

NOVATO SANITARY DISTRICT

Meeting Date: October 28, 2013

The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:00 p.m., Monday, October 28, 2013, at the District Offices, 500 Davidson Street, Novato.

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

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 September 23, 2013 meeting.

5. CONSENT CALENDAR:

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

- a. Approve regular, payroll, and payroll-related disbursements.

6. SOLID WASTE:

- a. Solid Waste Committee Report
- b. Consider setting the date for the public hearing for establishing the maximum charges for refuse collection and disposal services.

7. WASTEWATER OPERATIONS:

- a. Wastewater Operations Committee Report.

- b. Consider giving direction to staff on the review of the Contract Service Agreement for Operation, Maintenance, and Management of the Wastewater Treatment Facilities.

8. ADMINISTRATION:

- a. Consider adoption of Resolution No. 3064 to CalPERS for paying and reporting the value of Employer Paid Member Contributions and for Normal Member Contributions.

9. NORTH BAY WATER REUSE PROJECT 72508:

- a. Report on Technical Advisory Committee meeting.
- b. Give direction to staff on Novato Sanitary District projects to include in the Scoping Study Final Report.

10. PUMP STATION REHABILITATION PROJECT 72403

- a. Consider making CEQA findings, approving plans and specifications, and authorizing advertising for bids for Pump Station Rehabilitation Project Unit 5.

11. STAFF REPORTS:

- a. Bay Area Clean Water Agencies Nutrient Symposium.
- b. Nutrient Watershed Permit.

12. BOARD MEMBER REPORTS:

13. MANAGER'S ANNOUNCEMENTS:

14. ADJOURNMENT IN MEMORY OF GEORGE QUESADA, DIRECTOR FOR 36 YEARS BETWEEN 1974 AND 2011:

Next resolution no. 3065

Next regular meeting date: Thursday, November 21, 2013, 6:00 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA

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

October 14, 2013

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, October 14, 2013, preceded by a closed session beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:37 p.m. President Di Giorgio announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATORS:

- District designated representatives: Beverly James, Sandeep Karkal, Austris Rungis
Employee organization: International Brotherhood of Teamsters Local 315.
- District designated representative: Beverly James
Unrepresented employees: Deputy Manager-Engineer, Finance Officer, Field Services Superintendent, Collection System Superintendent, Senior Engineer, Administrative Secretary, Administrative Intern.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James and Deputy Manager-Engineer Sandeep Karkal.

The closed session concluded at 6:04 p.m. with no action taken.

Open session began at 6:05 p.m.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal and Administrative Intern Margaret Starr, in the absence of Administrative Secretary Julie Swoboda.

ALSO PRESENT: John Bailey, Project Manager, Veolia Water
Brian Exberger, Assistant Project Manager, Veolia Water
Dasse de longh, Collections Systems Leadworker
Brant Miller, Novato Resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the September 23, 2013 meeting.

On motion of Member Long, seconded by Member Peters, and carried unanimously, the minutes of the September 23, 2013 Board meeting were approved. Member Welsh abstained from voting because he was absent from the September 23, 2013 meeting.

CONSENT CALENDAR:

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

- a. Set regular Board meeting dates for October 28th, November 21st, and December 9th. Cancel the meetings for November 11th (Veterans Day), November 25th, and December 23rd.
- b. Approval of regular disbursements in the amount of \$455,259.06, project account disbursements in the amount of \$404,651.44 and Board member disbursements in the amount of \$3,344.19.

PERSONNEL:

- Consider approval of Memorandum of Understanding with International Brotherhood of Teamsters Local 315 for the period July 1, 2013 through June 30, 2015. President Di Giorgio stated that this matter was discussed in Closed Session. There was no discussion by the Board.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board approved the Memorandum of Understanding with International Brotherhood of Teamsters Local 315 for the period of July 1, 2013 through June 30, 2015.

- Consider approval of benefits for management and confidential personnel effective January 2, 2014. The Manager-Engineer stated that staff recommends the management and confidential personnel receive the same benefit accommodations that were awarded the represented group through the approved MOU with Teamsters Local 315.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board approved the benefits for management and confidential personnel effective January 2, 2014.

MARIN CIVIL GRAND JURY:

- Receive report: "Garbology in Marin: Wasted Energy". The Manager-Engineer commented on the Grand Jury report: "Garbology in Marin: Wasted Energy" saying that it was not possible for the District to control the volume of solid waste generated in the community. She noted that hazardous material cannot be sent to the landfill and must be disposed of otherwise. The Manager pointed out that the report was required to be discussed in an open meeting of the Board of Directors.

- Consider approval of response to the Findings and Recommendations. The Manager stated that the District received a notice on October 3rd from the Marin County Civil Grand Jury stating that they had not received the District's response to the Findings and Recommendations contained in the "Garbology in Marin: Wasted Energy" report. She contacted the foreperson of the current jury and was informed that it would be satisfactory if the District responded after the Board meeting on October 14, 2013. The Manager reviewed the District's response to the Grand Jury.

On motion of Member Mariani, seconded by Member Long and carried unanimously the Board approved the District's response to the Findings and Recommendations of the Grand Jury Report.

STAFF REPORTS:

- Report on financial information provided to County of Marin. The Manager-Engineer stated that the Marin County Director of Finance has requested that Marin County Public Agencies provide certain financial data on a voluntary basis. The Manager reviewed the summary of long term liabilities which will be provided to the County of Marin and stated that this information will be published on the County of Marin website as well as well as the District's website.

- Report on Water Environment Federation Management Workshops and Conference. Deputy Manger-Engineer Sandeep Karkal reported on his trip to Chicago to attend the 2013 Water Environment Federation Annual Conference. He attended Utility Management workshops and technical sessions at the Conference. He provided a brief summary of some of the topics discussed at these workshops and sessions including Environmental Management Systems, Effective Utility Management, and Utility Resilience.

BOARD MEMBER REPORTS:

President Di Giorgio reported on the North Bay Watershed Authority's (NBWA) meeting he attended. The guest speaker at the meeting discussed the findings of an environmental experiment he had conducted in the San Joaquin Valley. As part of the experiment, rice fields were flooded and stocked with fish, attracting birds in flight patterns similar to the natural migration patterns from when the valley was marsh land.

Member Mariani announced that Novato Mayor Pat Eklund had invited President Di Giorgio and herself to a meeting on the subject of accessory dwellings to be held on October 15, 2013. She invited the Board members to attend as well. Member Long accepted the invitation.

Member Long reported on the joint meeting held on September 24, 2013 by the Adhoc Recycled Water Committee with the North Marin Water District (NMWD) Recycled Water Committee. He reported that discussions included financial parameters relating to recycled water supply, future endeavors to eliminate discharge, and funding of future recycled water projects.

MANAGER'S ANNOUNCEMENTS:

- The Board gave direction at the last meeting on September 23, 2013 that staff draft a revision to the District's Sanitary Code in regards to accessory dwelling connection charges. The Manager-Engineer discussed water usage data as collected from North Marin Water District for these types of units. She stated that the Committee felt a reasonable accommodation would be to revise the connection fees to 75% of the full connection charge for accessory dwelling units 750 square feet and under. She added that the Sanitary Code has been updated numerous times and reported that District Counsel is working to compile it into one document.

- The Waste Water Operations Committee will hold their regularly scheduled meeting on Monday, October 21st.

- The Solid Waste Committee will hold a meeting on Tuesday, October 22th.

- The next regular Board meeting will take place on Monday, October 28th at 6:00 p.m. at the District Office.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 7:21 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Margaret Starr, Recording

Novato Sanitary District Operating Check Register

For October 28, 2013

Date	Num	Name	Credit
Oct 28, 13			
10/28/2013	56207	Able Tire & Brake Inc.	395.12
10/28/2013	56208	Adamson, Robert D.	562.50
10/28/2013	56209	Alameda Electrical Distributors, Inc.	61.32
10/28/2013	56210	American Express-21007	4,182.77
10/28/2013	56211	Bank of New York Mellon-fee	775.00
10/28/2013	56212	Bartle Wells Assoc, Inc	1,237.50
10/28/2013	56213	Bay Area Air Quality	11,000.00
10/28/2013	56214	Cagwin & Dorward Inc.	1,828.56
10/28/2013	56215	Caltest Analytical Lab Inc.	3,875.05
10/28/2013	56216	Cantarutti Electric, Inc	1,574.50
10/28/2013	56217	CDPH - Environmental Laboratory Accred	2,359.00
10/28/2013	56218	CDPH - OCP	140.00
10/28/2013	56219	CDW Government, Inc.	419.00
10/28/2013	56220	CED Santa Rosa, Inc	99.75
10/28/2013	56221	Central Marin Sanitation District	20,707.45
10/28/2013	56222	Claremont EAP, Inc.	295.00
10/28/2013	56223	Country Club Automotive	174.75
10/28/2013	56224	CSDA-	69.00
10/28/2013	56225	Eaton Corporation	23,183.30
10/28/2013	56226	Empire Mini Storage - Novato	840.00
10/28/2013	56227	Environmental Products and Accessories	88.18
10/28/2013	56228	Grainger	1,026.16
10/28/2013	56229	Hertz Corporation	770.79
10/28/2013	56230	IComm, Inc.	17,000.00
10/28/2013	56231	Irvine Consulting Services Inc.	90.00
10/28/2013	56232	Jackson's Hardware Inc.	196.17
10/28/2013	56233	Johnson Controls, Inc.	644.00
10/28/2013	56234	Karkal, Sandeep	165.56
10/28/2013	56235	Liebert, Cassidy, Whitmore	1,500.00
10/28/2013	56236	Marin/Sonoma Mosquito Dist	1,535.09
10/28/2013	56237	Maze & Associates	10,700.00
10/28/2013	56238	MME	872.22
10/28/2013	56239	North Bay Portables, Inc.	92.20
10/28/2013	56240	North Bay Truck Service	603.97
10/28/2013	56241	North Marin Auto Parts	528.29
10/28/2013	56242	North Marin Water District	11,033.71
10/28/2013	56243	North Marin Water District Payroll	1,081.50
10/28/2013	56244	Novato Builders Supply	7.07
10/28/2013	56245	Novato Car Wash	92.93
10/28/2013	56246	Novato, City	234.00
10/28/2013	56247	Occumetric Inc.	650.00
10/28/2013	56248	Pacific, Gas & Electric	64,099.09
10/28/2013	56249	Petty Cash	165.64
10/28/2013	56250	R3 Consulting Group, Inc.	270.00

Novato Sanitary District Operating Check Register

For October 28, 2013

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
10/28/2013	56251	Ricoh USA, Inc.	886.24
10/28/2013	56252	RMC Water & Environment, Inc.	1,256.25
10/28/2013	56253	Siemens Industry Inc. - Lab	272.00
10/28/2013	56254	Telstar Instruments Inc	1,556.80
10/28/2013	56255	Thomas & Associates, Inc.	107.35
10/28/2013	56256	Unicorn Group	208.72
10/28/2013	56257	United Parcel Service	14.67
10/28/2013	56258	Veolia Water North America, Inc.	1,635.69
10/28/2013	56259	WaterSavers Irrigation Inc.	3,275.65
10/28/2013	56260	Wesco Distribution	275.32
			<u>196,714.83</u>

Oct 28, 13

Novato Sanitary District
Operating Check Register Detail
For October 28, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Able Tire & Brake Inc.			
	10/07/2013	60150 · Repairs & Maintenance	53.81
	10/16/2013	65150 · Repairs & Maintenance	341.31
Total Able Tire & Brake Inc.			<u>395.12</u>
Adamson, Robert D.			
	10/01/2013	64160 · Research & Monitoring	562.50
Total Adamson, Robert D.			<u>562.50</u>
Alameda Electrical Distributors, Inc.			
	10/08/2013	65150 · Repairs & Maintenance	61.32
Total Alameda Electrical Distributors, Inc.			<u>61.32</u>
American Express-21007			
	10/13/2013	64100 · Operating Supplies	62.93
	10/13/2013	60100 · Operating Supplies	244.32
	10/13/2013	66100 · Engineering Supplies	179.36
	10/13/2013	65150 · Repairs & Maintenance	175.00
	10/13/2013	66170 · Travel, Meetings & Training	1,327.49
	10/13/2013	66090 · Office Expense	534.93
	10/13/2013	66150 · Repairs & Maintenance	439.73
	10/13/2013	66193 · Telephone	20.00
	10/13/2013	72111 · SCADA Phase II	633.10
	10/13/2013	21015 · American Express	565.91
Total American Express-21007			<u>4,182.77</u>
Bank of New York Mellon-fee			
	10/01/2013	66123 · O/S Contractual	775.00
Total Bank of New York Mellon-fee			<u>775.00</u>
Bartle Wells Assoc, Inc			
	10/17/2013	66123 · O/S Contractual	1,237.50
Total Bartle Wells Assoc, Inc			<u>1,237.50</u>
Bay Area Air Quality			
	09/25/2013	61000-4 · Water/Permits/Telephone	11,000.00
Total Bay Area Air Quality			<u>11,000.00</u>
Cagwin & Dorward Inc.			
	09/30/2013	66150 · Repairs & Maintenance	443.56
	10/01/2013	66150 · Repairs & Maintenance	435.00
	10/17/2013	63157 · Ditch/Dike Maintenance	950.00
Total Cagwin & Dorward Inc.			<u>1,828.56</u>
Caltest Analytical Lab Inc.			
	10/15/2013	64160 · Research & Monitoring	3,875.05

Novato Sanitary District
Operating Check Register Detail
For October 28, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Total Caltest Analytical Lab Inc.			3,875.05
Cantarutti Electric, Inc			
	10/03/2013	66150 · Repairs & Maintenance	387.00
	10/03/2013	65153 · Outside Services, Electrical	1,187.50
Total Cantarutti Electric, Inc			<u>1,574.50</u>
CDPH - Environmental Laboratory Accred			
	10/01/2013	64201 · Permits & Fees	2,359.00
Total CDPH - Environmental Laboratory Accred			<u>2,359.00</u>
CDPH - OCP			
	10/01/2013	66080 · Memberships	140.00
Total CDPH - OCP			<u>140.00</u>
CDW Government, Inc.			
	10/04/2013	66124 · IT/Misc Electrical	419.00
Total CDW Government, Inc.			<u>419.00</u>
CED Santa Rosa, Inc			
	10/07/2013	65150 · Repairs & Maintenance	8.22
	10/09/2013	65150 · Repairs & Maintenance	91.53
Total CED Santa Rosa, Inc			<u>99.75</u>
Central Marin Sanitation District			
	10/07/2013	66123 · O/S Contractual	20,707.45
Total Central Marin Sanitation District			<u>20,707.45</u>
Claremont EAP, Inc.			
	10/15/2013	66123 · O/S Contractual	295.00
Total Claremont EAP, Inc.			<u>295.00</u>
Country Club Automotive			
	10/08/2013	66150 · Repairs & Maintenance	58.25
	10/14/2013	66150 · Repairs & Maintenance	58.25
	10/14/2013	66150 · Repairs & Maintenance	58.25
Total Country Club Automotive			<u>174.75</u>
CSDA-			
	10/14/2013	66170 · Travel, Meetings & Training	69.00
Total CSDA-			<u>69.00</u>
Eaton Corporation			
	10/11/2013	63150 · Repairs & Maintenance	23,183.30
Total Eaton Corporation			<u>23,183.30</u>

**Novato Sanitary District
Operating Check Register Detail
For October 28, 2013**

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Empire Mini Storage - Novato			
	10/28/2013	66123 · O/S Contractual	840.00
Total Empire Mini Storage - Novato			<u>840.00</u>
Environmental Products and Accessories			
	10/17/2013	60100 · Operating Supplies	88.18
Total Environmental Products and Accessories			<u>88.18</u>
Grainger			
	10/15/2013	63150 · Repairs & Maintenance	1,000.62
	10/16/2013	63100 · Operating Supplies	25.54
Total Grainger			<u>1,026.16</u>
Hertz Corporation			
	10/16/2013	67500 · Household Hazardous Waste	770.79
Total Hertz Corporation			<u>770.79</u>
IComm, Inc.			
	10/16/2013	60091 · Software Maint	11,334.00
	10/16/2013	11350 · Prepaid Expenses	5,666.00
Total IComm, Inc.			<u>17,000.00</u>
Irvine Consulting Services Inc.			
	09/30/2013	66124 · IT/Misc Electrical	90.00
Total Irvine Consulting Services Inc.			<u>90.00</u>
Jackson's Hardware Inc.			
	10/09/2013	21020 · Accounts Payable	(23.97)
	10/07/2013	60100 · Operating Supplies	51.21
	10/09/2013	60100 · Operating Supplies	168.93
Total Jackson's Hardware Inc.			<u>196.17</u>
Johnson Controls, Inc.			
	10/02/2013	66150 · Repairs & Maintenance	644.00
Total Johnson Controls, Inc.			<u>644.00</u>
Karkal, Sandeep			
	10/15/2013	66170 · Travel, Meetings & Training	165.56
Total Karkal, Sandeep			<u>165.56</u>
Liebert, Cassidy, Whitmore			
	09/30/2013	66123 · O/S Contractual	1,500.00
Total Liebert, Cassidy, Whitmore			<u>1,500.00</u>
Marin/Sonoma Mosquito Dist			

Novato Sanitary District
Operating Check Register Detail
For October 28, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
	10/15/2013	63150 · Repairs & Maintenance	1,535.09
Total Marin/Sonoma Mosquito Dist			1,535.09
Maze & Associates			
	10/16/2013	66121 · Accounting & Auditing	10,700.00
Total Maze & Associates			10,700.00
MME			
	10/14/2013	60150 · Repairs & Maintenance	872.22
Total MME			872.22
North Bay Portables, Inc.			
	10/08/2013	63100 · Operating Supplies	92.20
Total North Bay Portables, Inc.			92.20
North Bay Truck Service			
	10/04/2013	60150 · Repairs & Maintenance	105.89
	10/05/2013	60150 · Repairs & Maintenance	498.08
Total North Bay Truck Service			603.97
North Marin Auto Parts			
	10/07/2013	60150 · Repairs & Maintenance	116.83
	10/18/2013	60150 · Repairs & Maintenance	411.46
Total North Marin Auto Parts			528.29
North Marin Water District			
	10/17/2013	61000-4 · Water/Permits/Telephone	3,374.20
	10/17/2013	63192 · Water - Reclamation	7,187.34
	10/17/2013	65192 · Water	472.17
Total North Marin Water District			11,033.71
North Marin Water District Payroll			
	10/08/2013	64010 · Salaries & Wages	1,081.50
Total North Marin Water District Payroll			1,081.50
Novato Builders Supply			
	10/16/2013	63100 · Operating Supplies	7.07
Total Novato Builders Supply			7.07
Novato Car Wash			
	10/01/2013	66150 · Repairs & Maintenance	40.97
	10/01/2013	63150 · Repairs & Maintenance	10.99
	10/01/2013	65150 · Repairs & Maintenance	21.98
	10/01/2013	64150 · Repairs & Maintenance	18.99
Total Novato Car Wash			92.93

Novato Sanitary District
Operating Check Register Detail
For October 28, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Novato, City			
	08/05/2013	66090 · Office Expense	234.00
Total Novato, City			234.00
Occumetric Inc.			
	10/15/2013	66090 · Office Expense	650.00
Total Occumetric Inc.			<u>650.00</u>
Pacific, Gas & Electric			
	10/01/2013	65191 · Gas & Electricity	13.23
	10/01/2013	65191 · Gas & Electricity	1.55
	10/15/2013	61000-5 · Gas & Electricity	54,661.55
	10/15/2013	63191 · Gas & Electricity	856.49
	10/15/2013	65191 · Gas & Electricity	8,566.27
Total Pacific, Gas & Electric			<u>64,099.09</u>
Petty Cash			
	10/24/2013	65060 · Gasoline & Oil	20.00
	10/24/2013	66170 · Travel, Meetings & Training	136.17
	10/24/2013	66090 · Office Expense	9.47
Total Petty Cash			<u>165.64</u>
R3 Consulting Group, Inc.			
	10/01/2013	66123 · O/S Contractual	270.00
Total R3 Consulting Group, Inc.			<u>270.00</u>
Ricoh USA, Inc.			
	10/03/2013	66090 · Office Expense	537.20
	10/10/2013	66090 · Office Expense	349.04
Total Ricoh USA, Inc.			<u>886.24</u>
RMC Water & Environment, Inc.			
	10/11/2013	64160 · Research & Monitoring	1,256.25
Total RMC Water & Environment, Inc.			<u>1,256.25</u>
Siemens Industry Inc. - Lab			
	10/01/2013	64100 · Operating Supplies	272.00
Total Siemens Industry Inc. - Lab			<u>272.00</u>
Telstar Instruments Inc			
	08/30/2013	65153 · Outside Services, Electrical	1,556.80
Total Telstar Instruments Inc			<u>1,556.80</u>
Thomas & Associates, Inc.			
	10/10/2013	65150 · Repairs & Maintenance	107.35

Novato Sanitary District
Operating Check Register Detail
For October 28, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Total Thomas & Associates, Inc.			107.35
Unicorn Group			
	10/22/2013	66090 · Office Expense	208.72
Total Unicorn Group			<u>208.72</u>
United Parcel Service			
	10/05/2013	66090 · Office Expense	14.67
Total United Parcel Service			<u>14.67</u>
Veolia Water North America, Inc.			
	10/04/2013	66060 · Gasoline & Oil	1,635.69
Total Veolia Water North America, Inc.			<u>1,635.69</u>
WaterSavers Irrigation Inc.			
	10/08/2013	63150 · Repairs & Maintenance	3,247.50
	10/14/2013	63150 · Repairs & Maintenance	28.15
Total WaterSavers Irrigation Inc.			<u>3,275.65</u>
Wesco Distribution			
	10/03/2013	65150 · Repairs & Maintenance	31.83
	10/04/2013	65150 · Repairs & Maintenance	243.49
Total Wesco Distribution			<u>275.32</u>
TOTAL			<u><u>196,714.83</u></u>

Novato Sanitary District
Project Account Check Register

For October 28, 2013

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Oct 28, 13				
	10/28/2013	2592	Daniel Macdonald AIA Architects, Inc.	357.50
	10/28/2013	2593	Lateral-Basalla	1,500.00
	10/28/2013	2594	Lateral-Campos	1,500.00
	10/28/2013	2595	Novato, City	4,019.25
	10/28/2013	2596	R E Smith Contractor, Inc.	18,970.82
Oct 28, 13				<u><u>26,347.57</u></u>

**Novato Sanitary District
Capital Check Register Detail
For October 28, 2013**

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Daniel Macdonald AIA Architects, Inc.			
	09/30/2013	72805 - Annual Treatment Plant/PS	357.50
Total Daniel Macdonald AIA Architects, Inc.			<u>357.50</u>
Lateral-Basalia			
	10/23/2013	72706 - Collection System Imps.	1,500.00
Total Lateral-Basalia			<u>1,500.00</u>
Lateral-Campos			
	10/23/2013	72706 - Collection System Imps.	1,500.00
Total Lateral-Campos			<u>1,500.00</u>
Novato, City			
	09/20/2013	72803 - Annual Collection Sys Repair	1,249.25
	10/01/2013	72803 - Annual Collection Sys Repair	2,770.00
Total Novato, City			<u>4,019.25</u>
R E Smith Contractor, Inc.			
	10/24/2013	73001 - WWTP Upgrade Contract	18,970.82
Total R E Smith Contractor, Inc.			<u>18,970.82</u>
TOTAL			<u><u>26,347.57</u></u>

Novato Sanitary District
Payroll and Payroll Related Check Register
October 2013

<u>Date</u>	<u>Description</u>	<u>Amount</u>
10/31/2013	October - Payroll	118,468.43
10/31/2013	October - Payroll - Retroactive	6,396.83
10/25/2013	October - Retirees Health Benefits	16,263.13
10/25/2013	CalPers Health	32,413.33
10/25/2013	CALPERS Retirement	24,164.85
10/25/2013	United States Treasury	24,743.66
10/25/2013	CalPers Supplemental Income Plan	2,500.00
10/25/2013	EDD	6,988.77
10/25/2013	Lincoln Financial Group	7,476.01
10/25/2013	Lincoln Financial Group-401a Plan	4,375.20
10/25/2013	Lincoln Financial Group-401a Plan	4,084.87
10/25/2013	CALPERS Retirement	5,193.06
10/25/2013	Local Union 315	640.00
10/25/2013	Marin Employ Federal Credit Union	517.00
10/25/2013	Operating Engineers Trust	403.65
		<u>254,628.79</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste Committee - Meeting Report for October 2013	MEETING DATE: October 28, 2013 AGENDA ITEM NO.: 6.a.
RECOMMENDED ACTION: Information. Receive report.	
SUMMARY AND DISCUSSION: <p>The District Board Solid Waste Committee (Committee) met on October 22, 2013. The meeting agenda included discussions, updates, and recommendations as discussed below.</p> <p>The Committee discussed the rate adjustment request from Novato Disposal for 2014. The District had engaged R3 Consulting to review the rate adjustment request. R3 Consulting prepared a report with a proposed rate adjustment of 1.63% for 2014. Staff presented the R3 Consulting report to the Committee, along with a separate staff memo which recommended the proposed rates from R3 Consulting. The Committee unanimously agreed with the proposed rate adjustment, and recommended bringing it forward to the full Board to initiate the adoption process, including setting the date for a public hearing on the proposed rates.</p> <p>Redwood Landfill updated the Committee on their compost program. Dan North of Redwood Landfill indicated that, pending permit approvals, the compost program should be fully operational by spring 2014. In addition, he indicated that Redwood is also working on a pilot program for blending recycled roofing aggregate with concrete for road base.</p> <p>SB254 was signed by the Governor which will create a used mattress recycling take back program. The Zero Waste programs continue to emphasize commercial and multifamily recycling and increased outreach and education.</p> <p>The Household Hazardous Waste facility had 347 participants in October – the largest participation ever. Participation in 2013 has already surpassed all of 2012. The E-Waste event held from October 12 –14 had 607 participants and collected 33,368 pounds of electronics. Plans are to continue the E-Waste events in 2014.</p>	
DEPT.MGR.:	MANAGER-ENGINEER:

October 4, 2013

Ms. Beverly James
Novato Sanitary District
5000 Davidson Street
Novato, CA 94945

Re: Final Letter Report - Review of Novato Disposal Service's Requested Rate Adjustment for Rate Year 2014

Dear Ms. James:

R3 Consulting Group (R3) was engaged by the Novato Sanitary District (District) to assist with a review of Novato Disposal Service's (Company) requested rate adjustment for Rate Year 2014 (January 1, 2014 – December 31, 2014). Specifically, R3 was asked to confirm that the rate adjustment methodology used by the Company is consistent with the Refuse Rate Index (RRI) Rate Adjustment Methodology set forth in Exhibit 2 of the Amended and Restated Franchise Agreement (Agreement) and that the calculation is mathematically accurate. This Letter Report communicates our findings and recommendations.

Objectives

- To review the Company's requested rate increase to confirm that:
 - It is consistent with applicable terms and conditions of the Agreement;
 - It is mathematically accurate; and
 - It correctly accounts for the required Balancing Account adjustment to the rates.
- To recommend the appropriate Rate Year 2014 rate adjustment based on the results of our review.

Background

The Agreement provides for an annual adjustment to the Company's rates based on the specified Refuse Rate Index (RRI), with the option to conduct a detailed rate review not more frequently than once every three (3) years. A copy of Article 6 of the Agreement (Company's Compensation and Rates) is provided as Attachment 1.

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

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

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

Section 6.3 of the Agreement (RRI Financial Information) states that: *"On or before September 1,*

2011, and annually thereafter during the term of this Agreement, the Company shall deliver to the District information for the specific services performed under this Agreement for the preceding Agreement Year. Such financial information shall be in a format as set forth in Exhibit 2, or as may be further revised by the District from time to time. If the Company fails to submit the financial information in the required format by September 1st, it is agreed that the Company shall be deemed to have waived the RRI adjustment for that year..." The Company submitted its 2013 rate adjustment request on August 30, 2013, prior to the required deadline.

Recommended Rate Adjustment

The Company's Rate Adjustment Application calculated a -0.645 rate decrease (Attachment 3), which included a -2.405 rate decrease attributed to the Balancing Account Rate Adjustment. Based on our review, we are recommending a rate increase of 1.63 percent, which is also shown in Attachment 3.

The difference between our calculated rate adjustment and that calculated by the Company is due to the following adjustments:

- We increased the calculated rate adjustment by 2.405 percent to eliminate the Balancing Account Rate Adjustment amount in the Company's Application. The 2.45 percent rate decrease that was applied to the rates as part of the 2013 rate adjustment, and which will remain in effect for five years (through 2017), accounted for the impact of the balancing account balance as of December 31, 2011 that was due to the District.¹ No further annual balancing account adjustment is required over that five year period. At the end of that period the rates would be first be adjusted to remove the impact of the 2013 2.45 percent balancing account rate decrease and then further adjusted to account for the impact of the balancing account balance as of December 2017.
- We decreased the rate adjustment by 0.13 percent to account for the 2013 calculated rate adjustment of -0.13 percent, which was not applied. Section 6.2.2 of the Agreement states that: *"In any year that the calculation of the RRI results in a negative number, there shall be no adjustment of the Service Rates. Instead, the negative RRI number shall be added to the result of the subsequent years RRI calculation and the result shall be the RRI adjustment for that subsequent year."* Accordingly, there was no rate adjustment in 2013.
- We made a small change to the Company's equipment rental expense and amortization expense that had no material impact.

Balancing Account Calculation

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

Recycling revenues are calculated for each year, starting with 2008 and using the specified methodology, and each calculated amount is compared to the 2008 projected revenue amount of

¹ At the end of the five year period rates will be increased by 2.45 percent and then further adjusted to account for the balance of the balancing account as of December 31, 2017.

Ms. Beverly James
October 4, 2013
Page 3 of 3

\$542,420.² The difference is accounted for in the balancing account as either revenue due the District (if calculated recycling revenues are higher than the projected amount), or revenue due the Company (if calculated recycling revenues are lower than the projected amount). Per the rate adjustment methodology in the Agreement, the cumulative Balancing Account amount for 2008 through 2011 was accounted for in full when setting the rates for Calendar Year 2013. That Balancing Account amount of \$1,124,671 due to the District resulted in a net reduction of 2.45 percent to the calculated 2013 rate adjustment. That rate decrease is to remain in effect through 2017 as specified in Exhibit 7.2.b.i of the Agreement. Therefore, as of January 1, 2012 the balancing account balance was zero. Going forward, the Agreement provides for a similar methodology for calculating the balancing account. The Agreement also provides both the City and the Company with the option to terminate the current methodology for calculating the balancing account and negotiate a new methodology that is acceptable to both parties. In the event that the parties cannot agree on acceptable changes to the methodology, the fair market value will be based on a review of actual related recyclable material sales revenues and related processing expenses.

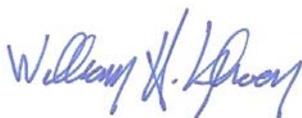
Attachment 4 provides the language in the Agreement related to the balancing account. Attachment 5 provides the calculated balancing account balance as of December 31, 2012, based on the currently agreed upon methodology. The Company has stated that the balancing account adjustment methodology overstates the revenue the Company is receiving from the CRV and commodity sales and has requested that the balancing account methodology be reviewed.

* * * * *

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

Sincerely,

R3 CONSULTING GROUP



William Schoen
Principal

Attachments:

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

R:\Projects\Novato SD 2014 RRI\Report\Novato Sanitary District FINAL Report 100413 (2014 RRI).doc

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

Attachment 1

ARTICLE 6 COMPANY'S COMPENSATION AND RATES

6.1 General

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

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

6.2 Refuse Rate Index Adjustments to Service Rates

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

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

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

6.3 RRI Financial Information

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

Attachment 1

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

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

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

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

19 **6.4 Recyclable Materials Balancing Account**

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

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

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

31

Attachment 2

EXHIBIT 2 Refuse Rate Index

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

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

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

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

Attachment 2

EXHIBIT 2 Refuse Rate Index

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

Attachment 3

Company's Calculated Rate Adjustment

Cost Category	1-1-13 Rate Rev Base Breakdown	7-01-12 to 6-30-13 Change In Index	Percentage Weight for Each Cost Category	Weighted Percentage Change for Each Cost Category
Labor	\$2,552,194	1.050%	23.690%	0.250%
Fuel	\$707,171	-0.150%	6.560%	-0.010%
Vehicle Replacement	\$468,289	1.650%	4.350%	0.070%
Vehicle Maintenance	\$344,352	3.390%	3.200%	0.110%
Disposal Fee	\$1,586,191	1.590%	14.720%	0.230%
Organic Waste Processing Fee	\$524,219	0.000%	4.870%	0.000%
Other operating costs	\$4,590,705	2.600%	42.610%	1.110%
Total allowed operating costs	\$10,773,121		100.000%	1.760%
Balancing Account Rate Adjustment (2014-2017)				-2.405%
Refuse Rate Index Adjusted for Balancing Account				-0.645%

R3's Calculated Rate Adjustment

Cost Category	1-1-13 Rate Rev Base Breakdown	7-01-12 to 6-30-13 Change In Index	Percentage Weight for Each Cost Category	Weighted Percentage Change for Each Cost Category
Labor	\$2,552,194	1.050%	23.690%	0.250%
Fuel	\$707,171	-0.150%	6.560%	-0.010%
Vehicle Replacement	\$475,023	1.650%	4.410%	0.070%
Vehicle Maintenance	\$344,352	3.390%	3.200%	0.110%
Disposal Fee	\$1,586,191	1.590%	14.720%	0.230%
Organic Waste Processing Fee	\$524,219	0.000%	4.870%	0.000%
Other operating costs	\$4,587,506	2.600%	42.580%	1.110%
Total allowed operating costs	\$10,776,656	0.000%	100.030%	1.760%
Balancing Account Rate Adjustment (2014-2017)				0.000%
2013 Negative RRI carried over to 2014 RRI				-0.130%
Refuse Rate Index				1.630%

Adjustments to Company's Application

Attachment 4

Exhibit 7 Recyclable Materials Balancing Account

1. Recyclable Material Per Ton Net Revenue Amount.

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

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

Attachment 4

Exhibit 7 Recyclable Materials Balancing Account

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

2. Balancing Account Calculation for Recyclable Materials.

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

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

Attachment 4

Exhibit 7 Recyclable Materials Balancing Account

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

Attachment 4

Exhibit 7 Recyclable Materials Balancing Account

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

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

1

Attachment 5

weighted %= 2012	OBM Per Ton			San Francisco OBM Prices (average of high & low) ⁽¹⁾			Variance vs. Prior Month			Price Adjustment		Total Tons	Total Revenue
	Revenue Amount	Ceiling / Floor Price	CRV Per Ton Adjustment	Per Ton Net Revenue Amount	Mixed Paper	#8 NP	OCC	Mixed Paper	#8 NP	OCC	100%		
					46%	46%	8%						
Jan	\$70.50		\$4.45	\$74.94	\$82.50	\$120.00	\$135.00	\$37.95	\$55.20	\$10.79	\$103.95	933	\$ 69,923
Feb	\$73.60		\$4.45	\$78.04	\$87.50	\$120.00	\$145.00	\$2.30	\$0.00	\$0.80	\$3.10	859	\$ 67,040
Mar	\$73.60		\$4.45	\$78.04	\$87.50	\$120.00	\$145.00	\$0.00	\$0.00	\$0.00	\$0.00	1,001	\$ 78,122
Apr	\$73.60		\$4.45	\$78.04	\$87.50	\$120.00	\$145.00	\$0.00	\$0.00	\$0.00	\$0.00	924	\$ 72,113
May	\$72.80		\$4.45	\$77.24	\$87.50	\$120.00	\$135.00	\$0.00	\$0.00	-\$0.80	-\$0.80	968	\$ 74,773
Jun	\$71.60		\$4.45	\$76.05	\$87.50	\$120.00	\$120.00	\$0.00	\$0.00	-\$1.20	-\$1.20	1,051	\$ 79,924
Jul	\$68.90		\$4.45	\$73.35	\$82.50	\$120.00	\$115.00	-\$2.30	\$0.00	-\$0.40	-\$2.70	1,162	\$ 85,228
Aug	\$52.00		\$4.45	\$56.45	\$67.50	\$100.00	\$105.00	-\$6.90	-\$9.20	-\$0.80	-\$16.90	1,013	\$ 57,179
Sep	\$38.35		\$4.45	\$42.80	\$52.50	\$87.50	\$92.50	-\$6.90	-\$5.75	-\$1.00	-\$13.65	900	\$ 38,516
Oct	\$50.85		\$4.45	\$55.30	\$67.50	\$97.50	\$105.00	\$6.90	\$4.60	\$1.00	\$12.50	1,054	\$ 58,281
Nov	\$60.10		\$4.45	\$64.54	\$77.50	\$105.00	\$120.00	\$4.60	\$3.45	\$1.20	\$9.25	1,096	\$ 70,741
Dec	\$54.70		\$4.45	\$59.15	\$72.50	\$100.00	\$110.00	-\$2.30	-\$2.30	-\$0.80	-\$5.40	1,052	\$ 62,221

2012 Balancing Account Calculated Revenues = **\$ 814,062**

2012 Projected Recyclable Materials Revenue = 542,420

July 1, 2007 CRV Adjustment = 40,664

Total 2012 Balancing Account Projected Revenues = **583,084**

2012 Balancing Account Due to District (Company) **230,978**

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

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste Rates: Setting Maximum Rates for 2014	MEETING DATE: October 28, 2013 AGENDA ITEM NO.: 6.b.
RECOMMENDED ACTION: Consider setting the date for the public hearing for establishing the maximum charges for refuse collection and disposal services for 2014.	
SUMMARY AND DISCUSSION: The District's Franchise Agreement with Novato Disposal Service provides for an annual rate adjustment based on the Refuse Rate Index (RRI). Novato Disposal submitted a rate review request, and the District retained R3 Consulting Group, Inc. (Sacramento), to assist with the rate review. R3 Consulting conducted its own, independent analysis, and prepared a report with a proposed rate adjustment of +1.63% for 2014. At its October 22, 2013 meeting, the District Board Solid Waste Committee (Committee) reviewed the R3 Consulting report, along with a separate staff memo which recommended the proposed rate adjustment of 1.63%. The Committee unanimously agreed with the proposed rate adjustment, and recommended bringing it forward to the full Board to initiate the adoption process, including setting the date for a public hearing on proposed rates. It is proposed that the Board set the date for the public hearing for its scheduled meeting of November 21, 2013, and direct staff to publish the notice of the proposed rate increase and hearing in the Marin IJ on October 30, 2013 and November 6, 2013. A comparison of the 2013 rates for Novato with other Marin communities is presented for informational purposes.	
ALTERNATIVES: NA	
BUDGET INFORMATION: No Impact. .	
DEPT.MGR.:	MANAGER:

TABLE 1: RESIDENTIAL & COMMERCIAL COLLECTION RATES – January 2013
RATE COMPARISON WITH OTHER AGENCIES

Agency	Franchise Fee, %	Type	Residential 32 gal can/wk (1) (2)	20 yd Debris Box	2 yd Bin Weekly Dump Monthly fee	3 yd Bin 1/wk
Corte Madera	20	Level Hill	23.37 39.00	540.00	247.51	
Fairfax	10	Level Hill	29.09 33.98	583.00 (5) 25 yd box	285.90	495.00
Larkspur	10	Level Hill	32.47 34.97	583.00 (5) 25 yd box	316.83	413.99
Las Gallinas (County/Novato Portion – City now included in San Rafael)	\$25,000		25.83	583.00 (5) 25 yd box	n/a	374.26
Mill Valley	20	Level Hill	29.00 33.26	519.00 (4T)	289.58	
Petaluma			15.59	467.40	272.13	364.12
San Anselmo	10		31.95	583.00 (5) 25 yd box	364.01	524.29
San Rafael	10	Level Hill	29.56 33.48	583.00 (5) 25 yd box	281.27	365.12
Santa Rosa			12.71	674.64	257.12	314.17
Sausalito	15		36.90	526.00	291.90	
Tiburon	14	Level Hill	27.71 32.99	541.00	303.94	
Novato: 2012 & 2013 (rates unchanged)	\$45,000		18.22 (32 gal)	514.43(3T)	188.25	237.45
Novato: Proposed 2014	\$45,000		18.52 (32 gal)	522.82 (3T)	191.32	241.32

Notes: stoppage

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

TABLE 1
REFUSE COLLECTION RATES EFFECTIVE JANUARY 1, 2014

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

<u>RATE CLASSIFICATION</u>	<u>Maximum Monthly Fees Effective 1/1/12</u>	<u>Maximum Monthly Fees Effective 1/1/14</u>
<u>3 Cu. Yd. Containers</u>		
1 x week	\$237.45	\$241.32
2 x week	\$413.20	\$419.94
3 x week	\$589.18	\$598.78
4 x week	\$764.92	\$777.39
5 x week	\$940.85	\$956.19
6 x week	\$1,116.66	\$1,134.86
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64
Extra Pickups	\$51.40	\$52.24
<u>4 Cu. Yd. Containers</u>		
1 x week	\$309.16	\$314.20
2 x week	\$542.39	\$551.23
3 x week	\$775.75	\$788.39
4 x week	\$1,008.97	\$1,025.42
5 x week	\$1,242.30	\$1,262.55
6 x week	\$1,475.57	\$1,499.62
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64
Extra Pickups	\$61.64	\$62.64
<u>6 Cu. Yd. Containers</u>		
1 x week	\$452.57	\$459.95
2 x week	\$800.76	\$813.81
3 x week	\$1,148.91	\$1,167.64
4 x week	\$1,497.03	\$1,521.43
5 x week	\$1,845.21	\$1,875.29
6 x week	\$2,193.37	\$2,229.12
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64
Extra Pickups	\$102.79	\$104.47
<u>15 Cu. Yd. Containers</u>		
1 x week	\$1,984.96	\$2,017.31
2 x week	\$3,974.50	\$4,039.28
3 x week	\$5,959.46	\$6,056.60
The above rates include an allowance for container rental as follows:	\$61.64	\$62.64
Extra Pickups	\$458.42	\$465.89

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

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Committee – Meeting Report for September 2013

MEETING DATE: October 28, 2013

AGENDA ITEM NO.: 7.a.

RECOMMENDED ACTION: Information. Receive report.

SUMMARY AND DISCUSSION:

The September 2013 operations reports for the wastewater treatment, collection, and reclamation facilities are attached.

Wastewater Treatment Facility

The Novato Treatment Plant (NTP) water quality performance was excellent with all parameters well within effluent standards. The Recycled Water Facility produced 11.26 million gallons of recycled water in September. The Ignacio Conveyance Force Main was cleaned by pigging by District staff assisted by Veolia staff. Safety performance was excellent with another accident-free month for a total of 1,216 accident-free days at the end of September. Routine maintenance activities were performed at the NTP and the Ignacio Transfer Pump Station (ITPS). Some odor complaints were received in September, mostly relating to odors from the work on the primary clarifiers and headworks where covers had to be opened to gain access for cleaning as part of the ongoing Contract C Upgrade work.

Collection System

The Collection System report summarizes the monthly and year-to-date performance, and a comparison of these performances against the prior year. In September, the crews cleaned and televised a total of 79,073 feet of sewer line. The average cleaning rates for September was 227 feet/hour versus 161 feet/hour for the previous month. There were no lost time accidents for a total of 242 accident-free days at the end of September.

The District had one Category One (surface water impact) Sewer System Overflow (SSO) in September as summarized below; further details on this SSO are in the attached operations report.

No.	Date	Location	Amount, gal	Cause
1	9/13/2013	1802 Virginia Ave.	312	Roots

Reclamation Facility

The rancher grazed cattle on all three Sites and sorted out calves for market. Parcel rehabilitation continued on Parcel 78 and began on Parcel 38. A purchase order was issued for the repair of Pump 1 at Drainage Pump Station 7. Staff met with Caltrans to discuss cleaning ditches along Highway 37.

Approximately 79 MG of recycled water was used for irrigation this month. The storage ponds are storing approximately 80 MG of recycled water.

Sludge disposal operations began this month and 3.5 MG of sludge was pumped to the DLD.

DEPT.MGR.:

MANAGER-ENGINEER:



October 17, 2013

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

Subject: Veolia Water Operations Report – September 2013

Dear Ms. James:

We are pleased to provide this updated activity report for September 2013.

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

Regards,

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

John Bailey
Project Manager

**MONTHLY OPERATIONS REPORT
September 2013**

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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TREATMENT PLANT PERFORMANCE SUMMARY: September 2013:

Reclamation/Storage – Waste Discharge Requirements (WDR)

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	3.96	4.39	N/A	N/A
Max Peak Hour, MGD – Daily (Dry Weather)	N/A	N/A	N/A	N/A
Influent BOD ₅ , lb/day (month ave/max)	9,867	10,926	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	12,945	15,952	N/A	N/A
Effluent BOD ₅ , mg/L (monthly ave/weekly max)	8	9	40	N/A
Effluent TSS, mg/L (monthly ave/weekly max)	4	5	N/A	N/A
Effluent BOD ₅ - % Removal, Minimum	97	N/A	N/A	N/A
Effluent TSS - % Removal, Minimum	99	N/A	N/A	N/A
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
Total Coliform (5 Sample Median) / mpn/100 ml	170	N/A	240	N/A
Total Coliform (maximum) / mpn/100 ml	3,000	N/A	10,000	N/A
Total Permit Exceedances (WDR)	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	11.26	N/A
Average Turbidity	NTU	1.4	< 2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	6	72
Minimum CT (disinfection)	ml-min/L	> 450	> 450
Minimum Dissolved Oxygen (DO)	mg/L	8.2	> 1.0
Maximum Total Coliform	mpn/100 ml	2	2

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

- Routine rounds, readings and maintenance
- Installed new Gravity Belt Thickener (GBT) Polymer Pump
- Installed *PODZ* in aeration basins, for odor control
- October 1 – resume Bay discharge
- Assisted NSD Collections with Hamilton Pump Station Grinder
- Replaced master brake cylinder on Ops vehicle
- Replaced lower bearing on grit classifier
- Replaced breaker in UV (disinfection) Channel #3

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

- Headworks Channel #2 (Contract “C” Work)
- Primary Clarifier #2 OOS – Preparation for recoating as part of Contract “C”
- GBT Odor Fan #1 OOS - replace bearings/belts

Ignacio Transfer Pump Station

- Routine rounds, readings and maintenance
- Influent Pump #3 removed by Shape Inc (Flygt Pump rep) for impeller retrofit
- Teamed with Collection Crew to Pig (clean) force main at transfer pump station (Ignacio)
- Cleared Influent Pump #1 of blockage

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

- Influent Pump #3 removed by Shape for impeller retrofit

Recycled Water Plant

- Performed plant rounds and maintenance
- Produced 11.26 million gallons of recycled water in September
- Replaced filter backwash sample pump
- Installation of new air dryer and oil/water separator on compressors

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

- None

Sludge Lagoons

- Performed routine rounds and inspection
- Transfer solids from lagoons to dedicated land disposal (DLD) – NSD Activity

Standard Operating Procedures

- Targeted 68 SOPs for development
- To date 90 SOPs are on file
- Continue to add and update as needed

ADMINISTRATION:

- Electronic Self Monitoring Report August submitted on 9/18/13

SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTP and Ignacio Pump Station completed
- Five Minute Tailgate training is held daily with the O&M staff.
- No safety incidents for the month of September 2013
- Accident Free: 6/1/10 – 9/30/13: 1,216 days / 55,449 hours
- Ergonomic Training
- 3 employees to Richmond for Confined Space Training
- Reviewed SOP for taking a Coliform Sample
- Reviewed SOP on Wet Weather Pumps
- Reviewed SOP on Removal and Restoration of Aeration Basins from Service

ODORS:

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

MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held regularly
- EMS Presentation to Wastewater Committee and Board

Veolia Support Staff On/Off Site (Various Times)

John O'Hare	Technical Support
Chris McAuliffe	District Manager
John Herron	Northern California Area Manager
Bryce Behnke	Technical Support via conference call & web exchange
Jeremiah Danielson	Environmental, Health, and Safety
Mel Demsky	Regional Director of Asset Management
Dan Brown	Asset Manager

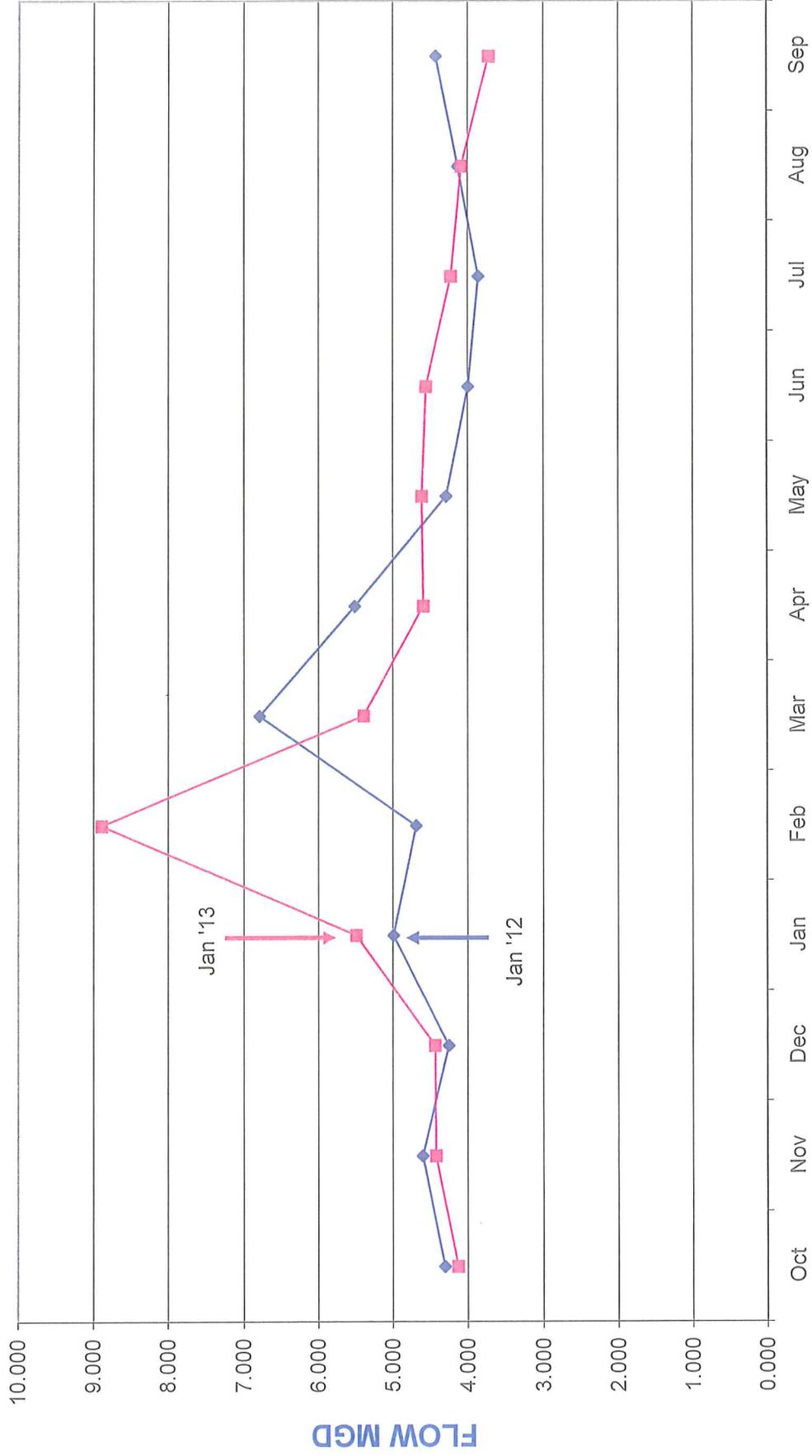
Novato Sanitary District
BOD/TSS Report



September, 2013

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal PERCENT
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
09/01/13	3.69										
09/02/13	4.16										
09/03/13	3.86										
09/04/13	3.96	276	9,115	483	15,952	7	231	<3	<99	97.5	99.4
09/05/13	3.90	281	9,140	321	10,441	<5	<163	<3	<98	98.2	99.1
09/06/13	3.65	265	8,067	385	11,720	10	304	<3	<91	96.2	99.2
09/07/13	3.74										
09/08/13	4.17										
09/09/13	3.68	356	10,926	397	12,184	9	276	<3	<92	97.5	99.2
09/10/13	4.02										
09/11/13	3.78	317	9,993	379	11,948	8	252	5	158	97.5	98.7
09/12/13	3.94										
09/13/13	3.83	299	9,551	394	12,585	9	287	6	192	97.0	98.5
09/14/13	3.85										
09/15/13	4.15	274	9,483	397	13,741	8	277	5	173	97.1	98.7
09/16/13	3.86										
09/17/13	4.05	323	10,910	351	11,856	8	270	5	169	97.5	98.6
09/18/13	4.05										
09/19/13	4.03	299	10,049	432	14,520	7	235	4	134	97.7	99.1
09/20/13	3.80										
09/21/13	3.77										
09/22/13	4.36										
09/23/13	4.39	281	10,288	400	14,645	6	220	5	183	97.9	98.8
09/24/13	4.01										
09/25/13	4.03	301	10,117	368	12,369	8	269	<3	<101	97.3	99.2
09/26/13	4.09										
09/27/13	3.96	326	10,767	405	13,376	<5	<165	3	99	98.5	99.3
09/28/13	4.01										
09/29/13	3.94										
09/30/13	4.18										
Weekly Averages											
09/07/13	Week 1	274	3,980	396	5,763	7	106	3	44		
09/14/13	Week 2	324	4,607	390	5,552	9	123	5	67		
09/21/13	Week 3	299	4,603	393	6,065	8	118	5	72		
09/28/13	Week 4	303	4,713	391	6,107	6	99	4	58		
	Week 5										
Monthly											
Minimum	3.65	265	8,067	321	10,441	<5	<74	<3	<41	96	98
Maximum	4.39	356	10,926	483	15,952	10	138	6	87	98	99
Total	118.91										
Average	3.96	300	9,867	393	12,945	<8	<112	<4	<60	97	99

FLOW COMPARISON



Effluent BOD / TSS Concentration

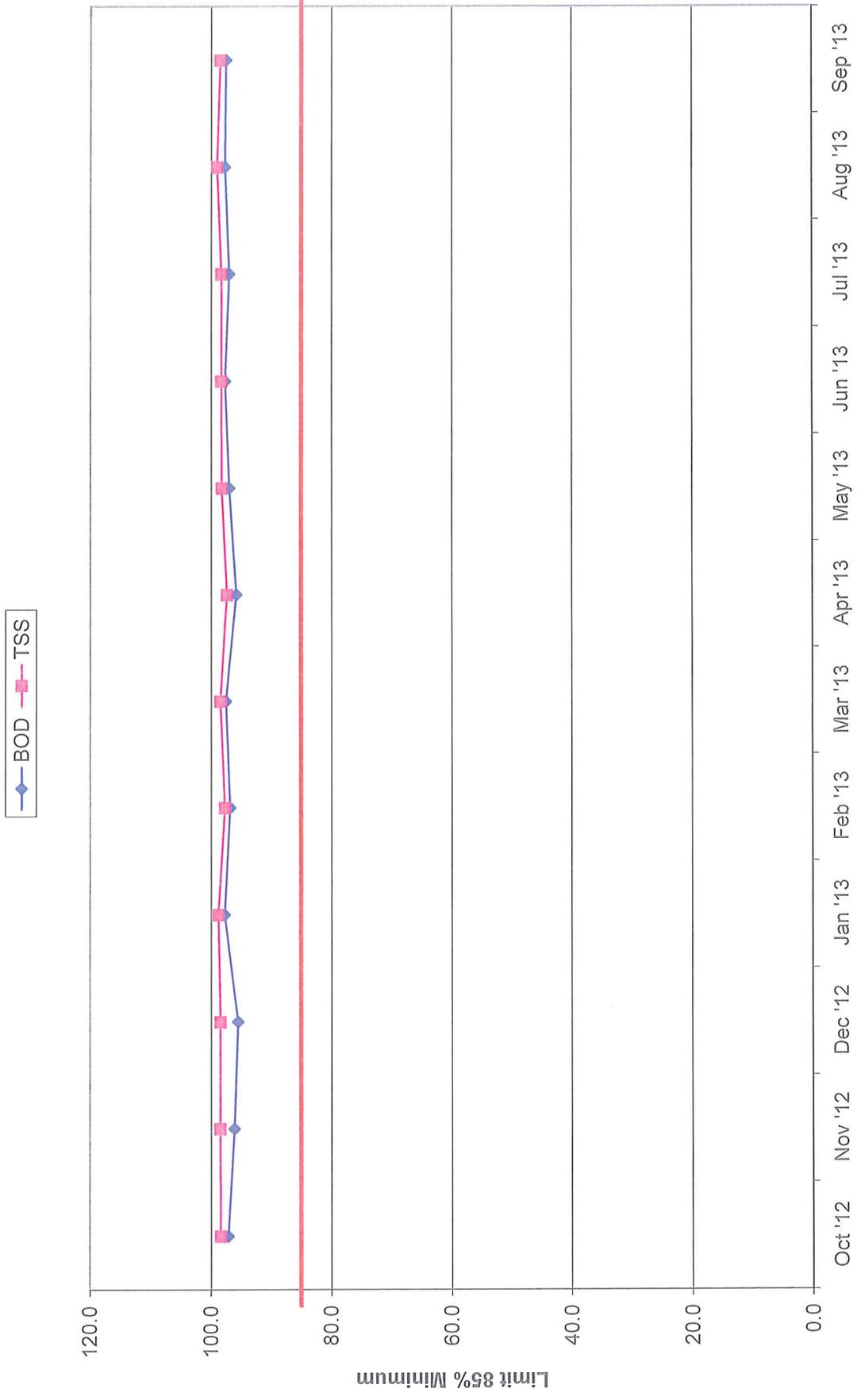
NPDES LIMITS WET SEASON
BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave
NPDES LIMITS DRY SEASON
BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave
WDR (Waste Discharge Requirements) RECLAMATION
BOD - 40 mg/L

—◆— BOD —■— TSS



See Limits Above

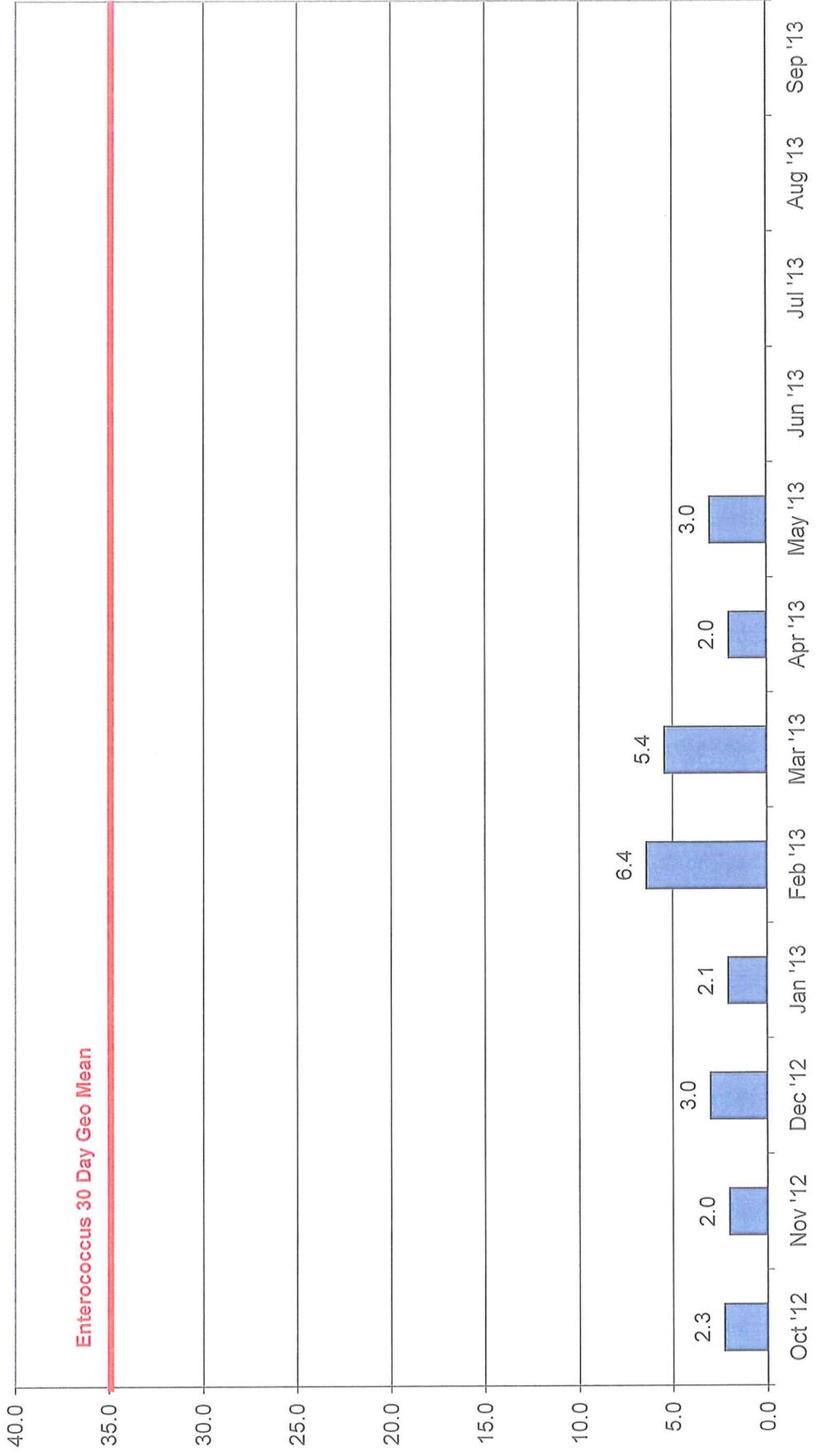
BOD / TSS Percent Removal



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

Disinfection

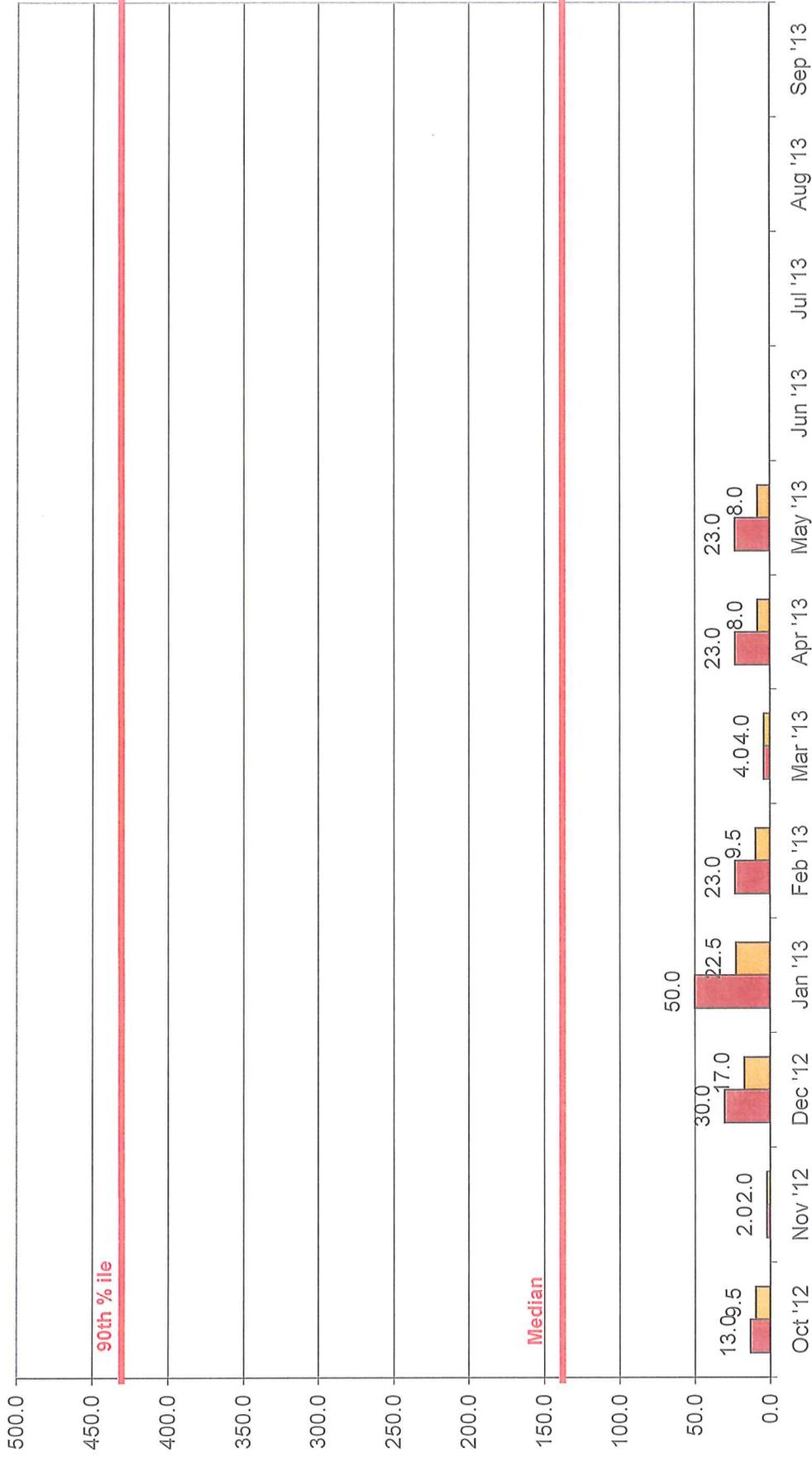
Enterococcus



Disinfection

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

Fecal 90th %ile Fecal Med



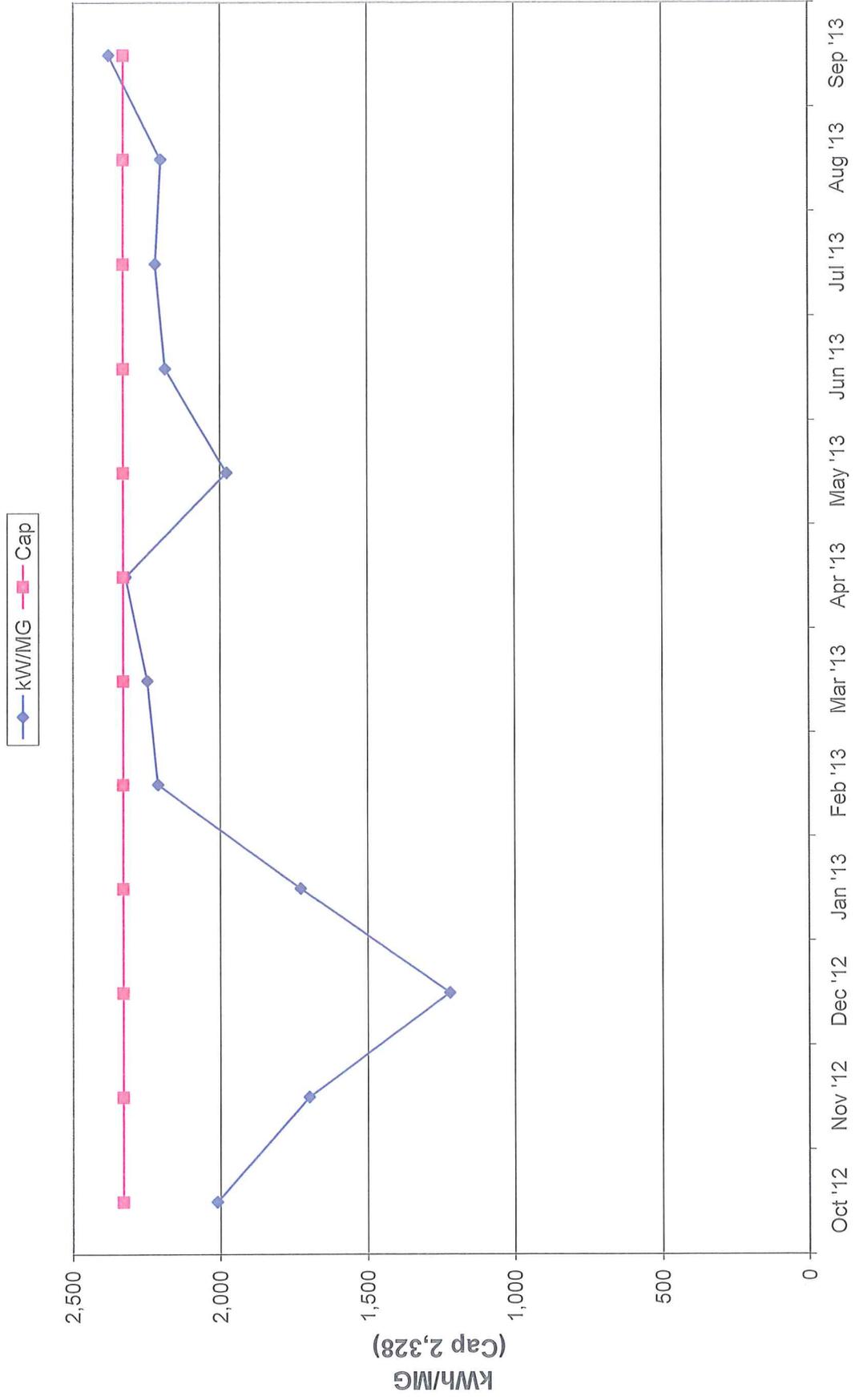
Disinfection

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

Median 5 Maximum



Energy kWh/MG

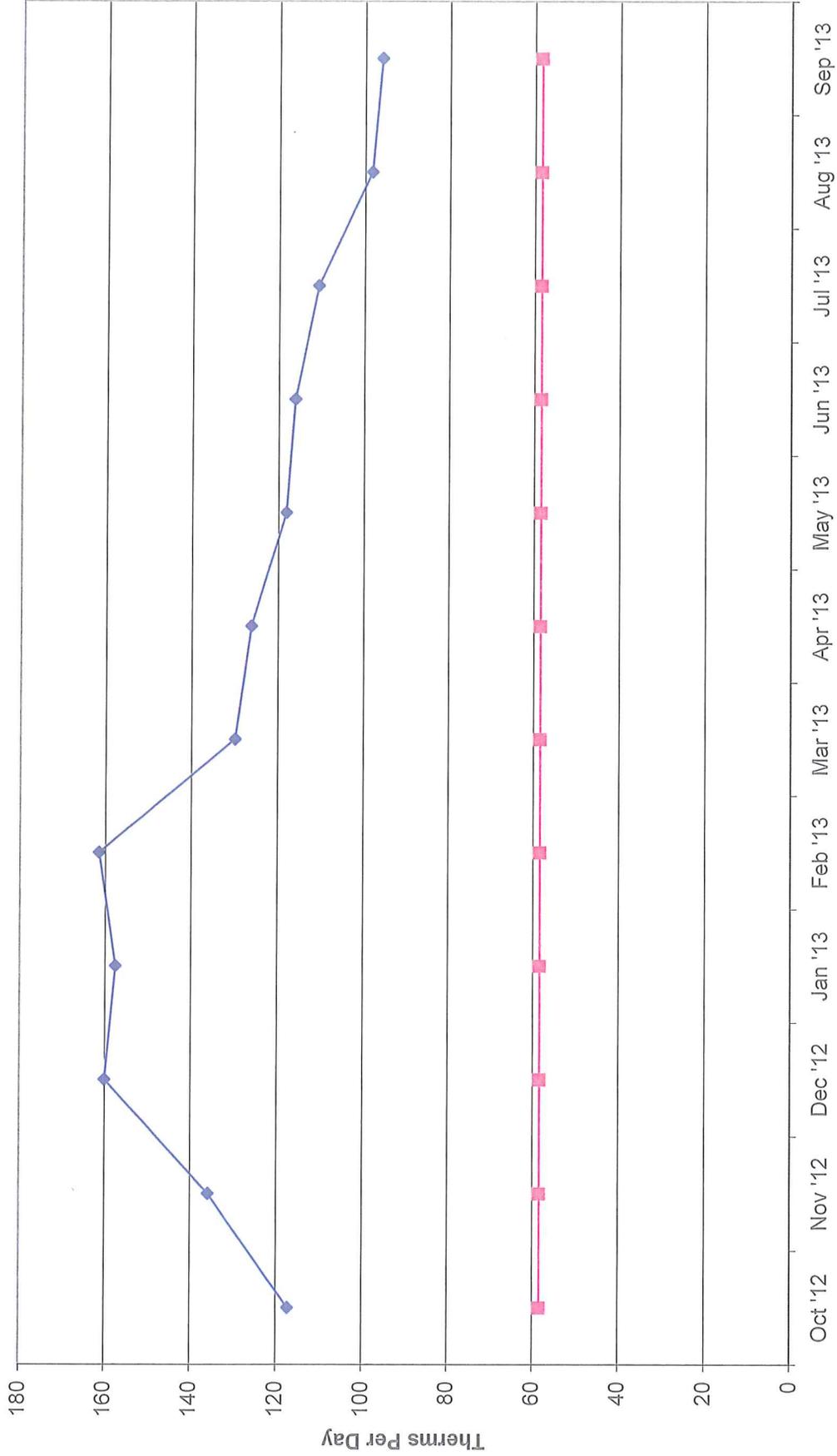


Energy kWh



Natural Gas Use

◆ Natural Gas ■ Cap



NOVATO SANITARY DISTRICT
WATER RECLAMATION 2013
COMPLIANCE SUMMARY REPORT

September	Fil Inf Q	Million Gallons Delivered			Influent Turbidity		Effluent Turbidity		Cl ² Dose mg/L		DO mg/L	Coliform mpn	CT Min
		Rec	Bank	Pot	Max	Ave	Min +5	Ave	Min	Ave			
September 1	0.65	0.24	X										
September 2	0.72	0.42			< 20	NA	0	1.9				< 2	> 450
September 3	1.14	0.66			< 20	NA	0	1.8				< 2	> 450
September 4	0.91	0.73			< 20	NA	0	1.8				> 450	
September 5	0.79			0.58									
September 6	0.89			0.84								< 2	
September 7	0.84	0.74			< 20	NA	0	1.7			8.27	< 2	> 450
September 8	0.85	0.58			< 20	NA	0	1.9			8.35	< 2	> 450
September 9	0.82	0.73			< 20	NA	0	1.5			8.46	< 2	> 450
September 10	0.87	0.71			< 20	NA	0	1.4				< 2	> 450
September 11	0.92	0.57			< 20	NA	0	1.6			8.33	< 2	> 450
September 12	0.75	0.77			< 20	NA	0	1.5				< 2	> 450
September 13	0.66	0.62			< 20	NA	0	1.3				< 2	> 450
September 14	0.48	0.17			< 20	NA	0	1.4			8.23	< 2	> 450
September 15	0.68	0.12	X									< 2	
September 16	0.55	0.60	X		< 20	NA	6	1.6			8.25	< 2	> 450
September 17	0.52	0.68	X		< 20	NA	0	1.8				< 2	> 450
September 18	0.95	0.70			< 20	NA	0	1.1				< 2	> 450
September 19	0.59	0.71	X					1.4				< 2	> 450
September 20	0.78	0.23	X		< 20	NA	0	1.1				< 2	> 450
September 21	0.51	0.09	X										
September 22	0.51	0.12	X										
September 23	0.43	0.07	X										
September 24	0.50	0.20	X									< 2	
September 25	0.65	0.10	X		< 20	NA	0	0.8				< 2	> 450
September 26	0.65	0.14	X									< 2	
September 27	0.68	0.18	X		< 20	NA	0	0.8				< 2	> 450
September 28	0.71	0.13	X		< 20	NA	0	1.0				2	> 450
September 29	0.65	0.18	X										
September 30	0.64	0.07	X										
Total	21.29	11.26	0.00	1.42		NA							
Min	0.43	0.07	0.00	0.58	20	NA	< 0.0	< 0.8	0.0	0.0	8.2	< 2	> 450
Max	1.14	0.77	0.00	0.84	20	NA	< 6.0	< 1.9	0.0	0.0	8.5	< 2	> 450
Ave	0.71	0.40	#DIV/0!	0.71	20	NA	< 0.3	< 1.4	#DIV/0!	#DIV/0!	8.3	< 2	> 450
Count	30	28	0	2	18	NA	18	19	0	0		22	19

All water delivered September 1, 15, 22, 21, 23, 26, 29, & 30 was Banked water.
 All water delivered September 5th & 6th was Potable Water
 Update Needed
 September 24 Sample taken at 0730 September 25 (Operating day is from 0800 - 0800).

WORK ORDER STATISTICS

September 1, 2013 - September 30, 2013

	Open Work Orders Due Prior to 9/1/13	Open Work Orders 9/1/13 - 9/30/13	Total Open Work Orders
Preventative	2	318	320
Corrective	0	26	26
Total	2	344	346

	Closed Work Orders 9/1/13 - 9/31/13
Preventative	317
Corrective	21
Total	338

Total Outstanding Work Orders as of October 1, 2013	8
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NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Odor Control, Noise, and Landscaping Report
September 2013

Summary:

Staff continues to work to address issues of concern relating to odor control, noise, and landscaping, specifically from the Lea Drive neighborhood, and in the northeast corner of the Novato Treatment Plant (NTP) site.

To demonstrate its commitment, the District has already expended significant amounts beyond the substantial investment for odor control, noise, and landscaping included in the original WWTP Upgrade, Contract B - Novato Treatment Plant (NTP), Project No. 72609. These additional costs have included operational changes and measures related to further noise abatement, visual screening, wind shielding, and daily monitoring.

A summary of activities since the last Wastewater Operations Committee meeting is provided below.

Odor control:

As mentioned in previous reports, the District has contracted with the consulting firm of Brown and Caldwell (B&C) and their project manager Mr. David McEwen, for a new odor study focusing primarily on the aeration basins as a potential odor source. As part of this study, Mr. McEwen had performed a sampling event in August, and preliminary results from this event became available in September. On September 11, 2013 Mr. McEwen met with neighborhood representatives. Sandeep Karkal (NSD) and John Bailey (Veolia) were also present at this meeting. Mr. McEwen discussed the scope of this work, discussed his preliminary findings, listened attentively to the concerns and ideas expressed by the neighborhood representatives, and assured them that their thoughts and concerns would be in play as he worked on any potential solutions.

Also, further progress was made on the pilot project to cover the anoxic zones of the aeration basins with the PODZ units. As mentioned in the August report, when the PODZ units were initially installed, it was discovered that floating scum in the anoxic zones would get trapped in the headspace of the individual Podz units, as well as in the space between the basin walls and the floating mass of the Podz units. It was found that this trapped scum further contributed to the odor problem, and the Podz units were removed from the basins. The manufacturer was contacted and presented modifications to the units. The modified units are being piloted and the manufacturer has expressed the opinion that they appear to be working satisfactorily. However, the manufacturer has also expressed that they will continue to further refine the design based on the lessons learnt, and will be getting back to the District with newer improved PODZ units at their cost, in the near future.

Noise:

In September 2013, staff continued to address the low level noise issues raised by some Lea Drive neighbors, related to the fans for the main odor control biofilter in the northeast corner of the Novato plant. These fans currently continue to reside inside a

NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Odor Control, Noise, and Landscaping Report
September 2013

temporary insulated enclosure, and staff continues to evaluate options to provide cost-effective permanent sound attenuating. As part of this effort, Veolia and the District have retained a local contractor who will be presenting two alternative designs in October to place the fans and the immediately adjacent air ducting within an enclosure to minimize the sound

In addition, staff continued to monitor sound levels at the property line on Lea Drive, which continued to indicate that the sound levels are those of an "Average Quiet Street" and well below the 60 decibels the Novato General Plan specifies for residential neighborhoods.

As noted previously, the District has budgeted for soundproofing of these fans in its FY2013-14 preliminary budget, and is evaluating alternative designs.

Landscaping:

In September 2013, staff worked with its landscaping contractor Cagwin and Dorward (C&A), Novato, CA, to care for the attributes to the landscaping installed at the District's fence-line on Lea Drive at the northeast corner area of the NTP. As mentioned in earlier reports, the District has negotiated and executed a maintenance contract with C&A for C&A to provide periodic maintenance services to this landscaping, including weed control and irrigation systems. It is anticipated that C&A will be providing weekly services on an as-needed basis to care for the landscaping in this area.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
September 2013**

General:

For September 2013, after accounting for all leaves, the breakdown of Collection System department staff time, in terms of equivalent full-time employee (FTE) hours utilized, works out approximately as follows:

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

Collection System Maintenance:

Performance metrics for the department are presented in the attached graphs showing the length of line cleaned/month, footage cleaned/hour worked, overflows/month, and the CCTV footage achieved. A total of 54,906 feet of sewer pipelines were cleaned for the month. The footage cleaned per hour is within established parameters for the department but the length of lines cleaned/month is below the department's production goal. Staff completed 281 maintenance work orders generated by the ICOM3 CMMS system, with 110 outstanding work orders. 19 of the outstanding work orders originate to the mechanical rodding unit which was not in the field due to transmission failure. 91 outstanding work orders originate to the hydro-flushers; this is due to the departments focus on reducing the outstanding rodder work orders which are primarily located in difficult to access easement areas. These 110 remaining/outstanding work orders (19 rodding work orders and 91 flusher work orders) will be completed in October. The addition of a new employee, Justin Wall, in October will enable the Collection Department to field two (2) cleaning crews on a consistent basis.

The CCTV van was in the field for a total of 15 working days in September, and the department's CCTV production of 24,167ft for the month is below expected production goals.

As mentioned in prior reports, the department continues to work on monitoring and modifying its work practices, (primarily to better integrate flushing with CCTV work) as part of its continuous improvement practices. As part of its ongoing internal self-evaluation, staff further analyzed the issue of lower production in both cleaning and CCTV work and came up with improved progress monitoring procedures, which were implemented in September. As these improved procedures gain traction, and with the addition of a new crew member, staff anticipates that it will show improvement in its production goals in the near future.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
September 2013**

Pump Station Maintenance:

The Collection System Department conducted 276 lift station inspections for the month with 126 of the inspection visits generated through the JobCal Plus CMMS system*.

The breakdown of these inspections is as follows: 27 Flygt submersible pump stations, 1 time per month, 6 Gorman/Rupp dry well/wet well stations, 1 entry per month, and 4 main stations and the Irrigation pump station, that are visited daily.

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

At Bel Marin Keys #5 pump station, pump #3 was taken out of service in August and sent in for repair due to bearing failure and wear to the impeller and volute. The pump was returned to service in September but has been in and out of service due to issues with the Variable Frequency Drive (VFD) associated with pump #3. Staff is working to resolve this problem.

***Note:** The JobCal Plus program is not only used for scheduling and tracking pump station related maintenance work orders, it is also used for ladder inspections, reclamation maintenance work orders, SCADA backup scheduling, and vehicle maintenance scheduling.

Pump Station Rehabilitation:

Currently, there is no pump station under construction as part of the District's continuing multi-year Pump Station Rehabilitation Project (Capital Improvement Project No. 72403. Design is proceeding and is almost complete on the next phase (Unit 5), and it is anticipated that staff will be bringing an authorization to bid this phase at a Board meeting in October or November).

Safety and Training:

General: The Collection System crew attended weekly safety tailgate meetings.

Specialized training: Collection System staff attended Confined Space Entry Training in August. Staff also conducted training on replacing the continuous rod for the mechanical rodder.

Safety performance: There were no lost time accidents this month for a total of 232 accident-free days.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
September 2013**

Standard Operating Procedures (SOPs):

Department staff continues to work on generating new SOPs, and working towards finalizing earlier draft SOPs. Five (5) Periodic Station Check SOPs were issued in September.

Sanitary Sewer Overflows (SSOs):

For the month of September, there was one (1) SSO, as discussed below.

No.	Date	Location	Amount, gal	Cause
1	9/13/2013	1802 Virginia Ave.	312	Roots

1. SSO at 1802 Virginia Ave.: This SSO was a Category I event with the discharge volume of approximately 312 gallons going to a storm drain and Novato Creek. There was substantial recovery (38%) for this discharge due to the fact that part the discharge was retrieved from a storm drain catch basin.

This discharge was determined to be the result of a partial root blockage in the main line. Volume estimation from the observed water height above the pick-hole times duration, volumetric calculation of the water in the gutter pan times duration, and reporting party/local resident interviews were all used to estimate the duration and volume of this event.

The District initially received this report at 08:45. Rebecca Ng of Marin County Environmental Health Services (MCEHS) was notified of this event at 10:25 and CAL-EMA was notified at 10:37 meeting the 2 hour reporting requirements for a Category I event.

Under the direction of Rebecca Ng, MCEHS, Novato Creek was posted with 10 warning signs initially, with 6 more signs added the following day that will be kept in place until further direction is received. Due to the possible impact of this discharge on Novato Creek, the District's sampling protocol was immediately implemented and samples were taken 15 feet upstream of Point of Entry (POE), 25 feet downstream of POE, and at 150 feet downstream of POE, as required by MCEHS. Water sampling results were found to be acceptable by MCEHS and sampling was halted on September 19, 2013. Public Notification signage remained in place until September 24, 2013 when they were removed with the approval of Robert Turner, MCEHS.

The line segment had been chemically root treated on 6/2012 due to root intrusion and a prior overflow in December 2011. It was last cleaned using the hydro-flusher on 7/30/2012. After the December 2011 event, the cleaning frequency for this line was to have been changed from 24 months to 12-months; however, the change was not made.

**Novato Sanitary District
Wastewater Operations Committee meeting
Collection System Operations Report
September 2013**

Therefore, a cleaning that should have been performed in July 2013 was not performed. However, follow-up actions have been taken to ensure that this event does not occur again, including procedural discussions with the individual responsible for making the changes to the cleaning frequency, and verification that the cleaning frequency for this line has been changed to 12-months.

This event was reported into the CIWQS database on 9/13/2013 as a Category I event, SSO Event ID #798800 and was certified in CIWQS on 9/23/2013, Certification ID # 413887.

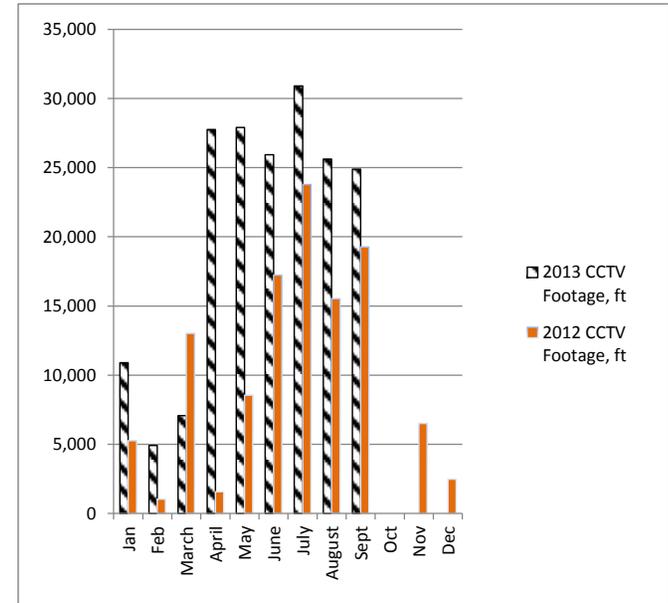
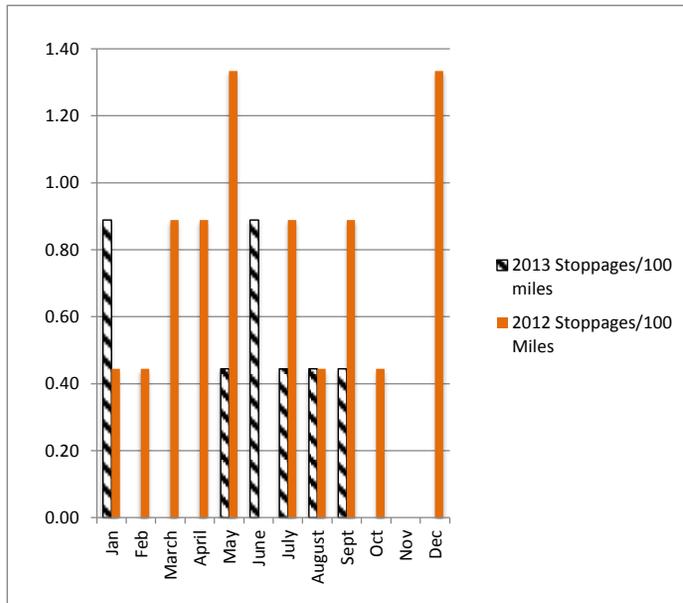
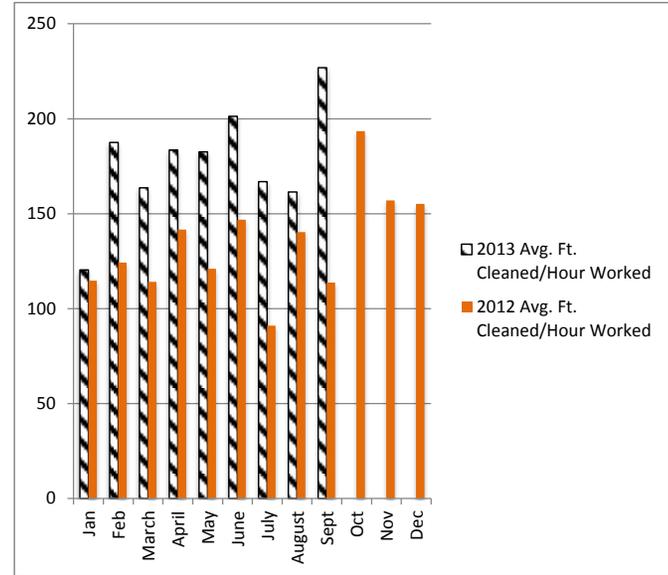
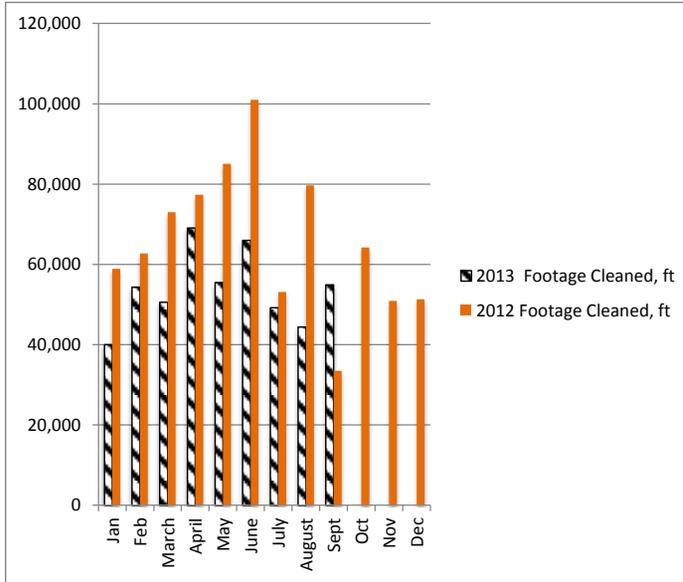
Novato Sanitary District
Collection System Monthly Report For September 2013 (as of September 30, 2013)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.9	1.7	1.8	2.2	1.8	1.9	1.7	1.6	1.4				NA	1.8
Number of FTEs (other)	1.9	1.4	2.4	1.5	1.8	1.2	1.8	1.4	2.1				NA	1.7
Number of FTEs (CCTV)	0.1	0.3	0.5	1.7	1.1	1.2	1.5	1.3	1.2				NA	1.0
Total, FTEs	3.9	3.4	4.7	5.4	4.6	4.3	4.9	4.2	4.7				NA	4.5
Regular Time Worked, (main line cleaning), hrs	333	290	309	377	304	328	295	275	242				2,752	306
Regular Time Worked on Other, hrs ⁽¹⁾	326	249	415	259	308	216	304	235	363				2,674	297
Regular Time Worked on CCTV ⁽²⁾	20	46	85	300	192	200	258	221	206				1,527	170
Total Regular time, worked, hrs	678	585	809	935	804	744	857	731	811				6,952	772
Total Vacation/Sick Leave/Holiday, hrs	204	77	101	114	239	62	191	238	174				1,399	155
Vacation/Sick Leave/Holiday, FTEs	1.2	0.4	0.6	0.7	1.4	0.4	1.1	1.4	1.0				8.1	0.9
Overtime Worked on Coll. Sys., hrs	6	45	5	47	5	1	24	24	33				190	21
Overtime Worked on Other, hrs ⁽¹⁾	3	19	5	28	12	6	16	17	27				133	15
Overtime Worked on CCTV ⁽²⁾	1	3	0	0	0	0	2	1	2				9	1
Total Overtime, hrs	10	67	10	75	17	7	42	42	62				332	37
Productivity														
Rodder Work Orders Generated, ft	14	0	24	31	83	66	51	51	51				371	41
Rodder 3203 Ft. Cleaned	3,138	0	3,856	5,490	678	4,371	760	1,842	1,214				21,349	2,372
Flusher Work Orders Generated	187	252	290	385	438	361	277	256	340				2,786	310
Truck 3205V Ft. Cleaned	2,782	5,146	2,755	13,698	15,477	10,186	0	12,537	0				62,581	6,953
Truck 3206V Ft. Cleaned	34,114	49,225	43,954	49,898	39,332	51,468	48,444	30,024	53,692				400,151	44,461
Camera Work Orders Generated	0	0	0	0	0	0	0	0	0				0	
Camera Ft. Videoed	10,905	4,912	7,075	27,756	27,913	25,938	30,910	25,628	24,900	NA	NA	NA	185,937	20,660
Work Orders Completed	201	252	286	374	314	267	239	222	281				2,436	271
Work Orders backlog	6	0	28	42	207	160	89	85	110				727	81
Total Footage Cleaned	40,034	54,371	50,565	69,086	55,487	66,025	49,204	44,403	54,906	NA	NA	NA	484,081	53,787
Sanitary Sewer Overflows (SSOs)														
Minor (Category II)	0	0	0	0	1	1	1	1	0				4	NA
Major (Category I)	2	0	0	0	0	1	0	0	1				4	NA
Overflow Gallons	2,200	0	0	0	158	1,111	10	50	312				3,841	NA
Volume Recovered	880	0	0	0	158	100	0	0	117				1,255	NA
Percent Recovered	40%	NA	NA	NA	100%	9%	0%	0%	38%	NA	NA	NA	33%	NA
Service Calls (non-SSO related)														
Service calls, normal hours, #	7	5	7	12	6	6	8	5	8				64	7
Normal hours S.C. response time, mins (avg.)	12	15	14	18	17	22	19	13	23				153	17
Service Callouts, after hours, #	1	0	0	1	1	0	1	2	1				7	1
After Hours S.C. response time, mins (avg.)	23	NA	NA	20	30	0	27	34	30				164	23
Benchmarks														
Average Ft. Cleaned/Hour Worked	120	187	164	183	183	201	167	161	227	NA	NA	NA	NA	177
Total Stoppages/100 Miles	0.9	0.0	0.0	0.0	0.4	0.9	0.4	0.4	0.4	NA	NA	NA	3.6	NA
Average spill response time (mins)	18	0	0	0	15	19	15	27	7				NA	11
Callouts/100 Miles	0.4	0.0	0.0	0.4	0.4	0.0	0.4	0.9	0.4				3.1	0.3
Overtime hours/100 Miles	3	20	2	21	2	0	11	11	15				84	9
Overflow Gallons/100 Miles	978	0	0	0	70	494	4	22	139	NA	NA	NA	1707	190

⁽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.

Collection System 2012-13 Graphs



Novato Sanitary District

Pump Station Monthly Report For September 2013 (as of September 30, 2013)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked	253	224	313	226	256	249	320	301	236				2,378	
Number of Employees	1.4	1.3	1.8	1.3	1.4	1.4	1.8	1.4	1.2					1.4
Regular Time Worked on Pump Sta	185	189	223	182	227	201	273	239	201				1,919	
Overtime Worked on Pump Sta	69	35	90	44	29	48	47	62	35				459	
After Hours Callouts	4	3	1	8	1	0	5	5	2				29	
Average Callout response time (mins)	24	35	20	30	0	0	26	35	30				200	22
Work Orders														
Number generated in month	107	112	116	124	110	125	134	107	126				1061	
Number closed in month	104	110	116	124	110	123	134	106	126					
Backlog	3	2	0	0	0	2	0	1	0					

**COLLECTION SYSTEM (Pump Stations)
WORK ORDER STATISTICS
September 1, 2013 - September 30, 2013**

	Open Work Orders Due Prior to 9/1/2013	Open Work Orders 9/1/2013 -9/30/2013	Total Open Work Orders
Preventive	1	126	0
Corrective	0	0	0
Total	1	126	127

	Closed Work Orders 9/1/2013 - 9/30/2013
Preventive	127
Corrective	0
Total	127

Total Outstanding Work Orders as of 9/30/2013	0
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**NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
September 2013**

Summary:

The rancher grazed cattle on all three Sites and sorted out calves for market. Parcel rehabilitation continued on Parcel 78 and began on Parcel 38. A purchase order was issued for the repair of Pump 1 at Drainage Pump Station 7. Staff met with Caltrans to discuss cleaning ditches along Highway 37. Approximately 79 MG of recycled water was used for irrigation this month. The storage ponds are storing approximately 80 MG of recycled water. Sludge disposal operations began this month and 3.5 MG of sludge was pumped to the DLD.

Ranch Operations:

The rancher grazed cattle on all Sites and began to sort out the calves to be sold. The rancher completed some minor repairs to the irrigation and fresh water systems in Site 7. All hay has been sold and removed from the Sites.

Parcel rehabilitation continued on Parcel 78. Leveling has been completed and the Parcel has been chiseled and one pass was completed with a rotovator (A rotovator is a device attached to the back of a tractor that breaks up the soil in preparation for seeding. The device is similar to a roto-tiller but the rotating blades rotate on an axis perpendicular to the ground instead of horizontal like a roto-tiller. The device is much more efficient than a disc). In October staff will test the irrigation system in Parcel 78 to evaluate if repairs are needed or if sprinkler heads need to be replaced. After the irrigation system test is complete the contractor will complete one more pass with the rotovator in preparation for seeding. The leveling equipment was moved to Parcel 38 and the front half of the Parcel has been leveled. After work is completed in Parcel 38 the leveling equipment will be moved to Parcel 24 & 28 to complete the rehabilitation work on those Parcels.

In July, Pump No. 1 at Drainage Pump Station No. 7 was removed for inspection and repair. The volute for the pump which rotted off was retrieved last month. Purchase orders for repair of the pump and motor were issued and delivery and installation is expected to occur in October.

Staff and a representative from Mosquito Abatement met with a representative of Caltrans to request that Caltrans clean the ditch along Highway 37 adjacent to Site 2. This ditch carries storm water from Site 2 across Highway 37 to Site 3 where it is pumped to Novato Creek. The Caltrans representative reported that they do not clean ditches that are choked with cattails due to wetland issues and past complaints from citizens but will check with his supervisor. The Mosquito Abatement representative mentioned that he will check with his office to see if Caltrans can piggyback on their Annual Permit to clean ditches for mosquito abatement purposes.

Irrigation Parcels:

As previously reported, on occasion, the valve actuators for some irrigation zones within the Parcels will not fully open or close and some motors have failed. Staff met with the

**NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
September 2013**

District's electrical consultant in August who will start looking at methods to remedy the situation. A report is forthcoming.

Irrigation Pump Station:

Approximately 79.12 million gallons of recycled water was used for irrigation in September. The average storage pond staff gauge depth at the beginning of September was 5.6 feet and 6.3 feet at the end of September, accumulating approximately 13.3 million gallons. This quantity is calculated using charts from the Reclamation Facilities O&M Manual. The significant increase over last month's accumulation is most likely due to the lowering of the Wildlife Pond, completed each September as recommended in the O&M Manual. The Wildlife Pond water drains directly to the Irrigation Storage Ponds.

As previously reported, staff is evaluating the replacement/repair of Irrigation Pump No. 2. Staff contacted PG&E to inquire about rebate programs for replacing the pump with a more efficient motor. Staff still has not had a reply from PG&E after contacting them several times so staff will move forward with the purchasing process. Staff will work on the purchase during the winter months and will not request delivery until next spring because the motor cannot be test run until after April 15th of next year.

Sludge Handling & Disposal:

The sludge handling and disposal contract was awarded last month and work did not begin until the first week in September. Approximately 3.56 MG of sludge was pumped out of Lagoons 1, 2, 3 & 4 and into the Dedicated Land Disposal (DLD) Area.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Committee – Review of the Contract Service Agreement for Operation, Maintenance, and Management of the Wastewater Treatment Facilities	MEETING DATE: October 28, 2013 AGENDA ITEM NO.: 7.b.
RECOMMENDED ACTION: Review the Contract Service Agreement for Operation, Maintenance, and Management of the Wastewater Treatment Facilities, and provide direction to staff.	
SUMMARY AND DISCUSSION: <p>At its October 21, 2013 meeting, the Board’s Wastewater Operations Committee (Committee) reviewed the agreement dated September 24, 2009 titled “Contract Service Agreement for Operation, Maintenance, and Management of the Wastewater Treatment Facilities” (or Agreement) between the District and Veolia Water. The Agreement has a five year term with an adjusted effective start date for provision of services of August 9, 2010.</p> <p>Since that time, several provisions of the Agreement have either sunset, terminated, or been made redundant or outdated by factors such as for example, the closing of the old Ignacio Treatment Plant (ITP), and the transition of the treatment facilities at the Novato Treatment Plant from the old 1980s vintage facilities to the newly upgraded facilities completed in 2010. Also, the District constructed the new Title 22 Recycled Water Facility (RWF) in 2012. Veolia started-up this RWF and is responsible for its operation under a limited contract.</p> <p>As such, the Committee recommends that the Agreement be updated to reflect these changed conditions or outdated provisions, and address the additional services required to operate the RWF. In addition, the Committee recommends that it is also time to start discussions with Veolia about extending the contract.</p> <p>Accordingly, the Committee recommends that the Board review the Contract Service Agreement for Operation, Maintenance, and Management of the Wastewater Treatment Facilities, and provide direction to staff on next steps.</p>	
DEPT.MGR.:	MANAGER-ENGINEER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Consider Adoption of a Resolution to CalPERS regarding Member Contributions	MEETING DATE: October 28, 2013 AGENDA ITEM NO. : 8.a.
RECOMMENDED ACTION: Adopt resolution to facilitate action taken by the Board at their meeting of October 14, 2013	
SUMMARY AND DISCUSSION: <p>At the Board meeting of October 14, 2013, the Board of Directors adopted a Memorandum of Understanding (MOU) between Novato Sanitary District and Teamsters Local 315 for the period July 1, 2013 through June 30, 2015. One of the provisions of the MOU is a change in the formula for payment and reporting of Employer Paid Member Contributions (EPMC). This modification requires adoption of a resolution by the District Board for submission to CalPERS. A summary of the revised formula follows:</p> <p><i>Effective January 1, 2014, for all employees hired before January 1, 2012, the District will contribute 3.5% of base pay as Employer Paid Member Contributions, reported as Special Compensation. Employees in this group will pay the remaining 3.5% of base pay towards employee (or Normal) contributions.</i></p> <p><i>For employees hired on or after January 1, 2012, the District will contribute 0% towards employee (Normal) contributions. Employees in this group will pay the full employee contribution to the CalPERS retirement system.</i></p> <p>The District had previously contributed 4.5% of base pay as EPMC reported as Special Compensation for employees hired prior to January 1, 2012.</p> <p>Although the MOU applies to the District's represented employees, the Board's action includes all non-represented employees. A District resolution to effect the required change is included for adoption at this meeting. The effective date will be January 1, 2014.</p>	
ALTERNATIVES: Do not adopt the resolution.	
BUDGET INFORMATION: This action will result in a savings of approximately \$8,000.00 in CalPERS contributions for the 2 nd half of fiscal year 2013-14.	
DEPT. MGR. :	MANAGER'S APPROVAL:

RESOLUTION NO. 3064

**RESOLUTION FOR PAYING AND REPORTING THE VALUE OF
EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Novato Sanitary District has the authority to implement Government Code Section 20636(c) (4) pursuant to Section 20691;

WHEREAS, the governing body of the Novato Sanitary District has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Novato Sanitary District of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Novato Sanitary District has identified the following conditions for the purpose of its election to pay EPMC;

- 1. This benefit shall apply to all employees of Novato Sanitary District hired prior to January 1, 2012.**
- 2. This benefit shall consist of paying Three and One Half Percent (3.5%) of the normal contributions as EPMC, and reporting the same Three and One Half Percent (3.5%) of compensation earnable {excluding Government Code Section 20636(c) (4)} as additional compensation.**

WHEREAS, the governing body of the Novato Sanitary District has identified the following condition for the payment of normal contributions for employees hired on or after January 1, 2012;

- 1. The Novato Sanitary District shall pay Zero Percent (0%) of normal contributions for all employees hired on or after January 1, 2012.**

The effective date of this Resolution shall be January 1, 2014.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Novato Sanitary District elects to pay and report the value of EPMC, as set forth above.

BY

Michael Di Giorgio, President
Board of Directors

Beverly B. James, Manager-Engineer

Adopted and approved on October 28, 2013

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Pump Station Rehabilitation Project, Project Unit 5, No. 72403	MEETING DATE: October 28, 2013 AGENDA ITEM NO.: 10.a.
RECOMMENDED ACTION: Consider making CEQA findings, approving plans and specifications, and authorizing advertising for bids for Pump Station Rehabilitation Project Unit 5.	
SUMMARY AND DISCUSSION: <p>Nute Engineering has completed the plans and specifications for this work and it is ready for bid. This work is the fifth project unit to replace the District's existing small dry pit/wet pit underground pump stations with submersible pump stations.</p> <p>Project Unit 5 consists of rehabilitating two sanitary sewer pump stations including partial demolition of the existing structure, construction of wet well & valve pit, installation of new pumps and control panel. The existing pump stations will be taken out of service and replaced with submersible-type pump stations. The goal of the overall project is to replace the existing pump stations with pump stations that meet current industry standards for safety, reliability of performance, and ease of access for operation and maintenance. The pump stations in Project Unit 5 are:</p> <ul style="list-style-type: none"> • Los Robles Pump Station, 100 Roblar Way • Digital Drive Pump Station, 95 Digital Drive <p>The Engineer's Estimate for this work is \$1,161,000. Staff has completed California Environmental Quality Act (CEQA) documentation and determined that the project is categorically exempt. This determination is made because the work relates to the rehabilitation of existing public sewerage facilities involving no expansion of an existing use.</p> <p>Staff recommends making CEQA findings, approving plans and specifications, and authorizing advertising for bids. Bids are expected to be received on November 21, 2013 and presented to the Board on November 25, 2013.</p>	
ALTERNATIVES: Do not approve bidding the project.	
BUDGET INFORMATION: The FY 13-14 Budget for Account No. 72403 is \$1,440,000.	
DEPT.MGR.:	MANAGER:

	A	B	C	D	E	F	G	H	I	J	K
1	<u>Entity</u>	<u>Name</u>	<u>Title</u>	<u>Base</u>	<u>Other</u>	<u>MDV</u>	<u>Pension</u>	<u>Pension</u>	<u>401K</u>	<u>NonCash</u>	<u>TCOE</u>
2	West County Wastewater Dist.	BATTAGLIA, LEONARD , L	Director	\$19,137	\$352	\$21,535	\$5,449	\$1,276	\$0	\$2,583	\$50,332
3	West County Wastewater Dist.	GRANZELLA, ALFRED , M	Director	\$19,137	\$352	\$17,148	\$5,449	\$1,276	\$0	\$2,866	\$46,228
4	West County Wastewater Dist.	SCHMIDT, GEORGE , H	Director	\$19,137	\$352	\$14,445	\$5,449	\$1,276	\$0	\$2,814	\$43,473
5	Union Sanitary Dist.	Harrison, Jennifer Toy	Board Member	\$14,423	\$0	\$21,039	\$0	\$0	\$600	\$1,263	\$37,325
6	Central Contra Costa Sanitary Dist.	Mcgill, Michael R	Board Member	\$12,298	\$0	\$21,714	\$0	\$0	\$0	\$597	\$34,609
7	Union Sanitary Dist.	Fernandez, Manuel C.	Board Member	\$14,635	\$0	\$16,644	\$0	\$0	\$600	\$1,304	\$33,183
8	Central Contra Costa Sanitary Dist.	Hockett, Barbara D	Board Member	\$10,931	\$0	\$15,457	\$0	\$0	\$0	\$578	\$26,965
9	Castro Valley Sanitary Dist.	Francis, Harry R.	Board Member	\$7,759	\$0	\$18,414	\$0	\$0	\$0	\$593	\$26,766
10	Union Sanitary Dist.	Lathi, Anjali	Board Member	\$16,574	\$0	\$7,812	\$0	\$0	\$600	\$956	\$25,943
11	Union Sanitary Dist.	Kite, L. Patricia	Board Member	\$13,787	\$0	\$8,248	\$2,359	\$877	\$0	\$342	\$25,612
12	Union Sanitary Dist.	Handley, Thomas	Board Member	\$13,362	\$0	\$8,248	\$0	\$0	\$600	\$1,181	\$23,392
13	Delta Diablo Sanitary Dist.	Davis, James D	Board Member	\$0	\$2,737	\$19,817	\$0	\$0	\$0	\$811	\$23,365
14	West County Wastewater Dist.	SOLTOW, PAUL , C	Director	\$18,607	\$352	\$1,011	\$0	\$0	\$0	\$2,818	\$22,788
15	Central Contra Costa Sanitary Dist.	Nejedly, James A	Board Member	\$12,853	\$5,000	\$2,803	\$0	\$0	\$0	\$605	\$21,261
16	Mt. View Sanitary Dist.	Caldwell, Stanley R.	Board of Director	\$5,847	\$0	\$14,651	\$0	\$0	\$0	\$50	\$20,548
17	Delta Diablo Sanitary Dist.	Glover, Federal	Board Member	\$0	\$2,923	\$16,547	\$0	\$0	\$0	\$542	\$20,012
18	Las Galinas Valley Sanitary Dist.	Clark, Megan	Board of Director	\$12,130	\$838	\$1,314		\$0	\$0	\$5,608	\$19,890
19	Las Galinas Valley Sanitary Dist.	Greenfield, Russ	Board of Director	\$11,119	\$837	\$2,400		\$0	\$0	\$5,406	\$19,762
20	West County Wastewater Dist.	CAINE, MICHAEL , T	Director	\$14,180	\$533	\$2,035	\$0	\$0	\$0	\$2,481	\$19,229
21	Central Contra Costa Sanitary Dist.	Menesini, Mario M	Board Member	\$7,791	\$0	\$9,733	\$0	\$0	\$0	\$532	\$18,056
22	Mt. View Sanitary Dist.	Maggi, David P.	Board of Director	\$2,871	\$0	\$14,651	\$0	\$0	\$0	\$50	\$17,572
23	Central Contra Costa Sanitary Dist.	Williams, David R	Board Member	\$9,194	\$5,000	\$1,755	\$0	\$0	\$0	\$552	\$16,501
24	Las Galinas Valley Sanitary Dist.	Murray, Craig	Board of Director	\$8,592	\$837	\$2,400		\$0	\$0	\$3,886	\$15,715
25	Las Galinas Valley Sanitary Dist.	Schriebman, Judith	Board of Director	\$9,855	\$0	\$2,400		\$0	\$0	\$2,453	\$14,709
26	Novato Sanitary Dist.	Di Giorgio, Michael	Elected Official	\$0	\$0	\$2,914	\$0	\$0	\$0	\$792	\$14,056
27	Las Galinas Valley Sanitary Dist.	Loder, Larry	Board of Director	\$8,086	\$0	\$2,200		\$0	\$0	\$2,554	\$12,840
28	Novato Sanitary Dist.	Long, William C	Elected Official	\$0	\$0	\$2,262	\$0	\$0	\$0	\$637	\$11,224
29	Castro Valley Sanitary Dist.	Johnson, Ralph E.	Board Member	\$10,051	\$0	\$0	\$0	\$0	\$0	\$769	\$10,820
30	Delta Diablo Sanitary Dist.	Parent, Nancy L	Board Member	\$0	\$2,860	\$7,477	\$0	\$0	\$0	\$421	\$10,758

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1	<u>Entity</u>	<u>Name</u>	<u>Title</u>	<u>Base</u>	<u>Other</u>	<u>MDV</u>	<u>Pension</u>	<u>Pension</u>	<u>401K</u>	<u>NonCash</u>	<u>TCOE</u>
31	Cupertino Sanitary Dist.	Bosworth, William A.	Director	\$7,854	\$0	\$2,414	\$0	\$0	\$0	\$444	\$10,712
32	Cupertino Sanitary Dist.	Kerr, Jr., Wendell H.	Director	\$7,623	\$0	\$2,113	\$0	\$0	\$0	\$431	\$10,167
33	Castro Valley Sanitary Dist.	Sadoff, Dave A.	Board Member	\$8,993	\$0	\$0	\$0	\$0	\$0	\$688	\$9,681
34	Novato Sanitary Dist.	Mariani, Jean	Elected Official	\$0	\$0	\$711	\$0	\$0	\$0	\$602	\$9,188
35	Novato Sanitary Dist.	Welsh, Dennis J	Elected Official	\$0	\$0	\$822	\$0	\$0	\$0	\$585	\$9,057
36	Cupertino Sanitary Dist.	Andrews, Steve C.	Director	\$6,468	\$0	\$2,097	\$0	\$0	\$0	\$365	\$8,931
37	Novato Sanitary Dist.	Peters, Gerald	Elected Official	\$0	\$0	\$0	\$0	\$0	\$0	\$602	\$8,477
38	West Bay Sanitary Dist.	Shepherd, Ronald	Board President	\$6,665	\$0	\$0	\$0	\$0	\$0	\$923	\$7,588
39	Cupertino Sanitary Dist.	Gatto, John M.	Director	\$5,544	\$0	\$1,470	\$0	\$0	\$0	\$313	\$7,327
40	Castro Valley Sanitary Dist.	Akagi, Daniel M	Board Member	\$5,996	\$0	\$0	\$0	\$0	\$0	\$459	\$6,455
41	Castro Valley Sanitary Dist.	McGowan, Timothy R.	Board Member	\$5,996	\$0	\$0	\$0	\$0	\$0	\$459	\$6,455
42	Sausalito Marin City Sanitary Dist.	Beers, Donald	Director	\$0	\$6,240	\$0	\$0	\$0	\$0	\$0	\$6,240
43	West Bay Sanitary Dist.	Moritz, Edward	Board Member	\$5,115	\$0	\$0	\$0	\$0	\$0	\$708	\$5,823
44	Sausalito Marin City Sanitary Dist.	Arnott, Ann	Director	\$0	\$5,648	\$0	\$0	\$0	\$0	\$0	\$5,648
45	West Bay Sanitary Dist.	Dehn, Frances	Board Member	\$4,960	\$0	\$0	\$0	\$0	\$0	\$687	\$5,647
46	Sausalito Marin City Sanitary Dist.	Ring, William	Director	\$0	\$5,440	\$0	\$0	\$0	\$0	\$0	\$5,440
47	Sausalito Marin City Sanitary Dist.	Rheiner, Dan	Director	\$0	\$4,792	\$0	\$0	\$0	\$0	\$0	\$4,792
48	Sausalito Marin City Sanitary Dist.	Gergus, Raymond	Director	\$0	\$4,389	\$0	\$0	\$0	\$0	\$0	\$4,389
49	Richardson Bay Sanitary Dist.	Benvenuti, Roy	Director	\$2,125	\$0	\$2,039	\$0	\$0	\$0	\$0	\$4,164
50	Mt. View Sanitary Dist.	Schaal, Elmer J.	Board of Director	\$4,101	\$0	\$0	\$0	\$0	\$0	\$50	\$4,151
51	Stege Sanitary Dist.	Gilbert-Synder, Paul	Board Member	\$4,124	\$0	\$0	\$0	\$0	\$0	\$0	\$4,124
52	Stege Sanitary Dist.	Miller, Alan	Board Vice President	\$4,124	\$0	\$0	\$0	\$0	\$0	\$0	\$4,124
53	Stege Sanitary Dist.	Merrill, Dwight	Board Member	\$3,928	\$0	\$0	\$0	\$0	\$0	\$0	\$3,928
54	Stege Sanitary Dist.	O'Keefe, Beatrice R.	Board Member	\$3,732	\$0	\$0	\$0	\$0	\$0	\$0	\$3,732
55	West Bay Sanitary Dist.	Thiele-Sardina, Roy	Board Member	\$3,255	\$0	\$0	\$0	\$0	\$0	\$451	\$3,706
56	West Bay Sanitary Dist.	Walker, David	Board Member	\$3,255	\$0	\$0	\$0	\$0	\$0	\$451	\$3,706
57	Richardson Bay Sanitary Dist.	Morphew, Forrest	Director	\$1,625	\$0	\$2,039	\$0	\$0	\$0	\$0	\$3,664
58	Richardson Bay Sanitary Dist.	Kosciusko, Ron	Director	\$1,500	\$0	\$2,039	\$0	\$0	\$0	\$0	\$3,539
59	Cupertino Sanitary Dist.	Lee, Christopher C.	Director	\$1,848	\$0	\$1,474	\$0	\$0	\$0	\$104	\$3,427
60	Almonte Sanitary Dist.	Figuroa, Loretta	Director	\$960	\$2,400	\$0	\$0	\$0	\$0	\$0	\$3,360

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1	<u>Entity</u>	<u>Name</u>	<u>Title</u>	<u>Base</u>	<u>Other</u>	<u>MDV</u>	<u>Pension</u>	<u>Pension</u>	<u>401K</u>	<u>NonCash</u>	<u>TCOE</u>
61	Stege Sanitary Dist.	Brand, Graham	Board Member	\$2,944	\$0	\$0	\$0	\$0	\$0	\$0	\$2,944
62	West Valley Sanitary Dist.	Yeager, Kenneth E	Board Member	\$2,878	\$0	\$0	\$0	\$0	\$0	\$0	\$2,878
63	West Valley Sanitary Dist.	Page, Charles E	Board Member	\$2,850	\$0	\$0	\$0	\$0	\$0	\$0	\$2,850
64	West Valley Sanitary Dist.	Garner, Susan	Board Member	\$2,700	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700
65	West Valley Sanitary Dist.	Kotowski, Mike	Board Member	\$2,700	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700
66	Mt. View Sanitary Dist.	Williams, Randell E.	Board of Director	\$2,461	\$0	\$0	\$0	\$0	\$0	\$50	\$2,511
67	Mt. View Sanitary Dist.	Pyka, Gregory T.	Board of Director	\$2,256	\$0	\$0	\$0	\$0	\$0	\$50	\$2,306
68	West Valley Sanitary Dist.	McNutt, Diane	Board Member	\$2,250	\$0	\$0	\$0	\$0	\$0	\$0	\$2,250
69	Cupertino Sanitary Dist.	Chen, Angela S.	Director	\$1,155	\$0	\$604	\$0	\$0	\$0	\$65	\$1,824
70	Almonte Sanitary Dist.	Kious, Lew	Director	\$880	\$800	\$0	\$0	\$0	\$0	\$0	\$1,680
71	Almonte Sanitary Dist.	Reilly, Kevin	Director	\$1,100	\$480	\$0	\$0	\$0	\$0	\$0	\$1,580
72	Alto Sanitary Dist.	Bransgrove, Stanley	Director/Chair	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
73	Burbank Sanitary Dist.	Russo, Keri R.	Director	\$1,271	\$0	\$0	\$0	\$0	\$0	\$72	\$1,342
74	Burbank Sanitary Dist.	Spies, Soren C.	Director	\$1,271	\$0	\$0	\$0	\$0	\$0	\$72	\$1,342
75	Burbank Sanitary Dist.	Smith, Bruce	Director	\$1,155	\$0	\$0	\$0	\$0	\$0	\$65	\$1,220
76	San Rafael Sanitation Dist.	Phillips, Gary	Chairman	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
77	Alto Sanitary Dist.	Miles, Joyce	Director/Secretary	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
78	Alto Sanitary Dist.	Femenia, Pedro	Director	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
79	Alto Sanitary Dist.	Gainer, Roger	Director	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
80	Alto Sanitary Dist.	Kennedy, Tania	Director	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
81	Homestead Valley Sanitary Dist.	Noble, Scott	Director	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
82	Homestead Valley Sanitary Dist.	Westbrook, Robert	Director	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200
83	San Rafael Sanitation Dist.	Rice, Katie	Director	\$1,100	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100
84	Burbank Sanitary Dist.	Yoder, Michael E.	Director	\$924	\$0	\$0	\$0	\$0	\$0	\$52	\$976
85	Almonte Sanitary Dist.	Landin, Emily	Director	\$960	\$0	\$0	\$0	\$0	\$0	\$0	\$960
86	Almonte Sanitary Dist.	Shirado, Frank	Director	\$960	\$0	\$0	\$0	\$0	\$0	\$0	\$960
87	Burbank Sanitary Dist.	Kaelker-Boor, Michelle M.	Director	\$578	\$0	\$0	\$0	\$0	\$0	\$33	\$610
88	Burbank Sanitary Dist.	Marke, John	Director	\$462	\$0	\$0	\$0	\$0	\$0	\$26	\$488
89	Central Contra Costa Sanitary Dist.	Causey, Paul H	Board Member	\$370	\$0	\$0	\$0	\$0	\$0	\$10	\$380

\$1,100 an hour? Part-time service at little agencies means big bucks and benefits for politicians

By Thomas Peele tppee@bayareanewsgroup.com San Jose Mercury News

Posted:

MercuryNews.com

Looking for a low-key, part-time job with great benefits worth nearly \$1,100 an hour? Try running for harbor commissioner. Or for almost \$600 an hour, there's always a seat on a local sewer board.

Serving on the board of one of the Bay Area's more than 200 special districts that oversee everything from recreation leagues to cemeteries won't make you a household name in politics, but it could make you a five-figure salary-and-benefit package for very limited work.

Even the elected officials who benefit were surprised by the hefty hourly rates, which this newspaper calculated through an analysis of government meeting minutes and the Bay Area News Group's public salary database.

"No way, no way. Are you kidding me? It's nowhere near that much," said Leonard Battaglia, 84, a longtime director at the Richmond-based West County Wastewater District who received \$50,332 in compensation for attending 85 hours of district meetings during the year -- a little more than two full-time weeks of work, which comes to a rate of \$592 an hour.

But the El Sobrante business owner and political consultant later acknowledged he didn't know what his benefits -- including medical insurance and pension contributions -- cost the district.

San Mateo County Harbor Commissioner Pietro Parravano got \$25,757 in cash and benefits last year for attending 21 meetings that lasted on average 77 minutes each, the analysis shows. That's \$1,094 an hour.

Parravano, 64, a commercial fisherman from Half Moon Bay who also serves on several national fisheries commissions, said he's never questioned receiving full benefits for the part-time office he's held for nearly two decades. The harbor commission oversees two marinas and a park and employed 27 workers in 2012.

"It's what was offered when I got here," said Parravano, whose 2012 compensation included medical insurance worth \$18,500 and \$7,200 cash. "I am an employee and it's part of the policy."

Little scrutiny

But government spending watchdogs said compensation like Battaglia's and Parravano's is a needed reminder of something few taxpayers realize: the vast expense incurred for thousands of elected officials far beyond the state's counties and city halls. More than 3,400 of these little-known agencies are scattered throughout California, according to a 2007 state Senate report, compared with 478 incorporated cities and towns.

These agencies each provide, often with little public scrutiny, a special service such as water, parks, transit systems, harbors, open space, fire protection, mosquito spraying or sewage disposal. And the people elected to run them are sometimes paid more than other part-time elected officials who oversee

city governments and school systems, often with thousands more employees.

The newspaper analyzed pay and benefits data, which was collected from more than 300 Bay Area government agencies and is displayed for the public at www.mercurynews.com/salaries. It shows that of special districts releasing compensation, nearly 94 percent of part-time board members were paid in 2012, with an average compensation of \$6,650 last year. About one in five received medical coverage from the district they oversaw.

Parravano and Battaglia were among 69 elected officials at special districts in the region whose total compensation exceeded \$20,000.

"If that's not milking the system, I don't know what is," said Jon Coupal, president of the Howard Jarvis Taxpayers Association. "It's mind-boggling. Anywhere else they'd get \$100 a meeting and that's it."

Benefits for life -- and beyond

Being a San Mateo County harbor commissioner can pay even beyond the grave. When Commissioner Sally Campbell died in April 2012 during her 20th year in office, her cash pay stopped but the district continued to fund her medical insurance at a cost of more than \$18,000. That's because Campbell included a grandson, whom she'd adopted to make a legal dependent, on her policy.

Campbell had a longevity benefit that made her eligible for 1 1/2 years of medical coverage at commission expense after she left elected office. That benefit entitles her dependent to the insurance even after her death. The district will be responsible for it until her grandson's 26th birthday in May 2019, said Marietta Harris, the commission's human resources manager. The policy could cost taxpayers nearly another \$100,000 before it ends.

"Do I think that's good public policy? No, I don't," said the harbor commission's president, Robert Bernardo, of South San Francisco. "But that benefit was grandfathered into her package. When she died it became a promise that we have to keep."

The district no longer offers commissioners longevity benefits, said Bernardo, who declines to take the district's insurance.

It is unclear how many districts offer either longevity or lifetime medical benefits to board members, but it is not unheard of, said former Assemblyman Joe Nation, now a Stanford University public policy professor. Nation said when he began his political career on a Marin water board, he was told he would qualify for lifetime health insurance if he served two terms. He fought against the policy and it was eventually rescinded, he said. "It was wrong, just plain wrong."

Conflict of interest?

Agencies often give their elected officials -- even those who are part-time -- the same medical insurance that rank-and-file employees receive, but that practice is fraught with conflict, said Pleasant Hill activist Wendy Lack, a former city of Walnut Creek human resources director.

"Elected officials are most certainly not public agency employees," she said. "Unfortunately, many elected officials identify with employees and, often over time, come to believe publicly subsidized benefits are an

entitlement."

For his part, Bernardo said questions from this newspaper caused him to ponder whether special districts like his should offer medical benefits to elected officials at all. When compensation like Parravano's is compared to the amount of time spent in the job, "it makes you look at it differently," Bernardo said. "It's a very large amount of money. I've never thought about it this way before, but I have to say that we shouldn't (provide benefits)."

Battaglia, however, sees no problem with benefits for part-time board members. He was first elected to the West County Wastewater District in 1975, when Gerald Ford was president and the Cincinnati Reds and Boston Red Sox played one of the greatest World Series ever.

Lucrative posts

For 38 years he has served on the board of an agency that provides sewer service to about 36,000 customers and employed 56 people last year on a \$13 million budget. Battaglia's 2012 gross compensation was among the highest for part-time public officials in the region and tops among special districts employing fewer than 1,800 people, data shows. In exchange for 85 hours on the job, he received \$19,489 in cash pay and benefits worth \$30,743.

"I've never broken it down," he said. "I just know what I pay taxes on," he said.

Battaglia isn't the only West County sewer board director among the region's highest compensated part-time elected officials: Alfred Granzella, 87, claimed more than \$46,000 in pay and benefits and George Schmidt, 83, more than \$43,000. Each qualifies to receive health insurance from the district after they leave office.

Overall, the tiny district's cost of compensating its board last year was more than \$182,000, the highest in the region for a five-member body.

Plus, its five members have spent more than \$40,000 in district funds since 2010 to travel to state sewer conferences, mostly in Palm Springs during winter months, records show. Schmidt accounted for about half those costs.

The district operates far from the public spotlight. Its single task is disposing of sewage in parts of Richmond, the city of San Pablo and a small portion of unincorporated Contra Costa County. The board's bimonthly public meetings begin at 9 a.m., sometimes at a treatment plant located off a rutted, dead-end road near Richmond's shoreline. All of four people, not counting district employees and their union reps, formally addressed the board last year, meeting minutes show.

Higher pay than peers

Yet Battaglia received more in compensation than all but one part-time mayor in the region last year, records show.

Some similar-sized sewer districts, like the West Bay Sanitary District that straddles San Mateo and Santa Clara counties, pay their directors a fraction of what West County wastewater paid Battaglia and his colleagues last year. West Bay compensated its directors a combined \$13,328 in 2012 -- less than 10

percent of West County's total. The West Valley Sanitary District serving Campbell and Saratoga paid its directors a combined \$26,470.

West County Wastewater even compensated its directors more in total than AC Transit, whose seven board members received a combined \$153,000.

Battaglia's compensation last year "sure seems like a lot of money. He's been on that board a long time," said Stanley Caldwell, president of the California Special Districts Association and a director of the Mountain View Sanitary District in Martinez. Caldwell's compensation last year was \$20,548, including medical benefits, data shows.

"There's work," he said. "You have to read and understand the materials."

'Not a matter of money'

In an interview at a travel agency he owns outside Richmond, Battaglia said that he "couldn't care less" how his salary ranks compared with other part-time politicians or how the district stacks up against other sewer boards.

"I have never run this district on a comparative basis. It's not a matter of money. I don't need it to live on," he said. "I do what's required."

He estimated he does so much work "that goes beyond board meetings," like reading about sewer systems, that "this job's worth \$3.03 an hour." He said he is "entitled to (his) benefits. I'm like an employee."

"Some of our meetings last four or five hours," Battaglia said. Minutes show the board's longest meeting last year lasted for two hours and 51 minutes. The average length of both board and committee meetings that Battaglia attended was one hour and 26 minutes.

If Battaglia sounds like a politician from another age, that's because he is.

An Air Force fighter pilot in the Korean War, he repeatedly used slurs during an interview to describe Asian people. He was also critical of African Americans, who make up a large part of his Richmond constituency.

"I flew with black pilots. I'd say 'break' (suddenly turn right or left) and they'd hesitate. They'd miss it because they think slower. They have an African-American mentality. They can't help it. It's the way God made them," he said. "Like in Richmond. It's a mess."

When a reporter later asked Battaglia about those remarks, he said, "I am not a prejudiced person." He said he intends to seek another term on the board next year and insisted his constituents should not be offended by his comments because he is only saying "how things are."

Extra income

Serving as part-time director of a special district can also provide additional income for full-time elected officials who pick up extra, part-time appointments. In addition to his \$176,000 compensation as a Contra

Costa County supervisor, Federal Glover received another \$25,712 in cash and benefits last year by sitting on the boards of two transit agencies and a sewer district, records show.

Berkeley Mayor Tom Bates often mentions he declines to draw a salary in that position because he receives a state pension as a former Assembly member. But last year he picked up an extra \$8,000 cash for his part-time position on the board of the Metropolitan Transportation Commission. Orinda Mayor Amy Worth, whose municipal position was unpaid, received \$17,400 as an MTC board member last year.

"Most people don't know real money is involved," Nation said. "It's buried and it's hidden and that's what makes it wrong. If a lot of (special district directors) would talk honestly, they'd tell you they ran for the job so they could get the benefits package."

Caldwell, president of the statewide special districts association, said its members have been working to become more transparent "so we don't have any problems," especially after the city of Bell scandal in Los Angeles County, where officials looted the coffers of a small government that for years was under no scrutiny.

Elected special district board members, he said, deserve compensation. Medical insurance "is a nice perk," Caldwell said. "We certainly want our board members to be healthy so they can participate."

A few special districts, he said, have considered merging to lower costs but have encountered problems, such as figuring out how to combine service systems.

In San Mateo County, Parravano said there is sometimes talk about rolling the harbor commission's functions into county government and doing away with the elected commission.

Parravano said he loves what he does, but accepts that some may consider his position unneeded. "Change can be good."

Staff writer Daniel J. Willis contributed to this story. Contact Thomas Peele at tpeele@bayareanewsgroup.com and follow him at [Twitter.com/thomas_peekle](https://twitter.com/thomas_peekle).

BIG BENEFITS FOR SERVING ON SEWER BOARD

In 2012, veteran members of the West County Wastewater District in Contra Costa County were among the region's highest-compensated part-time board members when it came to cash payments and benefits, such as medical coverage.

Leonard Battaglia

2012 total compensation: \$50,332

Total hours on job: 85

Per hour average: \$592

Also: Served on board since 1975, owns travel agency

Alfred Granzella

2012 total compensation: \$46,228

Total hours on job: 79

Per hour average: \$585

Also: Served on board since 1985, retired telephone company executive

George Schmidt

2012 total compensation: \$43,473

Total hours on job: 80

Per hour average: \$543

Also: Since 2010 submitted more than \$20,000 in expense reports, mostly for sewer conferences in Palm Springs

Source: West County Wastewater District board meeting minutes and 2012 compensation data

Who pays the most for board members

These special districts and commissions in the Bay Area had the highest cost of compensating part-time board members with cash pay and benefits in 2012.

Agency	Home office	Total cost of board (2012, cash & benefits)	Total district employees*
BART	Oakland	\$334,510	3,430
East Bay Municipal Utilities District	Oakland	\$279,254	1,852
Golden Gate Bridge	San Francisco	\$195,114	984
West County Wastewater	Richmond	\$182,051	56
AC Transit	Oakland	\$152,654	2,118
Union Sanitary District	Union City	\$119,513	143
Metropolitan Transportation Comm.**	Oakland	\$116,000	199
Contra Costa Water District	Concord	\$111,670	329
Alameda County Water District	Fremont	\$105,575	238
San Mateo County Harbor District	South San Francisco	\$95,950	28
Ironhouse Sanitary	Oakley	\$92,946	42
Central Sanitary District	Martinez	\$83,162	349
Las Galinas Valley Sanitary District	San Rafael	\$82,915	23
East Bay Regional Parks	Oakland	\$72,970	1,077
Castro Valley Sanitary District	Castro Valley	\$60,177	23

**Cash only *Not counting board

Source: Bay Area News Group public compensation data bases

BAY AREA NEWS GROUP

Information

From: wkirkeng@verizon.net
Sent: Thursday, October 03, 2013 10:15 AM
To: Information
Subject: San. district report

Gentlemen:

I recently completed reading the Nov. San. district report for Fall 2013. Very complete. The corporate world should provide such thorough information. Keep up the good work.

Kirk Gaylord
42 Lauren Avenue/Novato