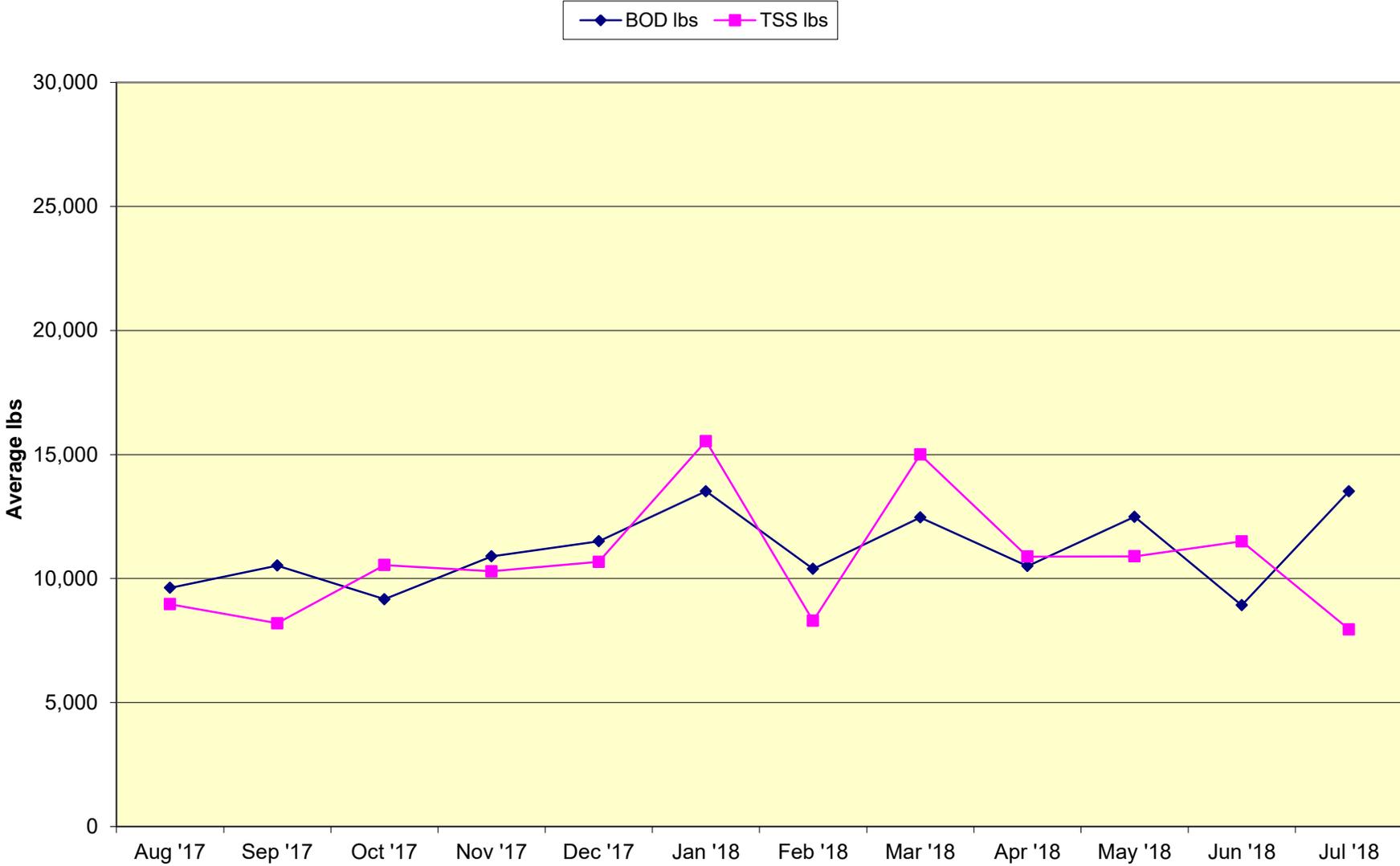
Date	Filter Influent Flow	Recycled Water Flow to Plum St.	Recycled Water Banked	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Max	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Recycled Water Inf Chlorine Dose	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Chlorint Contact Time
	MGD	MGD	MG	MGD	MGD	NTU	NTU	(m)	NTU	(mg/l)	(mg/l)	MPN/100m	Minutes
7/1/2018	1.150	0.989					1.2	0	0.6			<1	<450.000
7/2/2018	0.780	0.552					1.4	0	0.4		8.0	<1	<450.000
7/3/2018	1.040	0.508					1.7	0	0.4		8.3	<1	<450.000
7/4/2018	1.010	0.797					3.1	0	0.7		7.8	<1	<450.000
7/5/2018	0.810	0.672					1.7	0	0.8			<1	<450.000
7/6/2018	1.060	0.894					1.7	0	0.8			<1	<450.000
7/7/2018	1.030	0.930					1.5	0	0.8			<1	<450.000
7/8/2018	1.180	0.987					2.4	0	0.8		7.4	<1	<450.000
7/9/2018	1.170	0.986					1.3	0	0.6		7.6	<1	<450.000
7/10/2018	1.000	0.801						0	1.1		7.4	<1	<450.000
7/11/2018	0.700	0.387					1.8	0	0.9			<1	<450.000
7/12/2018	0.760	0.882					3.4	0	0.7			<1	<450.000
7/13/2018	0.910	0.806					2.8	0	0.8			<1	<450.000
7/14/2018	1.090	0.978					2.3	0	0.8			<1	<450.000
7/15/2018	1.030	0.864					2.6	0	0.9		7.5	<1	<450.000
7/16/2018	1.140	0.963					2.3	0	1.0		7.5	<1	<450.000
7/17/2018	1.220	1.029					2.4	0	1.1		7.4	<1	<450.000
7/18/2018	1.290	1.004					2.5	0	1.0			<1	<450.000
7/19/2018	1.270	1.017					2.6	0	1.1			<1	<450.000
7/20/2018	1.010	0.812					2.7	0	1.2			<1	<450.000
7/21/2018	1.160	0.993					2.3	0	1.0			<1	<450.000
7/22/2018	0.910	0.727					1.8	0	0.7		7.8	<1	<450.000
7/23/2018	0.990	0.438					1.7	0	0.7		7.8	<1	<450.000
7/24/2018	1.220	1.031					1.5	15	0.9		7.9	<1	<450.000
7/25/2018	1.100	1.001					3.3	0	1.6			<1	<450.000
7/26/2018	0.960	0.779					2.1	0	0.8			<1	<450.000
7/27/2018	0.810	0.690					2.6	0	1.1			<1	<450.000
7/28/2018	1.390	1.200					2.9	0	1.0			<1	<450.000
7/29/2018	1.170	0.957					3.0	0	1.1		8.1	<1	<450.000
7/30/2018	1.250	1.009					2.8	0	1.0		8.5	<1	<450.000
7/31/2018	1.380	1.177					3.4	0	1.0		8.2	<1	<450.000
Total	32.990	26.860											
Minimum	0.700	0.387					1.2	0	0.4		7.4	<1	<450.0
Maximum	1.390	1.200					3.4	15	1.6		8.5	<1	<450.0
Average	1.064	0.866					2.3	0	0.9		7.8	<1	<450.0

4) ANNUAL COMPLIANCE SUMMARY

WASTEWATER INFLUENT FLOW COMPARISON

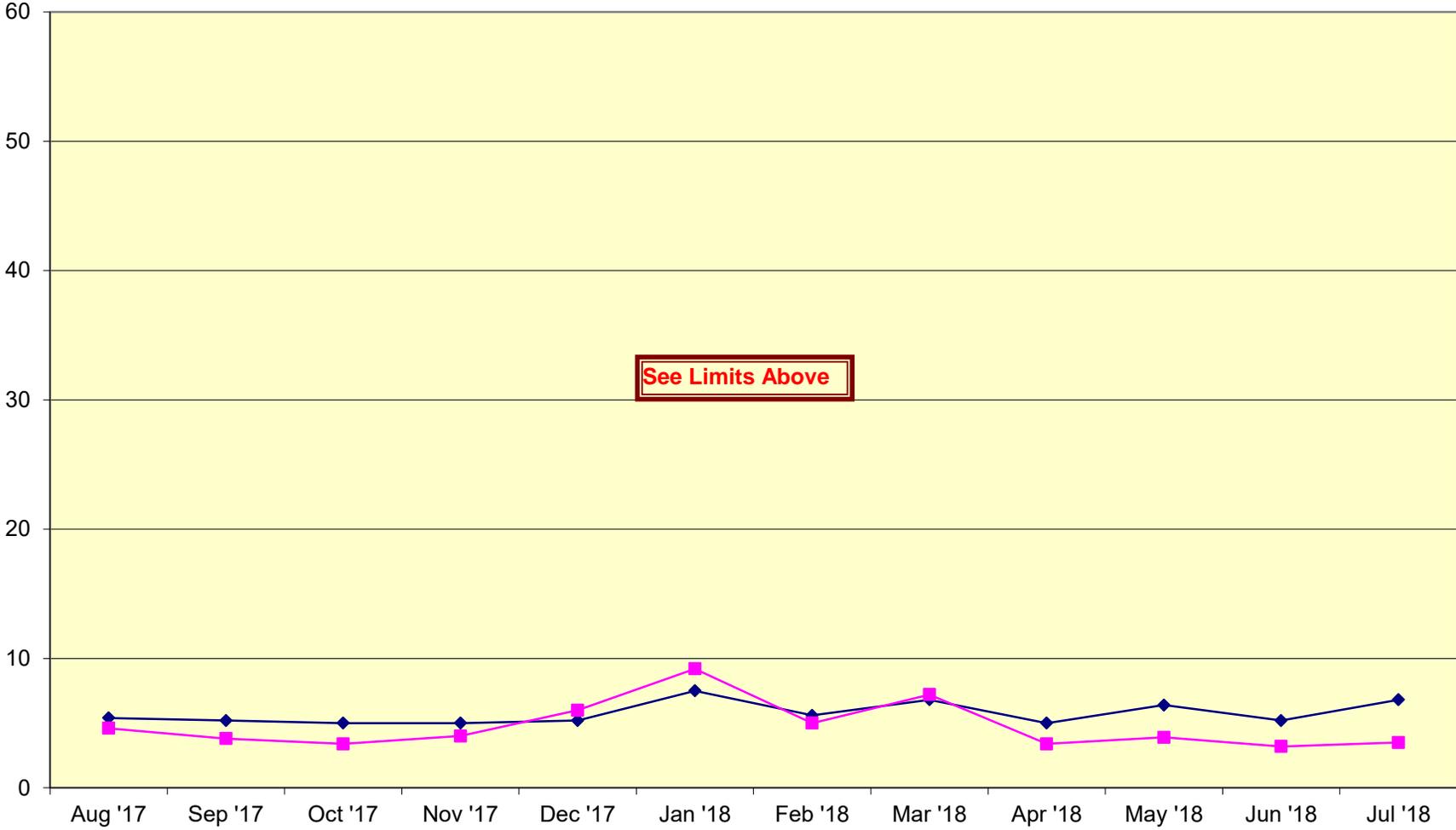


Influent Load BOD / TSS lbs



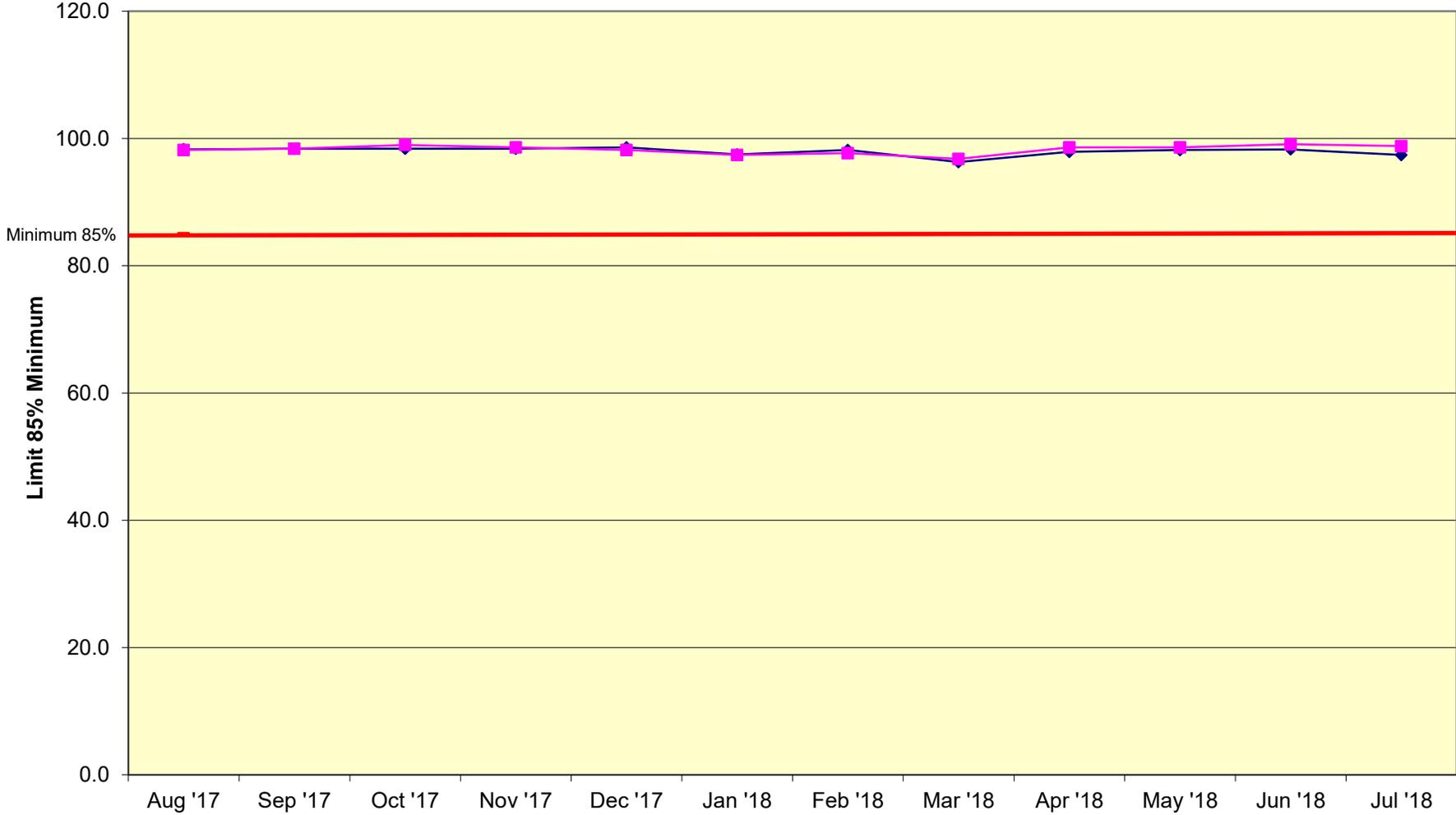
Effluent BOD / TSS Concentration

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



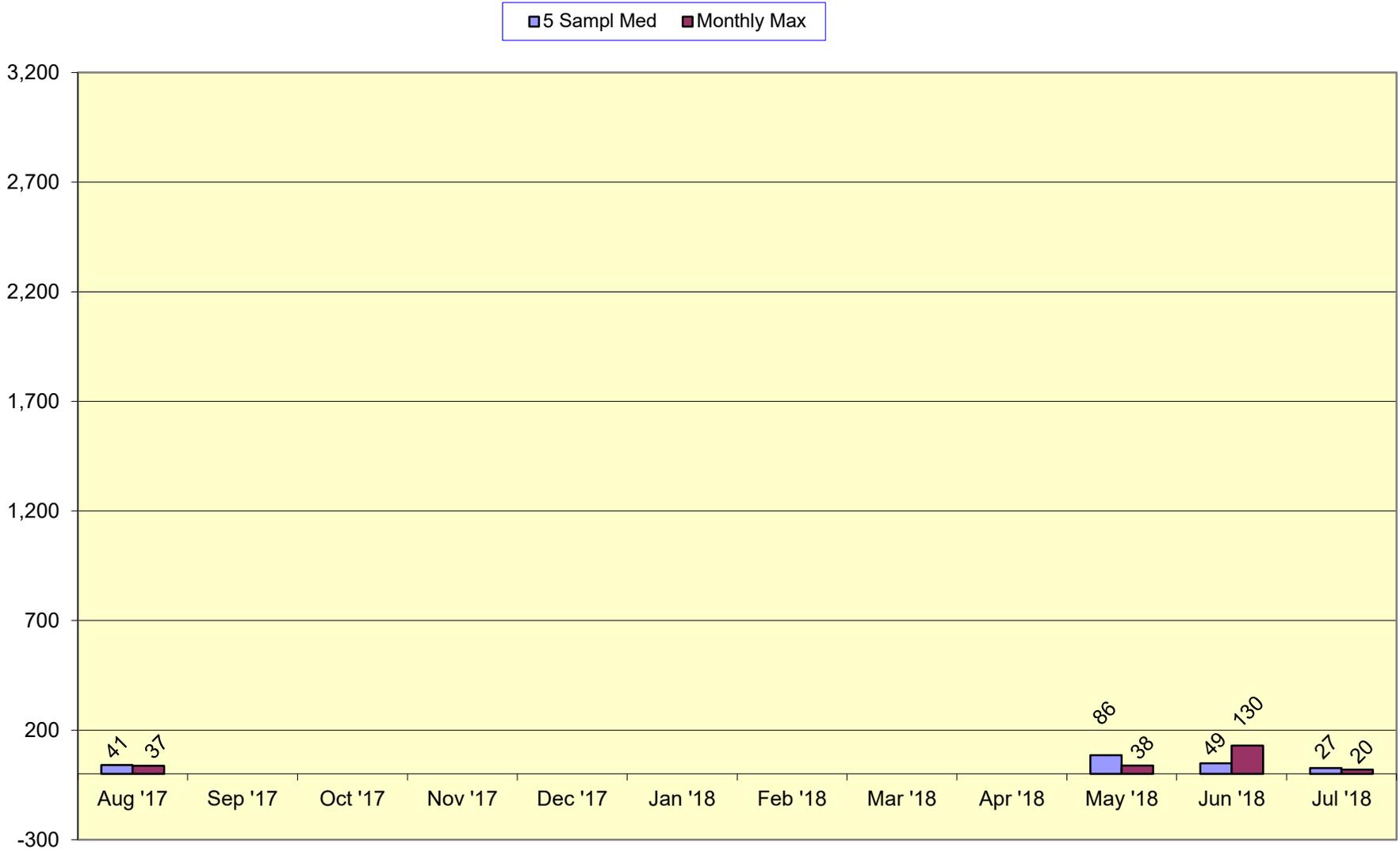
BOD / TSS Percent Removal

◆ BOD ■ TSS

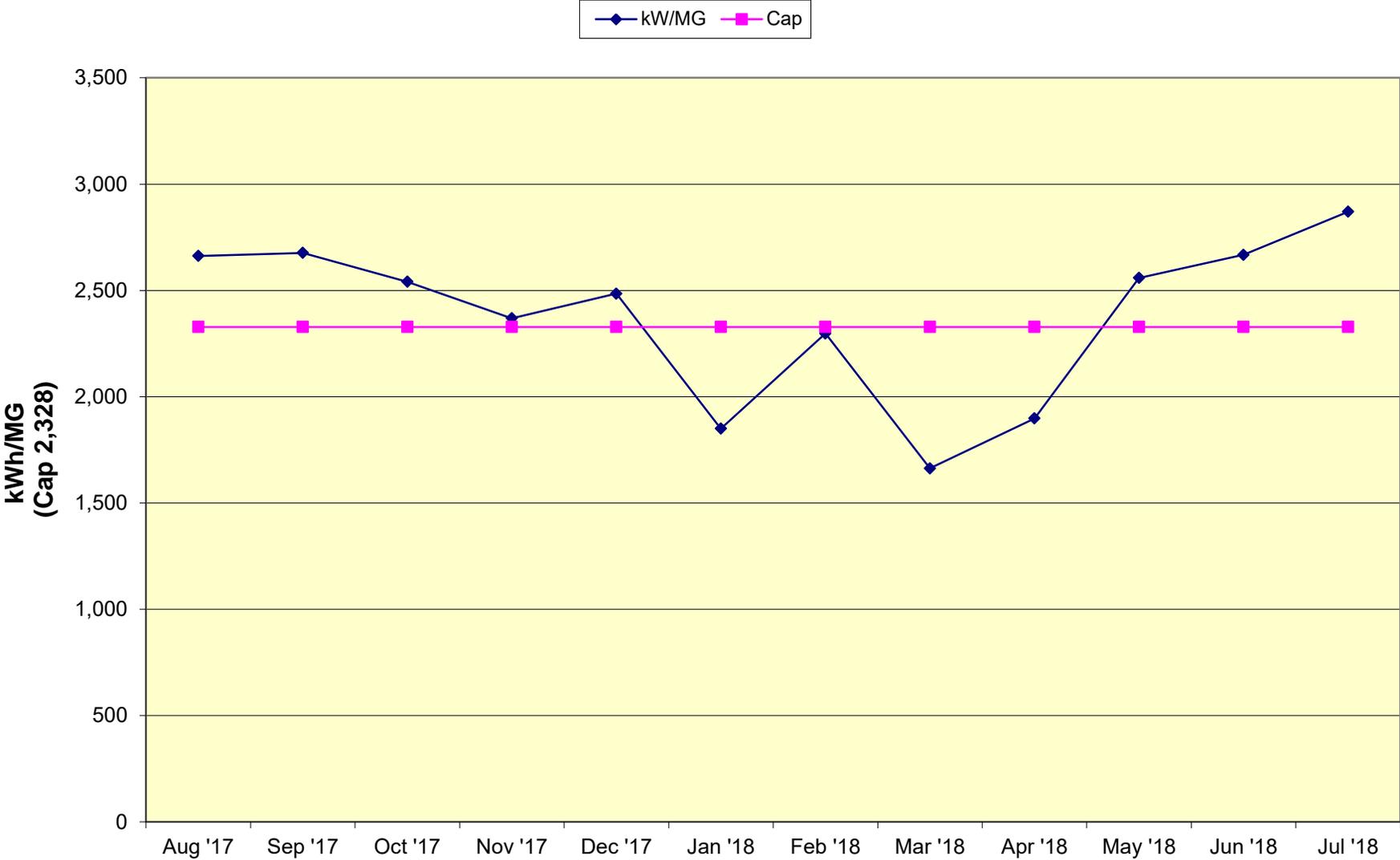


Disinfection - Total Coliform

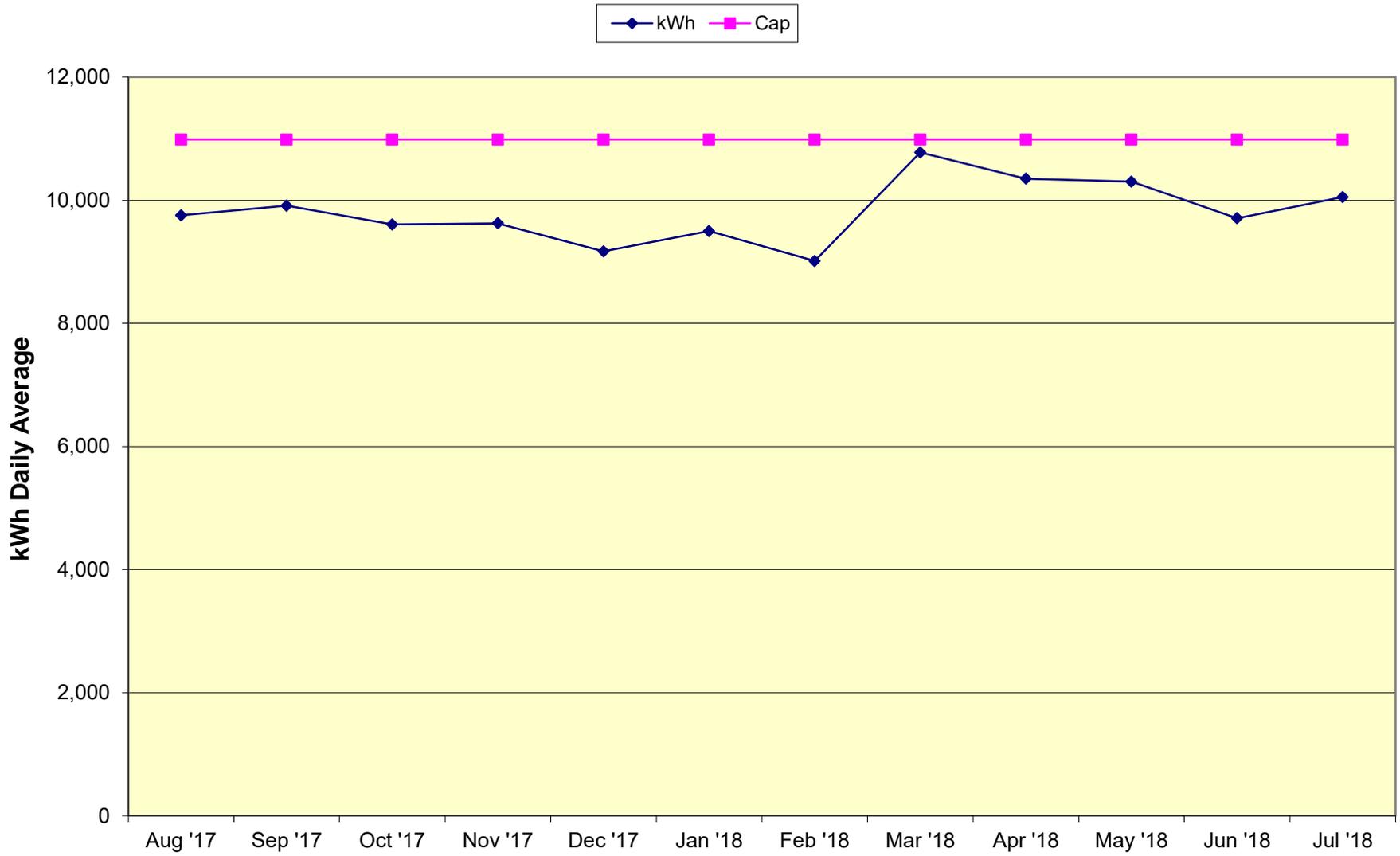
TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml



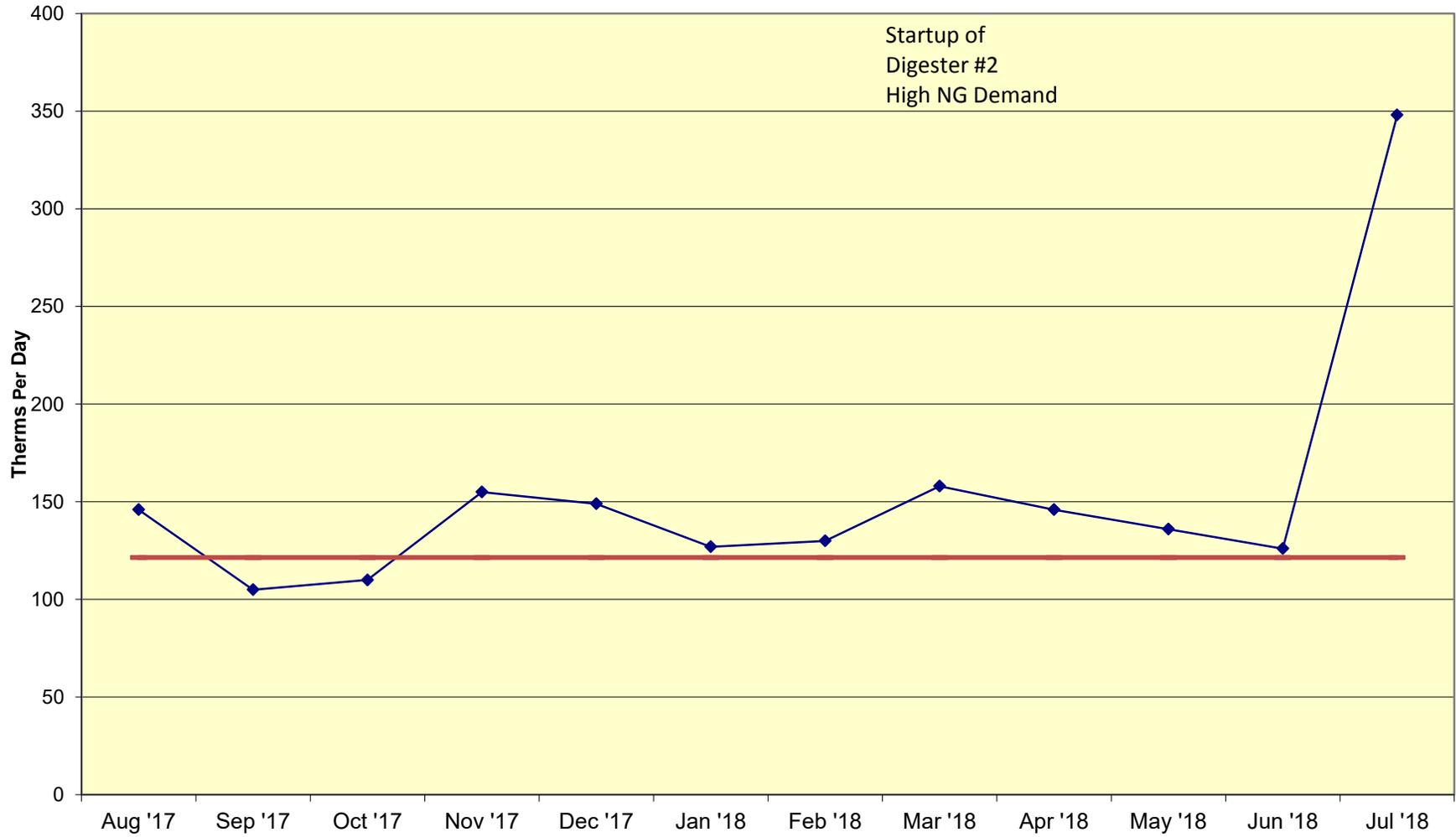
Energy kWh/MG



Energy kWh

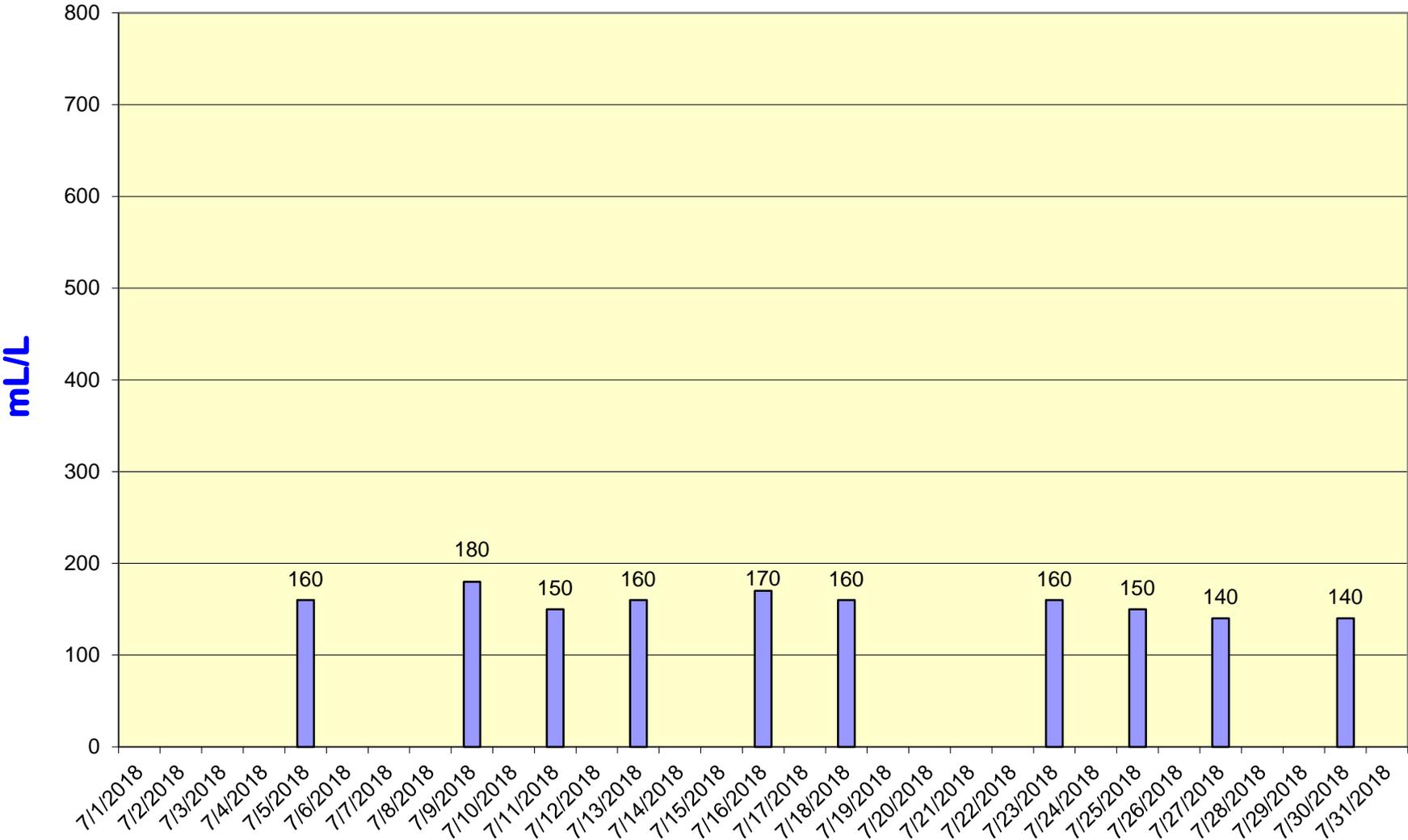


Natural Gas Use

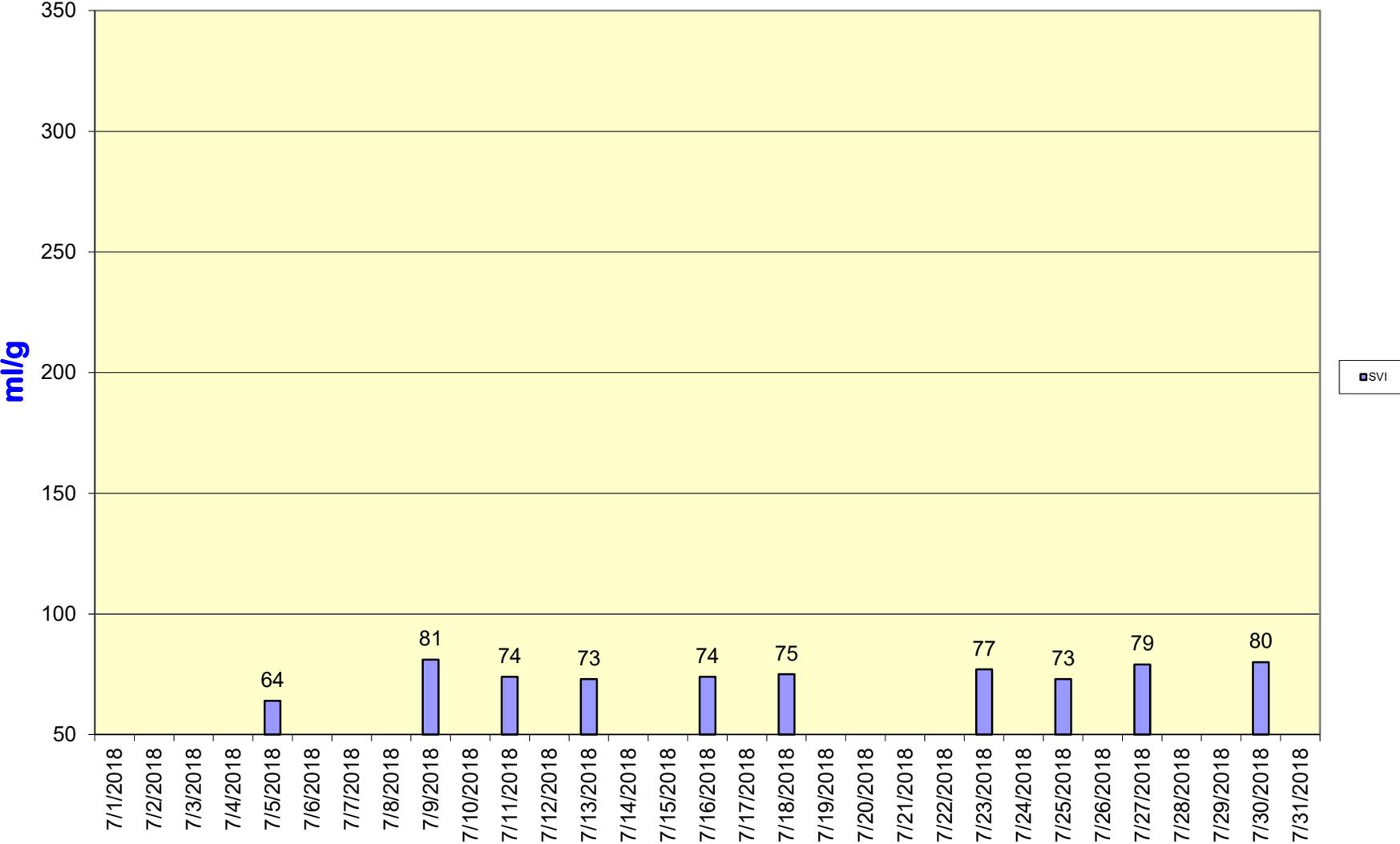


5) PROCESS CONTROL DATA / GRAPHS

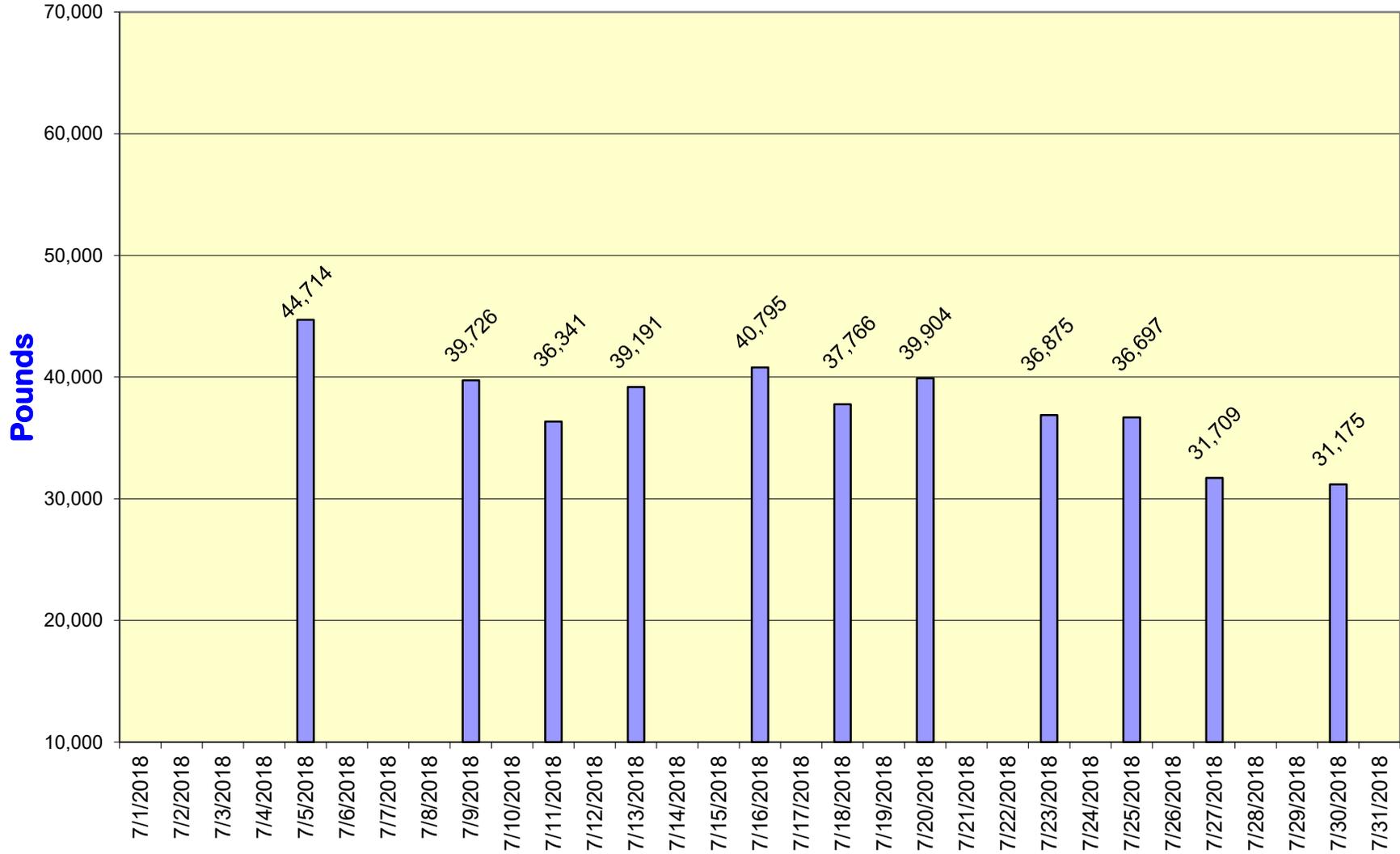
Settleability



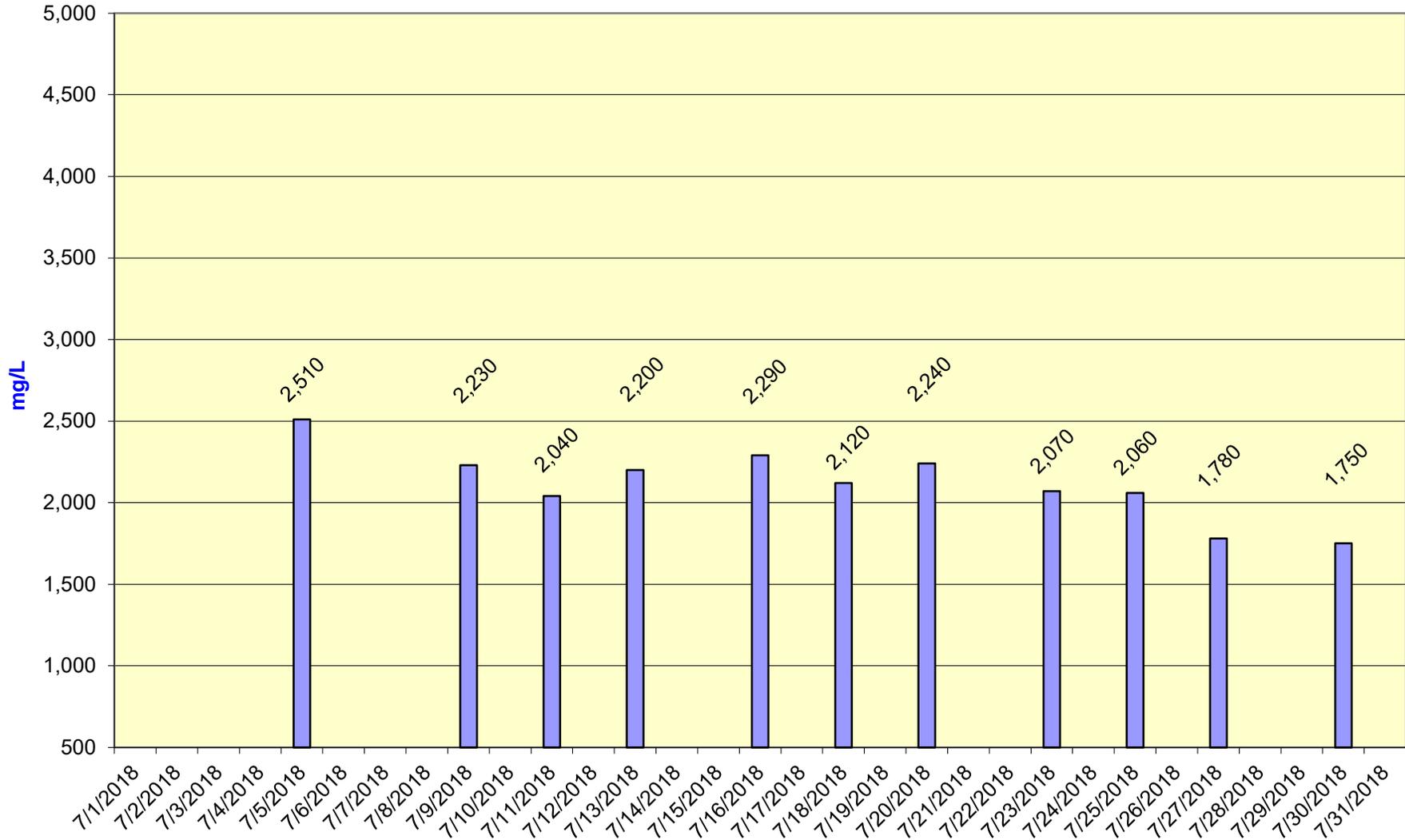
Sludge Volume Index



MLSS Inventory



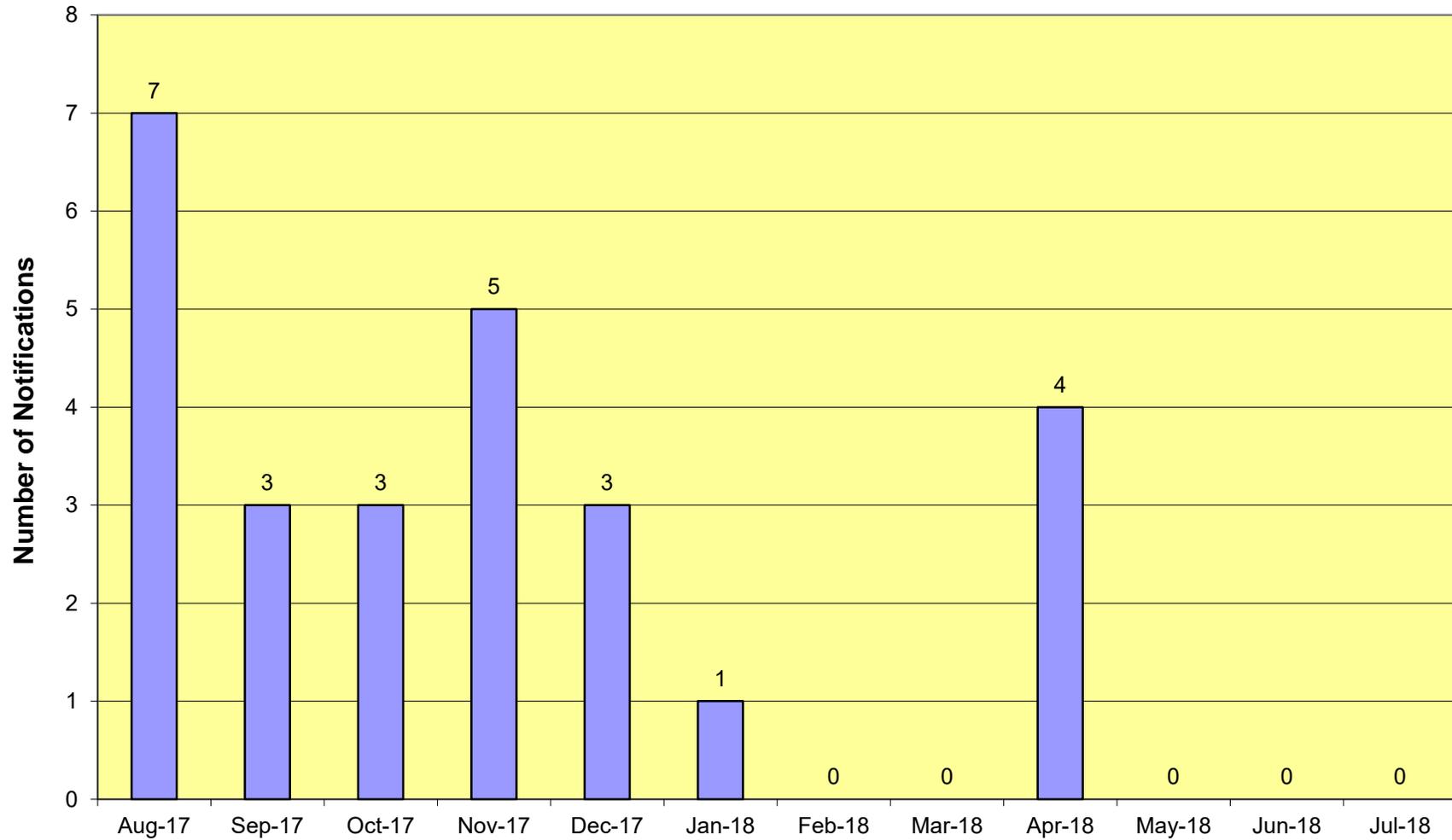
MLSS Concentration



Process Control Data					
	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	SVI
7/1/2018	3.45				
7/2/2018	3.90				
7/3/2018	3.66				
7/4/2018	3.62				
7/5/2018	3.72	160	2,510	44,714	64
7/6/2018	3.55				
7/7/2018	3.24				
7/8/2018	3.77				
7/9/2018	4.68	180	2,230	39,726	81
7/10/2018	3.23				
7/11/2018	3.29	150	2,040	36,341	74
7/12/2018	3.64				
7/13/2018	3.45	160	2,200	39,191	73
7/14/2018	3.21				
7/15/2018	3.46				
7/16/2018	3.42	170	2,290	40,795	74
7/17/2018	3.45				
7/18/2018	3.32	160	2,120	37,766	75
7/19/2018	3.40				
7/20/2018	3.26		2,240	39,904	
7/21/2018	3.38				
7/22/2018	3.46				
7/23/2018	3.48	160	2,070	36,875	77
7/24/2018	3.65				
7/25/2018	3.88	150	2,060	36,697	73
7/26/2018	2.84				
7/27/2018	3.32	140	1,780	31,709	79
7/28/2018	3.36				
7/29/2018	3.46				
7/30/2018	3.44	140	1,750	31,175	80
7/31/2018	3.60				
Minimum	2.84	140	1,750	31,175	64
Maximum	4.68	180	2,510	44,714	81
Total	108.59				
Average	3.50	157	2,117	37,718	75

6) *NEIGHBORHOOD CONTACTS*

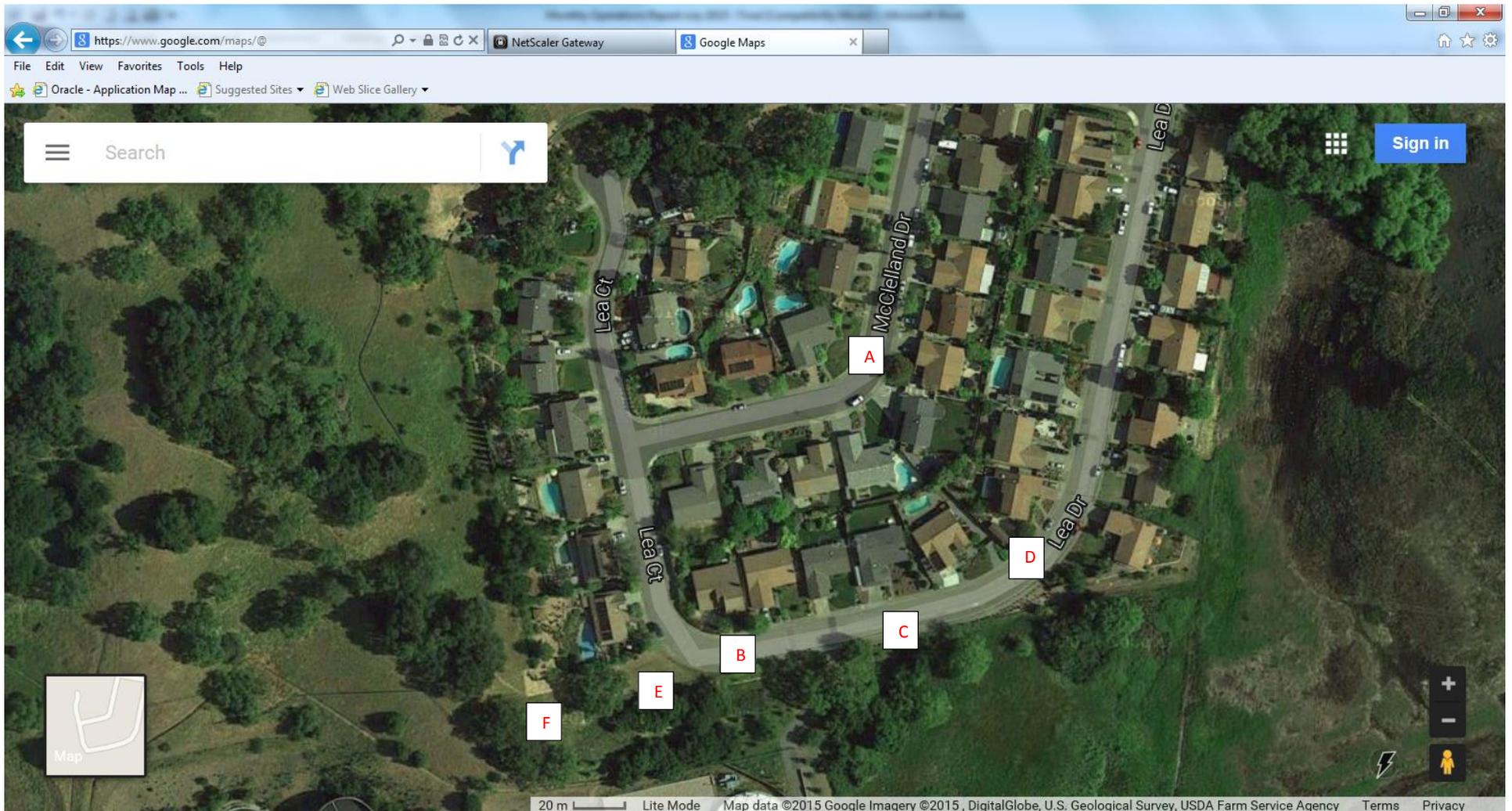
Neighborhood Contacts Received



7) JEROME METER READINGS & LOCATIONS

JEROME METER READINGS -JULY 2018				
Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.001	0.0003	Neighborhood
B: Lea 1	0.000	0.001	0.0008	Neighborhood
C: Lea 2	0.000	0.001	0.0005	Neighborhood
D: Lea 3	0.000	0.001	0.0008	Neighborhood
E: Lea 4	0.001	0.001	0.0010	Neighborhood
F: Lea 5	0.002	0.002	0.0020	Neighborhood

NEIGHBORHOOD JEROME METER LOCATIONS – LEA AND McCLELLAND



NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
July 2018

1.0 Summary:

- 1.1 There are no new significant developments in the NSD Reclamation area this month.

2.0 Ranch Operations:

- 2.1 Ranching is going very well this season. The cattle are consuming significant fresh grass and appear to be very healthy. The rancher continues to replace sprinkler heads in order to improve irrigation effectiveness and minimize runoff. As District staff see high potable water use, staff contacts the rancher to locate and repair leaks in and around the cattle water troughs.

3.0 Irrigation Parcels:

- 3.1 District staff continued to troubleshoot and repair various electric actuators and related wiring in Sites 3 and 7.
- 3.2 District staff have been meeting regularly with Marin-Sonoma Mosquito Vector Control District staff to discuss adjustments to the irrigation system to reduce ponding and ditch water. The recommended adjustments appear to have improved conditions and District staff will continue to monitor and reduce runoff as irrigation activities continue. Approximately 126 MG of irrigation water was applied to the pastures in July.

4.0 Irrigation Pump Station:

- 4.1 The Wildlife Pond circulation pump put into service on April 2nd continues to circulate water in the wildlife pond. The wildlife pond level was increased to 6 feet at the end of June 2018 and is maintained at 6 feet with the telescoping valve. Storage ponds 1 and 2 were at approximately 7.9 feet at the beginning of July and 4.5 feet at the end of July 2018.

5.0 Sludge Handling & Disposal:

- 5.1 There were no sludge handling activities this month. Staff requested and received a proposal from Custom Tractor Service (CTS, Petaluma, CA) to empty the sludge ponds later this summer/fall.

NOVATO SANITARY DISTRICT														
Reclamation Facility - Monthly Statistics for Calendar Year 2018, as of July 2018														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)	--	--	--	--	63.5	86.8	80.6	--	--	--	--	--	230.9	19.24
Irrigation (MG)	--	--	--	--	7.3	29.34	125.9	--	--	--	--	--	162.5	13.55
Irrigation Pump 1 Hours	--	--	--	--	11.6	36.8	103	--	--	--	--	--	151.4	12.62
Irrigation Pump 2 Hours	--	--	--	--	12.8	33.9	195.6	--	--	--	--	--	242.3	20.19
Irrigation Pump 3 Hours	--	--	--	--	1.3	36.9	194.2	--	--	--	--	--	232.4	19.37
Washdown Water Pump Hours	--	--	--	--	--	--	--	--	--	--	--	--	-	0.00
Wildlife Feed Pump Hours	0	0	0	688	744	720	744	--	--	--	--	--	2,896.0	241.33
Water Circulated through Wildlife Pond (MG)	--	--	--	43.344	46.9	45.4	46.9	--	--	--	--	--	182.4	15.20
Strainer No. 1 Hours	0	0	0	0	0	11.1	61.7	--	--	--	--	--	72.8	6.07
Strainer No. 2 Hours	0	0	0	0	0	11.3	62	--	--	--	--	--	73.3	6.11
Pond 1 Gauge @ Beginning of Month	2.5	3.2	3	3.5	3.2	6	7.9	--	--	--	--	--	--	--
Pond 1 Gauge @ End of Month	3.2	3	3.5	3.2	6	7.9	4.5	--	--	--	--	--	--	--
Pond 1 Gallons Stored @ End of Month(MG)	22	20	24	22	45	59	32	--	--	--	--	--	--	--
Pond 2 Gauge @ Beginning of Month	2.5	3.2	3	3.5	3.2	6	7.9	--	--	--	--	--	--	--
Pond 2 Gauge @ End of Month	3.2	3	3.5	3.2	6	7.9	4.5	--	--	--	--	--	--	--
Pond 2 Gallons Stored @ End of Month(MG)	27	25	31	27	57	76	41	--	--	--	--	--	--	--
Total Irrigation Water Stored	49	45	55	49	102	135	73	--	--	--	--	--	--	--
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	0	0	0.1	0	0	0	0	--	--	--	--	--	0.1	--
Drainage Pump No. 2 Hours	11.1	5.8	83.9	297.8	6.6	0	0	--	--	--	--	--	405.2	--
Drainage Pump No. 3 Hours	31.9	0	0	18.6	0	0	0	--	--	--	--	--	50.5	--
Total Gallons Stormwater Pumped (MG)	12.9	1.74	25.2	94.92	1.98	NA	NA	--	--	--	--	--	136.74	27.35
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	14.8	0	0.3	27.1	2	0	0	--	--	--	--	--	44.2	--
Drainage Pump No. 2 Hours	0	0	69.5	10.1	0	0	0	--	--	--	--	--	79.6	--
Drainage Pump No. 3 Hours	10.7	11.7	20.8	0	0	0	0	--	--	--	--	--	43.2	--
Total Gallons Stormwater Pumped (MG)	11.48	5.27	40.77	16.74	0.90	NA	NA	--	--	--	--	--	75.15	15.03

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Sewer System Management Plan (SSMP) - Recertification	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 8.b.
RECOMMENDED ACTION: Adopt Resolution No. 3126 recertifying the District's Sewer System Management Plan (SSMP).	
SUMMARY AND DISCUSSION: <p>At its August 11, 2008 meeting the District Board adopted the District's Sewer System Management Plan (SSMP) in accordance with California State Water Resources Control Board (SWRCB) Order No. 2006-0003 - Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems. The WDR also requires that District re-certify the SSMP every five (5) years.</p> <p>The District Board last re-certified the SSMP at its August 12, 2013 meeting through the adoption of Resolution No. 3060.</p> <p>As mandated by Order No. 2006-0003, the District's SSMP includes the following elements:</p> <ol style="list-style-type: none"> 1. Goal 2. Organization 3. Legal Authority 4. Operation and Maintenance Program 5. Design and Performance Provisions 6. Overflow Emergency Response Plan 7. Fats, Oils, and Grease (FOG) Control Program 8. System Evaluation and Capacity Assurance Plan 9. Monitoring, Measurement, and Program Modifications 10. SSMP Program Audits 11. Communication Program <p>The SSMP is a very large document but it can be viewed at the following URL on the District's website: http://www.novatosan.com/assets/uploads/documents/planning-and-facilities/Final_SSMP.pdf</p> <p>Staff has reviewed these elements and updated them periodically as required, typically on an annual basis, as a minimum. Accordingly, staff recommends that the Board recertify the SSMP and adopt Resolution No. 3126 documenting this recertification.</p>	
ATTACHMENTS: 1. Draft Resolution No. 3126: A Resolution Recertifying the Sewer System Management Plan (SSMP) – As Required by the State Water Resources Control Board Order No. 2006-0003 - Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: EB	GENERAL MANAGER: SSK

RESOLUTION NO. 3126

**A RESOLUTION RECERTIFYING
THE SEWER SYSTEM MANAGEMENT PLAN (SSMP) –
AS REQUIRED BY
THE STATE WATER RESOURCES CONTROL BOARD
ORDER NO. 2006-0003-STATEWIDE GENERAL WASTE
DISCHARGE REQUIREMENTS FOR SANITARY SEWER SYSTEMS**

NOVATO SANITARY DISTRICT

WHEREAS, on May 2, 2006, the California State Water Resources Control Board adopted Order No. 2006-0003, Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems; and

WHEREAS, the purpose of the WDR is to develop a regulatory mechanism to provide a consistent statewide approach for reducing sanitary sewer overflows; and

WHEREAS, the WDR requires preparation of a Sewer System Management Plan (SSMP); and

WHEREAS, the SSMP is one of the required elements for WDR compliance; and

WHEREAS, by Resolution No. 2989 dated August 11, 2008, the Board of Directors adopted the District's SSMP, and

WHEREAS, the District is required to recertify the SSMP at five (5) year intervals by said Order No. 2006-0003,

WHEREAS, by Resolution No. 3060 dated August 12, 2013, the Board of Directors recertified the District's SSMP, and

WHEREAS, District staff has reviewed the SSMP and is recommending its recertification by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Novato Sanitary District: That the Board of Directors of Novato Sanitary District recertifies the SSMP as required by the State Water Resources Control Board Order No. 2006-0003-Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 27th day of August, 2018, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

President, Board of Directors

ATTEST:

Secretary, Novato Sanitary District

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects Update, July 2018.	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 9.a.
RECOMMENDED ACTIONS: Receive Capital Projects Update for July 2018.	
SUMMARY AND DISCUSSION: The July 2018 Capital Projects Update is attached. District staff will be present at the meeting to provide an overview of the memo, and be available to discuss the status of the various projects or respond to any questions.	
ATTACHMENTS: 1. Capital Projects Update, July 2018.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: EB	GENERAL MANAGER: SSK

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

Account No. 72403: Pump Station Improvements

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

- No update this month.

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

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

- No update this month.

Account No. 72706: Collection System Improvements

1. Redwood Blvd. Sewer Rehab Project: Rehabilitation of about 1,850 feet of 12-inch sewer main along Redwood Blvd. between Lamont Avenue and Diablo Avenue.
 - Currently at 95% Design
 - Advertise for Bids Late Fall/Early Winter 2018,
 - FY 18/19 Prelim Budget: \$850,000.
2. Bel Marin Keys Blvd. Sewer Rehab Project: Rehabilitation of about 950 feet of 10-inch and about 1,350 feet of 8-inch sewer main in Bel Marin Keys Blvd.
 - Advertise for bids July 2018; expected substantial completion - November 2018. Update - No bids received at bid opening 8/16/18. Will re-advertise late Fall/early Winter 2018 for work in 2019.
 - FY 18/19 Prelim Budget: \$700,000.
3. Golden Gate Place: Realignment/replacement of approximately 1,000 feet of 8-inch sewer with new 10-inch PVC sewer.
 - Project currently in design.
 - Estimated construction Summer 2019. A portion of the project (approx. 100 feet) will be constructed prior to winter 2018.

4. Collection System Master Plan (CSMP): Continuing work associated with the CSMP currently underway for the District. District staff met with the consultant to review preliminary hydraulic modeling results.
5. Birdie Drive Sewer Main Replacement: Relocation of about 700 feet of 8-inch sewer main.
 - Awarded July 9 to Team Ghilotti for Bid Amount of \$386,603.
 - Notice to proceed effective date 8/27/18.
 - Expected substantial completion October 2018

Account No. 72706-1: Lateral Replacement Program

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

- \$32,000 of the \$80,000 budget was expended in FY 17/18. The FY 18/19 budget remains at \$80,000.

Account No. 72707: Hamilton Wetlands/Outfall Integration

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

- SCC's first phase levee project is currently in design. District staff are working with SCC for modification of outfall easement in the project area.

Account No. 72708: Cogeneration/Alt. Energy

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

Account No. 72803: Annual Collection System Repairs

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

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

Account 72804: Annual Reclamation Facilities Improvements

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

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

Account No. 72805: Annual Treatment Plant Improvements

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

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

Account No. 72806: Annual Pump Station Improvements

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

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

Account No. 72807: Annual Ignacio Facility Improvements

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

- No update this month.

Account No. 72808: Strategic Plan Update:

- No update this month.

Account No. 72809: Novato Creek Watershed

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

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

- No update this month.

Account No. 73003: Administration Building Upgrades/Maintenance Building

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

- District staff are working on procurement documents for the new modular building. An RFQ is expected to be issued late September with project completion expected in the summer of 2019.

Account No. 73004: Odor and Landscaping Improvements

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

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

Account No. 73005: RWF Expansion

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

- As of 7/31/18 the project is approximately 66% complete with \$1,290,041 of progress payments issued or in process for the original \$1,940,122 contract. There are 6 change orders totaling \$26,419.
- Substantial completion of the project is expected 9/20/18.

Account No. 73006: NTP Corrosion Control

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

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

Account No. 73090: Vehicle Replacement

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

- The District received the new CCTV van on July 2nd. The van was delivered in good condition with no apparent defects. The vehicle has been equipped and is in service.
- A light duty 2WD truck is currently on order and expected to arrive late September.
- Both vehicles above were procured under the FY 17/18 budget. The FY 18/19 budget for Vehicle Replacement is \$140,000 and includes provisions for a new portable generator and up to four (4) light duty vehicles.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Reclamation: Sludge Disposal, Account No. 63115	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 10.a.
RECOMMENDED ACTION: Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoon cleaning in a not-to-exceed amount of \$204,000, and authorize the General Manager-Chief Engineer to execute it.	
SUMMARY AND DISCUSSION: <p>Under the terms of its discharge permit, the District is required to dispose of biosolids generated from its treatment facilities at its dedicated land disposal (DLD) site off Highway 37.</p> <p>For the past several years, the District has contracted with Custom Tractor Service (CTS) of Petaluma to perform this work. CTS has been performing this work satisfactorily for the Las Gallinas Valley Sanitary District for the past several years as well, and they are the only contractor in this area that has the type of equipment to adequately perform this work.</p> <p>Staff requested and received a proposal from CTS to perform these services this year. CTS proposes to provide the biosolids disposal services for a lump sum amount of \$137,300.</p> <p>In addition, some of the biosolids typically accumulate and compact in the bottom of the lagoons so that they cannot be completely removed by pumping. This results in reducing the overall holding capacity of the lagoons. Staff requested a proposal from CTS to excavate and spread these solids in the DLD using a manure spreader. This work must be done immediately after a lagoon is emptied in order to place it back into service. CTS performed this work the previous three years for \$66,700. CTS proposes to clean out the four ponds for the same amount as last year. Both work items would be funded from Account No. 63115 – Sludge Disposal.</p> <p>Staff recommends that the Board accept the CTS proposal that incorporates: (a) a lump sum amount of \$137,300 for sludge pumping, and (b) a lump sum amount of \$66,700 for cleaning out the lagoons, and authorize the General Manager-Chief Engineer to execute a contract with CTS in the lump sum amount of \$204,000.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The FY18-19 Preliminary Budget includes \$220,000 under Account No. 63115 - Sludge Disposal, for this work.	
DEPT.MGR.: jjb, esb	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA AGENDA ITEM SUMMARY

TITLE: Administration/Finance: Contribution to the District's Public Agency Retirement Services (PARS) Trust Account.	MEETING DATE: August 27, 2018 AGENDA ITEM NO.: 11.a.
RECOMMENDED ACTION: Approve transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget as of June 30, 2018, to the District's Public Agency Retirement Services (PARS) Trust account.	
SUMMARY AND DISCUSSION: <p>The Fiscal Year (FY) 17-18 Fourth Quarter Financial Report (Unaudited), for the quarter ending June 30, 2018 identifies that the "Salaries and Benefits" categories of the Operating Budget are underspent, primarily due to the retirements that occurred during the year, and the District hiring replacements in the second half of FY 17-18. Therefore, as of June 30, 2018, about \$340,400 remains unused in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget.</p> <p>As of June 30, 2018, the District's PARS account balance was \$1,409,971.59 (see Attachment 1). Of this, the subaccount related to the District's Governmental Accounting Standards Board Statement No. 45 (GASB 45) related Other Post-Employment Benefits (OPEB) liability had a balance of \$864,872.33. The subaccount related to the GASB 68 Net Pension Liability (NPL) had a balance of \$545,099.26. For informational purposes only, the District's OPEB liability as of June 30, 2017 (latest available year) is \$4,310,012, and the NPL liability as of June 30, 2016 (latest available year) is \$4,753,977.</p> <p>One of the goals (Goal 4.4) of the District's Strategic Plan is to appropriately and prudently address and manage its unfunded liabilities related to pensions and benefits. Therefore, staff recommends that the Board consider transferring \$340,000 of unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget as of June 30, 2018, to its PARS Trust account. Further, staff recommends that this \$340,000 amount be split equally between the GASB 45 (OPEB) and the Net Pension Liability (NPL) sub-accounts of the District's PARS Trust account.</p>	
ATTACHMENTS: 1. PARS Statement, June 2018.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT
PARS Post•Employment Benefits Trust

Account Report for the Period
6/1/2018 to 6/30/2018

Sandeep Karkal
General Manager
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

Account Summary

Source	Beginning Balance as of 6/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 6/30/2018
OPEB	\$851,301.10	\$13,565.50	\$183.08	\$177.35	\$0.00	\$0.00	\$864,872.33
PENSION	\$483,432.11	\$61,453.14	\$369.42	\$155.41	\$0.00	\$0.00	\$545,099.26
Totals	\$1,334,733.21	\$75,018.64	\$552.50	\$332.76	\$0.00	\$0.00	\$1,409,971.59

Investment Selection

Source	
OPEB	Moderately Conservative Index PLUS
PENSION	Conservative Index PLUS

Investment Objective

Source	
OPEB	The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.
PENSION	The primary goal of the Conservative Strategy is to provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.02%	0.48%	0.66%	-	-	-	1/31/2017
PENSION	0.07%	0.19%	0.87%	-	-	-	1/31/2017

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Board meetings	MEETING DATE: August 27, 2018. AGENDA ITEM NO.: 12.a.
RECOMMENDED ACTION: Receive information on regularly scheduled Board/Commission meeting days and start times for Marin County water and sanitary districts, and other Bay area sewer districts, and provide direction, if any.	
SUMMARY AND DISCUSSION: <p>At its June 11, 2018 meeting the District Board of Directors discussed a change to its meeting schedule, whereby the current schedule of two regular meetings per month would be changed to one regular meeting per month, with any additional meetings to be special meetings if and as required. Additionally, the Board also discussed potentially changing its meeting start time to be earlier than the current 5:30 PM.</p> <p>The Board directed staff to research information on regularly scheduled Board/Commission meeting days and start times for similar agencies and and present it at the Board's July 9, 2018 regular meeting. Subsequently, staff researched this information and presented it at the July 9, 2018 Board meeting, along with the attached tables which include meeting days and start times for Marin County water and wastewater agencies, as well as for other Bay Area sewer districts.</p> <p>Staff also noted that District Counsel was asked to provide an opinion on if there are any legal/statutory, etc. requirements that must be satisfied if the Board wishes to move ahead with a regular meeting of once/month. District Counsel responded that he is not aware of any reason that the Board cannot go to one meeting a month. He noted that having a single meeting once a month is relatively common for small to medium size agencies and even for some very large agencies. He stated that from a legal perspective there is no reason not to give it a try if it will work better from management and the Board's perspective.</p> <p>Upon discussion, Board members present at the July 9, 2018 meeting decided to defer further consideration of the item to the next Board meeting.</p> <p>Note that there will be significant cost savings, if the Board moves ahead with a regular meeting schedule of once/month. Initial estimates of these savings range from \$18,000-20,000/year. Also, if the meeting start time were to be changed to 4pm or 4:30pm, there will be additional savings in staff time/overtime. Initial estimates of these additional savings range from \$2,000-\$4,000/year. Accordingly, staff recommends that the Board review the information presented and provide direction on regular Board meeting days and times, if any.</p>	
ATTACHMENTS: Table 1: Regular Board/Commission meeting days & start times, Marin County water/sewer agencies. Table 2: Regular Board meeting days & start times, other Bay Area sewer agencies.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 3 (Board District and Community Alignment), and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

Table 1: Regular Board/Commission meeting days & start times, Marin County water/sewer districts

No.	Agency	Board Meeting Frequency	Meeting Day(s)	Time	FTEs
1	Almonte Sanitary District	Monthly	4th Monday	7:00 PM	1.0
2	Alto Sanitary District	Monthly	4th Wednesday	7:30 PM	0.2
3	BMK Community Services District ⁽¹⁾	Monthly	3rd Thursday	7:30 PM	2.0
4	Bolinas Comm. PUD	Monthly	3rd Wednesday	7:30 PM	6.0
5	Central Marin Sanitation Agency	Monthly	2nd Tuesday	7:00 PM	41.0
6	Homestead Valley Sanitary District	Monthly	4th Tuesday	7:30 PM	0.3
7	Inverness PUD	Monthly	4th Wednesday	9:00 AM	4.0
8	Las Gallinas Valley SD	Bi-monthly	2nd & 4th Thursday	4:30PM	18.0
9	Marin Municipal Water District	Bi-monthly	1st & 3rd Tuesday	7:30 PM	239.0
10	Muir Beach CSD	Monthly	3rd Wednesday	7:00 PM	3.0
11	North Marin WD	Bi-monthly	1st & 3rd Tuesday	7:00 PM	50.5
12	<i>Novato Sanitary District</i>	<i>Bi-monthly</i>	<i>2nd & 4th Monday</i>	<i>5:30 PM</i>	<i>21.0</i>
13	Richardson Bay SD	Monthly	3rd Tuesday	4:00 PM	4.0
14	Ross Valley Sanitary District	Monthly	3rd Wednesday	6:00 PM	38.0
15	San Rafael Sanitation District	Monthly	2nd Thursday	3:30 PM	15.0
16	Sausalito-Marín City Sanitary District	Monthly	1st Monday	7:00 PM	13.0
17	Sewer Auth. Southern Marin (SASM)	Monthly	3rd Thursday	7:00 PM	16.0
18	Stinson Beach Water District	Monthly	3rd Saturday	9:30 AM	8.0
19	Tamalpais CSD	Monthly	2nd Wednesday	7:00 PM	12.0
20	Tiburon Sanitary District No. 5	Monthly	3rd Thursday	5:00 PM	8.0

Source: Marin LAFCO

FTEs - full time employee equivalents.

⁽¹⁾Not a water/sewer service agency, but served by NSD.

Table 2: Regular Board meeting days & start times, other Bay Area sewer districts

No.	Agency	Board Meeting Frequency	Meeting Day(s)	Time	FTEs
1	Castro Valley Sanitary District	Monthly	1st Tuesday	6:30 PM	22
2	Central Contra Costa SD	Bi-monthly	1st & 3rd Thursday	1:30 PM	~290
3	Delta Diablo Sanitation District	Monthly	2nd Wednesday	4:30 PM	~80
4	East Bay Dischargers Authority	Monthly	3rd Thursday	9:30 AM	~4 ⁽¹⁾
5	East Bay MUD	Bi-monthly	2nd & 4th Tuesday	1:15 PM	>1,800
6	Fairfield-Suisun Sewer District	Monthly	4th Monday	6:00 PM	~80
7	Mt View Sanitary District	Monthly	2nd Thursday	6:30 PM	~15
8	Napa Sanitation District	Bi-monthly	1st & 3rd Wednesday	4:00 PM	~50
9	Oro Loma Sanitary District	Bi-monthly	2nd & 4th Tuesday	3:00 PM	~45
10	Silicon Valley Clean Water	Monthly	2nd Thursday	8:00 AM	~75
11	Vallejo Wastewater District	Monthly	2nd Tuesday	6:00 PM	~80
12	West Valley Sanitation District	Monthly	2nd Wednesday	6:00 PM	~30

Source: Agency web-sites

FTEs - full time employee equivalents.

⁽¹⁾JPA - includes Cities of Hayward & San Leandro, Castro Valley SD, Oro Loma SD, Union SD, and LAVWMA.

Platinum 6

AWARD

Item 14.a.



The National Association of Clean Water Agencies
is pleased to present this award to

Novato Sanitary District, CA
Novato Wastewater Treatment Plant

in recognition of six years of complete and consistent National
Pollutant Discharge Elimination System permit compliance

A handwritten signature in blue ink that reads "Adam Krantz".

Adam Krantz, NACWA Chief Executive Officer

A handwritten signature in blue ink that reads "July 24, 2018".

Date Issued

The NACWA logo features a stylized blue wave graphic above the text. "NACWA" is in a large, blue, sans-serif font, and "A Clear Commitment to America's Waters" is in a smaller, blue, sans-serif font below it.

NACWA
A Clear Commitment to America's Waters