

NOVATO SANITARY DISTRICT

Meeting Date: August 10, 2020

The Board of Directors of Novato Sanitary District will hold a regular meeting at 5:30 p.m. Monday, August 10, 2020.

NOTE: Consistent with the Governor’s Executive Orders on the Brown Act, **this Board meeting will be held via Zoom® conferencing.** To participate:

Join Zoom Meeting by clicking the link or copy and paste it into your browser:

<https://us02web.zoom.us/j/82026982684> When prompted, enter meeting ID: 820 2698 2684

If you do not have internet access, you can still join the meeting by phone, dialing by your location:

- +1 669 900 9128 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 646 558 8656 US (New York)
- +1 301 715 8592 US (Germantown)
- +1 312 626 6799 US (Chicago)

When prompted, enter meeting ID: 820 2698 2684

Public comments for this meeting can be submitted via email at info@novatosan.com. The public comment period opens when the agenda is posted online and will close two hours prior to the start of the meeting. Include your name and the item you’d like to provide written comment on. Written comments submitted will be read into the record during the Public Comment period of the Board meeting.

To provide comments during the meeting:

1. If in the Zoom teleconference, use the “raise hand” feature in Zoom. The Host will notify and unmute you when it is your turn to speak.
2. If on a phone, press *9 (“star + 9”), and the Host will notify and unmute you when it is your turn to speak.

If you experience an issue providing comments during the meeting, please email those comments to the District: dalet@novatosan.com

Materials related to items on this agenda that are public records, are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours. This agenda packet is also available on the District’s website: www.novatosan.com. Note: All times and/or order of consideration for agenda items are for reference only. Times may vary and the Board of Directors may consider item(s) in a different order than set forth herein. ***Note: Public access to District facilities is currently restricted due to the COVID-19 emergency, please call ahead to schedule in-person appointments.***

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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. Each individual will be limited to a three-minute presentation, and comments must be spoken into the microphone set up to receive public comment. No action will be taken by the Board at this time as a result of any public comments made.

4. CEREMONIAL MATTERS

- a. Welcome Ms. Rachel Hundley of the Meyers/Nave law firm as District General Counsel subsequent to the resignation of Ms. Lauren Quint from the Meyers/Nave firm.

5. REVIEW OF MINUTES:

- a. Approve minutes of the June 8, 2020 regular meeting.

6. CONSENT CALENDAR:

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

- a. Ratify/approve regular disbursements, June 9 – August 10, 2020.
- b. Ratify payroll and payroll related disbursements, June and July 2020.
- c. Receive deposit summary, June and July 2020.
- d. Receive 4th Quarter Investment Report, Fiscal Year (FY) 19-20.
- e. Receive 4th Quarter Financial Report, FY 19-20.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2020.
- g. Approve transfer of \$175,000 from unspent funds in the “Salaries and Benefits” categories of the Fiscal Year (FY) 19-20 Operating Budget as of June 30, 2020, to the District’s Public Agency Retirement Services (PARS) Trust account.
- h. Approve transfer of \$110,506 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in Fiscal Year (FY) 19-20.
- i. Receive and accept Hamilton Parkway Sewer Main Extension (SME) - Hamilton Cottages Subdivision.
- j. Authorize the General Manager-Chief Engineer to approve Project Plans for a Sewer Main Extension (SME) – Springbrook Homes, Vallejo Avenue.

7. LOW-INCOME SEWER RATE ASSISTANCE PROGRAM (LISRAP):

- a. Initiate a Low-Income Sewer Rate Assistance Program (LISRAP), and delegate its implementation and oversight to the General Manager-Chief Engineer (or designee).

8. ANNUAL BUDGET - FINAL FISCAL YEAR (FY) 20-21 BUDGET:

- a. Receive and adopt the Final FY 20-21 District Annual Budget, subject to minor edits.
- b. Adopt Resolution No. 3144 establishing Appropriations Limit for FY 20-21.

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9. ADMINISTRATION/FINANCE:

- a. Receive presentation from NHA Advisors (San Rafael, CA) and Brandis-Tallman (San Francisco, CA), on potentially reducing the District's Pension and Other Post-Employment Benefits (OPEB) Unfunded Accrued Liabilities (UALs) by restructuring them at lower interest rates, and provide direction, if any.

10. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Report, June and July 2020:
 - i. Collection Systems
 - ii. Treatment Facilities
 - iii. Reclamation Facilities

11. RECLAMATION: SLUDGE DISPOSAL, ACCOUNT NO. 63115

- a. Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoons cleaning in a not-to-exceed amount of \$222,000; and authorize the General Manager-Chief Engineer to execute it.

12. CAPITAL PROJECTS:

- a. *Collection System Improvements, Account No. 72706 – Vineyard Creek Bank Stabilization Project.* Receive update and make California Environmental Quality Act (CEQA) findings that the project is categorically exempt– Vineyard Creek Bank Stabilization; Project No. 72706-2019-08.
- b. Receive Capital Projects Update through July 2020.

13. STAFF REPORTS: (INFORMATION ONLY)

- a. Receive report on CalPERS Health Plan Premium Rates for 2021.
- b. Receive report on Fiscal Year (FY) 19-20 Capacity Charges, California Government Code (CGC) §66013.
- c. Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for Fiscal Year (FY) 19-20.

14. BOARD MEMBER REPORTS AND REQUESTS:

- a. North Bay Watershed Association (NBWA), special meeting, July 29, 2020.

15. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

16. ADJOURN:

Next Resolution No. 3145.

Next regular meeting date: Monday, September 14, 2020, at 5:30p.m.

Meeting Location: Novato Sanitary District office, 500 Davidson Street, Novato, CA, (or via Zoom® conferencing, depending on the COVID-19 situation).

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

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Ceremonial Matters: Welcome new District General Counsel.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 4.a.
RECOMMENDED ACTION: Welcome Ms. Rachel Hundley of the Meyers/Nave law firm as District General Counsel subsequent to the resignation of Ms. Lauren Quint from the Meyers/Nave firm.	
SUMMARY AND DISCUSSION: In June 2020, the General Manager-Chief Engineer was informed by Mr. John Bakker, a Principal at the Meyers/Nave law firm, that Ms. Lauren Quint who had been previously assigned to the District as its Legal Counsel, had resigned from the firm due to family health matters. Mr. Bakker also informed the General Manager-Chief Engineer that Meyers/Nave is assigning Ms. Rachel Handley as District Legal Counsel going forward. Ms. Hundley’s professional resume is attached. In addition to her impressive legal credentials, Ms. Hundley is also a two-term City Council member for, and former Mayor of, the Town of Sonoma. Ms. Hundley had already been working for the District alongside Mr. Bakker in Ms. Quint’s earlier absence, and District staff enjoys a good working relationship with Ms. Hundley. The General Manager-Chief Engineer recommends that the Board welcome Ms. Hundley as the District’s new General Counsel.	
ATTACHMENTS: Professional Resume for Ms. Rachel Hundley.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
Prepared by: ssk	Reviewed by General Manager: SSK

Rachel Hundley



Rachel Hundley

Senior Associate

rhundley@meyersnave.com

510.808.2000

Practice Areas

Municipal and Special District Law

Overview

Rachel Hundley is a Senior Associate in the Municipal and Special District Law Practice Group. She represents government agencies, cities, counties and special districts in all matters affecting local governance and decision-making, from day-to-day operations to long-term policy issues. Rachel currently serves as General Counsel of Crockett Community Services District.

Rachel advises clients on matters involving ordinance drafting, code enforcement, public records, open meeting laws, ethics and conflicts of interest, historic preservation, public works, general public finance, elections, strategic planning, policy development and community relations. She has handled issues relating to land use and zoning, economic development, housing, real estate, construction, contracts, constitutional law, and environmental regulatory compliance.

Rachel's background also includes litigation experience at a small general practice firm serving the greater San Francisco Bay Area as well as in the New York City office of an international commercial litigation firm. Her experience includes client management, developing case strategy, researching and drafting substantive motions and briefs, negotiating settlements, attending court appearances, managing discovery, and handling witness depositions. Rachel's areas of expertise focused on complex litigation involving breach of contract and financial torts, intellectual property, bankruptcy, tax, and employment issues. She also worked on numerous *pro bono* matters, including defending a juvenile asylee escaping gang violence in El Salvador before the United States Immigration Court.

Rachel served as a Clerk Extern for Judge Earl Britt, a Senior United States District Judge of the United States District Court for the Eastern District of North Carolina.

Education

- University of North Carolina School of Law, JD, 2008

University of Georgia, triple major *summa cum laude* and with honors, Political Science (BA), Magazines (ABJ), Speech and Communications (BA), 2005

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: June 8, 2020

A regular meeting of the Board of Directors of the Novato Sanitary District was held via Zoom® conferencing at 5:30 p.m., Monday, June 8, 2020.

BOARD MEMBERS PRESENT AS NOTED BY ROLL CALL*: President Carole Dillon-Knutson, Directors Tim Fuelle, William Long, Jean Mariani, and Jerry Peters.

STAFF PRESENT AT 500 DAVIDSON STREET*: General Manager-Secretary Sandeep Karkal, Administrative Services Officer Dale Thrasher, Finance Officer Laura Creamer, and Administrative Secretary Julie Hoover.

ALSO PRESENT*: John O'Hare, Project Manager, Veolia
Erik Brown, Deputy General Manager, Novato Sanitary District
Jeff Boheim, Field Services Manager, Novato Sanitary District
Jeff Andress, Collection System Superintendent, Novato Sanitary District
Robin Merrill, Information Systems Specialist, Novato Sanitary District
Dave Richardson, Practice Leader, Woodard & Curran

**all via Zoom® conferencing*

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: No public comments were submitted via email prior to the meeting, and no public comments were brought forth during the public comment agenda time slot.

REVIEW OF MINUTES:

- Consider approval of minutes of the May 11, 2020 regular meeting.

On motion of Director Peters, seconded by Director Fuelle, and carried unanimously by roll call, the May 11, 2020 Regular Board meeting minutes were approved.

PUBLIC HEARING PURSUANT TO 5471 ET SEQ. AND 6520.5 OF THE CALIFORNIA HEALTH AND SAFETY CODE – FY 2020-21 SEWER SERVICE CHARGE REPORT, AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Sewer Service Charge Report. The General Manager stated that upon completing the appropriate Proposition 218 requirements, the District Board, at its meeting of June 13, 2016, held a public hearing on, and thereafter adopted Ordinance No. 120 titled "An Ordinance of the Novato Sanitary District Establishing Sewer Service Charges for Fiscal Years 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21". He stated that the intent of tonight's public hearing was to conduct the Hearing on the FY 2020-21 Sewer Service Charge report and receive protests on individual sewer service charges on the sewer service charge report. He stated that Robin Merrill, Information System Specialist II, was

present via Zoom® conferencing so that anyone could request what their individual sewer service rate would be in the coming year and have the opportunity to protest.

The General Manager stated that following the Hearing, the Board would consider adopting Resolution No. 3143 to collect the FY 2020-21 Sewer Service Charges on the Marin County tax rolls. He noted that, as required, the public hearing had been “noticed” twice in the Marin Independent Journal: May 18, and May 25, 2020.

- Open public hearing. President Dillon-Knutson opened the public hearing at 5:37p.m.

- Consider protests regarding sewer service charge report. No public protests were received during the public hearing, and the General Manager stated that no written protests had been received.

- Close public hearing. President Dillon-Knutson closed the public hearing at 5:38 p.m.

RESOLUTION CONFIRMING FISCAL YEAR FY 2020-21 SEWER SERVICE CHARGE REPORT AND ELECTING TO COLLECT ON MARIN COUNTY TAX ROLLS:

- Adopt Resolution No. 3143 – A Resolution Confirming Sewer Service Charge Report and Collection of Sewer Service Charges for Novato Sanitary District on the County of Marin Tax Rolls for Fiscal Year 2020-21.

On motion of Director Long, seconded by Director Peters, and carried unanimously by roll call, the Board adopted Resolution No. 3143: A Resolution Confirming Sewer Service Charge Report and Collection of Sewer Service Charges for Novato Sanitary District on the County of Marin Tax Rolls for Fiscal Year 2020-21.

CONSENT CALENDAR:

President Dillon-Knutson called for a motion on the Consent Calendar items as follows:

- a. Approve Board member disbursements in the amount of \$2,340.90, capital project disbursements in the amount of \$94,050.47, and regular disbursements in the amount of \$324,979.70. Ratification of May 26th capital project disbursements in the amount of \$124,244.59, and regular disbursements in the amount of \$150,631.75.
- b. Ratification of May payroll and payroll related disbursements in the amount of \$285,186.18.
- c. Receive deposit summary, May 2020.
- d. Receive report on a one-time variance to District leave policies due to COVID-19 and allow, at an employee’s discretion, unused Fiscal Year (FY) 19-20 floating holiday hours, and vacation and administrative leave hours accrued during the shelter-in-place (SIP) period(s), to be used until December 31, 2020, or receive a cash-out in lieu of utilizing such hours.
- e. Approve contract with DLJ Associates to provide Solid and Household Hazardous Waste (S&HHW) and related services for Fiscal Year (FY) 20-21 in the not-to-exceed amount of \$103,500, and authorize the General Manager-Chief Engineer to execute it.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by roll call, the Board approved the above listed Consent Calendar items.

COMMITTEE REPORTS:

Upon consent of President Dillon-Knutson, the General Manager stated that he would address the following three agenda items together:

- Solid Waste: Receive report and recommendation to adopt preliminary Solid and Household Waste (S&HHW) Budget for FY 20-22.

- Wastewater Operations: Receive report and recommendation to adopt preliminary Operating Budget for FY 20-22.

- Capital Improvements: Receive report and recommendation to adopt preliminary Capital Improvements Program (CIP) Budget for FY 20-22.

The General Manager stated that the Solid Waste Committee* (Members Mariani and Peters) held its meeting on May 18, 2020. He stated that the District's Solid and Household Hazardous Waste coordinator Ms. Dee Johnson was also present (via Zoom® teleconferencing). He continued, stating that the Wastewater Operations Committee* (Members Dillon-Knutson and Fuelle) held its meeting on May 26, 2020, and that the Capital Improvements Committee* (Members Dillon-Knutson and Long) held its meeting on June 1, 2020.

(* Held via Zoom® teleconferencing.)

ANNUAL BUDGET:

- Approve and adopt the Preliminary Budget for Fiscal Years 2020-22. The General Manager stated that at the May 11th Board meeting, staff presented, along with an overview, the District's Preliminary Budget for Fiscal Years (FY) 20-22 to the Board of Directors. He stated that, separately, staff reviewed the preliminary Solid Waste budget with the Solid Waste Committee, the preliminary Operating Budget with the Wastewater Operations Committee, and the preliminary Capital Improvement Program (CIP) budget with the Capital Improvements Committee. The General Manager stated that all three Committees have recommended adoption of their respective budgets to the full Board. He noted that revisions and edits proposed during the respective Committee reviews were minor and are reflected in the attached Preliminary Budget. He stated that any further changes, corrections, or edits to the Preliminary Budget would be noted and included in the final Budget, which will be presented for Board adoption at the August or September Board meeting.

The General Manager stated that the Preliminary FY 20-21 budget incorporates some foreseeable impacts from the on-going COVID-19 situation. He stated that as this situation evolves, it may further impact the District's FY 20-21 Budget. Therefore, with the caveat that there may potentially be significant changes from this Preliminary Budget to the Final Budget to be presented to the Board in August or September, he stated that staff

recommends the Board approve and adopt the Fiscal Years 2020-22 Preliminary Budget as presented.

Director Long asked what the anticipated increase in operating charges from Veolia Water will be for the coming fiscal year. The General Manager referred to page 64 of the agenda packet, stating that a 3% increase has been included for budgeting purposes.

On motion of Director Peters, seconded by Director Long, and carried unanimously by roll call, the Board approved and adopted the Preliminary Budget for Fiscal Years 2020-22.

WASTEWATER OPERATIONS (INFORMATION ONLY):

- Receive Wastewater Operations Reports, May 2020.

Collection System Report: Deputy General Manager Erik Brown provided the Collections System Report for May 2020. He began by stating that the Collection Department cleaned 46,934 lineal feet of sewer pipelines and televised 22,649 feet of sewer main. He noted that CCTV (closed circuit TV) work did not identify any new structural damages or areas that would require a change in sewer line maintenance operations. He stated that staff completed 238 maintenance work orders, leaving zero work orders outstanding. Further, he noted that staff conducted 157 lift station inspections and completed maintenance inspections on five (5) air relief/vacuum valves.

The Deputy General Manager then outlined the training provided in May, noting that Collection Department staff attended four (4) safety tailgate meetings, and participated in six (6) specialized training events. He stated that there were no lost time accidents, and no sanitary sewer overflows in May. He concluded the report, stating that the Collection and Field Services staff continue to operate under a temporary modified split shift (A/B teams). He stated that staff has been practicing social distancing to the extent possible during shifts and had increased disinfection of commonly touched surfaces at the beginning and end of each shift.

The Board unanimously commended the Collection staff for their hard work, dedication, and flexibility to the District through this period of modified schedules and longer working shifts. The Deputy General Manager and the Collection System Superintendent stated that they were very proud of the Collection System workers for their dedication to the District.

Treatment Facilities Report: Veolia Project Manager John O'Hare provided the May 2020 Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance, stating that May's average flow was 3.81 MGD (million gallons per day), and that the Recycled Water Facility (RWF) produced 22.61 million gallons of recycled water. He stated that it was a reasonably dry month, and that there were no violations or excursions. The Project Manager then outlined training events attended by Veolia staff in May. He reviewed the monthly routine inspections, maintenance activities, and key events for the Novato treatment facility, the Ignacio transfer pump station, and the Recycled Water Facility. He stated that Operations staff continue work in two groups, with John Bailey supervising one group, and himself supervising the second group. He outlined the environmental services activities, and concluded his report, stating that no odor contacts were received in May.

The Board unanimously commended Veolia staff and operators for their hard work through this period of modified schedules and longer working shifts.

Reclamation Facilities Report: Field Services Manager Jeff Boheim summarized the Reclamation Facilities report for May 2020. He stated that the treatment plant transitioned from Bay discharge mode to reclamation mode on May 1st. He stated that approximately 87 million gallons of plant effluent flowed to storage ponds 1 and 2 during the month. He stated that approximately 400 cows and calves grazed Site 7 until 5/26/20, at which time they were moved from Site 7 to Site 3. The Field Services Manager stated that irrigation began on the parcels on May 22nd, and that approximately 16 repairs were made to underground irrigation piping, primarily at Site 3, in May 2020. He concluded his report, stating that no biosolid activities occurred in May.

CAPITAL PROJECTS:

- NTP Corrosion Control, Account No. 73006 - Headworks Coating Project: Review bids received, reject all bids, and authorize the General Manager-Chief Engineer to inform all bidders. The General Manager stated that at its May 11th Board meeting, the District Board authorized him to accept plans and specifications and advertise for bids for the Headworks Coating Project. He stated that at the bid opening date of June 2nd, one bid was received from Euro Style Management, in the amount of \$445,000. He noted that the Engineer's Estimate for the project was \$350,000. The General Manager stated that, as allowed by Section 20166 of the State Public Contract Code, staff was recommending that the Board reject all bids, and authorize the General Manager-Chief Engineer to so inform all bidders.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously by roll call, the Board rejected all bids for the NTP Corrosion Control Headworks Coating Project, and authorized the General Manager-Chief Engineer to so inform all bidders.

- Pump Station Rehabilitation, Account No. 72403 – Olive Avenue Pump Station Improvement Project: Approve a contract with Nute Engineering, Inc. in the not-to-exceed amount of \$189,650 for professional engineering services related to the Olive Avenue Pump Station Rehabilitation Project, and authorize the General Manager-Chief Engineer to execute it. The General Manager stated that the Board Agenda Summary (page 128 of the Agenda Packet) provided details of the Olive Avenue Pump Station Rehabilitation Project. Director Peters asked what the expected life is of an average pump station. The General Manager replied that while pump station life expectancies are subjective, the Olive Avenue Pump Station was built about 50 years ago and needs rehabilitation to extend its useful life.

On motion of Director Peters, seconded by Director Long, and carried unanimously by roll call, the Board approved a contract with Nute Engineering, Inc. in the not-to-exceed amount of \$189,650 for professional engineering services related to the Olive Avenue Pump Station Rehabilitation Project, and authorized the General Manager-Chief Engineer to execute it.

- Cogeneration/Alt. Energy, Account No. 72708: Receive presentation on Cogeneration System Technical Memorandum (TM) from the District's Consultant Woodward & Curran and its recommended cogeneration project implementation alternative; and authorize staff to implement the recommended alternative. The Deputy General Manager stated that at its

May 13, 2019 meeting, the District Board received a presentation on Cogeneration System implementation alternatives from the District's consultant, Woodard & Curran (W&C) for a cogeneration design-bid-build project, utilizing microturbines to convert digester gas to electrical power. He stated that subsequently, the District had become aware of, and took part in, discussions with a fuel cell technology company, Bloom Energy, who proposed that the District consider their technology for cogeneration. District staff determined that, before moving forward with the microturbine design contract, they would commission W&C to perform a side by side analysis of Bloom Energy's fuel cell technology compared to microturbines and internal combustion engines. The Deputy General Manager stated that Dave Richardson of Woodard & Curran would be providing a presentation to update the Board on cogeneration study findings with fuel cell refinements.

Dave Richardson (via Zoom®) began his PowerPoint presentation titled "NSD Cogeneration Evaluation, June 2020". Mr. Richardson provided an updated analysis of the feasibility of fuel cells compared with other cogeneration technologies. He discussed capital cost comparisons, lifecycle costs, and the annual cost-benefit and electric utility prices of fuel cells versus microturbines. At the conclusion of the presentation, Mr. Richardson stated that both microturbines and fuel cells are viable options. He stated that fuel cells require supplemental natural gas to make economic sense, and although capital costs of the fuel cell option are high, fuel cells with a Power Purchase Agreement (PPA) option would outperform microturbines for most utility growth pricing scenarios. Discussion followed between the Board, staff, and Mr. Richardson.

On motion of Director Long, seconded by Director Peters, and carried unanimously by roll call, the Board authorized the General Manager-Chief Engineer to proceed with implementing Woodard & Curran's recommended Fuel Cell project alternative with the PPA option, as presented by Mr. Richardson.

- Receive Capital Projects Update, May 2020 (information only). The General Manager noted a correction to the agenda packet: agenda, page 3, item 11.(d): **Receive Capital Projects Update, May 2019 2020.**

The Deputy General Manager provided an overview and update of the District's capital projects.

ADMINISTRATION:

- Per the Memorandum of Understanding (MoU) with Teamsters Local 315, and as included in the FY 20-22 Preliminary Budget, receive report on cost-of-living allowance of 3.0% for the represented employees group, effective July 1, 2020. The General Manager stated that in 2018, the District negotiated a five-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). He stated that the MOU term is July 1, 2018 through June 30, 2023. He continued, stating that the MOU has a provision to grant a flat rate cost-of-living increase of 3.0% per year, effective July 1, 2018, and each July 1st subsequently for the term of the MOU to the TBU District employees. The General Manager stated that this item was for information only and did not require Board action.

- Consistent with the Teamsters group, and as included in the FY 20-22 Preliminary Budget, approve a cost-of-living allowance of 3.0% for the non-represented group (Management and

Confidential), effective July 1, 2020. The General Manager stated that, as discussed in the prior item, the MOU for the represented group, provides for a flat rate cost-of-living increase of 3.0% per year. He stated that it is customary for the non-represented group (Management and Confidential personnel) to receive the same annual increase granted to the Represented Group. He recommended that the Board approve the cost-of-living increase of 3.0% for the non-represented Management and Confidential group, effective July 1, 2020.

On motion of Director Mariani, seconded by Director Long, and carried unanimously by roll call, the Board approved a cost-of-living allowance of 3.0% for the non-represented group (Management and Confidential), effective July 1, 2020.

- Consistent with the Teamsters group and the M&C group, and as included in the FY 20-22 Preliminary Budget, approve a cost-of-living allowance of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020. The terms of the General Manager-Chief Engineer's agreement stipulate that he receive the cost-of-living increase granted to the M&C group personnel. Accordingly, it was recommended that the Board approve the cost-of-living increase of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020.

On motion of Director Mariani, seconded by Director Fuelle, and carried unanimously by roll call, the Board approved a cost-of-living allowance of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020.

COVID-19 SEWER SERVICE CHARGE (SSC) REDUCTION PROGRAM:

-Initiate a Sewer Service Charge (SSC) Reduction Program (Program) effective July 1, 2020 for commercial and institutional ratepayers impacted by COVID-19 shelter-in-place (SIP) closures in FY 19-20. The General Manager stated that this item is consistent with the agenda item brought forth and discussed by the Directors at the May 11th Board meeting regarding implementation of a Sewer Service Charge Reduction Program (Program). He stated that this item formalizes the action, including the background and previous discussions, and presents the Program to the Board for approval. He stated that the Program is provisioned in the FY 20-21 budget at an initial estimated amount of \$900,000.

- Delegate Program implementation and oversight to the General Manager-Chief Engineer (or designee).

On motion of Director Mariani, seconded by Director Long, and carried unanimously by roll call, the Board initiated a Sewer Service Charge (SSC) Reduction Program (Program) effective July 1, 2020 for commercial and institutional ratepayers impacted by COVID-19 shelter-in-place (SIP) closures in FY 19-20; and Delegated Program implementation and oversight to the General Manager-Chief Engineer (or designee).

The General Manager stated that he would announce and publicize the Program by preparing a press release for the local newspapers, reaching out to the Novato Chamber of Commerce, and posting the Program announcement, information and application materials to the District's website: www.novatosan.com.

GRAND JURY REPORT:

- Receive draft response to 2019-20 Marin County Civil Grand Jury report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices" dated April 28, 2020, and subject to changes or edits, authorize the Board President to provide the response to the Grand Jury. The General Manager stated that at its May 11th meeting, the Board received the 2019-20 Marin County Civil Grand Jury's second report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices", dated April 28th. He stated that the Grand Jury requested that the District respond to three Findings and two Recommendations in the report. He continued, stating that staff had prepared a draft response for the Board's consideration (provided in Board Packet, pages 175 to 177), and he recommended that the Board review the response, provide changes/edits, and authorize the Board President to provide the response to the Grand Jury. The Board was unanimous as to approve the response as provided.

On motion of Director Peters, second by Director Fvette, and carried unanimously by roll call, the Board received draft response to the 2019-20 Marin County Civil Grand Jury report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices" dated April 28, 2020, and not making any edits, authorized the Board President to provide the response to the Grand Jury.

BOARD OF DIRECTORS:

- Appoint Board officers, Secretary-Treasurer and Secretary Pro-tem, and designate and authorize check signers, Fiscal Year (FY) 20-21. Director Mariani addressed the Board and stated that as this being an election year (2020), and as was practiced in the previous election year (2108), she recommended that the Board continue with the current officers for six months, so as not to afford any of the incumbents an undue advantage by holding a Board officer position. She stated that, for this reason, she proposed President Dillon-Knutson continue as President and Director Long continue as President Pro-Tem, and that new officer appointments take place at the Board meeting in December, after the 2020 election cycle had concluded.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by roll call, the Board appointed the current officers (President Dillon-Knutson and President Pro-tem Long) a six-month continuation of their positions, for FY 20-21.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously by roll call, the Board agreed to retain the current positions of Secretary-Treasurer (General Manager-Chief Engineer Sandeep Karkal) and the Secretary Pro-tem (Administrative Secretary Julie Hoover) for FY 20-21. It was further agreed to retain the current authorized check signers (Carole Dillon-Knutson, Jean Mariani, Tim Fvette, Sandeep Karkal) for FY 20-21.

BOARD MEMBER REPORTS AND REQUESTS:

Director Mariani reported on her attendance at the North Bay Watershed Association (NBWA) meeting, held via conference call on Friday, June 5, 2020. She discussed a presentation from Bryan McFadin of the North Coast Regional Water Quality Control Board

regarding State planning efforts underway to enhance and protect instream flows. She also discussed presentations by Greg Andrew of the Marin Municipal Water District, and Pam Jeane of Sonoma Water.

Director Long stated that he was invited to a CASA Semi-Annual Clean Water Summit meeting (held via teleconference), and that discussion took place regarding the presence of the COVID-19 virus in wastewater.

GENERAL MANAGER'S REPORTS AND ANNOUNCEMENTS:

- Reports:

COVID-19 update:

- Wastewater based epidemiology (WBE) testing for the COVID-19 virus continues to evolve positively, although currently available testing continues to be prohibitively expensive for small agencies like the District.
- The District's Safety Officer and senior staff continue to maintain situational awareness on this issue. The District Safety Officer and the joint CMSA/NSD Safety Program Manager continue to stay current on the situation and with the County Health Department requirements.
- Administratively, the General Manager will continue to modify District operations as needed, based on best available information, as the situation evolves.
- The District continues to operate on the 'Team A/Team B' model. The Administrative Secretary and the General Manager work M-T-W in office, and Th-F remotely; the Information Systems Specialist and the Deputy General Manager work M-T-W remotely, and Th-F in office. The Finance Director, Construction Inspector, Senior Engineer, and Administrative Risk Services Officer, all work remotely full time. Collection staff is also operating on the 'Team A/Team B' model, with each team comprising 1 supervisor and 3 Collection Workers. Team A works M-T-W, and Team B works Th-F-Sat.

- Announcements:

- The next regular Board meeting is currently scheduled for August 10th, at 5:30 p.m. Current events will dictate if the meeting will be conducted by remote conference calling.

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 7:53 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

Novato Sanitary District Board Fees

For June 2020

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Jul 8 - 10, 20			
07/10/2020	6727	Dillon-Knutson-, Carole	615.57
07/10/2020	6728	Fuette, Timothy G	207.79
07/10/2020	6729	Long, William C	514.58
07/10/2020	6730	Mariani, Jean M	502.57
07/10/2020	6731	Peters, Arthur Gerald	107.79
Jul 8 - 10, 20			<u>1,948.30</u>

Novato Sanitary District Capital Projects Check Register

June 22, 2020

Date	Num	Name	Credit
Jun 22, 20			
06/22/2020	3667	Woodard & Curran formerl...	23,106.30
06/22/2020	3664	Maggiora & Ghilotti Inc.	20,434.13
06/22/2020	3663	Linscott Engineering Contr...	20,394.72
06/22/2020	3661	GHD Inc.	18,900.00
06/22/2020	3660	Clean Harbors Environmen...	8,355.17
06/22/2020	3658	Bay City Electric Works	3,515.70
06/22/2020	3659	Cereske Electric Cable Co.	1,036.52
06/22/2020	3665	Marin Independent Journal	819.60
06/22/2020	3666	Novato, City	575.00
06/22/2020	3662	Jim-n-i Rentals Inc.	195.30
Jun 22, 20			<u>97,332.44</u>

Novato Sanitary District Capital Projects Check Register

June 29 through July 13, 2020

Date	Num	Name	Credit
Jun 29 - Jul 13, 20			
07/13/2020	3669	Bank of New York Mellon	1,337,175.00
07/13/2020	3672	Environmental Science Ass...	43,499.47
07/13/2020	3677	Shape Incorporated	28,415.07
07/13/2020	3676	Nute Engineering Inc.	20,360.55
07/13/2020	3670	Cagwin & Dorward Inc.	7,584.00
06/29/2020	3668	Citi Visa (Costco)	2,774.58
07/13/2020	3671	Clipper Controls Inc.	2,385.88
07/13/2020	3678	Woodard & Curran formerly ...	2,040.35
07/13/2020	3673	GHD Inc.	1,552.50
07/13/2020	3675	Leak Detection Pros Inc	450.00
07/13/2020	3674	Jim-n-i Rentals Inc.	195.30
Jun 29 - Jul 13, 20			<u>1,446,432.70</u>

Novato Sanitary District Capital Projects Check Register

July 27, 2020

Date	Num	Name	Credit
Jul 27, 20			
07/27/2020	3682	Nute Engineering Inc.	19,746.25
07/27/2020	3679	Cagwin & Dorward Inc.	9,021.00
07/27/2020	3680	Crump & Co. Inc.	8,338.09
07/27/2020	3681	Lateral-Schauer	2,000.00
			<hr/>
Jul 27, 20			<u>39,105.34</u>

Novato Sanitary District Capital Projects Check Register

August 10, 2020

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Aug 10, 20 08/10/2020	3683	Woodard & Curran formerl...	9,180.55
Aug 10, 20			<u>9,180.55</u>

Novato Sanitary District Operating Check Register

June 22, 2020

Date	Num	Name	Credit
Jun 22, 20			
06/22/2020	64170	Pacific, Gas & Electric	91,607.19
06/22/2020	64171	Q2 Data & Research, LLC	19,668.75
06/22/2020	64153	Bay Area Air Quality	13,500.00
06/22/2020	64167	North Marin Water District	6,186.84
06/22/2020	64156	Caltest Analytical Lab Inc.	4,994.55
06/22/2020	64173	Rauch Communication Consult...	3,945.00
06/22/2020	64168	North Marin Water District - Lab	3,864.00
06/22/2020	64180	United Rentals	3,518.81
06/22/2020	64158	Dell Computers	3,144.30
06/22/2020	64181	Woodard & Curran formerly RMC	2,669.40
06/22/2020	64155	Cagwin & Dorward Inc.	2,479.00
06/22/2020	64164	IEDA, INC	1,268.00
06/22/2020	64175	Siemens Industry	1,092.60
06/22/2020	64149	Alliant Insurance Services, Inc	998.00
06/22/2020	64161	Fisher-Scientific	861.09
06/22/2020	64169	North Marin Water District Payroll	653.50
06/22/2020	64150	Alpha Analytical Lab, Inc.	593.00
06/22/2020	64162	Frontier California Inc EQ	531.03
06/22/2020	64159	Evoqua Water Technologies - ...	483.25
06/22/2020	64174	Recology Sonoma Marin	440.29
06/22/2020	64154	Beecher Engineering, Inc	390.00
06/22/2020	64157	Core Utilities, Inc.	360.00
06/22/2020	64178	UniFirst Corporation	226.74
06/22/2020	64177	U.S. Bank Equipment Finance	218.64
06/22/2020	64152	Applied Technology Group, Inc.	137.66
06/22/2020	64165	Marin Independent Journal	134.36
06/22/2020	64163	Grainger	108.39
06/22/2020	64172	Randall Bros. Auto Inc.	106.78
06/22/2020	64166	McMaster-Carr Supply Co.	81.71
06/22/2020	64151	American Messaging	70.46
06/22/2020	64176	Staples Advantage	58.13
06/22/2020	64160	First Alarm	42.34
06/22/2020	64179	United Parcel Service	26.58
Jun 22, 20			<u>164,460.39</u>

Novato Sanitary District Operating Check Register for July 13, 2020

Date	Num	Name	Credit
Jun 29 - Jul 13, 20			
07/13/2020	64227	Veolia Water North America, Inc.	184,295.01
07/13/2020	64200	CSRMA-	135,416.00
07/13/2020	64203	Duke's Root Control, Inc	62,442.14
07/13/2020	64220	PARS-PSRP-Post Employment...	17,358.46
07/13/2020	64229	Veolia Water Recycled Water ...	10,875.39
07/13/2020	64209	MCC Building Maintenance	7,650.00
07/13/2020	64207	Johnson, Dee	7,560.00
07/13/2020	64191	Alliant Insurance Services, Inc	7,378.71
06/29/2020	64189	Citi Visa (Costco)	5,004.39
07/13/2020	64219	PARS-OPEB-Post Employment...	4,379.17
07/13/2020	64232	WECO	2,776.30
07/13/2020	64202	Dearborn Life	2,774.85
07/13/2020	64206	Grainger	1,459.14
07/13/2020	64213	North Bay Petroleum	1,234.63
07/13/2020	64214	North Marin Water District	1,232.12
07/13/2020	64192	Alpha Analytical Lab, Inc.	1,037.50
07/13/2020	64218	Pacific, Gas & Electric CFM PPC	945.00
07/13/2020	64230	Verizon Wireless-	726.27
07/13/2020	64208	Marin IJ - Newspapers in Educ...	600.00
07/13/2020	64204	Electronic Innovations, Inc	565.00
07/13/2020	64231	Vision Service Plan	548.83
07/13/2020	64197	BoundTree Medical, LLC	519.96
07/13/2020	64224	U.S. Bank Equipment Finance	475.20
07/13/2020	64194	Applied Technology Group, Inc.	396.54
07/13/2020	64212	NAPA Auto Parts	386.78
07/13/2020	64222	Recology Sonoma Marin	344.93
07/13/2020	64195	B.W.S. Distributors, Inc.	341.50
07/13/2020	64225	UniFirst Corporation	340.11
07/13/2020	64226	United Rentals	303.90
07/13/2020	64210	McMaster-Carr Supply Co.	250.05
07/13/2020	64199	Claremont EAP, Inc.	250.00
07/13/2020	64201	Datco Billing Inc.	234.00
07/13/2020	64205	Frontier Communications 897-3...	232.32
07/13/2020	64196	Barnett Medical LLC	215.00
07/13/2020	64211	Meyers, Nave, Riback, Silver &...	215.00
07/13/2020	64216	Orkin Pest Control, Inc.	153.36
07/13/2020	64193	American Messaging	72.46
07/13/2020	64190	Able Tire & Brake Inc.	71.88
07/13/2020	64221	Pini Hardware	67.53
07/13/2020	64198	Buck's Saw Service, Inc.	39.86
07/13/2020	64228	Veolia Water North America, Lab	33.62
07/13/2020	64215	O'Reilly Auto Parts	23.84
07/13/2020	64217	Pacific, Gas & Electric	18.98
07/13/2020	64223	Staples Advantage	18.76
Jun 29 - Jul 13, 20			<u>461,264.49</u>

**Novato Sanitary District
Operating Check Register for July 27, 2020**

Date	Num	Name	Credit
Jul 27, 20			
07/27/2020	DD	CALPERS Retirement-1	402,745.00
07/27/2020	64259	Pacific, Gas & Electric	99,501.10
07/27/2020	64267	Veolia Water North America, Lab	31,332.19
07/27/2020	64240	County of Marin-Central Collect...	12,683.76
07/27/2020	64264	Stericycle	12,484.01
07/27/2020	64260	Rauch Communication Consult...	12,046.05
07/27/2020	64236	Cagwin & Dorward Inc.	10,475.00
07/27/2020	64263	Shape Incorporated	9,777.71
07/27/2020	64265	Thomas & Associates, Inc.	5,974.27
07/27/2020	64250	Maze & Associates	5,941.00
07/27/2020	64269	Woodard & Curran formerly RMC	5,878.50
07/27/2020	64242	Custom Tractor Service	5,690.00
07/27/2020	64254	North Bay Petroleum	5,042.45
07/27/2020	64237	Caltest Analytical Lab Inc.	4,730.85
07/27/2020	64266	United Rentals	3,518.81
07/27/2020	64252	Meyers, Nave, Riback, Silver &...	2,003.20
07/27/2020	64247	Glosage Engineering, Inc.	1,924.00
07/27/2020	64243	EEC	1,878.91
07/27/2020	64234	Beecher Engineering, Inc	1,600.00
07/27/2020	64248	IEDA, INC	1,312.00
07/27/2020	64262	Ross Valley Sanitary District-	1,206.47
07/27/2020	64258	Onspot Welding & Design Inc	1,160.00
07/27/2020	64241	CT Promotions	1,157.30
07/27/2020	64238	Capstone, Inc	1,153.84
07/27/2020	64235	Buckles-Smith1	896.22
07/27/2020	64233	Baywork	765.00
07/27/2020	64256	North Marin Water District Payroll	656.50
07/27/2020	64261	Red Wing Shoe Store	579.84
07/27/2020	64246	Frontier California Inc EQ	561.66
07/27/2020	64244	ERA	447.79
07/27/2020	64249	Leete Generators	339.00
07/27/2020	64268	VWR International Inc.	315.28
07/27/2020	64245	Fisher-Scientific	169.13
07/27/2020	64255	North Marin Water District	132.85
07/27/2020	64239	CASA	125.00
07/27/2020	64257	Oliver Automotive	76.81
07/27/2020	64251	McMaster-Carr Supply Co.	30.06
07/27/2020	64253	NAPA Auto Parts	13.44
Jul 27, 20			<u>646,325.00</u>

**Novato Sanitary District
Operating Check Register for August 10, 2020**

Date	Num	Name	Credit
Aug 10, 20			
08/10/2020	64308	Veolia Water North America, Inc.	188,951.50
08/10/2020	64309	Veolia Water North America, Lab	31,722.64
08/10/2020	64310	Veolia Water Recycled Water ...	19,712.79
08/10/2020	64305	PARS-PSRP-Post Employment...	17,358.46
08/10/2020	64284	Citi Visa (Costco)	11,329.88
08/10/2020	64294	Johnson, Dee	6,120.00
08/10/2020	64304	PARS-OPEB-Post Employment...	4,379.17
08/10/2020	64301	North Marin Water District - Lab	4,170.00
08/10/2020	64287	Dearborn Life	2,774.85
08/10/2020	64292	Harris & Associates, Inc	2,000.00
08/10/2020	64283	Central Marin Sanitation District	1,917.72
08/10/2020	64293	IDEXX Distributing Corp.	1,424.71
08/10/2020	64297	Marin/Sonoma Mosquito Dist	1,037.90
08/10/2020	64302	Novato, City	910.43
08/10/2020	64280	B.W.S. Distributors, Inc.	822.96
08/10/2020	64288	Evoqua Water Technologies - ...	771.94
08/10/2020	64286	CWEA	581.00
08/10/2020	64300	North Marin Water District	549.62
08/10/2020	64311	Vision Service Plan	548.83
08/10/2020	64281	Cappstone, Inc	472.96
08/10/2020	64296	Marin Independent Journal	422.22
08/10/2020	64306	UniFirst Corporation	340.11
08/10/2020	64307	United Rentals	303.90
08/10/2020	64282	CASA	250.00
08/10/2020	64285	Claremont EAP, Inc.	250.00
08/10/2020	64290	Frontier Communications 897-3...	237.33
08/10/2020	64298	McMaster-Carr Supply Co.	124.22
08/10/2020	64279	American Messaging	107.27
08/10/2020	64303	Oliver Automotive	76.81
08/10/2020	64291	Grainger	58.60
08/10/2020	64289	First Alarm	42.34
08/10/2020	64295	Marin County Ford	18.66
08/10/2020	64299	NAPA Auto Parts	12.99
Aug 10, 20			<u>299,801.81</u>

**Novato Sanitary District
Payroll and Payroll Related Disbursements
June - 2020**

Item 6.b.
(Pages 24 to 25)

Date	Description	Amount
06/30/2020	Payroll for June	120,389.26
06/23/2020	Retirees Health Reimbursement	12,556.42
06/30/2020	Eft-Federal P/R Taxes	24,758.38
06/30/2020	Eft-State P/R Taxes	7,508.37
06/23/2020	California State Disbursement Unit	571.00
06/23/2020	CalPERS 457 Plan	10,825.00
06/30/2020	CALPERS Retirement	28,263.87
06/23/2020	CalPers Health	30,080.19
06/30/2020	Lincoln Financial Group	10,195.87
06/23/2020	Lincoln Financial Group-401a Plan	5,184.90
06/23/2020	Local Union 315	520.00
06/23/2020	Delta Dental	2,922.44
06/23/2020	ICMA-RC-Vantagepoint	1,655.95
06/23/2020	Lincoln Financial Group-401a Plan	4,047.73
Total for June 2020		259,479.38

**Novato Sanitary District
Payroll and Payroll Related Disbursements
July - 2020**

Date	Description	Amount
07/31/2020	Payroll for July	127,943.63
07/28/2020	Retirees Health Reimbursement	12,584.62
07/31/2020	Eft-Federal P/R Taxes	26,835.36
07/31/2020	Eft-State P/R Taxes	8,584.10
07/28/2020	Expert Pay	571.00
07/28/2020	CalPERS 457 Plan	6,075.00
07/28/2020	CALPERS Retirement	30,527.52
07/28/2020	CalPers Health	30,066.54
07/28/2020	Lincoln Financial Group	12,949.27
07/28/2020	Lincoln Financial Group-401a Plan	5,333.90
07/28/2020	Local Union 315	480.00
07/28/2020	PARS Trust - OPEB Account	4,379.17
07/28/2020	PARS Trust - Pension Account	17,358.46
07/28/2020	Delta Dental	2,922.44
07/28/2020	ICMA-RC-Vantagepoint	1,705.66
07/28/2020	Lincoln Financial Group-401a Plan	4,104.20
Total for July 2020		292,420.87

Novato Sanitary District
Deposit Detail
June 2020

Item 6.c.
(Pages 26 to 27)

Type	Date	Name	Account	Amount
Deposit	06/02/2020		11113 · Westamerica - Operations	
		Bay Pacific Pipeline, Inc.	72804 · Annual Reclamation Fac Imp	20.00
		County of Marin	51015-1 · Property Tax - RDA Funds	34,617.01
		County of Marin	51015 · Property Taxes	20.26
TOTAL				34,657.27
Deposit	06/09/2020	Pipe Spy Marin	41040 · Permit & Inspection Fee	40.00
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		Maggiora & Ghilotti Inc.	72804 · Annual Reclamation Fac Imp	20.00
		County of Marin	51015 · Property Taxes	1,478.45
		County of Marin	51015 · Property Taxes	9,411.58
		Schauer, Jennifer	41040 · Permit & Inspection Fee	40.00
		CSRMA	66020 · Employee Benefits	3,679.00
		Team Ghilotti, Inc.	72804 · Annual Reclamation Fac Imp	20.00
		Cassin, Jennifer	41040 · Permit & Inspection Fee	40.00
		Cassin, Jennifer	41040 · Permit & Inspection Fee	20.00
		ArcadisU.S.	11200 - Accounts Receivable	(1) 4,851.94
		Golden Gate Bridge, Hwy & Trans Dist -	11200 - Accounts Receivable	(1) 1,240.00
TOTAL				20,880.97
TOTAL	06/10/2020	USCG	11200 - Accounts Receivable	16,431.20
Deposit	06/17/2020	Peter Levi Plumbing	41040 · Permit & Inspection Fee	40.00
		North Marin Water District-	11200 - Accounts Receivable	(2) 14,269.80
TOTAL				14,309.80
Deposit	06/22/2020	County of Marin	51015 · Property Taxes	3,960.06
		County of Marin	51015 · Property Taxes	99,168.38
		County of Marin	41010 · Sewer Service Charges	454,889.00
		County of Marin	51010 · Sewer Service Charges	372,181.92
		County of Marin	21045 · Novato Heights Debt Service	6,591.23
		County of Marin	51015 · Property Taxes	1.67
		Buckles-Smith1	21020 · Accounts Payable	154.72
TOTAL				936,946.98
Deposit	06/24/2020	Hamilton Cottages LLC	51020 · Connection Charges	67,956.00
		Hamilton Cottages LLC	51020 · Connection Charges	11,880.00
		Gopher It	41040 · Permit & Inspection Fee	40.00
TOTAL				79,876.00
Deposit	06/30/2020	Landsea Homes NC	51040 · Special Equalization Charge	1,047.16
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		Veolia Water	11200 - Accounts Receivable	(3) 5,511.25
TOTAL				6,638.41
			Total June Deposits	1,093,309.43

- (1)** Collection of non-domestic permit and discharge fees.
- (2)** Collection of Recycled Water Facility billing for March 2020 from North Marin Water District.
- (3)** Collection of Veolia Water third quarter invoice for reimbursable expenses.

Novato Sanitary District Deposit Detail July 2020

Type	Date	Name	Account	Amount
			11113 · Westamerica - Operations	
Deposit	07/01/2020	KB Home North Bay LLC	41040 · Permit & Inspection Fee	160.00
		KB Home North Bay LLC	51020 · Connection Charges	39,736.00
		Hamilton Cottages LLC	41040 · Permit & Inspection Fee	280.00
		Hamilton Cottages LLC	41040 · Permit & Inspection Fee	60.00
TOTAL				<u>40,236.00</u>
Deposit	07/08/2020	Roto Rooter	41040 · Permit & Inspection Fee	40.00
		North Marin Water District-	11200 - Accounts Receivable	(1) 14,968.50
		Arcadis, U.S.	11200 - Accounts Receivable	(2) 3,835.62
TOTAL				<u>18,844.12</u>
Deposit	07/13/2020	County of Marin	11200 - Accounts Receivable	96,807.80
TOTAL				<u>96,807.80</u>
Deposit	07/20/2020	USCG	11200 - Accounts Receivable	16,430.80
Deposit	07/27/2020	208a Castle Ct.	41040 · Permit & Inspection Fee	40.00
		208a Castle Ct.	51020 · Connection Charges	3,172.20
		County of Marin	51015 · Property Taxes	13.72
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		School Fuel	64170 · Pollution Prevention/Public Ed	500.00
		Ward, Stephanie	41040 · Permit & Inspection Fee	25.00
		County of Marin	51015 · Property Taxes	3,004.36
		Wright Contracting	11200 - Accounts Receivable	(2) 1,100.20
		City of Novato-	11200 - Accounts Receivable	2,000.00
		Roto Rooter	11200 - Accounts Receivable	(3) 951.75
TOTAL				<u>10,847.23</u>
Deposit	07/29/2020	North Marin Water District-	11200 - Accounts Receivable	(1) 18,328.69
		Veolia Water	11200 - Accounts Receivable	(4) 13,500.00
TOTAL				<u>31,828.69</u>
Total July Deposits				<u><u>214,994.64</u></u>
(1)	Collection of Recycled Water Facility billing for April and May from North Marin Water District.			
(2)	Collection of non-domestic permit and discharge fees.			
(3)	Collection of septic hauler charges for Roto Rooter.			
(4)	Reimbursement from Veolia Water for settlement of Notice of Violations payment to Bay Area Air Quality Management District.			

Novato Sanitary District
QUARTERLY INVESTMENT REPORT -- For Quarter Ended June 30, 2020

04-Aug-20

INVESTMENT	ACTIVITY	April	May	June	QTR TOTAL	
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	8,250,000	225,000	455,000	8,930,000	
	Total transfers out	875,000	1,200,000	335,000	2,410,000	
Current Yield 1.787%	Minimum daily balance	24,957,234	31,493,261	31,493,261	24,957,234	
	Maximum daily balance	32,468,261	32,468,261	31,613,261	32,468,261	
	Interest earned			102,342	102,342	
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Code Section 53646 (e)						
TRUST ACCOUNTS						
For 2017 Refunding Wastewater Bond Funds (3)	Total deposits/transfers in	0	0	0	0	
	Total transfers out	0	0	0	0	
	Month End balance	0	0	0		
For 2019 Refunding Wastewater Bond Funds (4)	Total deposits/transfers in	0	0	0	0	
	Total transfers out	0	0	0	0	
	Month End balance	23,204	23,204	23,204		
RESTRICTED PARS TRUST ACCOUNTS (5)						
For OPEB Restricted Trust Account	Total deposits/transfers in	16,741	16,741	25,112	58,594	
	Earnings/Losses(net of expenses)	64,254	29,337	18,165	111,756	
	Month End balance	1,520,919	1,566,997	1,610,274		
For Pension Restricted Trust Account	Total deposits/transfers in	30,113	30,113	45,170	105,396	
	Earnings/Losses(net of expenses)	48,578	22,570	15,607	86,755	
	Month End balance	1,652,312	1,704,995	1,765,772		
CHECKING ACCOUNTS						
Interest Rate	Operations Account					
0.02%	Total deposits & transfers in	9,145,356	1,520,541	1,544,741	12,210,638	
	Total checks & transfers out	9,052,219	1,527,327	1,687,769	12,267,315	
	Minimum daily balance	19,035	18,708	2,500	2,500	
	Maximum daily balance	8,302,383	712,113	961,486	8,302,383	
	Interest earned	3	3	4	10	
	Payroll Account					
	Total transfers in	140,500	140,600	134,800	415,900	
	Total checks & transfers out	141,818	137,146	132,693	411,657	
	Minimum daily balance	14	218	429	14	
	Maximum daily balance	119,014	120,257	115,442	120,257	
	Project Account					
	Total transfers in	144,000	521,500	294,000	959,500	
	Total checks & transfers out	88,927	454,583	412,493	956,003	
	Minimum daily balance	5,696	3,210	5,976	3,210	
	Maximum daily balance	94,696	402,529	246,543	402,529	
Interest earned		2	1	3		

NOTES: (1) The above investments are consistent with the annual Statement of Investment Policy approved by the District Board, most recently May 2019. The District has the ability to meet six months cash needs.

(2) LAIF interest rate is currently 1.217% which is a decrease from 1.787% in March, 2.043% in December 2019, 2.280% in September 2019, and 2.428% in June 2019.

(3) The 2017 Bond fund accounts consist of debt service payments, no balance required in these accounts until debt service payments are funded which are due in February and August.

(4) The 2019 New bond fund accounts consist of the balance remaining in the cost of issuance account. By August of FY20/21, this account will only consist of the funding of the debt service payments in February and August.

(5) The Restricted Trust accounts for PARS OPEB(Other Post Employee Benefits) and PARS Pension Accounts are restricted accounts for the payment of Retiree health benefits or pension benefits only.



PMIA/LAIF Performance Report as of 07/23/20



PMIA Average Monthly Effective Yields⁽¹⁾

Jun	1.217
May	1.363
Apr	1.648

Quarterly Performance Quarter Ended 06/30/20

LAIF Apportionment Rate ⁽²⁾ :	1.36
LAIF Earnings Ratio ⁽²⁾ :	0.000037106682614
LAIF Fair Value Factor ⁽¹⁾ :	1.004912795
PMIA Daily ⁽¹⁾ :	1.08%
PMIA Quarter to Date ⁽¹⁾ :	1.41%
PMIA Average Life ⁽¹⁾ :	191

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 06/30/20 \$101.0 billion

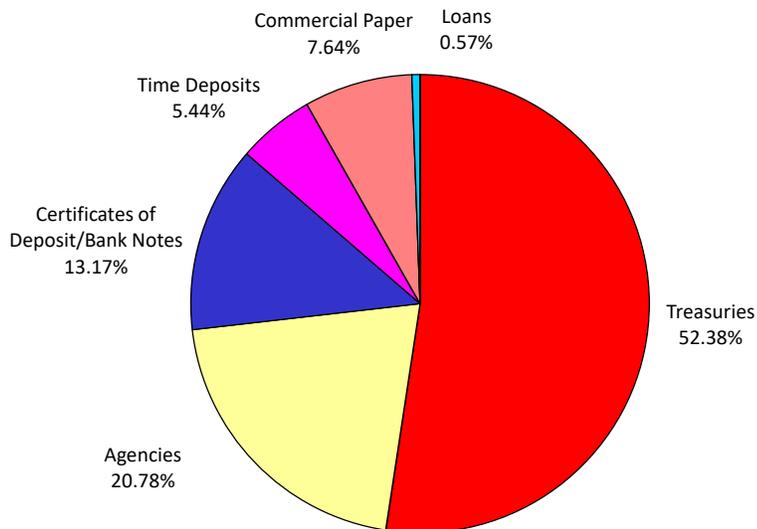


Chart does not include 0.02% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



State of California Pooled Money Investment Account Market Valuation 6/30/2020

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
1* United States Treasury:				
Bills	\$ 23,981,651,409.11	\$ 24,057,110,770.12	\$ 24,086,038,500.00	NA
Notes	\$ 28,916,240,318.04	\$ 28,914,282,796.34	\$ 29,340,004,500.00	\$ 125,755,726.50
1* Federal Agency:				
SBA	\$ 486,745,410.00	\$ 486,745,410.00	\$ 482,514,375.35	\$ 206,984.81
MBS-REMICs	\$ 17,080,376.76	\$ 17,080,376.76	\$ 18,042,305.76	\$ 79,578.32
Debentures	\$ 2,081,903,495.66	\$ 2,081,807,732.33	\$ 2,103,282,210.00	\$ 8,935,239.97
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 1,025,000,000.00	\$ 1,025,000,000.00	\$ 1,027,343,500.00	\$ 857,834.00
Discount Notes	\$ 16,570,990,090.25	\$ 16,612,067,694.50	\$ 16,617,801,000.00	NA
1* Supranational Debentures	\$ 614,688,043.27	\$ 614,656,765.49	\$ 619,258,800.00	\$ 3,295,333.75
1* Supranational Debentures FR	\$ 200,128,103.33	\$ 200,128,103.33	\$ 200,124,773.71	\$ 399,965.53
2* CDs and YCDs FR	\$ 500,000,000.00	\$ 500,000,000.00	\$ 500,132,000.00	\$ 110,622.74
2* Bank Notes	\$ 100,000,000.00	\$ 100,000,000.00	\$ 100,198,708.70	\$ 674,222.22
2* CDs and YCDs	\$ 12,700,650,610.28	\$ 12,700,428,388.06	\$ 12,706,251,524.80	\$ 40,862,527.80
2* Commercial Paper	\$ 7,719,088,172.29	\$ 7,736,449,795.89	\$ 7,741,500,020.04	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,488,990,000.00	\$ 5,488,990,000.00	\$ 5,488,990,000.00	NA
AB 55 & GF Loans	\$ 575,596,000.00	\$ 575,596,000.00	\$ 575,596,000.00	NA
TOTAL	\$ 100,978,752,028.99	\$ 101,110,343,832.82	\$ 101,607,078,218.36	\$ 181,178,035.64

Fair Value Including Accrued Interest

\$ 101,788,256,254.00

* Governmental Accounting Standards Board (GASB) Statement #72

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

The value of each participating dollar equals the fair value divided by the amortized cost (1.004912795). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,098,255.90 or \$20,000,000.00 x 1.004912795.



PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	\$ 2,100	\$ 3,600	\$ 5,400	\$ 8,150	\$ 2,750	\$ 4,050	\$ 1,600	\$ 5,850	\$ 6,800	\$ 10,200	\$ 2,500		
REPO													
TDs	\$ 1,136	\$ 1,175	\$ 1,167	\$ 924	\$ 478	\$ 610							
AGENCY	\$ 4,577	\$ 1,652	\$ 3,660	\$ 3,785	\$ 2,250	\$ 1,098	\$ 150	\$ 1,900	\$ 835	\$ 1,010	\$ 1,100		\$ 125
CP	\$ 1,625	\$ 1,400	\$ 2,350	\$ 1,025	\$ 546	\$ 400	\$ 100	\$ 300					
CDs + BNs	\$ 2,850	\$ 1,750	\$ 4,100	\$ 1,050	\$ 1,450	\$ 800	\$ 100	\$ 800	\$ 400				
CORP BND													
TOTAL													
\$ 101,677	\$ 12,287	\$ 9,577	\$ 16,677	\$ 14,934	\$ 7,474	\$ 6,958	\$ 1,950	\$ 8,850	\$ 8,035	\$ 11,210	\$ 3,600	\$ -	\$ 125
PERCENT	12.1%	9.4%	16.4%	14.7%	7.4%	6.8%	1.9%	8.7%	7.9%	11.0%	3.5%	0.0%	0.1%

Notes:

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

NOVATO SANITARY DISTRICT

MEMORANDUM

BOARD

MEETING DATE: August 10, 2020

TO: District Board of Directors

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

SUBJECT: Fiscal Year (FY) 19-20 Fourth Quarter Financial Report (Unaudited)

INTRODUCTION

This memorandum presents a summary unaudited year-to-date financial report for the District for the fiscal year ended June 30, 2020, excluding in-process transactions for FY 19-20. The following items are presented herein:

1. Revenue and Expenditure Report (for the year ended June 30, 2020).
2. Debt Service Schedule as of June 30, 2020.
3. Operating and Capital Cash Flow for July 1, 2019 – June 30, 2020.

1.0 REVENUE AND EXPENDITURES REPORT

This section presents an overview of revenues and expenditures for the operating and capital funds through the fourth quarter of FY 19-20. A more detailed summary is presented in the attached tables titled “DRAFT – Revenues and Expenditures – Budget vs. Actual”. A brief discussion and analysis of items displaying variance from the final budget is also provided below, as appropriate.

OPERATING FUND

Table 1: OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Overage	Pct. Received
Total Operating Revenues	\$11,808,516	\$11,534,649	\$273,867	102.4%

Discussion

Overall, operating revenues are about 2.4% higher than budgeted or approximately 102.4% of the total budget amount at the close of the fiscal year. The operating revenue accounts are generally within the normal range for this time of year, since the District receives most of its revenues via collection on the County tax rolls in December and April.

Note the following variances: Account No. 41030 - Plan Check & Inspection fees, higher than anticipated revenue primarily from plan reviews on new developments not initially anticipated

in FY 19-20; Account No. 41060 – Interest Income, more interest income received than budgeted from higher than anticipated interest rates; and Account No. 41130 – Ranch income, net negative revenue from significant expenses for the new rancher to upgrade the reclamation area pasture fields prior to initiating ranching operations. Therefore, consistent with District Policy 3512: Annual Budget – Non-Personnel Related Changes to Budget Amounts, section 3512.5, revenue and expenditure balances are trued up, and actual amounts are being shown in this report.

Table 2: OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenditures	\$ 10,120,611	\$11,423,358	\$1,302,747	88.6%

Discussion

Overall, operating expenditures are at 88.6% of budget at the close of the fiscal year. Variances in individual expenditure accounts are discussed below:

Collection System (89.2%)

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

Other (Garbage Collection): 171.5%. Significant percentage variance due to small budget allocation (\$700) relative to the overall cost center budget; no material impact to the cost center; account has been adjusted appropriately in the proposed FY 20-22 budgets.

Treatment Facilities - Contract Operations: (91.6%)

General: Overall, no significant variance noted for this cost center for the fourth quarter.

Reclamation/Disposal Facilities: (88.5%)

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

Small Tools: 101.9%. Minor variance due to small budget allocation (\$500) relative to the overall cost center budget. No significant items noted, and no material impact to the overall cost center budget.

Permits & Fees: 128.0%. Significant variance due to small budget allocation (\$4,500) relative to the overall cost center budget; no material impact to the overall cost center budget; account has been adjusted appropriately in the proposed FY 20-22 budgets.

Laboratory/Monitoring: (93.8%)

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

Permits & Fees: 105.9%. Variance is due to small overall annual budget (\$6,000) relative to the overall cost center budget; no material impact to the cost center budget. The noted variance is from the annual permit fee customarily paid for the California Environmental Laboratory Accreditation Program (ELAP) in the second quarter. However, there is no material impact to the overall cost center budget. Also, the account has been adjusted appropriately in the proposed FY 20-22 budgets.

Pump Stations: (94.5%)

General: Overall, no significant variance noted for this cost center for the fourth quarter. Variances in individual expenditure accounts are discussed below. Note that overall cost center is within budget.

Gas, Oil & Fuel: 124.1%. Significant variance due to small budget allocation (\$6,400) relative to the overall cost center budget, and purchase of additional fuel in the Public Safety Power Shutoff (PSPS) event in October, to operate standby generators at the pump stations. However, there is no material impact to the overall cost center budget. Also, the account has been adjusted appropriately in the proposed FY 20-22 budgets.

Administration and Engineering: (88.0%)

General: Overall, no significant variance noted for this cost center for the fourth quarter. Variances in individual expenditure accounts are discussed below. Note that overall cost center is within budget.

Telephone: 119.5%. Significant variance due to small budget allocation (\$13,000) relative to the overall cost center budget; no material impact to the overall cost center budget; account has been adjusted appropriately in the proposed FY 20-22 budgets.

AB 939 Solid Waste Programs: (65.6%)

General: Overall, no significant variance noted for this cost center for the fourth quarter, although annual expenditures in this cost center were significantly lower than in prior years due to COVID-19 impacts. All the outreach and public education events which typically occur in the second half of the fiscal year were cancelled, including E-waste events, School Fuel, Business Showcase, etc., which resulted in significantly lower expenses for this cost center.

Recycled Water: (101.3%)

General: Overall, there are significant variances for individual accounts and the cost center as a whole for the fourth quarter and the year. Notably, actual expenditures for this Cost Center

are higher than previously budgeted. However, revenues for this Cost Center (see Revenue Account 41135 - Page 2 of budget) are also commensurately higher and offset the increased expenditures.

Therefore, while actual amounts are presented in this Report, revenue and expenditure budget line items in Cost Center 68000 have been reconciled and trued up for FY 19-20 in the FY 20-21 Final Budget, consistent with section 3512.5 of District Policy No. 3512: Annual Budget – Non-Personnel Related Changes to Budget Amounts.

Also, note that the costs in this cost center are pass-through costs reimbursed by North Marin Water District (NMWD).

Non-Departmental: (81.6%)

General: Overall, no significant variance noted for this cost center for the fourth quarter.

CAPITAL FUND

Table 3: CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under) Budget	Pct. Received
Sewer Service Charges	\$8,597,007	\$ 8,422,128	\$174,879	102.1%
Property Taxes	2,494,621	2,382,632	111,989	104.7%
Prop Taxes–RDA Funds	85,418	0	85,418	100.0%
Connection Charges	837,883	475,200	362,683	176.3%
Collector Sewer/Special Equalization Charges	78,270	1,000	77,270	7,827.0%
Interest	234,970	120,000	114,970	195.8%
Other Revenue	0	20,000	(20,000)	0.0%
Total Revenue	\$12,328,169	\$11,420,960	\$907,209	107.9%

Discussion

Overall capital revenues are 107.9% of budget at the close of the fiscal year, consistent with the District receiving the bulk of its revenue in December and April.

Table 4: CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$10,255,288	\$12,729,956	(\$2,474,668)	80.6%

Discussion

The list of capital project accounts is shown in the attached tables. Overall expenses are at 80.6% of budget.

Attachments:

1. Draft Revenue and Expenditure Reports:
 - a. Operating, July 2019-June 2020
 - b. Capital, July 2019-June 2020.
2. Debt Service Schedule as of June 31, 2020
3. Operating and Capital Cash Flow, July 2019-June 2020.

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
 July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
41000 · OPERATING INCOME				
41010 · Sewer Service Charges	10,515,318.80	10,306,800.00	208,518.80	102.0%
41030 · Plan Check & Inspection Fee	49,577.00	500.00	49,077.00	9,915.4%
41040 · Permit & Inspection Fee	5,730.00	6,000.00	(270.00)	95.5%
41060 · Interest Income	304,521.13	180,000.00	124,521.13	169.2%
41080 · Engineering & Admin Charges	110,506.38	165,000.00	(54,493.62)	67.0%
41090 · Non-domestic Permit Fees	35,852.98	30,000.00	5,852.98	119.5%
41100 · Garbage Franchise Fees	60,113.00	58,210.00	1,903.00	103.3%
41105 · AB 939 Collector Fees	434,260.00	434,260.00	0.00	100.0%
41107 · Oil/Bev/Tire Grants	51,536.00	52,009.00	(473.00)	99.1%
41130 · Ranch Income	(24,429.38)	40,000.00	(64,429.38)	(61.1%)
41135 · Recycle Water Facility Revenue	234,915.92	231,870.00	3,045.92	101.3%
41140 · Other Revenue	20,614.11	20,000.00	614.11	103.1%
41142 · Gain/Loss on disposal of assets	10,000.00	10,000.00	0.00	100.0%
Total 41000 · OPERATING INCOME	11,808,515.94	11,534,649.00	273,866.94	102.4%
Expense				
60000 · COLLECTION SYSTEM				
60010 · Salaries & Wages	652,635.17	679,353.00	(26,717.83)	96.1%
60020 · Employee Benefits	327,602.50	328,738.00	(1,135.50)	99.7%
60060 · Gas, Oil & Fuel	17,558.01	18,000.00	(441.99)	97.5%
60085 · Safety	3,748.95	5,500.00	(1,751.05)	68.2%
60091 · Software Maint	19,133.11	35,000.00	(15,866.89)	54.7%
60100 · Operating Supplies	19,296.59	25,000.00	(5,703.41)	77.2%
60150 · Repairs & Maintenance	69,486.42	75,000.00	(5,513.58)	92.6%
60152 · Small Tools	531.85	2,000.00	(1,468.15)	26.6%
60153 · Outside Services	121,352.25	145,000.00	(23,647.75)	83.7%
60192 · Water	10,634.82	12,000.00	(1,365.18)	88.6%
60193 · Telephone	2,611.70	3,500.00	(888.30)	74.6%
60200 · Other(Garbage Coll)	1,200.34	700.00	500.34	171.5%
60201 · Permits & Fees	16,843.00	85,000.00	(68,157.00)	19.8%
Total 60000 · COLLECTION SYSTEM	1,262,634.71	1,414,791.00	(152,156.29)	89.2%
61000 · TREATMENT FACILITIES				
61000-1 · Fixed Fee	2,200,785.96	2,275,786.00	(75,000.04)	96.7%
61000-2 · Insurance & Bonds	11,112.31	14,000.00	(2,887.69)	79.4%
61000-3 · Major Repair/Replacement	106,645.51	150,000.00	(43,354.49)	71.1%
61000-4 · Water/Permits/Telephone	85,178.52	90,000.00	(4,821.48)	94.6%
61000-5 · Gas & Electricity	661,327.87	816,033.00	(154,705.13)	81.0%
Total 61000 · TREATMENT FACILITIES	3,065,050.17	3,345,819.00	(280,768.83)	91.6%
63000 · RECLAMATION/DISPOSAL				
63010 · Salaries & Wages	87,907.14	86,909.00	998.14	101.1%
63020 · Employee Benefits	17,977.62	24,565.00	(6,587.38)	73.2%
63060 · Gasoline & Oil	840.69	1,000.00	(159.31)	84.1%
63085 · Safety	0.00	1,500.00	(1,500.00)	0.0%
63091 · Software Maintenance	1,000.00	2,000.00	(1,000.00)	50.0%
63100 · Operating Supplies	1,294.14	2,000.00	(705.86)	64.7%
63115 · Sludge Disposal	211,450.00	225,000.00	(13,550.00)	94.0%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
 July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
63150 · Repairs & Maintenance	54,001.07	70,000.00	(15,998.93)	77.1%
63152 · Small Tools	509.64	500.00	9.64	101.9%
63157 · Ditch/Dike Maintenance	1,700.00	11,000.00	(9,300.00)	15.5%
63191 · Gas & Electricity	71,470.73	80,000.00	(8,529.27)	89.3%
63192 · Water - Reclamation	787.13	5,000.00	(4,212.87)	15.7%
63201 · Permits & Fees	5,758.16	4,500.00	1,258.16	128.0%
Total 63000 · RECLAMATION/DISPOSAL	454,696.32	513,974.00	(59,277.68)	88.5%
64000 · LABORATORY/MONITORING				
64010 · Contract Lab Services	375,491.07	379,848.00	(4,356.93)	98.9%
64060 · Gasoline & Oil	230.99	500.00	(269.01)	46.2%
64085 · Safety	0.00	1,000.00	(1,000.00)	0.0%
64091 · Software Maintenance	0.00	1,000.00	(1,000.00)	0.0%
64100 · Operating Supplies	19,621.05	20,500.00	(878.95)	95.7%
64150 · Repairs & Maintenance	9,423.40	12,200.00	(2,776.60)	77.2%
64160 · Research & Monitoring	126,522.12	130,000.00	(3,477.88)	97.3%
64170 · Pollution Prevention/Public Ed	16,814.87	40,000.00	(23,185.13)	42.0%
64201 · Permits & Fees	6,352.00	6,000.00	352.00	105.9%
Total 64000 · LABORATORY/MONITORING	554,455.50	591,048.00	(36,592.50)	93.8%
65000 · PUMP STATIONS				
65010 · Salaries & Wages	327,753.04	337,492.00	(9,738.96)	97.1%
65020 · Employee Benefits	133,567.87	136,951.00	(3,383.13)	97.5%
65060 · Gasoline & Oil	7,940.91	6,400.00	1,540.91	124.1%
65085 · Safety Expenses	3,735.02	4,000.00	(264.98)	93.4%
65091 · Software Maintenance	5,551.22	8,500.00	(2,948.78)	65.3%
65100 · Operating Supplies	9,377.15	10,000.00	(622.85)	93.8%
65150 · Repairs & Maintenance	120,371.35	120,000.00	371.35	100.3%
65152 · Small Tools	508.22	2,000.00	(1,491.78)	25.4%
65153 · Outside Services, Electrical	31,233.15	55,000.00	(23,766.85)	56.8%
65191 · Gas & Electricity	116,891.22	115,000.00	1,891.22	101.6%
65192 · Water	7,171.25	7,000.00	171.25	102.4%
65193 · Telephone	35,646.60	42,000.00	(6,353.40)	84.9%
65201 · Permits & Fees	4,648.48	7,000.00	(2,351.52)	66.4%
Total 65000 · PUMP STATIONS	804,395.48	851,343.00	(46,947.52)	94.5%
66000 · ADMIN/ENGINEERING				
66010 · Salaries & Wages	1,249,051.86	1,383,416.00	(134,364.14)	90.3%
66020 · Employee Benefits	631,866.97	628,135.00	3,731.97	100.6%
66030 · Director's Fees	20,250.00	32,400.00	(12,150.00)	62.5%
66060 · Gasoline & Oil	2,539.44	2,600.00	(60.56)	97.7%
66085 · Safety	1,612.89	4,200.00	(2,587.11)	38.4%
66090 · Office Expense	16,771.61	28,000.00	(11,228.39)	59.9%
66100 · Engineering Supplies	1,967.02	5,000.00	(3,032.98)	39.3%
66121 · Accounting & Auditing	28,526.36	30,000.00	(1,473.64)	95.1%
66123 · O/S Contractual	197,116.59	283,000.00	(85,883.41)	69.7%
66124 · IT/Misc Electrical	42,469.80	57,000.00	(14,530.20)	74.5%
66150 · Repairs & Maintenance	46,295.44	95,000.00	(48,704.56)	48.7%
66193 · Telephone	15,535.40	13,000.00	2,535.40	119.5%

Novato Sanitary District
DRAFT - Revenues & Expenditures Budget vs. Actual
 July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Total 66000 · ADMIN/ENGINEERING	2,254,003.38	2,561,751.00	(307,747.62)	88.0%
67000 · AB 939 SOLID WASTE PROGRAMS				
67400 · Consulting Services	79,920.00	147,500.00	(67,580.00)	54.2%
67500 · Household Hazardous Waste	208,004.88	292,000.00	(83,995.12)	71.2%
67530 · Used Oil/Beverage Cont Grant	4,680.00	11,269.00	(6,589.00)	41.5%
67540 · Outreach/Publicity/Education	13,793.48	20,500.00	(6,706.52)	67.3%
67600 · Other	2,484.31	5,000.00	(2,515.69)	49.7%
67610 · City AB 939 Admin Services	10,000.00	10,000.00	0.00	100.0%
Total 67000 · AB 939 SOLID WASTE PROGRAMS	318,882.67	486,269.00	(167,386.33)	65.6%
68000 · Recycled Water				
68010 · O & M Services	90,470.68	66,000.00	24,470.68	137.1%
68100 · Operating Supplies	4,445.26	4,400.00	45.26	101.0%
68101 · Operating Chemicals	54,901.78	72,120.00	(17,218.22)	76.1%
68150 · Repairs & Maintenance	21,879.62	33,550.00	(11,670.38)	65.2%
68160 · Research & Monitoring	24,103.16	14,000.00	10,103.16	172.2%
68191 · Gas & Electricity	39,115.42	41,800.00	(2,684.58)	93.6%
Total 68000 · Recycled Water	234,915.92	231,870.00	3,045.92	101.3%
69000 · Non-Departmental				
69021-1 · Retiree Health Benefits - Trust	201,661.07	201,661.00	0.07	100.0%
69021 · Retiree Health Benefits	202,134.53	226,673.00	(24,538.47)	89.2%
69022 · Pension Expense-Trust	361,359.12	361,359.00	0.12	100.0%
69040 · Election Expenses	29,447.06	95,000.00	(65,552.94)	31.0%
69070 · Insurance Expense	169,168.98	167,000.00	2,168.98	101.3%
69071 · Insurance Claim Expense	0.00	45,000.00	(45,000.00)	0.0%
69075 · Agency Dues	68,351.58	74,800.00	(6,448.42)	91.4%
69080 · Memberships/Certifications	9,069.26	10,000.00	(930.74)	90.7%
69122 · Attorney Fees	6,851.35	50,000.00	(43,148.65)	13.7%
69125 · Safety & Wellness Incentive	0.00	10,000.00	(10,000.00)	0.0%
69130 · Printing & Publications	1,206.28	24,000.00	(22,793.72)	5.0%
69170 · Board Travel & Training	17,109.36	26,000.00	(8,890.64)	65.8%
69171 · Staff Travel & Training	39,124.95	65,000.00	(25,875.05)	60.2%
69202 · County Fees-Property Taxes	29,410.22	33,000.00	(3,589.78)	89.1%
69203 · County Fees-Sewer Serv Chg	28,924.00	32,000.00	(3,076.00)	90.4%
69250 · Service Charge Syst Exp	360.00	5,000.00	(4,640.00)	7.2%
Total 69000 · Non-Departmental	1,164,177.76	1,426,493.00	(262,315.24)	81.6%
69300 · COVID-19 Expenses				
69324 · IT/Misc Expense	4,450.66	0.00	4,450.66	100.0%
69385 · Safety Supplies/Equipment	2,948.05	0.00	2,948.05	100.0%
Total 69300 · COVID-19 Expenses	7,398.71	0.00	7,398.71	100.0%
Total Expense	10,120,610.62	11,423,358.00	(1,302,747.38)	88.6%
Net Income (Loss)	1,687,905.32	111,291.00	1,576,614.32	

Novato Sanitary District
DRAFT Revenues & Expenditures - Capital
 July 2019 through June 2020

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
Income				
51000 · CAPITAL IMPROVEMENT INCOME				
51010 · Sewer Service Charges	8,597,006.58	8,422,128.00	174,878.58	102.1%
51015-1 · Property Tax - RDA Funds	85,417.78	0.00	85,417.78	100.0%
51015 · Property Taxes	2,494,621.13	2,382,632.00	111,989.13	104.7%
51020 · Connection Charges	837,883.50	475,200.00	362,683.50	176.3%
51040 · Special Equalization Charge	78,270.01	1,000.00	77,270.01	7,827.0%
51060 · Interest	234,970.46	120,000.00	114,970.46	195.8%
51070 · Other Revenue	0.00	20,000.00	(20,000.00)	0.0%
Total 51000 · CAPITAL IMPROVEMENT INCOME	12,328,169.46	11,420,960.00	907,209.46	107.9%
Expense				
72000 · CAPITAL IMPROVEMENT PROJECTS				
72403 · Pump Station Rehabilitation	116,271.17	515,000.00	(398,728.83)	22.6%
72508 · N. Bay Water Recycling Auth	14,081.00	25,000.00	(10,919.00)	56.3%
72706 · Collection System Improv	2,713,090.54	2,790,000.00	(76,909.46)	97.2%
72706-1 · Lateral Replacement Program	32,000.00	60,000.00	(28,000.00)	53.3%
72707 · Hamilton Wetlands/Outfall Integ	12,658.76	10,000.00	2,658.76	126.6%
72708 · Cogeneration/Alt Energy	103,206.32	1,010,000.00	(906,793.68)	10.2%
72802 · Annual Sewer Adj. for City Proj	37,145.00	25,000.00	12,145.00	148.6%
72803 · Annual Collection Sys Repairs	66,183.05	100,000.00	(33,816.95)	66.2%
72804 · Annual Reclamation Fac Imp	117,294.30	200,000.00	(82,705.70)	58.6%
72805 · Annual Treatment Plnt Improv	187,262.68	350,000.00	(162,737.32)	53.5%
72806 · Annual Pump Station Improv	174,847.04	175,000.00	(152.96)	99.9%
72807 · Annual Ignacio Facility Improv	44,419.60	50,000.00	(5,580.40)	88.8%
72808 · Strategic Plan Update	0.00	20,000.00	(20,000.00)	0.0%
72809 · Novato Creek Watershed	0.00	5,000.00	(5,000.00)	0.0%
73003 · Admin Bldg/Maint.Bldg Upgrades	96,391.25	150,000.00	(53,608.75)	64.3%
73004 · Odor Control & NTP Landscaping	34,266.00	50,000.00	(15,734.00)	68.5%
73005 · RWF Expansion	(293,979.08)	(295,000.00)	1,020.92	99.7%
73006 · NTP Corrosion Control	70,632.09	55,000.00	15,632.09	128.4%
73090 · Vehicle Replacement	566,353.00	605,000.00	(38,647.00)	93.6%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS	4,092,122.72	5,900,000.00	(1,807,877.28)	69.4%
78400 · Principal and Interest				
78500 · Interest - Capital Projects	1,863,165.32	1,963,279.00	(100,113.68)	94.9%
78501 · Principal - Capital Projects	4,300,000.00	4,866,677.00	(566,677.00)	88.4%
Total 78400 · Principal and Interest	6,163,165.32	6,829,956.00	(666,790.68)	90.2%
Total Expense	10,255,288.04	12,729,956.00	(2,474,667.96)	80.6%
Net Income(Loss)	2,072,881.42	(1,308,996.00)	3,381,877.42	

Novato Sanitary District
State Revolving Fund Loan Payable and 2019 Wastewater Revenue Refinancing Bonds
and 2017 Wastewater Revenue Refunding Bonds Payable Balances

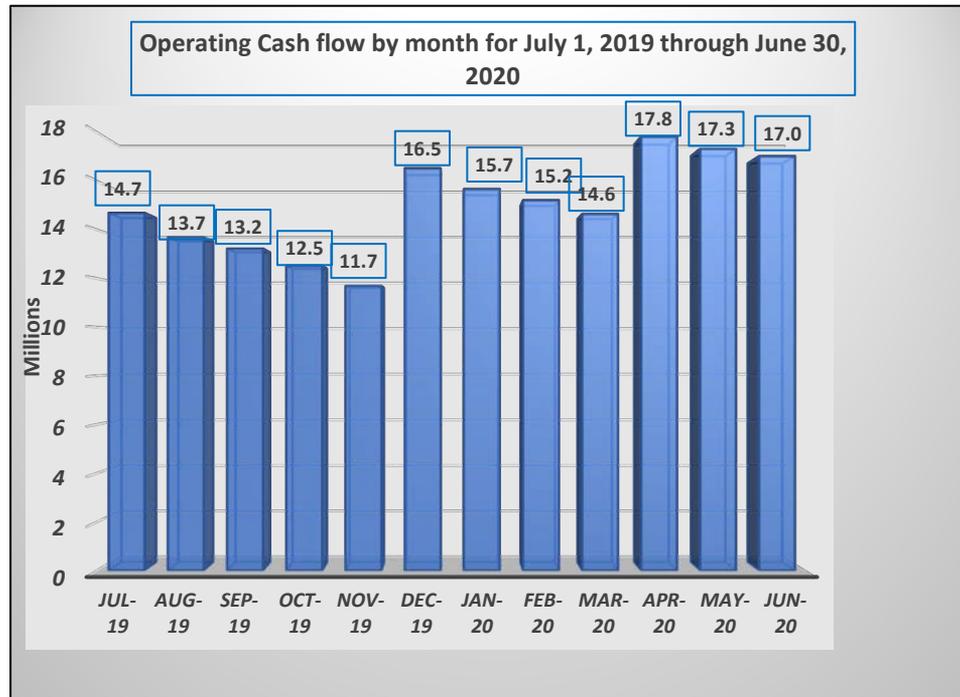
2.0 Debt Service Schedule as of June 30, 2020

	<u>State Revolving Fund (SRF) Loan</u>		
		Principal	Interest
	SRF Loan Payable 7/1/2019.....	55,511,638	
	Principal Payment 2019-20	(55,511,638)	
	Interest payments 2019-20		(806,769)
	SRF Loan Balance/Interest Paid 8/31/2019.....	-	(806,769)
	<u>2019 Wastewater Revenue Refinancing Bonds</u>		
		Principal	Interest
	Revenue Bond Payable Balance 7/1/2019.....	-	
	New Bond payable	46,145,000	
	Principal Payment 2019-20	(3,480,000)	
	Interest payments 2019-20		(1,091,536)
	Revenue Bond Payable Balance/Interest Paid 6/30/2020	42,665,000	(1,091,536)
	<u>2017 Wastewater Revenue Refunding Bonds</u>		
	Revenue Bond Payable Balance 7/1/2019.....	12,620,000	
	Principal Payment 2019-20	(820,000)	
	Interest payments 2019-20		(631,000)
	Revenue Bond Payable Balance/Interest Paid 6/30/2020	11,800,000	(631,000)
	Note 1: In August 2019, the District refinanced the SRF Loan with the issuance of its 2019 Wastewater Revenue Refinancing Bonds.		
	Note 2: Principal and Interest payments for the 2017 and 2019 Wastewater Revenue Bonds are paid in August and February of each fiscal year.		

3.0 OPERATING AND CAPITAL CASH FLOW

Operating:
Cash Flow For Novato Sanitary District
July 1, 2019 - June 30, 2020
Dated: August 10, 2020

Month Earned	Operating Revenue	Monthly Operating Expenditures	Cash Balance
			* \$ 15,627,565
Jul-19	\$ 101,674	\$ 1,036,111	14,693,128
Aug-19	33,708	1,031,794	13,695,042
Sep-19	243,015	712,624	13,225,433
Oct-19	82,360	781,580	12,526,213
Nov-19	295,525	1,116,979	11,704,759
Dec-19	5,709,552	887,914	16,526,397
Jan-20	44,987	897,395	15,673,989
Feb-20	243,490	701,665	15,215,814
Mar-20	192,937	759,408	14,649,343
Apr-20	4,052,738	868,942	17,833,139
May-20	222,303	722,272	17,333,170
Jun-20	589,643	897,098	17,025,715

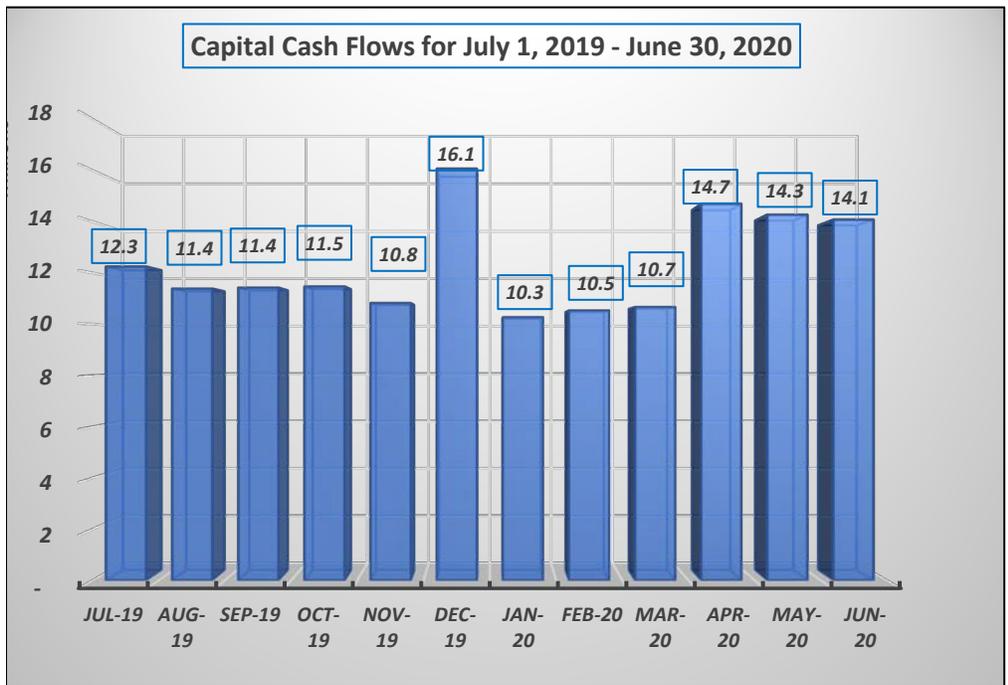


Note: Cash balances at year end split 55/45 - Operating/Capital based on split sewer service charges.

* Beginning balance adjusted for accrual vs cash basis differences.

Capital:
Cash Flow For Novato Sanitary District
July 1, 2019 - June 30, 2020
Dated: August 10, 2020

Month Earned	Monthly Capital Expenditures	Debt Service	Capital Revenue	Cash Balance
				\$ 12,608,691
Jul-19	\$ 147,999	\$ 315,500	\$ 108,629	12,253,821
Aug-19	84,528	806,769	29,026	11,391,550
Sep-19	50,477		89,460	11,430,533
Oct-19	86,651		132,993	11,476,875
Nov-19	662,717		16,124	10,830,282
Dec-19	770,507		6,009,998	16,069,773
Jan-20	176,140	5,707,036	90,354	10,276,951
Feb-20	482,062		745,043	10,539,932
Mar-20	64,390		198,905	10,674,447
Apr-20	150,470		4,179,409	14,703,386
May-20	523,013		97,127	14,277,500
Jun-20	848,748		655,172	14,083,924



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Accounts Receivable Aging Summary for the Period Ended June 30, 2020.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 6.f.
RECOMMENDED ACTION: Receive Accounts Receivable Report as of June 30, 2020.	
SUMMARY AND DISCUSSION: The attached Accounts Receivable Summary shows the following receivables as of June 30, 2020: <u>1-45 days - \$223,944:</u> Current. <u>46-120 days - \$250:</u> Considered collectible. <u>120+ days - \$0:</u> None.	
ATTACHMENTS: 1. Accounts Receivable (A/R) Aging Summary.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
DEPT. MGR.: lmc, ssk	GENERAL MANAGER: SSK

**Novato Sanitary District
A/R Aging Summary
As of June 30, 2020**

	Current	46 - 90	91 - 120	> 120	TOTAL
Arcadis, U.S.	4,148.12	0.00	0.00	0.00	4,148.12 (1)
Auburn Ravine Ranch	12,928.07	0.00	0.00	0.00	12,928.07 (2)
Biomarin	4,643.10	0.00	250.00	0.00	4,893.10 (3)
City of Novato	2,000.00	0.00	0.00	0.00	2,000.00 (4)
County of Marin	96,807.80	0.00	0.00	0.00	96,807.80 (5)
CSRMA	2,513.21	0.00	0.00	0.00	2,513.21 (6)
North Marin Water District	62,039.46	0.00	0.00	0.00	62,039.46 (7)
PG&E	1,240.00	0.00	0.00	0.00	1,240.00 (1)
Roto Rooter	951.75	0.00	0.00	0.00	951.75 (8)
Roy's Sewer Service, Inc.	2,331.75	0.00	0.00	0.00	2,331.75 (8)
USCG	16,430.80	0.00	0.00	0.00	16,430.80 (9)
Veolia Water	16,809.26	0.00	0.00	0.00	16,809.26 (10)
Wright Contracting	1,100.20	0.00	0.00	0.00	1,100.20 (1)
TOTAL	<u>223,943.52</u>	<u>0.00</u>	<u>250.00</u>	<u>0.00</u>	<u>224,193.52</u>

- (1) Non-domestic permit discharge fee billings.
- (2) Rancher's lease fees for the fourth quarter and the billing for water usage for April - June 2020.
- (3) Lab monitoring, analysis and permit fees for Biomarin.
- (4) Reimbursement from City, due to damage by City's contractor.
- (5) Final portion of sewer service charges and property taxes from County for FY19/20.
- (6) Reimbursement of safety expenses from CSRMA.
- (7) Recycled water facility billing to NMWD for April through June 2020.
- (8) Septic hauler charges for March through June 2020 for Roto Rooter and Roy's Sewer Service.
- (9) Monthly billing for USCG sewer service charges for June 2020.
- (10) Billing for fourth quarter reimburseable expenses from Veolia Water.

NOVATO SANITARY DISTRICT BOARD AGENDA AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Contribution to the District's Public Agency Retirement Services (PARS) Trust Account.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 6.g.
RECOMMENDED ACTION: Approve transfer of \$175,000 from unspent funds in the "Salaries and Benefits" and "Retiree Health Benefits" categories of the Fiscal Year (FY) 19-20 Operating Budget as of June 30, 2020, to the District's Public Agency Retirement Services (PARS) Trust account.	
SUMMARY AND DISCUSSION: <p>The Fiscal Year (FY) 19-20 Fourth Quarter Financial Report (Unaudited), for the quarter ending June 30, 2020 identifies that the "Salaries and Benefits" and "Retiree Health Benefits" categories of the Operating Budget are underspent. Therefore, as of June 30, 2020, a total of \$201,745 remains unused in these two categories of the FY 19-20 Operating Budget.</p> <p>As of June 30, 2020, the District's PARS account balance was \$3,376,046.08 (see Attachment 1). Of this, the subaccount related to the District's Governmental Accounting Standards Board Statement No. 75 (GASB 75) related Other Post-Employment Benefits (OPEB) liability had a balance of \$1,610,274.12. The subaccount related to the GASB 68 Net Pension Liability (NPL) had a balance of \$1,765,771.96. For informational purposes only, the District's OPEB liability as of June 30, 2019 (latest available year) is \$3,134,046, and the NPL liability as of June 30, 2019 (latest available year) is \$5,468,878.</p> <p>One of the goals (Goal 4.4) of the District's Strategic Plan is to appropriately and prudently address and manage its unfunded liabilities related to pensions and benefits. Therefore, staff recommends that the Board consider transferring \$175,000 of unspent funds in the "Salaries and Benefits" categories of the FY 19-20 Operating Budget as of June 30, 2020, to its PARS Trust account.</p>	
ATTACHMENTS: 1. Annual PARS Statement, July 2019 through June 2020.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) and Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
Prepared by: lmc, ssk	Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT
PARS Post-Employment Benefits Trust

Account Report for the Period
7/1/2019 to 6/30/2020

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

Account Summary

Source	Balance as of 7/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 6/30/2020
OPEB	\$1,326,187.52	\$201,661.07	\$90,034.17	\$7,608.64	\$0.00	\$0.00	\$1,610,274.12
PENSION	\$1,217,454.53	\$455,116.12	\$101,111.81	\$7,910.50	\$0.00	\$0.00	\$1,765,771.96
Totals	\$2,543,642.05	\$656,777.19	\$191,145.98	\$15,519.14	\$0.00	\$0.00	\$3,376,046.08

Investment Selection

Source	
OPEB	Moderately Conservative Index PLUS
PENSION	Conservative Index PLUS

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	1.19%	7.81%	6.28%	4.47%	-	-	1/31/2017
PENSION	0.95%	5.54%	6.87%	4.78%	-	-	1/31/2017

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

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

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Annual Fund Transfer from Capital Account to Operating Account	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 6.h.
RECOMMENDED ACTION: Approve transfer of \$110,506.38 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in Fiscal Year (FY) 19-20.	
SUMMARY AND DISCUSSION: <p>At the end of each fiscal year, the Operating Fund is reimbursed from the Capital Fund for staff time spent on Capital Projects. Expenditures are based on actual time spent on an hourly rate basis, plus an allowance of 35% for overhead and supervision.</p> <p>On this basis, staff time for FY 19-20 amounted to \$81,856.58, plus overhead of \$28,649.80, for a total of \$110,506.38.</p> <p>For comparative purposes, the Capital Fund to Operating Fund transfer for FY 18-19 was \$25,989.</p>	
ATTACHMENT: Allocation of Administration/Engineering for Capital Projects FY 19-20	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
BUDGET INFORMATION: Reclassifies \$110,506 as expenditures from the Capital Fund to the Operating Fund.	
Prepared by: lmc, ssk	Reviewed by General Manager: SSK

Item 6.h.
Attachment 1

	<i>Erik</i>		<i>Erik</i>		<i>Jeff B.</i>		<i>Russell</i>		<i>Steve</i>			Total	Total	
Annual Fund Transfer 2019-20	<i>Rate</i>	<i>94.06</i>	<i>Rate</i>	<i>98.76</i>	<i>Rate</i>	<i>76.96</i>	<i>Rate</i>	<i>45.24</i>	<i>Rate</i>	<i>83.23</i>		Employee	amount	+ Overhead
Capital Projects as of June 30, 2020			after 9/1/19									Hours	Charged	35%
	Employee hrs	Amount charged												
Capital Projects														
04-03 Pump Station Improvements									85.50	7,116.17		85.50	7,116.17	9,606.82
05-08 N. Bay Water Recycling Auth	-		-									-	-	-
07-06 Collect Sys. Improvements	18.00	1,693.04	18.00	1,777.67					596.00	49,605.08		632.00	53,075.79	71,652.32
07-07 Ham. Wetland/OF mon. & plan.	5.00	470.29	17.00	1,678.91	42.00	3,232.20			44.00	3,662.12		108.00	9,043.53	12,208.76
07-08 Cogeneration	6.00	564.35	24.00	2,370.23								30.00	2,934.58	3,961.68
08-02 Annual Sewer adj for the City			-									-	-	-
08-03 Annual Collection Sys. Repairs	-		-						4.00	332.92		4.00	332.92	449.44
08-04 Annual Reclamation Repairs			-						58.00	4,827.34		58.00	4,827.34	6,516.91
08-05 Annual Treatment Plant Repairs	1.00	94.06										1.00	94.06	126.98
08-06 Annual Pump Station Repairs									5.00	416.15		5.00	416.15	561.80
10-03 Admin Building Upgrad/Maint.	-						6.00	271.46				6.00	271.46	366.47
10-05 RWF Expansion	-		1.00	98.76			33.00	1,493.02				34.00	1,591.78	2,148.91
10-06 NTP Corrosion Control	-		10.00	987.60					14.00	1,165.22		24.00	2,152.82	2,906.30
SUBTOTAL	30.00	2,821.73	70.00	6,913.17	42.00	3,232.20	39.00	1,764.48	806.50	67,125.00		987.50	81,856.58	110,506.38
PLUS 35% Overhead		987.60		2,419.61		1,131.27		617.57		23,493.75			28,649.80	
TOTAL:		\$3,809.33		\$9,332.78		\$4,363.48		\$2,382.05		\$90,618.74		987.50	\$110,506.38	

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Hamilton Parkway Sewer Main Extension (SME) - Hamilton Cottages.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 6.i.
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RECOMMENDED ACTION: Authorize General Manager-Chief Engineer to accept Hamilton Parkway Sewer Main Extension (SME) - Hamilton Cottages Subdivision.

SUMMARY AND DISCUSSION:

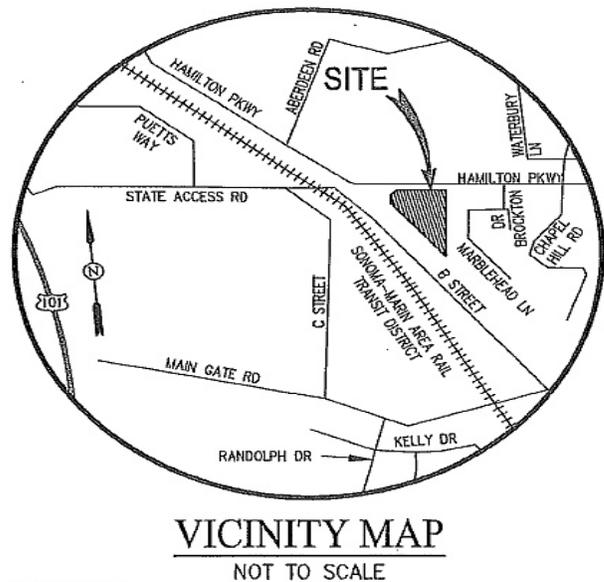
At its December 11, 2017 regular meeting, the Board authorized the General Manager-Chief Engineer to approve Project Plans for Hamilton Parkway Sewer Main Extension (SME). The SME project proposed to provide sanitary sewer service to sixteen single-family dwellings, collectively named Hamilton Cottages adjacent to Hamilton Parkway in the Hamilton Field area as shown in the vicinity map below.

The Board accepted two new sanitary sewer easements associated with the project by Board Resolution Nos. 3113 and 3123.

Overall, the construction elements of the SME are as follows:

- 2 ea. new standard manholes
- 326 lineal feet of new 6-inch PVC main
- 1 ea. remodeled existing manhole
- 178 lineal feet of new six-inch PVC private sewer
- 573 lineal feet of new 4-inch PVC lateral sewer

Staff recommends the Board authorize the General Manager-Chief Engineer to accept the Hamilton Parkway Sewer Main Extension- Hamilton Cottages Subdivision.



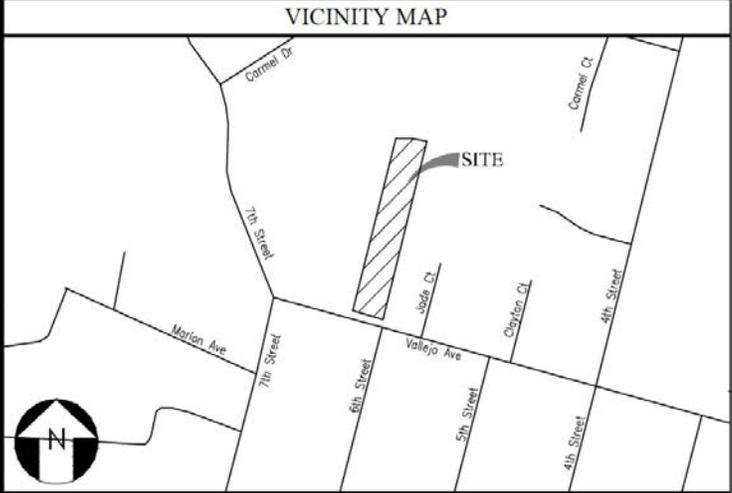
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update

BUDGET INFORMATION: This SME project will increase the District's net assets (exclusive of easements) by approximately \$223,900.00.

Prepared by: eb

Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Springbrook Homes Sewer Main Extension (SME) - Approval of project plans.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 6.j.
RECOMMENDED ACTION: Authorize the General Manager-Chief Engineer to approve Project Plans for a Sewer Main Extension (SME) – Springbrook Homes, Vallejo Avenue.	
SUMMARY AND DISCUSSION: <p>This sewer main extension (SME) project is located at 1602 and 1602A Vallejo Ave. The two parcels are east of the intersection of Vallejo Ave and Seventh Street. The SME will serve a Subdivision created by subdividing an existing 1.5-acre parcel into nine lots with a common access driveway. The parcel has one existing sanitary connection for a house that burned and was later demolished.</p> <p>The Developer has requested that the project be granted a waiver from District Standards to install a six-inch public sewer as the project's sewer main cannot be extended in the future beyond the subject parcel to serve additional users, and staff concurs.</p> <p>A new Sanitary Sewer Easement, (SSE) has been provided for on the project's Parcel Map.</p> <p>The Construction Elements of the proposed Sewer Main Extension are as follows:</p> <ul style="list-style-type: none"> • 2 ea. new standard manholes. • 216 lineal feet of new 6" PVC Public sewer • 140 lineal feet of new 4" PVC lateral sewer 	
VICINITY MAP 	
<p>Staff recommends the Board authorize the General Manager-Chief Engineer to grant a waiver from District Standards and approve the Project Plans.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: This SME project will increase the District's net assets (exclusive of easements) by approximately \$105,320.00.	
Prepared by.: eb	Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Low Income Sewer Rate Assistance Program (LISRAP).	MEETING DATE: August 10, 2020 AGENDA ITEMS NO.: 7.a.
RECOMMENDED ACTION(S): Initiate a Low-Income Sewer Rate Assistance Program (LISRAP), and delegate its implementation and oversight to the General Manager-Chief Engineer (or designee).	
SUMMARY AND DISCUSSION: <p>Various North Bay (and specifically Marin County) water and wastewater agencies have historically had, or have recently implemented, Low Income Rate Assistance (LIRA) programs. The North Marin Water District (NMWD) is the latest to do so, effective July 1, 2020.</p> <p>Prior District legal counsel had advised the District Board that under Proposition 218, the District cannot use its Sewer Service Charge (SSC) rate base to fund a low-income rate assistance program. While still true, recent actions by similar agencies make it clear that the District can utilize other, non-SSC revenue sources, such as property tax revenues, to fund such a program.</p> <p>Staff consulted with current District Counsel and confirmed that any general revenue source, like traditional property taxes, can be used to subsidize a low-income program. Staff also consulted with the District's Municipal Financial Advisor (MFA) for its most recent bond issue, and confirmed that a low-income sewer rate assistance program that is funded from property tax revenues via annual budget appropriations should not have an adverse impact on the District's outstanding 'AAA' credit rating or otherwise adversely affect the District's creditworthiness.</p> <p>Staff suggests the Board consider a LISRAP to provide a flat ten percent (10%) rate discount to low-income single-family residential (SFR) ratepayer households of the District who are already enrolled in PG&E's California Alternate Rates for Energy (CARE) Program. The SFR ratepayer household applying for the program must be (or include) a District ratepayer of record. SFRs with Accessory Dwelling Units (ADUs), ratepayers with a PG&E master meter, or entities who are not otherwise a ratepayer of record with the District would be excluded. Family members, neighbors, or landlords cannot act on behalf of another customer. Once enrolled, the discount would be applied automatically to the SSC being charged to the ratepayer of record on their County tax bill. Program eligibility (CARES enrollment) will be reconfirmed every other fiscal year, and the ratepayer would be required to notify the District if they no longer qualify for the PG&E CARE program, or if they move to another new single-family residence served by the District.</p> <p>Staff also suggests the Board delegate implementation and oversight of the LISRAP to the General Manager-Chief Engineer (or designee), so that staff can timely verify the eligibility of applicants.</p> <p>A LISRAP allowance of \$90,000 is provisioned under a newly created Account No. 69201 (Prop Tax allocation to LISRAP) of the Final Fiscal Year (FY) 20-21 budget. This allowance is estimated upon reviewing the District's rate base; and is comparable to NMWD's FY 20-21 LIRA budget amount of \$80,000. Also, this allowance will be adjusted in future budget years based on the District's ongoing experience. If the Board adopts the Final Budget as scheduled, staff can incorporate program implementation with the FY 20-21 SSC collection on the County Tax rolls.</p> <p>It is recommended that the Board initiate the LISRAP subject to the Final Budget approval, and delegate its implementation and oversight to the General Manager-Chief Engineer (or designee).</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook), Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications) of the latest Strategic Plan Update.	
Prepared by: ssk	Reviewed by General Manager: SSK



FINAL BUDGET

FOR

Fiscal Year 2020-21

(And Preliminary Budget for Fiscal Year 2021-22)

Proposed August 10, 2020

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NOVATO SANITARY DISTRICT

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BOARD OF DIRECTORS

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General Manager-Chief Engineer

LAUREN QUINT
Legal Counsel

August 10, 2020

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

Honorable Board Members:

The proposed Final District Budget for fiscal year (FY) 20-21 and the Preliminary Budget for FY 21-22 is attached for your consideration and approval. The Final Budget includes the following components:

- Summary of Fund Balances including Operating, Capital Improvement, and Reserve Funds (Section I).
- Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category (Section II).
- Detailed Operating Budget by Cost Center and Account Category (Section III).
- Capital Improvement Budget: Revenue and Expenditures Budget (Section IV)
- FY 20-21 Wastewater Capital Reserve Fund (Section V)
- FY 20-21 Rate Stabilization Fund (Section VI)
- FY 20-21 Debt Service Requirements and Debt Service Fund Summary (Section VII).

Note that this year's average annual Sewer Service Charge (SSC) increases from \$636 to 657 per service unit, (Equivalent Dwelling Unit, EDU), or an increase of 3.30% over the prior year. The basis of the rate increase is District Ordinance No. 120 – AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2016-17, 2017-18, 2018-19, 2019-20, AND 2020-21. This Ordinance No. 120 was adopted by the District Board at its regular meeting of June 13, 2016 upon completion of the appropriate Proposition 218 process.

As in prior years, the basic average annual Sewer Service Charge of \$657 is allocated between the Operating and Capital Budgets, consistent with the District's 2016 Sewer Rate Study. Therefore, for FY20-21, \$363 (55%) of the SSC is allocated to the Operating Budget, and \$294 (45%) is allocated to the Capital Budget. The District typically allocates the Sewer Service Charge (SSC) between the Operating and Capital Budgets.

Impact of COVID-19

The ongoing COVID-19 emergency will affect the District in multiple ways, many yet to be determined, and especially its FY 20-22 budget. The most significant revenue impact may be from the District's commercial and institutional customers. These customers faced partially/fully closures in response to COVID-19-related shelter-in-place, (SIP), orders issued by the County Health Department, and may continue to remain partially/fully closed. Recognizing the financial impacts of these closures, the District Board authorized a Sewer Service Charge relief program for such customers. Therefore, the FY 20-21 Final Budget includes provisions for a COVID-19 SSC relief program with an initial cap of about \$895,000. (see Account No. 69300 under the COVID-19 Expenses Cost Center, page 18). In addition, the District is evaluating a Low-Income Sewer Rate Assistance Program (LISRAP) for low-income single-family residential (SFR) ratepayer households of the District who are already enrolled in PG&E's California Alternate

Rates for Energy (CARE) Program. The LISRAP is initially provisioned at \$90,000 in the FY 20-21 Final Budget and the FY21-22 Preliminary Budget, under Account No. 69201 · Prop Tax allocation to LISRAP.

Impact of Public Safety Power Shutdowns (PSPS)

Another factor affecting the FY 20-22 budget will be PG&E’s ongoing PSPS program. While specific PSPS events are difficult to predict, the FY 20-21 Final Budget includes an additional amount of about \$150,000 for staffing and equipment, distributed between various Operating Cost Centers and Capital Accounts, to provision for such events.

A. BUDGET STRUCTURE

The District’s budget is prepared on a cash basis. Operating and Capital Revenues and Expenditures are summarized in Table 1, and illustrated in Figure 1 at the end of this letter. Table 1 also compares the adopted budget for the immediate past year with the proposed budget for the next year.

Overall, it is projected that total FY 20-21 revenues will increase by about 2.25%. This overall increase results primarily from an approved 3.3.% increase in SSCs (as recommended by the 2016 SSC rate study, and adopted by District Ordinance No. 120), and a 2% increase in property tax revenue (assuming the County Assessor/Recorder’s property tax estimates made prior to COVID-19 impacts do not change).

In terms of a revenue split to Operating and Capital Expenditures, the District typically uses a 55%-45% allocation of SSC revenue to the Operating and Capital budgets. Also, while the District has directed property tax revenue to the Capital budget in recent years, for FY 20-22 this revenue is being allocated 33%-67% between the Operating and Capital Funds to address COVID-19 impacts and funding the LISRAP.

Three-Year Summary comparisons and significant variances in the operating budgets between the FY 19-20 and FY 20-21 budget years are provided later in this letter.

	FY 19-20	FY 20-21	% Change
	Adopted Budget	Proposed Budget	FY 20 to FY 21
Operating Revenues	\$ 11,534,649	\$ 12,599,878	9.24%
Capital Revenues	\$ 11,420,960	10,871,468	-4.81%
Total Revenues	\$ 22,955,609	\$ 23,471,346	2.25%
Operating Expenditures	11,423,358	12,544,945	9.82%
CIP Expenditures	5,900,000	8,090,000	37.12%
Debt Service	6,829,956	6,529,350	-4.40%
Total Expenditures	\$ 24,153,314	\$ 27,164,295	12.47%

B. FISCAL YEAR FY 20-21 OPERATING BUDGET DETAILS

Operating Revenues

The proposed FY 20-21 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 2), along with the figures for the past two fiscal years.

As seen from Table 2, total operating revenues are budgeted to increase by 9.24% or \$1,065,229 from FY 19-20.

Other notable items include:

Operating SSCs budgeted increase of \$397,344 or 3.86%, primarily from the approved 3.3% rate increase recommended by the 2016 sewer service charge rate study, and adopted by District Ordinance No. 120.

Property Taxes budgeted increase of \$823,225 or 100%, due to a change in allocation of property tax revenues from 100% to the Capital budget in recent years to a 33%-67% allocation between the Operating and Capital budgets.

Interest Income budgeted to decrease by \$150,000 or 83.33%, due to the general decline in interest rates across financial markets.

Ranch Income budgeted to decrease by \$30,000 or 75% due to the renegotiated terms of the new lease agreement, to reflect a reduced but more realistic assessment of anticipated income.

Recycled Water Revenue budgeted to increase based on projections for cost recovery of operating costs through an agreement with the North Marin Water District (NMWD).

Table 2: Operating Budget Revenue Three-Year Summary

Funding Sources by Category	FY 18-19	FY 19-20	FY 20-21	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 20 to FY 21
Operating Sewer Service Charges	\$ 10,145,760	\$ 10,306,800	\$ 10,704,144	3.86%
Property Taxes	-	-	823,225	100.00%
Permit & Inspection fees	31,500	36,500	36,500	0.00%
Interest Income	120,000	180,000	30,000	-83.33%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	55,041	58,210	59,740	2.63%
AB 939 Collector Fees	400,772	434,260	452,303	4.15%
Oil Grant and JPA Reimb	62,729	52,009	51,966	-0.08%
Ranch Income	70,000	40,000	10,000	-75.00%
Recycled Water Revenue	202,000	231,870	237,000	2.21%
Other Revenue	30,000	30,000	30,000	0.00%
Total Operating Revenue	\$11,282,802	\$11,534,649	\$12,599,878	9.24%

Operating Expenditures

A summary of proposed and past two fiscal years Operating Expenditures is shown in Table 3.

Proposed FY 20-21 Operating Expenditures are also shown graphically in Figures 3 and 4 (by expense type with and without COVID-19 related expenses), and Figure 5 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 1.70% or \$182,155 between FY 19-20 and FY 20-21 if COVID-19 impacts are not considered, or by 9.82% or \$1,121,587 after accounting for COVID-19 impacts.

Pension and Other Post-Employment Benefit Liabilities: In FY 16-17, the District adopted an approach to address its liabilities under Government Accounting Standards Board (GASB) Statement 45 (GASB 45 – Other Post-Employment Benefits or OPEB) and GASB Statement 68 (GASB 68 – Net Pension Liability or NPL) through a “restricted funds” account. The District set up and initiated funding an Internal Revenue Code (IRC) Section 115 trust account with Public Agency Retirement Services (PARS), Irvine, CA, which incorporates separate sub-accounts for each of the GASB 45 and GASB 68 liabilities.

In June 2018, the District implemented GASB 75, which superseded GASB 45 for disclosure and reporting of OPEB. Consistent with Board direction (provided November 14, 2016), future District budgets (including the FY 20-22 budgets) will include budget amounts to fund this trust, subject to Board approval.

Expenditures by Department	FY 18-19	FY 19-20	FY 20-21	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 20 to FY 21
Collections	\$ 1,371,942	\$ 1,414,791	\$ 1,478,231	4.48%
Treatment	3,266,628	3,345,819	3,323,268	-0.67%
Reclamation	490,972	513,974	498,244	-3.06%
Laboratory	583,410	591,048	613,180	3.74%
Pump Stations	835,226	851,343	958,212	12.55%
Administration/Engineering	2,188,599	2,561,751	2,564,593	0.11%
Hazardous Household Waste	463,501	486,269	504,269	3.70%
Recycled Water	202,000	231,870	237,000	2.21%
Non-Departmental	1,338,212	1,426,493	1,451,646	1.76%
COVID-19 Expenses	-	-	916,302	100.00%
Subtotal Expenditures	10,740,490	11,423,358	12,544,945	9.82%
Less: Passthroughs*	(665,501)	(718,139)	(741,269)	
Less: COVID-19 Expenses	-	-	(916,302)	
Total Expenditures	\$ 10,074,989	\$ 10,705,219	\$ 10,887,374	1.70%

*Passthroughs include: 1. Household Hazardous Waste (HHW) cost center funded by AB 939 Collector fees and Oil Grant/JPA reimbursements, and 2. Recycled Water cost center funded by cost recovery from North Marin Water District (NMWD) with their recycled water sales.

Table 4 summarizes the main anticipated operating budget variances.

Anticipated Budget Variances – Year-over-year, FY 19-20 to FY 20-21	Variance, %	Budget Impact, \$	Budget Impact, %
1. Salaries and wages (across all cost centers).	3.0	\$ 75,478	0.65
2. Employee Benefits (across all cost centers).	9.0	\$ 100,182	0.86
3. Retiree Health Benefits.	(25.5)	\$ (109,091)	-0.93
4. GASB 68 (Net Pension Liability) PARS Trust Fund contributions.	15.3	\$ 55,244	0.47
5. Election Expense.	(36.8)	\$ (35,000)	-0.30
6. Insurance Expense.	20.4	\$ 37,000	0.32
7. Software Maintenance (across all cost centers).	50.5	\$ 23,500	0.20
8. Outside consulting (Admin & Eng. cost center).	(20.1)	\$ (57,000)	-0.49
9. PSPS Costs (New account)	100.0	\$ 45,000	0.38
10. Travel, Meetings & Training.	(16.5)	\$ (15,000)	-0.13
11. Property Tax Allocation to LIRAP.	100.0	\$ 90,000	0.77
12. COVID-19 Expenses.	100.0	\$ 916,302	7.84

C. FISCAL YEAR FY 20-21 CAPITAL BUDGET DETAILS

Capital Revenues

The proposed FY 20-21 Capital Budget by Revenue source is shown in Table 5 below, along with the figures for the past two fiscal years. Total capital revenues for FY 20-21 are expected to decrease by 4.81% or \$549,492 from FY 19-20. Notable items include:

Capital SSC Revenues - projected increase of \$247,344 or 2.94% primarily from the approved 3.30% rate increase recommended by the 2016 sewer service charge rate study, and adopted by District Ordinance No. 120.

Property Taxes budgeted decrease of \$711,236 or 29.85%, due to a change in allocation of property tax revenues from 100% to the Capital budget in recent years, to a 33%-67% allocation between the Operating and Capital budgets.

Connection Fees – projected to increase \$14,400 or 3.0% year-over-year, assuming about 40 new connections per year, consistent with the District’s 2016 Capacity Fee Study.

Interest Income – projected decrease of \$100,000 or 83.33% from the general decrease in interest rates across financial markets.

Funding Sources by Category	FY 18-19	FY 19-20	FY 20-21	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 20 to FY 21
Capital Sewer Service Charges	\$ 7,940,160	\$ 8,422,128	\$ 8,669,472	2.94%
Property Taxes	2,335,914	2,382,632	1,671,396	-29.85%
Connection Charges	461,200	475,200	489,600	3.03%
Collector/Special Equalization Chgs	2,000	1,000	1,000	0.00%
Interest Income	125,000	120,000	20,000	-83.33%
Grant Revenue	151,000	0	0	0.00%
Other Revenue	20,000	20,000	20,000	0.00%
Total Capital Revenues:	\$11,035,274	\$11,420,960	\$10,871,468	-4.81%

Capital Expenditures

The proposed Capital Improvement Program (CIP) Budget for FY 20-21 is \$14,619,350 or \$1,889,394 or 14.8% more than last year. Capital projects for FY 20-21 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

On-going major capital project work, including Collection System Improvements, Pump Station Rehabilitation Projects, potential Cogeneration/Alternative Energy Projects, and vehicle replacements.

Continuing work on regional efforts including recycled water projects through the North Bay Water Reuse Authority (NBWRA); Novato Creek Watershed projects with the County of Marin; and with the State Coastal Conservancy (SCC) on the District’s Outfall pipeline in the Hamilton Wetlands area.

Debt service of \$6,529,350 including principal and interest payments on the District’s 2017 Revenue Refunding Bonds and 2019 Revenue Bonds.

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

Capital Expenditures	FY 18-19	FY 19-20	FY 20-21	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 20 to FY 21
Capital Projects	\$6,803,000	\$5,900,000	\$8,090,000	37.12%
Debt Service	6,839,456	6,829,956	6,529,350	-4.4%
Total	\$13,642,456	\$12,729,956	\$14,619,350	14.8%

Debt Coverage Ratio (DCR): In the 2011 Certificates of Participation (COP) Installment Sale Agreement, the District agreed to collect rates and charges each fiscal year that would be sufficient to yield net revenues equal to at least 120 percent of the installment payments on the COPs and all parity debt in the fiscal year, or a target DCR of 1.20.

In October 2017, the District retired these COPs by issuing the 2017 Revenue Refunding Bonds without extending the term of the original loan, thereby saving the District over \$2 million in debt service. In August 2019, the District refinanced the State of California Clean Water Revolving Fund loan by issuing its 2019 Wastewater Revenue Refinancing Bonds, again without extending the original loan term, saving the District about \$3.2 million in debt service.

While neither the 2017 Revenue Refunding Bonds nor the 2019 Revenue Refinancing Bonds require disclosure of the DCR, the District's projected DCR of 1.67 for FY 20-21 serves as an indicator of its continuing financial stability.

D. STANDARD & POORS GLOBAL RATING (S&P GLOBAL RATING)

The District's outstanding debt (2017 and 2019 Revenue Refinancing Bonds) continues to carry "AAA" ratings from Standard and Poors Global Rating (S&P Global Rating), which is the rating agency's highest possible rating designation. At this time, the District does not anticipate any change to its "AAA" rating in the FY 20-22 period, relative to COVID-19, PSPS, or broader financial market events.

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

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

Table 7: Comparative Rates of Annual Sewer Service Charges

AGENCY	RATE (\$/yr.)
Sanitary District No. 5 – Belvedere	1,985 ^(b)
City of Mill Valley	1,882 ^(b)
Tamalpais Community Service District	1,771 ^(a)
Sausalito-Marin City Sanitary District ⁽¹⁾	1,555 ^(b)
Sanitary District No. 1 – City of Larkspur	1,445 ^(b)
City of Santa Rosa	1,125 ^(b)
Sanitary District No. 5 - Tiburon	1,034 ^(b)
Ross Valley Sanitary District (SD#1)	1,024 ^(b)
Las Gallinas Valley Sanitary District	968 ^(b)
City of Petaluma	920 ^(a)
City of San Rafael	861 ^(b)
Napa Sanitation District	739 ^(b)
Vallejo Sanitation & Flood Control District	715 ^(b)
NOVATO SANITARY DISTRICT	657 ^(b)
Town of Corte Madera	498 ^(a)

Notes:⁽¹⁾Includes SMCSO charge of \$906 & City of Sausalito charge of \$649; ^(a) FY 19-20 charges; ^(b) FY 20-21 (proposed or adopted)

In conclusion, the proposed FY 20-21 budget will be able to accomplish the District's commitments to achieving the key goals set forth in its Strategic Plan while maintaining reasonable rates for its customers.

Sincerely,

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

LAURA CREAMER, CPA
Finance Officer

Additional Charts for Informational Purposes:

Figure 1:

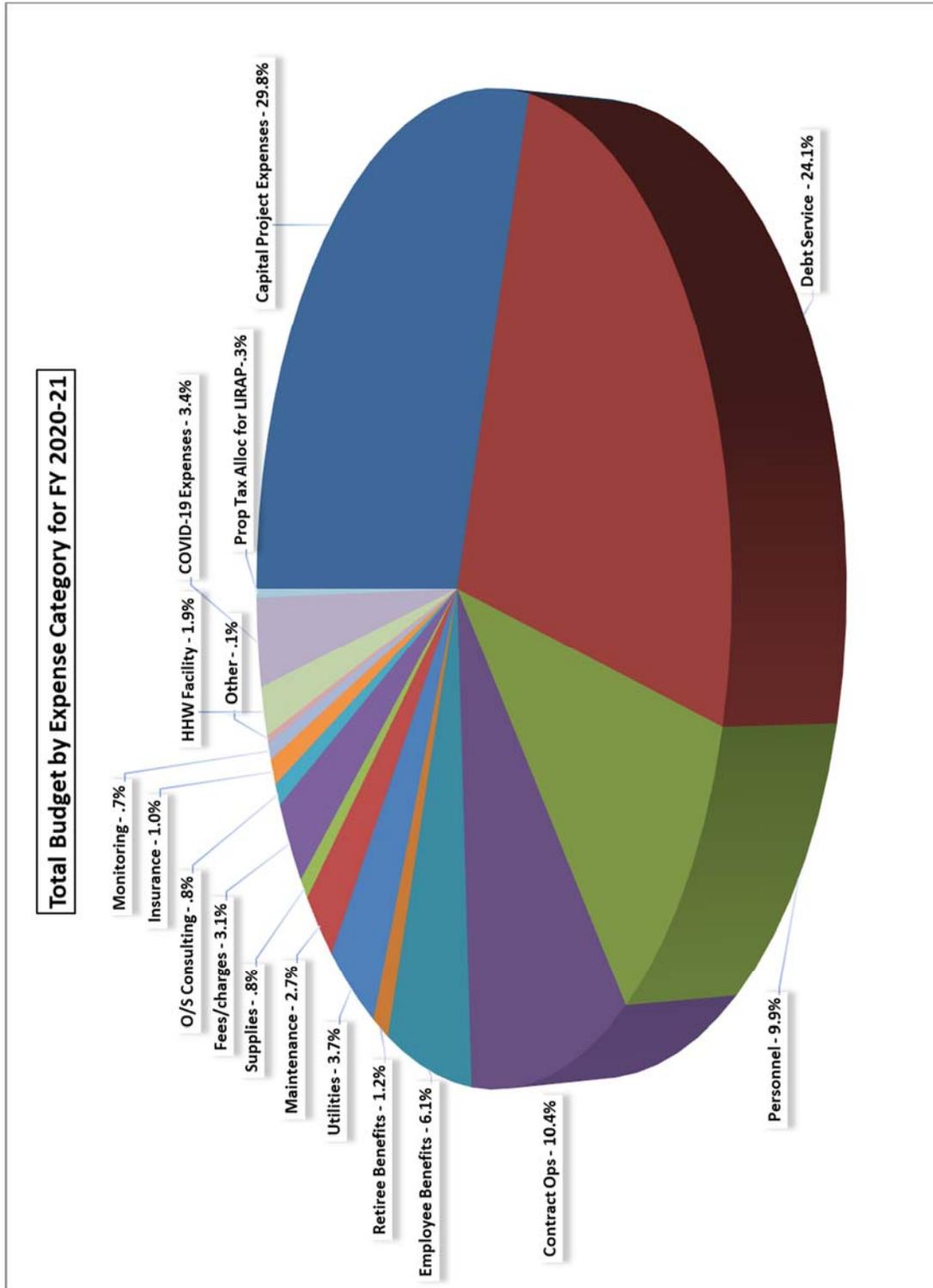


Figure 2:

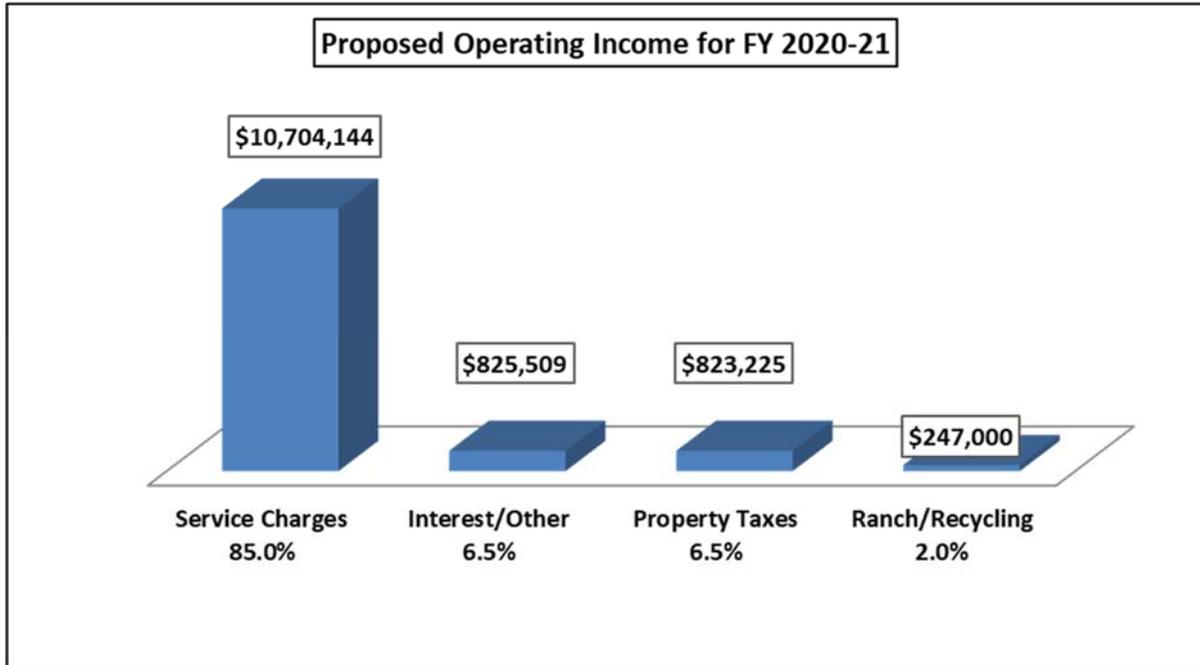


Figure 3:

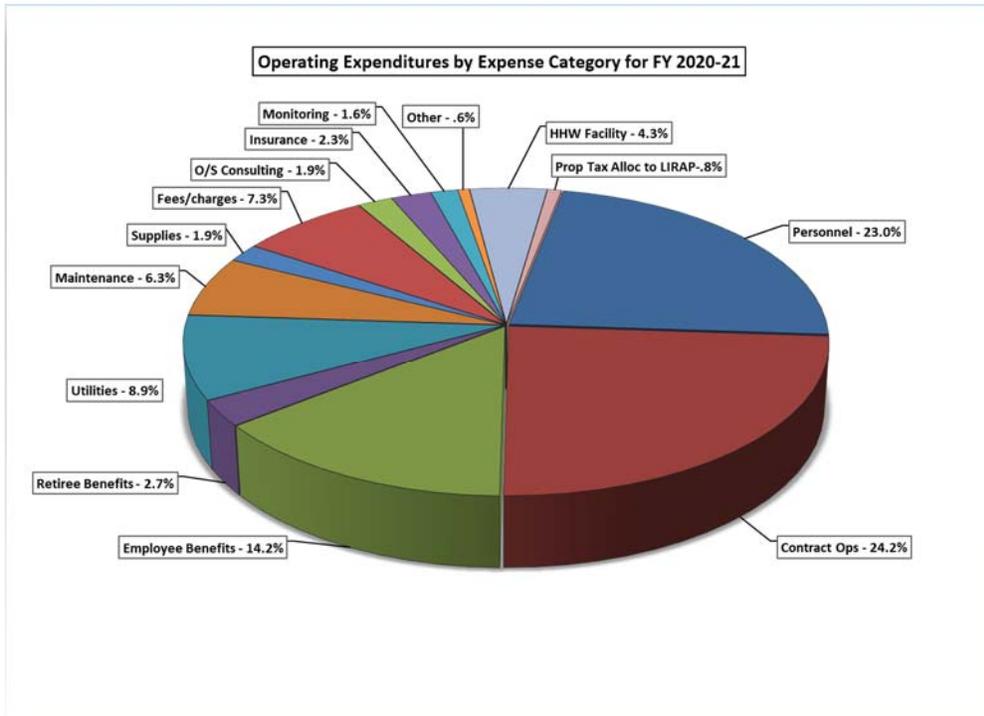


Figure 4:

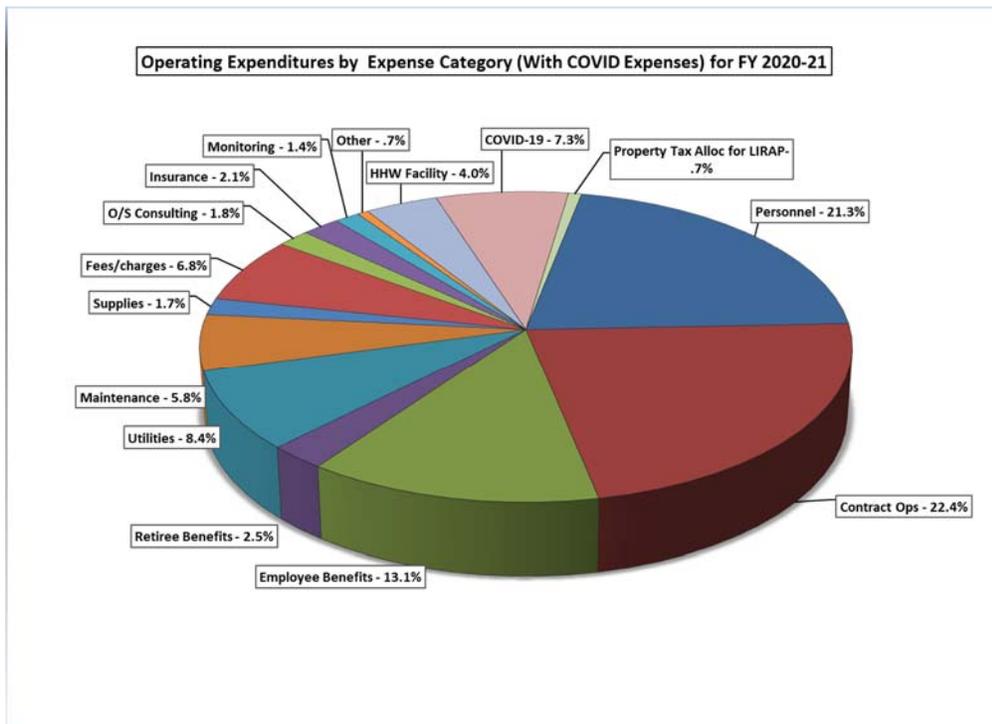


Figure 5:

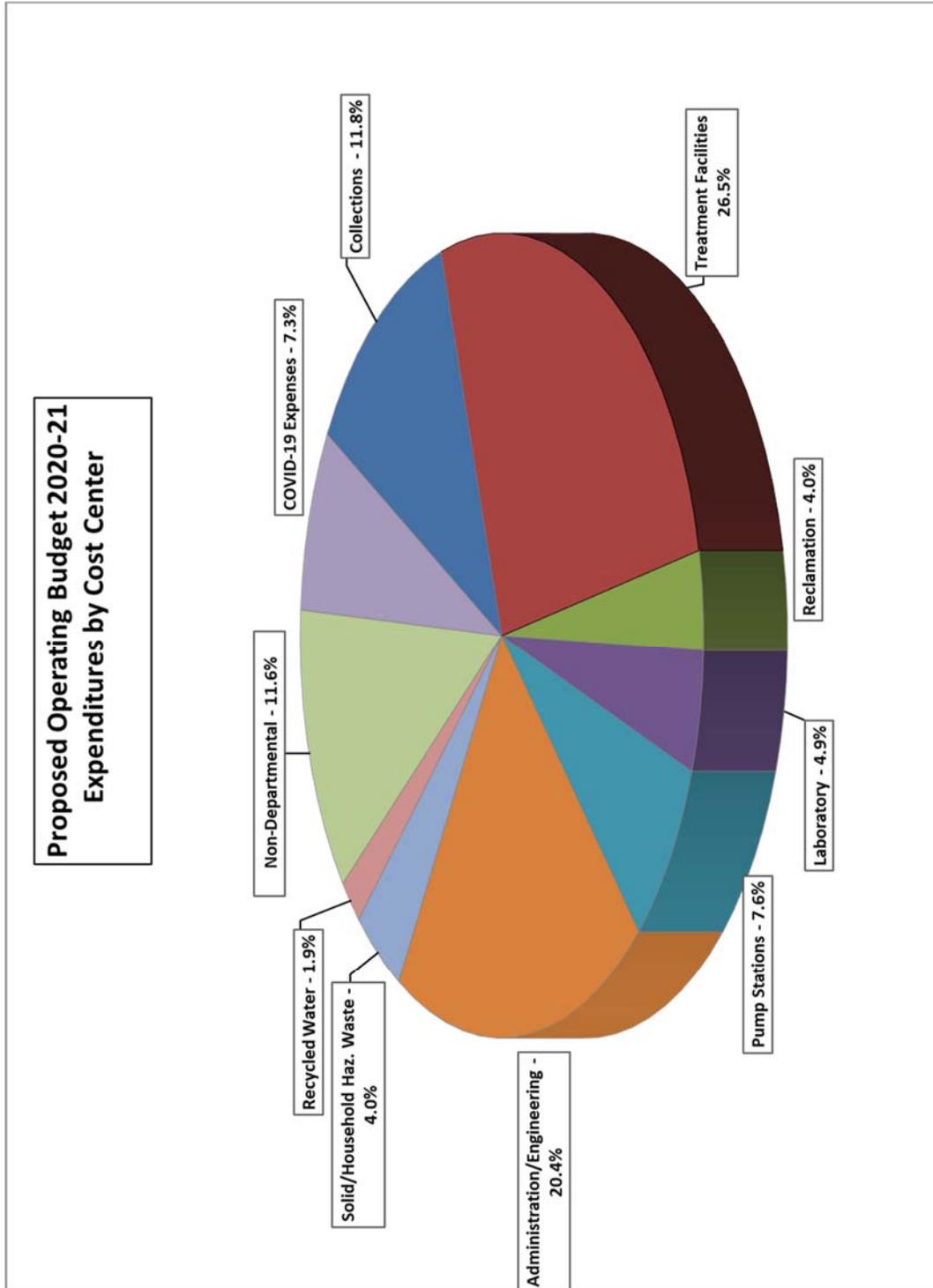
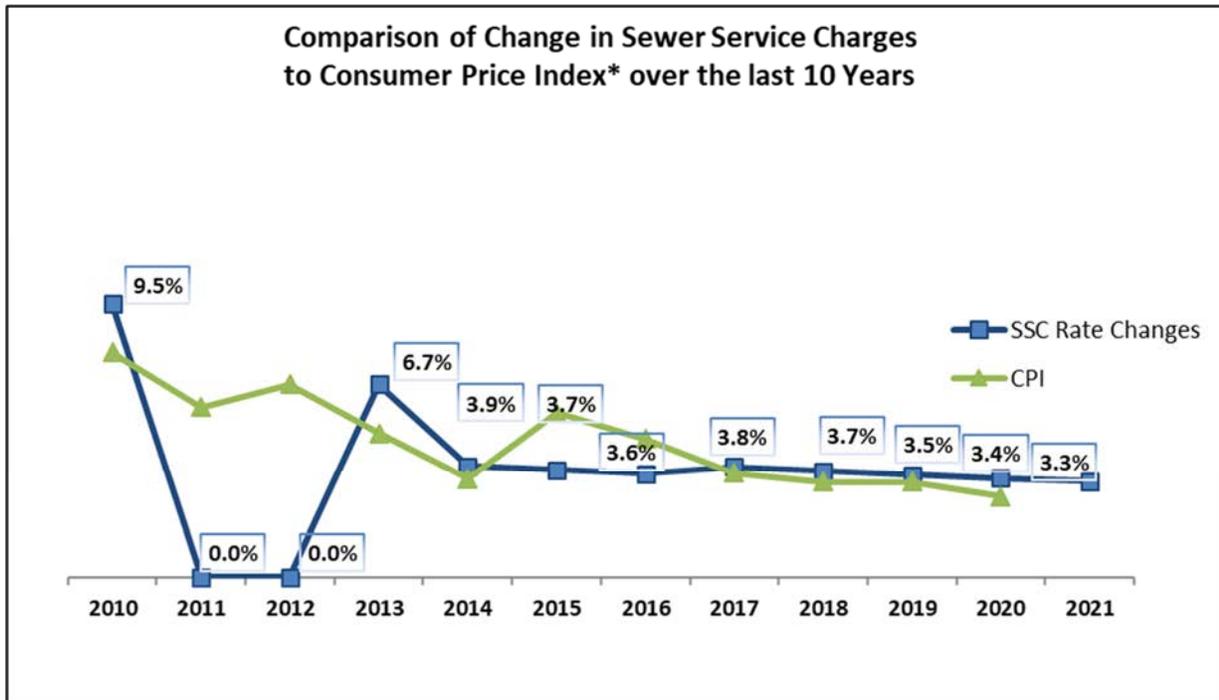


Figure 6:



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

SECTION I

SUMMARY OF FUND BALANCES

**Novato Sanitary District
2020-22 Budget
Summary of Fund Balances**

	Adopted ⁽¹⁾	Actual	Final	Preliminary
	Budget 2019-20	Rev/Exp 2019-20	Budget 2020-21	Budget 2021-22
Operating Fund at July 1st Beginning of Each Year	14,050,274	14,075,547	14,211,286	12,712,487
Operating Revenue (p. 4)	11,534,649	11,808,516	12,599,878	12,664,405
Operating Expenditures (p. 5)	11,423,358	10,120,610	12,544,945	12,548,113
Net Operating Revenue	111,291	1,687,906	54,933	116,292
Operating Fund Balances before transfers at Year End	14,161,565	15,763,453	14,266,219	12,828,779
Transfers Out - to Rate Stabilization Fund (RSF)	52,167	52,167	53,732	55,344
Transfers Out - to Capital Improvement Fund	1,500,000	1,500,000	1,500,000	2,000,000
Operating Fund Balances after transfers at the End of Each Year	12,609,398	14,211,286	12,712,487	10,773,435
Capital Improvement Fund at July 1st Beginning of Each Year	10,405,062	10,403,231	13,226,112	10,903,230
Capital Revenue (p. 20)	11,420,960	12,328,169	10,871,468	10,932,456
Transfers In ⁽²⁾	1,500,000	1,500,000	1,500,000	2,000,000
Total Capital Revenue and Fund Transfers	12,920,960	13,828,169	12,371,468	12,932,456
Capital Expenditures (p. 21)	5,900,000	4,092,123	8,090,000	8,410,000
Debt Service (p. 35)	6,829,956	6,163,165	6,529,350	6,526,600
Transfers Out ⁽³⁾	750,000	750,000	75,000	100,000
Total Capital Expenditures and Fund Transfers	13,479,956	11,005,288	14,694,350	15,036,600
Capital Improvement Fund Balances after transfers at the End of Each Year	9,846,066	13,226,112	10,903,230	8,799,086
Wastewater Capital Reserve Fund (WCRF), Fund Balance at the End of Each Year (p. 30)	1,074,653	1,074,653	1,149,653	1,249,653
Rate Stabilization Fund (RSF), Fund Balance at the End of Each Year (p. 32)	1,791,079	1,791,079	1,844,811	1,900,156
Fund Balances at The End of Each Year	25,321,195	30,303,130	26,610,181	22,722,330

⁽¹⁾ As amended by Board action of 12/09/2019 to accommodate Public Safety Power Shutdown (PSPS) and Cogen/Alt Energy Related Projects.

⁽²⁾ From Operating Fund Balances.

⁽³⁾ To Wastewater Capital Reserve Fund.

SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

**Novato Sanitary District
2020-22 Operating Budget
Summary of Revenues**

Operating Revenue Center - 41000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Revenues 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
41010 · Sewer Service Charges (1)	10,145,760	10,306,800	10,515,319	11,441,344	10,704,144	10,718,664
41015 · Property Tax allocation (2)	0		0	0	823,225	839,689
41030 · Plan Check & Inspection Fee	500	500	49,577	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	5,730	6,000	6,000	6,000
41060 · Interest Income(3)	120,000	180,000	304,521	30,000	30,000	31,500
41080 · Engineering & Admin Charges	165,000	165,000	110,506	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (4)	25,000	30,000	35,853	30,000	30,000	30,000
41100 · Garbage Franchise Fees	55,041	58,210	60,113	59,740	59,740	61,532
41105 · AB 939 Collector Fees	400,772	434,260	434,260	452,303	452,303	468,519
41107 · Oil Grant/JPA Reimb (5)	62,729	52,009	51,536	51,966	51,966	52,000
41130 · Ranch Income	70,000	40,000	(24,429)	10,000	10,000	10,000
41135 · Recycled Water Revenue	202,000	231,870	234,916	237,000	237,000	251,000
41140 · Other Revenue (6)	20,000	20,000	20,614	20,000	20,000	20,000
41142 · Gain/Loss - disposal of assets	10,000	10,000	10,000	10,000	10,000	10,000
Totals	11,282,802	11,534,649	11,808,516	12,513,853	12,599,878	12,664,405

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For 2020/21 the charge is \$657 split between operating (\$363) and capital (\$294).
 - For 2021/22 the charge is \$657, with no rate increase from prior year, split between operating (\$363) and capital (\$294).
- (2) Reflects allocation of Property tax revenues between operating (33%) and capital (67%).
- (3) Reflects assumption of significant decline in interest rates.
- (4) Includes application fees, permits and monitoring charges.
- (5) Oil Grant ~ \$15,060/ JPA Reimb Fees \$36,000
- (6) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMITATION

The appropriations limitation, pursuant to Article XIII B of the California Constitution, is determined to be \$7,057,724 for the FY20-21.

**Novato Sanitary District
2020-22 Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
60000 · Collections	1,371,942	1,414,791	1,262,635	1,478,845	1,478,231	1,496,228
61000 · Treatment Facilities	3,266,628	3,345,819	3,065,050	3,409,561	3,323,268	3,427,646
63000 · Reclamation	490,972	513,974	454,696	498,269	498,244	479,225
64000 · Laboratory	583,410	591,048	554,455	613,180	613,180	627,885
65000 · Pump Stations	835,226	851,343	804,395	938,739	958,212	1,003,666
66000 · Administration/Engineering	2,188,599	2,561,751	2,254,003	2,565,576	2,564,593	2,635,583
67000 · Solid/Household Haz. Waste	463,501	486,269	318,883	504,269	504,269	520,519
68000 · Recycled Water	202,000	231,870	234,916	237,000	237,000	251,000
69000 · Non-Departmental*	1,338,212	1,426,493	1,164,178	1,351,645	1,451,646	1,481,362
69300 · COVID-19 Expenses (1)	0	0	7,399	915,408	916,302	625,000
TOTALS	10,740,490	11,423,358	10,120,610	12,512,491	12,544,945	12,548,113

*District-wide allocations

(1) New cost center due to COVID-19 impact.

Novato Sanitary District														
2020-21 Final Operating Budget														
Operating Budget:By Cost Center and Account Category														
	Treatment Facilities	Recl	L-M	Pump Stations	Collection System	A-E	HHW Program	Recycled Water	Non-Departmental	COVID-19 Impact	Total	As Percent of Budget	Over/Under PY Budget	% Over/Under PY Budget
Salaries and Wages		93,786		355,629	705,316	1,407,917					2,562,648	20.43%	75,478	3.03%
Contract Services (Operations & Lab)	2,341,809		405,180					66,000			2,812,989	22.42%	91,356	3.36%
Employee Benefits		26,957		147,723	354,915	688,976					1,218,571	9.71%	100,182	8.96%
Retiree Health Benefits									319,243		319,243	2.54%	(109,091)	-25.47%
Pension Expense(Trust)									416,603		416,603	3.32%	55,244	15.29%
Directors' Fees							23,400				23,400	0.19%	(9,000)	-27.78%
Election Expense									60,000		60,000	0%	(35,000)	-36.84%
Gasoline, Oil & Fuel		1,000	500	6,560	20,000	2,700					30,760	0.25%	2,260	7.93%
Insurance	14,000								204,000		218,000	1.74%	37,000	20.44%
Ins Claims Expense									45,000		45,000	0.36%	-	0.00%
Agency Dues									76,800		76,800	0.61%	2,000	2.67%
Memberships/Certifications									11,000		11,000	0.09%	1,000	10.00%
Office Expense						28,000					28,000	0.22%	-	0.00%
Safety		1,000	1,000	4,000	5,700	3,300					15,000	0.12%	(1,200)	-7.41%
Software Maint		2,000	1,000	7,000	60,000						70,000	0.56%	23,500	50.54%
Operating Supplies		2,000	20,500	10,000	28,000	5,000		5,000			70,500	0.56%	3,600	5.38%
Operating Chemicals				0				74,000			74,000	0.59%	1,880	2.61%
Sludge Disposal-Contractual		225,000									225,000	1.79%	-	0.00%
Accounting & Auditing						31,000					31,000	0.25%	1,000	3.33%
Attorney									55,000		55,000	0.44%	5,000	10.00%
Outside Consulting						226,000					226,000	1.80%	(57,000)	-20.14%
IT/Misc. Electrical						49,300					49,300	0.39%	(7,700)	-13.51%
Safety & Wellness Incentive Program									10,000		10,000	0.08%	-	0.00%
Printing & Publication									15,000		15,000	0.12%	(9,000)	-37.50%
Repairs & Maintenance		60,000	16,500	125,000	75,000	85,000		35,000			396,500	3.16%	(9,250)	-2.28%
PSPS Costs				45,000							45,000	0.36%	45,000	100.00%
Unusual Equipment Maint	150,000										150,000	1.20%	-	0.00%
Small Tools		500		2,100	2,000						4,600	0.04%	100	2.22%
Outside Services				77,500	125,000						202,500	1.61%	2,500	1.25%
Ditch/Dike Maintenance		11,000									11,000	0.09%	-	0.00%
Research & Monitoring			131,000					14,000			145,000	1.16%	1,000	0.69%
Travel, Mtgs & Train.									76,000		76,000	0.61%	(15,000)	-16.48%
Pollution Prevention/Pub. Ed.			30,000								30,000	0.24%	(10,000)	-25.00%
Gas & Electricity	727,460	65,000		118,000				43,000			953,461	7.60%	(99,372)	-9.44%
Water		5,000		7,200	12,000						24,200	0.19%	200	0.83%
Telephone				45,000	4,000	14,000					63,000	0.50%	4,500	7.69%
Other/Operational Assistance						1,300					1,300	0.01%	600	85.71%
Permits & Fees	90,000	5,000	7,500	7,500	85,000			0			195,000	1.55%	2,500	1.30%
Co. Collection Fees									68,000		68,000	0.54%	3,000	4.62%
Ser. Chg. System Exp								5,000			5,000	0.04%	-	0.00%
Property Tax allocation to LIRAP									90,000		90,000	0.72%	90,000	100.00%
COVID-19 Impact										916,302	916,302	7.30%	916,302	100.00%
AB 939 Solid Waste Programs							504,269				504,269	4.02%	18,000	3.70%
Subtotal before Pass through expenses	3,323,268	498,244	613,180	958,212	1,478,231	2,564,593	504,269	237,000	1,451,646	916,302	12,544,945	100.00%	1,121,589	9.82%
Pass through expenses							(504,269)	(237,000)			(741,269)	-6.81%	(23,130)	
Less: COVID-19										(916,302)		-8.42%	(916,302)	
Total	3,323,269	498,244	613,180	958,212	1,478,231	2,564,593	0	0	1,451,646	0	10,887,374	84.78%	182,157	1.70%
	30.52%	4.58%	5.63%	8.80%	13.58%	23.56%	0.00%	0.00%	13.33%	0.00%	100.00%			

(1): Note the one time emergency expense of approximately \$916k due to COVID-19 increases the budget impact from 1.70% to 9.82%.

SECTION III

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

**Novato Sanitary District
2020-22 Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
60010 · Salaries & Wages	666,060	679,353	652,635	705,316	705,316	740,517
60020 · Employee Benefits	318,682	328,737	327,603	356,129	354,915	385,411
60060 · Gas, Oil & Fuel	15,000	18,000	17,558	20,000	20,000	21,000
60085 · Safety	3,500	5,500	3,749	5,700	5,700	6,000
60091 · Software Maint	50,000	35,000	19,133	60,000	60,000	75,000
60100 · Operating Supplies	25,000	25,000	19,297	28,000	28,000	28,000
60150 · Repairs & Maint	75,000	75,000	69,486	75,000	75,000	77,000
60152 · Small Tools	2,000	2,000	532	2,000	2,000	2,000
60153 · Outside Services	120,000	145,000	121,352	125,000	125,000	125,000
60192 · Water	12,000	12,000	10,635	12,000	12,000	12,000
60193 · Telephone	4,000	3,500	2,612	4,000	4,000	4,000
60200 · Other(Garbage Coll)	700	700	1,200	700	1,300	1,300
60201 · Permits & Fees	80,000	85,000	16,843	85,000	85,000	19,000
	1,371,942	1,414,791	1,262,635	1,478,845	1,478,231	1,496,228

**Novato Sanitary District
2020-22 Budget
Operating Budget - Treatment Facilities**

Treatment Facilities - Cost Center - 61000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
61000-1 · Fixed Fee(1)	2,262,042	2,275,786	2,200,786	2,341,810	2,341,809	2,409,814
61000-2 · Insurance & Bonds	14,000	14,000	11,112	14,000	14,000	14,000
61000-3 · Major Repair/Replcmnt	150,000	150,000	106,646	150,000	150,000	150,000
61000-4 · Water/Permits/Phone	85,000	90,000	85,179	90,000	90,000	90,000
61000-5 · Gas & Electricity(2)	755,586	816,033	661,327	813,750	727,460	763,833
	3,266,628	3,345,819	3,065,050	3,409,561	3,323,268	3,427,646

Comments:

- (1) Fixed fee - 3% increase from prior year, and an allowance for contractual incentive payment.
FY21/22 - $\$188900.79 \times 12 = 2,266,809 + 75,000 = \$2,341,809$
- (2) Assumes 10% increase for purchased utility power based on actual expenditures for 2019-20.

**Novato Sanitary District
2020-22 Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
63010 · Salaries & Wages	86,021	86,909	87,907	93,786	93,786	97,675
63020 · Employee Benefits	22,951	24,565	17,978	26,983	26,957	28,549
63060 · Gasoline & Oil	2,000	1,000	841	1,000	1,000	1,000
63085 · Safety	500	1,500	0	1,000	1,000	1,000
63091 · Software Maint	2,000	2,000	1,000	2,000	2,000	2,000
63100 · Operating Supplies	2,000	2,000	1,294	2,000	2,000	2,000
63115 · Sludge Disposal	220,000	225,000	211,450	225,000	225,000	225,000
63150 · Repairs & Maint	60,000	70,000	54,001	60,000	60,000	60,000
63152 · Small Tools	500	500	509	500	500	500
63157 · Ditch/Dike Maint	10,000	11,000	1,700	11,000	11,000	11,000
63191 · Gas & Electricity	75,000	80,000	71,471	65,000	65,000	40,000
63192 · Water	5,000	5,000	787	5,000	5,000	5,000
63201 · Permits & Fees	5,000	4,500	5,758	5,000	5,000	5,500
	490,972	513,974	454,696	498,269	498,244	479,225

**Novato Sanitary District
2020-22 Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
64010 · Contract Lab Services (1)	378,910	379,848	375,491	405,180	405,180	416,885
64060 · Gasoline & Oil	1,500	500	231	500	500	500
64085 · Safety	1,000	1,000	0	1,000	1,000	1,000
64091 · Software Maintenance	1,000	1,000	0	1,000	1,000	1,000
64100 · Operating Supplies	20,000	20,500	19,621	20,500	20,500	21,000
64150 · Repairs & Maintenance	10,000	12,200	9,423	16,500	16,500	12,700
64160 · Research & Monitoring	125,000	130,000	126,522	131,000	131,000	132,000
64170 · Pollution Prev/Public Ed	40,000	40,000	16,815	30,000	30,000	35,000
64201 · Permits & Fees	6,000	6,000	6,352	7,500	7,500	7,800
	583,410	591,048	554,455	613,180	613,180	627,885

Comments:

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

**Novato Sanitary District
2020-22 Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
65010 · Salaries & Wages	345,078	337,492	327,753	355,629	355,629	374,576
65020 · Employee Benefits	144,149	136,951	133,568	148,250	147,723	159,090
65060 · Gasoline & Oil	5,000	6,400	7,941	6,560	6,560	6,800
65085 · Safety	2,000	4,000	3,735	4,000	4,000	4,500
65091 · Software Maintenance	7,000	8,500	5,551	7,000	7,000	7,000
65100 · Operating Supplies	10,000	10,000	9,377	10,000	10,000	10,500
65101 · Operating Chemicals	2,000	0	0	0	0	0
65150 · Repairs & Maintenance	120,000	120,000	120,371	125,000	125,000	126,000
65152 · Small Tools	2,000	2,000	508	2,100	2,100	2,200
65153 · Outside Services(1)	55,000	55,000	31,233	57,500	77,500	82,000
65191 · Gas & Electricity	105,000	115,000	116,891	118,000	118,000	124,000
65192 · Water	7,000	7,000	7,171	7,200	7,200	7,500
65193 · Telephone	24,000	42,000	35,647	45,000	45,000	46,000
65201 · Permits & Fees	7,000	7,000	4,649	7,500	7,500	7,500
65300 · PSPS Cost	0	0	0	45,000	45,000	46,000
	835,226	851,343	804,395	938,739	958,212	1,003,666

**Novato Sanitary District
2020-22 Budget
Operating Budget - Administration/Engineering**

Administration and Engineering Cost Center - 66000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
66010 · Salaries & Wages	1,208,103	1,383,416	1,249,052	1,407,917	1,407,917	1,476,083
66020 · Employee Benefits	541,496	628,135	631,867	690,459	688,976	756,800
66030 · Director's Fees	34,000	32,400	20,250	23,400	23,400	23,400
66060 · Gasoline & Oil	5,000	2,600	2,539	2,700	2,700	2,800
66085 · Safety	2,000	4,200	1,613	3,300	3,300	3,300
66090 · Office Expense	28,000	28,000	16,772	28,000	28,000	27,000
66100 · Admin/Engineering Supplies	5,000	5,000	1,967	5,000	5,000	5,000
66121 · Accounting & Auditing	28,000	30,000	28,526	31,000	31,000	32,000
66123 · O/S Contractual	231,000	283,000	197,117	226,000	226,000	196,000
66124 · IT/Misc Electrical	43,000	57,000	42,470	49,300	49,300	33,700
66150 · Repairs & Maintenance	50,000	95,000	46,295	85,000	85,000	65,000
66193 · Telephone	13,000	13,000	15,535	13,500	14,000	14,500
	2,188,599	2,561,751	2,254,003	2,565,576	2,564,593	2,635,583

**Novato Sanitary District
2020-22 Budget
Operating Budget - Solid/Household Hazardous Waste**

Solid/HHW Cost Center - 67000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
67400 · Management Services	142,464	147,500	79,920	150,000	150,000	155,250
67500 · Household Haz. Waste	260,000	292,000	208,005	310,000	310,000	320,000
67530 · Used Oil Grant	11,269	11,269	4,680	11,269	11,269	11,269
67530-1 Beverage Container Grant	11,268	0	0	0	0	0
67540 · Education/Public Outreach	23,500	20,500	13,794	18,000	18,000	19,000
67600 · Other	5,000	5,000	2,484	5,000	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000	10,000
	463,501	486,269	318,883	504,269	504,269	520,519

Comments:

Per proposed budget by HHW Coordinator.

**Novato Sanitary District
2020-22 Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
68010 · O & M Services	55,000	66,000	90,471	66,000	66,000	66,000
68100 · Operating Supplies	4,400	4,400	4,445	5,000	5,000	5,500
68101 · Operating Chemicals	60,100	72,120	54,902	74,000	74,000	81,400
68150 · Repairs & Maintenance	30,500	33,550	21,880	35,000	35,000	36,850
68160 · Research & Monitoring	14,000	14,000	24,103	14,000	14,000	14,000
68191 · Gas & Electricity	38,000	41,800	39,115	43,000	43,000	47,300
	202,000	231,870	234,916	237,000	237,000	251,000

**Novato Sanitary District
2020-22 Budget
Operating Budget - Non-Departmental**

Non-Departmental (District-wide allocations) Cost Center - 69000	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22
Accounts						
69021 · Retiree Health Benefits(1)	218,550	226,673	201,661	214,142	193,612	209,101
69021-1 · Retiree Health Benefits(2)	212,146	201,661	202,135	105,100	125,631	118,921
69022 · Pension Expense (3)	290,016	361,359	361,359	416,603	416,603	478,700
69040 · Election Expenses	90,000	95,000	29,447	60,000	60,000	0
69070 · Insurance	180,500	167,000	169,169	194,000	204,000	223,000
69071 · Insurance Claim Expense	45,000	45,000	0	45,000	45,000	45,000
69075 · Agency Dues	66,000	74,800	68,352	76,800	76,800	80,640
69080 · Memberships/Certifications	14,000	10,000	9,070	11,000	11,000	11,000
69122 · Attorney Fees	50,000	50,000	6,851	55,000	55,000	55,000
69125 · Safety & Wellness Incent Prog	10,000	10,000	0	10,000	10,000	10,000
69130 · Printing & Publications	24,000	24,000	1,206	15,000	15,000	15,000
69170 · Board Travel & Training	19,000	26,000	17,109	22,000	22,000	20,000
69171 · Staff Travel & Training	51,000	65,000	39,125	54,000	54,000	50,000
69201 · Prop Tax allocation to LISRAP	0	0	0	0	90,000	90,000
69202 · County Fees-Property Taxes	33,000	33,000	29,410	35,000	35,000	36,000
69203 · County Fees-Sewer Ser Chg	30,000	32,000	28,924	33,000	33,000	34,000
69250 · Service Charge Sys Exp	5,000	5,000	360	5,000	5,000	5,000
	1,338,212	1,426,493	1,164,178	1,351,645	1,451,646	1,481,362

Comments:

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

(2) Represents FY 20-22 Unfunded Actuarial Liability (UAL) contributions into the PARS Trust (OPEB sub-account) established November 2016.

(3) Represents FY 20-22 projected contributions to PARS Trust (Pension sub-account).

*PARS = Public Agency Retirement Services.

LISRAP = Low Income Sewer Rate Assistance Program

OPEB = Other Post-Employment Benefits.

**Novato Sanitary District
2020-22 Budget
Operating Budget - COVID-19 Expenses**

COVID-19 Expenses Cost Center - 69300	Adopted Budget 2018-19	Adopted Budget 2019-20	Actual Expenses 2019-20	Adopted Preliminary Budget 2020-21	Final Budget 2020-21	Preliminary Budget 2021-22(2)
Accounts						
69300 · COVID19 SSC Red. Prog. (1)	0	0	0	894,408	895,302	600,000
69323 · O/S Contractual	0	0	0	10,000	10,000	12,000
69324 · IT/Misc. Expenses	0	0	4,451	6,000	6,000	7,000
69385 · Safety Supplies/Equipment	0	0	2,948	5,000	5,000	6,000
	0	0	7,399	915,408	916,302	625,000

Comments:

(1) Sewer Service Charge (SSC) refunds to commercial and institutional customers with minimal/no wastewater discharge to District facilities during COVID-19 related Shelter-in-Place (SIP) shutdowns from March 17-May 31, 2020.

(2) Given the unknowns of COVID-19, it is difficult to estimate FY 21-22 expenses for this cost center. Therefore, expenses for the Preliminary FY 21-22 budget may be significantly different than shown, and adjustments will be required as part of the FY 21-22 budget planning, which will begin in early CY 2021.

SECTION IV

CAPITAL IMPROVEMENT BUDGET

**Novato Sanitary District
2020-22 Budget
Capital Improvement Budget - Summary of Revenues**

Capital Fund	Adopted	Adopted	Actual	Adopted	Final	Preliminary
Revenue Center - 51000	Budget	Budget	Revenue	Preliminary	Budget	Budget
	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22
Accounts						
Capital Improvement Income						
51010 · Sewer Service Charges(1)	7,940,160	8,422,128	8,597,007	7,932,272	8,669,472	8,681,232
51015 · Property Taxes	2,335,914	2,382,632	2,494,621	2,430,285	1,671,396	1,704,824
51015-1 · Redevelopment Agency(2)	0	0	85,418	0	0	0
51020 · Connection Charges(3)	461,200	475,200	837,883	489,600	489,600	504,400
51030 · Collector Sewer Charges	1,000	0	0	0	0	0
51040 · Special Equalization Chrg	1,000	1,000	78,270	1,000	1,000	1,000
51060 · Interest	125,000	120,000	234,970	20,000	20,000	21,000
51070 · Other Revenue	20,000	20,000	0	20,000	20,000	20,000
51072 · Grant Revenue - RWF	151,000	0	0	0	0	0
Total Capital Improvement Income	11,035,274	11,420,960	12,328,169	10,893,157	10,871,468	10,932,456
Comments:						
(1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The SSC allocations are as follows:						
- For 2020/21 the charge is \$657 split between operating (\$363) and capital (\$294).						
- For 2021/22 the charge is \$657, with no rate increase from prior year, split between operating (\$363) and capital (\$294).						
(2) Redevelopment Agency (RDA) revenues are being shown separately as the District continues to receive them from the dissolution and distribution of assets of these agencies. However, these RDA fund distributions are difficult to predict, and are set to zero for budget purposes.						
(3) Connection Charges projected at 40 new connections each year.						
- Per District Ordinance No. 119, the connection charge beginning July 1, 2020 is \$12,240 per EDU, and increases by 3% on July 1, 2021 to \$12,610 per EDU.						

**Novato Sanitary District
2020-22 Budget
Capital Improvement Budget - CIP Expenditures**

	Adopted	Adopted ⁽¹⁾	Actual	Adopted		
Capital Improvements	Budget	Budget	Expenses	Preliminary	Final	Preliminary
Cost Centers - 72000, 73000, & 78500	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22
Accounts						
72112 · Network and SCADA Upgrades ⁽²⁾	0	0	0	225,000	225,000	75,000
72403 · Pump Station Rehabilitation	50,000	515,000	116,271	1,650,000	1,650,000	3,050,000
72508 · North Bay Water Reuse Authority (NBWRA)	80,000	25,000	14,081	25,000	25,000	25,000
72706 · Collection System Improvements	2,450,000	2,790,000	2,713,091	2,940,000	2,505,000	2,950,000
72706-1 · Lateral Replacement Program	80,000	60,000	32,000	60,000	60,000	60,000
72707 · Hamilton Wetlands/Outfall Integration	10,000	10,000	12,659	10,000	10,000	10,000
72708 · Cogeneration/Alt. Energy	350,000	1,010,000	103,206	1,075,000	1,100,000	775,000
72802 · Annual Sewer Adj. for City Proj	25,000	25,000	37,145	30,000	50,000	60,000
72803 · Annual Collection Sys Repairs	225,000	100,000	66,183	105,000	105,000	110,000
72804 · Annual Reclamation Fac Improvements	175,000	200,000	117,294	355,000	535,000	145,000
72805 · Annual Treatment Plant Improvements	300,000	350,000	187,263	100,000	100,000	100,000
72806 · Annual Pump Station Improvements	140,000	175,000	174,847	240,000	240,000	220,000
72807 · Annual Ignacio Facility Improvements	50,000	50,000	44,420	75,000	75,000	75,000
72808 · Strategic Plan Update	20,000	20,000	0	20,000	20,000	20,000
72809 · Novato Creek Watershed	5,000	5,000	0	5,000	5,000	5,000
73003 · Admin Building Upgrade/Maint. Building	350,000	150,000	96,391	350,000	350,000	130,000
73004 · Odor Control and NTP Landscaping	100,000	50,000	34,266	50,000	50,000	50,000
73005 · RWF Expansion (3)	2,020,000	(295,000)	(293,979)	0	0	0
73006 · NTP Corrosion Control	233,000	55,000	70,632	380,000	480,000	100,000
73007 · Solids Management	0	0	0	175,000	175,000	185,000
73090 · Vehicle Replacement	140,000	605,000	566,353	330,000	330,000	265,000
Subtotal before Debt Service	6,803,000	5,900,000	4,092,123	8,200,000	8,090,000	8,410,000
78500 · Interest - SRF Loan	1,427,123	1,332,279	140,629	0	0	0
78500 · Principal - SRF Loan	3,951,833	4,046,677	0	0	0	0
78500 · Interest - 2017 Rev. Refunding Bond	670,500	631,000	631,000	590,000	590,000	547,500
78500 · Principal - 2017 Rev. Refunding Bond	790,000	820,000	820,000	850,000	850,000	890,000
78500 · Interest - 2019 Refunding Bond	0	0	1,091,536	2,084,350	2,084,350	1,934,100
78500 · Principal - 2019 Refunding Bond	0	0	3,480,000	3,005,000	3,005,000	3,155,000
Subtotal for Debt Service	6,839,456	6,829,956	6,163,165	6,529,350	6,529,350	6,526,600
Totals	13,642,456	12,729,956	10,255,288	14,729,350	14,619,350	14,936,600

Comments:

- ⁽¹⁾ As amended by Board action of 12/09/2019 to accommodate Public Safety Power Shutdown (PSPS) and Cogen/Alt Energy Related Projects.
- ⁽²⁾ New account.
- ⁽³⁾ Reflect disbursement of \$305,711 by North Marin Water District (NMWD) from joint District/NMWD RWF Capital Replacement and Expansion Fund.

Novato Sanitary District

MEMORANDUM

TO: District Board of Directors

FROM: Sandeep Karkal, General Manager-Chief Engineer
Erik Brown, Deputy General Manager

DATE: August 10, 2020

SUBJECT: FY 20-22 Capital Improvements Program (CIP) Budget – Summary of Anticipated Project Work.

Introduction

This memo presents a summary of the potential or anticipated scope of work for projects and project work included within the various Accounts of the Capital Improvements Program (CIP) budget for FY 20-22. Projected two-year FY 20-22 capital improvement expenditures are presented in the Capital Improvement Budget – CIP Expenditures.

Account No. 72112: Network and SCADA Upgrades

This new account was established to address the need for significant upgrades to the network and Supervisory Control and Data Acquisition (SCADA) systems. The account provides for an Information Technology (IT) Assessment/Master Planning study to commence in the first half of FY 20-21. Subsequently, computer network and SCADA upgrades will commence in the last half of FY 20-21, extending into FY 21-22.

Account No. 72403: Pump Station Rehabilitation

This ongoing account provides for the long-term replacement of the District's wet well/dry well type pump stations with submersible pump-type pump stations. The lift stations that remain to be replaced include the two Vintage Oaks Pump Stations and the Rowland Plaza Pump Station.

In October 2019, the District experienced multiple-day power outages from the Public Safety Power Shutoffs (PSPS) implemented throughout the region. The PSPS events have highlighted the need for several short- and long-term projects to assure resiliency of District operations, including the following four major capital projects:

1. Rowland Plaza Pump Station: Project work is to convert the Gorman Rupp style wet well/dry well pump station to a submersible pump-type station and includes a new emergency generator. Engineering design work commenced in FY 19-20 with construction anticipated in FY 20-21.
2. Marin Village Pump Station: Project to replace the existing wetwell/drypit type pump station with new submersible pump-type station. Engineering design work commenced in FY 19-20 with construction anticipated in the last quarter of FY 20-21, extending into FY 21-22.

3. Ignacio Transfer Pump Station: Project to replace the generator and upgrade switchgear. Engineering design work will commence in FY 20-21 with construction anticipated in FY 21-22, extending into FY 22-23.
4. Olive Pump Station: Project to replace the existing natural gas generator with a new diesel generator and upgrade electrical switchgear and related electrical equipment. Engineering design work commenced in FY 19-20 with construction anticipated in FY 20-21, extending into FY 21-22.

The rehabilitation schedule for the Vintage Oaks pump stations will be impacted by potential development in the Hanna Ranch and Vintage Oaks area, and work is being deferred until the development plans for the area become clearer.

Account No. 72508: North Bay Water Reuse Authority

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). FY 20-21 will be the seventh year of the multi-year Phase 2 NBWRA program, including continuing work for currently over \$75 million in recycled water projects across all NBWRA agencies for funding under the US Bureau of Reclamation Title XVI (WaterSMART) program.

For FY 20-21, the District expects its future Phase 2 participation to be limited to a programmatic level, at least until further recycled water demands are identified by the North Marin Water District (NMWD). Also, any effort to transition the NBWRA program to a more comprehensive North Bay Water Program, would result in a limited role for the District. Therefore, it is anticipated that the District's future participation in this expanded program will occur at a very modest level. Accordingly, the District's preliminary FY 20-22 CIP budget includes only a "placeholder" budget amount of \$25,000 for each of these years.

Account No. 72706: Collection System Improvements

This account includes budget amounts for continuing work on rehabilitating the District's collection system. This fiscal year's project work includes:

1. Closeout work including final paving for the Redwood Blvd Sewer Rehabilitation Project. This Project included the rehabilitation of about 1,850 feet of 12-inch sewer main along Redwood Blvd. between Lamont Avenue and Diablo Avenue. The construction contract was completed in FY 19-20. However, the District decided to complete the final paving as a separate contract that will commence in early FY 20-21.
2. Continuing work on the rehabilitation of 10-inch sewer main in Bel Marin Keys Blvd. This project was bid in FY 18-19 and the lining work was completed in FY 19-20. Approximately 300 feet of the 10-inch sewer main was unable to be lined due to its condition. This account provides for the removal and replacement of this line with new PVC sewer main using traditional cut and cover construction.
3. The rehabilitation of about 150 feet of 6-inch sewer main between Midway Blvd. and Ridgeview Ct. and about 235 feet of 8-inch sewer between S. Novato Blvd. and Cambridge Street. Project design will commence in FY 20-21 with construction anticipated in FY 21-22.
4. Final paving for the Golden Gate Place to Rush Creek Place Sewer Replacement Phase II. The construction contract was completed in FY 19-20, however, the District decided to complete the final paving as a separate contract that will commence in early FY 20-21.

5. Replacement of about 1,500 feet of 10-inch sewer main with new 18-inch PVC sewer main on Center Road from Western Dr. to Eucalyptus Ave. This is the first phase of a multi-phase capacity improvement project identified in the preliminary Collection System Master Plan (CSMP) that will result in rerouting a portion of the sanitary sewer flow from Vineyard Road to Center Road via Eucalyptus Ave. Engineering design work will occur in FY 20-21, with construction potentially occurring in FY 21-22.
6. Replacement of about 560 feet of 6-inch sewer between Elm Drive and East Court. This is a structural rehabilitation project identified as a high priority rating in the preliminary CSMP. Engineering design work will occur in FY 20-21 with construction potentially occurring in FY 21-22.
7. The replacement of about 2,000 feet of sewer main in Del Mar Ave., Hotchkin Dr., and Diablo Ave., with new 10-inch PVC pipe from Hill Rd. to Center Rd. This is a capacity improvement project identified in the preliminary CSMP. Engineering design work will occur in FY 19-20 with construction occurring in FY 20-21, extending into FY 21-22.
8. Replacement and modification of eleven (11) air-relief valve (ARV) structures at various locations throughout the District. Construction commenced in FY 19-20 and will be completed in FY 20-21.
9. Follow up work associated with the Collection System Master Plan (CSMP) in the Project Verification and Implementation Planning effort.
10. Reconstructing and stabilizing approximately 90 feet of the bank of Vineyard Creek near Angelica Court to protect an existing 8-inch diameter VCP sewer main.
11. An allowance for the initial design of the Novato Boulevard Trunk Sewer between Diablo Avenue and Grant Avenue (if the City of Novato revives the Novato Boulevard street widening project).

Account No. 72706-1: Lateral Replacement Program

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

The program seeks to incentivize individual homeowners financially to replace the entire sewer lateral between their residence and the sewer main, and currently provides a grant for half of the replacement cost up to \$2,000 to replace a residential sewer lateral in the District's service area. In FY 19-20, the District budgeted an overall budget amount of \$60,000 for this program. The level of participation for the lateral replacement program in FY 19-20 has been on track with and is likely to exceed participation for the previous year. It is expected that more than half of the budget funds will be expended in FY 19-20. As word continues to get out about the replacement program, staff expect the same or increased level of participation in FY 20-21. Therefore, the District's share, i.e. the maximum individual grant amount will remain at \$2,000 and the overall budget for the program will remain \$60,000 in FY 20-21.

As in prior years, the District will continue to monitor and modulate the maximum individual grant and budget amounts on a yearly basis, based on its ongoing experience, and its goal of incentivizing lateral replacement.

Account No. 72707: Hamilton Wetlands/Outfall Integration

Previously, the District cooperated with the California State Coastal Conservancy (SCC) in a study to examine alternatives for a long-term SCC project to integrate the District's outfall into the SCC's Hamilton Wetlands project.

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

SCC has started construction on Phase I of the BMK Unit V Wetland Restoration Project (Project). The District has entered into an Agreement with SCC to provide reclaimed water for the purposes of soil moisture conditioning, compaction, dust control, and plant irrigation. While all funding to implement this project will be provided by the SCC, this account will continue to retain nominal budget amounts in FY 20-22 to meet any minor or unanticipated District expenses for coordination work with SCC staff.

Account No. 72708: Cogeneration/Alternative Energy

This account will fund the design and construction of a cogeneration project that will utilize digester gas produced in the anaerobic digestion process to produce power that may result in an offset to the District's utility power purchases.

Additionally, this account will fund alternative energy (battery storage and/or solar) and energy efficiency projects. The District also anticipates pursuing grant-funding opportunities for these projects, and the FY 20-21 budget includes funds for initial engineering studies and design, California Environmental Quality Act (CEQA) related work, and assistance with securing grant funding.

Note that the budgeted amounts do not include any potential grants that may be received through programs such as the Clean Water State Revolving Fund Green Project Reserve (GPR), or rebates through the California Public Utility Commission's Self Generation Incentive Program (SGIP).

Account No. 72802: Annual Sewer Adjustment for City Projects

The budget in this account is established annually to compensate the City of Novato or County of Marin for work performed on District facilities through City or County Capital Improvement Projects.

An example of work funded through this account would be a City or County street paving or repaving project, wherein District manholes are raised to grade.

Account No. 72803: Annual Collection System Repairs

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

The Collection system staff generates the repair list during routine maintenance activities including sewer cleaning and CCTV work. The Field Services Manager then tracks and prioritizes repair projects in conjunction with the Collection System Superintendent, the Deputy General Manager, and the Construction Inspector.

Account 72804: Annual Reclamation Facilities Improvements

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

The work typically includes irrigation system repairs for lines larger than 4-inch in diameter, parcel rehabilitation work, and other miscellaneous repairs.

Also included in the budget for this year is the removal of fallen eucalyptus trees, repairs to Drainage Pump stations nos. 3 and 7, and initial engineering studies for rehabilitating the access road from Deer Island Lane to Site 2.

Account No. 72805: Annual Treatment Plant Improvements

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

This account is anticipated to fund minor mechanical & electrical work, water line repairs, pavement repairs, painting, and any other small repairs or improvements.

Account No. 72806: Annual Pump Station Improvements

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

This account is anticipated to fund minor mechanical & electrical work, water line repairs, pavement repairs, painting, and any other small repairs or improvements at District pump stations. Additionally, this account will fund transitioning from flowchart recorders to SCADA monitoring, and installation of security cameras at various pump stations.

Account No. 72807: Annual Ignacio Facility Improvements

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

Account No. 72808: Strategic Plan Update:

The District's Strategic Plan document was most recently updated in FY 16-17. While no specific updates have been identified or are expected for FY 20-21, this account is established to serve as a "placeholder" account if the need to make any potential updates to the District's Strategic Plan document arise during the fiscal year.

Account No. 72809: Novato Creek Watershed

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

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

The budgeted amounts are a minimal amount and function as a “placeholder”, or to meet minimal District commitments to potential, previously unidentified studies, through FY 20-21. Future work (beyond FY 20-21) arising out of these studies may require increased funding, but potential costs are unknown at this point.

Account No. 73003: Administration Building Upgrades/Maintenance Building

This account includes allowances for minor improvements to the Administration and Annex Buildings.

This account also includes funds for relocating the Admin building HVAC units from the roof to ground level, re-roofing the laboratory portion of the Administration Building and installing electronic FOB entry points to enhance building security.

Account No. 73004: Odor and Landscaping Improvements

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

It is anticipated that this account will see budgeting of funds on an ongoing basis. Significant cleanup/removal of the District’s landscaping was completed in FY 19-20 and this work as well as odor bed management work will continue in FY 20-21.

Account No. 73005: RWF Expansion

This account funded the design and construction of an incremental capacity expansion to the existing Recycled Water Facility (RWF) at the Novato Treatment Plant site. The RWF expansion was needed due to the expansion by the North Marin Water District (NMWD) of its Central Area Project, which pushed NMWD’s recycled water distribution pipelines into the Central Novato/Ignacio geographic areas.

The expansion project achieved final completion in FY18-19. No funds will be budgeted for this account in FY 20-21.

Account No. 73006: NTP Corrosion Control

This account includes funds for corrosion control projects at the Novato Treatment Plant site. As the recently constructed facilities age, the effects of the aggressive nature of wastewater corrosion start to appear and need to be addressed. It is anticipated that this account will see budgeting of funds on an ongoing basis.

One of the three UV channels was coated in FY 19-20. The two remaining channels will be coated in FY 20-21. Engineering design work for addressing corrosion issues at the Headworks Channels and Effluent Box will be completed with the corrective work budgeted in FY 20-21. Also, engineering design work for addressing corrosion of the metal work in primary clarifier No. 2 is budgeted for FY 20-21.

Account No. 73007: Solids Management

This new account includes funds to address major maintenance or capital projects associated with the District’s solids processing.

Cleaning of Digester 2 is being funded in FY 20-21, and cleaning of Digester No. 1 will be funded in FY 21-22. Additionally, a “placeholder” amount will be budgeted for FY 21-22 to initiate studies to investigate the feasibility of processing the District’s biosolids further to create a Class A fertilizer or similarly marketable product.

Account No. 73090: Vehicle Replacement

This account includes a budget amount for the purchase a portable 100 kW generator, a portable bypass pump, 2 light-to-medium duty pickup trucks and 1 passenger vehicle. This account also includes an allowance for an overhaul of an existing combination vac/flusher. Replacement of additional portable generators, 1 light duty truck and a utility truck is anticipated in FY 21-22.

SECTION V

WASTEWATER CAPITAL RESERVE FUND

**Novato Sanitary District
2020-22 Budget
Wastewater Capital Reserve Fund**

		2020-22 Budget	
		Prelim	Final
<u>Wastewater Capital Reserve Fund</u>			
FUND BALANCE 6/30/19		3,599,653	3,599,653
	Transfers In	750,000	750,000
FUND BALANCE 6/30/20		4,349,653	4,349,653
	Transfers In	75,000	75,000
ANTICIPATED FUND BALANCE 6/30/21		4,424,653	4,424,653
	Proposed Deposits/Transfers In	100,000	100,000
ANTICIPATED FUND BALANCE 6/30/22		4,524,653	4,524,653
Note:	The District borrowed \$81,307,947 between 2008 and 2011 from the State Revolving Fund (SRF) program, under a loan agreement with the State Water Resources Control Board (SWRCB). The loan agreement required the District to deposit sufficient funds to build up the Wastewater Capital Reserve Fund (WCRF) at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten years, beginning in FY08-09. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 General Obligation (GO) bonds may be used to offset, dollar for dollar, the required cash deposits to the WCRF. The maximum required WCRF balance was \$3,599,654 of which \$3,275,000 was satisfied by the unused GO bonding capacity. District Policy No. 3500 (adopted August 8, 2013), paragraph 3500.33, sets the reserve amounts in accordance with the terms of the loan, and required the remainder to be funded as follows: \$27,336 in FY17-18, and \$297,317 in FY18-19. These amounts were funded from unreserved amounts in the capital improvement fund, and the total of these required deposits (i.e. \$324,653) were included in the 'Summary of Fund Balances' table (Page 1). Separately, unreserved amounts in the capital improvement fund are being transferred into the WCRF beginning with the FY 19-20 year to serve as reserves for future projects.		

SECTION VI

RATE STABILIZATION FUND

**Novato Sanitary District
2020-22 Budget
Rate Stabilization Fund**

		2020-22 Budget	
		Prelim	Final
<u>RATE STABILIZATION FUND</u>			
	FUND BALANCE 6/30/19	1,738,912	1,738,912
	Required Deposits/Transfers from Operating	52,167	52,167
	FUND BALANCE 6/30/20	1,791,079	1,791,079
	Required Deposits/Transfers from Operating	53,732	53,732
	FUND BALANCE 6/30/21	1,844,811	1,844,811
	Required Deposits/Transfers from Operating	55,344	55,344
	FUND BALANCE 6/30/22	1,900,156	1,900,156
Note: This fund is maintained at a minimum balance of \$1,500,000 adjusted annually for inflation from unreserved amounts in the operating fund. Beginning FY17-18, this Fund is also included in the Summary of Fund Balances table (Page 1) to relate the cash based methodology of the budget document with the accrual methodology of the Comprehensive Annual Financial Report (CAFR).			

SECTION VII

***DEBT SERVICE REQUIREMENTS
AND DEBT SERVICE FUNDS SUMMARY***

**Novato Sanitary District
FY 20-22 Budget
Debt Service Summary**

DEBT SERVICE REQUIREMENTS*

The principal of and interest payable on outstanding debt ("2017 Bonds" and "2019 Bonds") is set forth below:

Fiscal Year Ending June 30	2017 Bonds			2019 Bonds			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2020	820,000	631,000	1,451,000	3,480,000	1,091,536	4,571,536	6,022,536
2021	850,000	590,000	1,440,000	3,005,000	2,084,350	5,089,350	6,529,350
2022	890,000	547,500	1,437,500	3,155,000	1,934,100	5,089,100	6,526,600
2023	920,000	503,000	1,423,000	3,310,000	1,776,350	5,086,350	6,509,350
2024	965,000	457,000	1,422,000	3,475,000	1,610,850	5,085,850	6,507,850
2025	1,010,000	408,750	1,418,750	3,650,000	1,437,100	5,087,100	6,505,850
2026	1,060,000	358,250	1,418,250	3,835,000	1,254,600	5,089,600	6,507,850
2027	1,110,000	305,250	1,415,250	4,025,000	1,062,850	5,087,850	6,503,100
2028	1,160,000	249,750	1,409,750	4,225,000	861,600	5,086,600	6,496,350
2029	1,220,000	191,750	1,411,750	4,435,000	650,350	5,085,350	6,497,100
2030	1,275,000	130,750	1,405,750	4,660,000	428,600	5,088,600	6,494,350
2031	1,340,000	67,000	1,407,000	4,890,000	195,600	5,085,600	6,492,600
Total	\$12,620,000	\$4,440,000	\$17,060,000	\$46,145,000	\$14,387,886	\$60,532,886	\$77,592,886

*Source: Official statement, "\$46,145,000 Novato Sanitary District, 2019 Wastewater Revenue Refunding Bonds"

**Novato Sanitary District
2020-22 Budget
State Revolving Fund Loan and
2017 and 2019 Wastewater Revenue Bonds - Balances**

		2020-22 Budget		
		Preliminary	Final	
<u>State Revolving Fund Loan</u>				
DEBT BALANCE 6/30/19		55,511,639	55,511,639	
Principal Payment 2019-20		(55,511,639)	(55,511,639.00)	
Interest payments 2019-20		(140,629)	(140,629.00)	
Transfer from Capital Improvement Fund 2019-20		140,629	140,629.00	
DEBT BALANCE 6/30/20		-	-	
<u>2017 Wastewater Revenue Refunding Bonds</u>				
DEBT BALANCE 6/30/19		12,620,000	12,620,000	
Principal Payment 2019-20		(820,000)	(820,000)	
Interest payments 2019-20		(631,000)	(631,000)	
Transfer from Capital Improvement Fund 2019-20		631,000	631,000	
DEBT BALANCE 6/30/20		11,800,000	11,800,000	
Principal Payment 2020-21		(850,000)	(850,000)	
Interest payments 2020-21		(590,000)	(590,000)	
Transfer from Capital Improvement Fund 2020-21		590,000	590,000	
ANTICIPATED DEBT BALANCE 6/30/21		10,950,000	10,950,000	
<u>2019 Wastewater Revenue Bonds</u>				
DEBT BALANCE 6/30/19		-	-	
Bonds Issued for Refinance of SRF Loan		46,145,000	46,145,000	
Principal Payment 2019-20		(3,480,000)	(3,480,000)	
Interest payments 2019-20		(1,091,536)	(1,091,536)	
Transfer from Capital Improvement Fund 2019-20		1,091,536	1,091,536	
DEBT BALANCE 6/30/20		42,665,000	42,665,000	
Principal Payment 2020-21		(3,005,000)	(3,005,000)	
Interest payments 2020-21		(2,084,350)	(2,084,350)	
Transfer from Capital Improvement Fund 2020-21		2,084,350	2,084,350	
ANTICIPATED DEBT BALANCE 6/30/21		39,660,000	39,660,000	
		Actual	Final	Preliminary
		Rev/Exp	Budget	Budget
Debt Coverage Ratio(1)	Budget 19/20	2019-20	2020-21	2021-22
Net Operating Revenue	111,291	1,687,906	54,933	116,292
Capital Revenue	11,420,960	12,328,169	10,871,468	10,932,456
Annual Debt Service	6,829,956	6,163,165	6,529,350	6,526,600
Debt Coverage Ratio	1.69	2.27	1.67	1.69
Net revenues covenant requires a 1.20 coverage ratio				
(1) Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio				

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Appropriations Limit for Fiscal Year (FY) 20-21.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 8.b.
RECOMMENDED ACTION: Adopt Resolution No. 3144 establishing the District's Appropriations Limit for FY 20-21.	
SUMMARY AND DISCUSSION: <p>Under the Gann Spending-Limitation Initiative (Article XIII B of the State Constitution) adopted as Proposition 4 in June 1979 (and subsequently modified by Proposition 111 in June 1990), the District is required to annually adopt a resolution setting an appropriations limit for the upcoming year. For 2020-21, staff projects that the District's appropriations subject to limitation will be \$7,057,724.</p> <p>The Gann Spending-Limitation Initiative provides for the limitation of state and local government appropriations and is actually a limitation on tax revenues rather than a direct limitation on appropriations.</p> <p>Appropriations subject to limitation may not exceed appropriations made in 1978-79 except as adjusted for increases in the cost of living, population and service responsibility transfers.</p> <p>Appropriations financed through service fees (to the degree that they do not exceed the cost of performing the service), grant programs, and other specified "non-tax" sources are not subject to the appropriations limit.</p> <p>Originally, the Gann Initiative was self-executing, requiring no formal review; however, Proposition 111 requires that the annual calculation be reviewed as part of the annual financial audit.</p> <p>The annual adjustment factors for changes in population and cost of living for the appropriations limit calculation must be selected by a recorded vote of the Board.</p>	
ATTACHMENTS: 1. Memorandum: 2020-21 Appropriations Limit 2. Draft Resolution No. 3144.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update.	
Prepared by: lmc, ssk	Reviewed by General Manager: SSK

MEMORANDUM

TO: Board of Directors

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

BOARD

MEETING DATE: August 10, 2020

SUBJECT: 2020-21 Appropriations Limit

It is necessary to determine the District's appropriations limit for 2020-21 based on growth factors provided by the State Department of Finance.

Price Factor

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

The CPCPI percentage change over the prior year is 3.73% according to the State Department of Finance. Information obtained from the County Auditor-Controller's office shows the change in assessment due to new non-residential construction amounts to 4.34%. The percentage change in the local assessment roll due to the addition of non-residential new construction is being used to set the 2020-21 appropriations limit.

Change in Population

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

2020-21 Appropriations Limit

It is recommended that the 2020-21 appropriations limit be set at \$7,057,724 using the change in the local assessment roll due to the addition of non-residential new construction percentage change and the annual percentage change in population for Marin County.

Attached are worksheets showing the adjustment factors to obtain the 2020-21 limit, and a historical Comparison of the Limit to Tax Revenue.

Attachments

Novato Sanitary District
APPROPRIATIONS LIMIT

2020-21

APPROPRIATION LIMIT ADJUSTMENT FACTORS

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

May use Per Capita Change:	3.73%	
Per Capita converted to a ratio:	1.0373	
or		
Change due to non-residential construction (1):	4.34%	
Change due to non-residential construction ratio:	1.0434	Use for 2020-21 Calculation
Population Change for Marin County:	-0.60	
Change due to residential construction converted to a ratio:	1.0434	
Population converted to a ratio:	0.9940	
Calculation of Factor for FY	2020-21:	

Price factor (1.0434) x Population factor (.9940)= 1.0371

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

Appropriation Limit prior FY	2019-20	6,804,989
Change Factor for this FY	2020-21	<u>1.0371</u>

APPROPRIATION LIMIT FOR 2020-21 \$ 7,057,724

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

Change in AV due to Construction Growth from 3-01-19 to 3-1-20	<u>22,808,003</u>	=	4.34%
Increase in total AV (+exemptions) from 2018-19 to 2019-20	525,185,967		

APPROPRIATIONS LIMIT WORKSHEET

Comparison of Limit to Tax Revenue

Year Ended June 30	APPROPRIATIONS SUBJECT TO LIMITATION				Amount Under Limit
	Approp Limit	Increase over PY	Tax Revenue	Increase/Decrease over PY	
2007	5,103,161	4.73%	1,796,003	1.85%	3,307,158
2008	5,380,409	5.43%	1,995,120	11.09%	3,385,289
(2) '2009	5,663,413	5.26%	2,527,507	26.68%	3,135,906
2010	5,744,684	1.44%	1,874,691	-25.83%	3,869,993
2011	5,792,485	0.83%	1,774,216	-5.36%	4,018,269
2012	5,841,350	0.84%	1,795,489	1.20%	4,045,861
2013	5,899,391	0.99%	1,795,781	0.02%	4,103,610
2014	5,925,116	0.44%	1,941,241	8.10%	3,983,875
2015	5,936,316	0.19%	1,999,816	3.02%	3,936,500
2016	5,995,198	0.99%	2,055,935	2.81%	3,939,263
2017	6,075,132	1.33%	2,171,007	5.60%	3,904,125
2018	6,310,643	3.88%	2,290,112	5.49%	4,020,531
2019	6,553,365	3.85%	2,435,047	6.33%	4,118,318
2020	6,804,989	3.84%	2,494,621	2.45%	4,310,368
(1) 2021	7,057,724	3.71%	2,494,621	0.00%	4,563,103
15-Year Average		2.52%		2.90%	

(1) As Provided in Proposition 111, the change in the District's non-residential construction factor was used to calculate appropriations limit.

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

**RESOLUTION NO. 3144
A RESOLUTION OF THE NOVATO SANITARY DISTRICT
CORRECTING AND AMENDING PRIOR CALCULATIONS
AND MAKING DETERMINATION AND ESTABLISHING
THE 2020-21 APPROPRIATION LIMIT**

RESOLVED, by the Board of Directors of the Novato Sanitary District, Marin County, California, that in order to conform to modifications in the appropriation limit calculation as provided by Proposition 111 amending Article XIII B of the Constitution of the State of California and regulations adopted thereunder and by Senate Bill No. 88, Chapter 60 of Statutes of 1990 and especially the amendment of Section 7901 relating to the calculations of appropriation limits and the addition of Section 7914 defining "qualified capital outlay project" of the Government Code of the State of California, and in order to correct and adjust earlier calculations to comply with constitutional changes and with regulations adopted thereunder, the previously calculated limits for the District shall be amended in accordance with the appropriation limit calculations which have been on file and available in the office of the Secretary of the Novato Sanitary District. The District has calculated the maximum limit applicable to the appropriation of tax proceeds for the fiscal year 2020-21 to be the sum of SEVEN MILLION FIFTY-SEVEN THOUSAND SEVEN HUNDRED TWENTY-FOUR AND NO/100 dollars (\$7,057,724). The basis of said calculations are available and on file in the office of the Secretary and the Board of Directors does hereby determine that for said fiscal year the calculations are based on the percentage change in the California per capita personal income and the population change of the County of Marin within which the District is situated, and that this resolution shall be posted by the Secretary at the official places of posting and shall be effective immediately.

* * * * *

I hereby certify that the foregoing resolution was passed and adopted by the Board of

Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof held on the 10th day of August 2020, by the following vote of the members thereof:

AYES, and in favor thereof, Members:

NOES, Members:

ABSENT, Members:

Carole Dillon-Knutson,
President, Board of Directors

APPROVED:

Sandeep Karkal,
Secretary, Board of Directors

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration/Finance: Restructuring Unfunded Actuarial Liabilities (UALs)	MEETING DATE: August 10, 2020. AGENDA ITEM NO.: 9.a.
<p>RECOMMENDED ACTIONS: Receive presentation from NHA Advisors (San Rafael, CA) and Brandis-Tallman (San Francisco, CA), on potentially reducing the District's Pension and Other Post-Employment Benefits (OPEB) Unfunded Accrued Liabilities (UALs) by restructuring them at lower interest rates, and provide direction, if any.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>While working with the California Special Districts Association (CSDA) on COVID-19 impacts to special district finances, staff reached out to the underwriting firm of Brandis-Tallman (Brandis). While Brandis was unable to identify attractive COVID-19 related funding options for the District, they introduced staff to NHA Advisors (NHA), a municipal advisory firm specializing in pension/OPEB cost management strategies in addition to traditional municipal bond financings. In discussions with both firms, staff was informed that with the recent decline in interest rates, the District could potentially restructure its current pension (and OPEB) UALs at lower interest rates and realize significant savings. For e.g., while CalPERS amortizes the District pension UAL at 7%, the District can potentially pay-off and replace this UAL with a bond or loan with an interest rate of about 3%.</p> <p>Over the years, the District has controlled and managed its UAL obligations by utilizing measures such as tiered CalPERS benefit formulas and initiating an Internal Revenue Code (IRC) Section 115 Trust with Public Agency Retirement Services (PARS), (Irvine, CA). As a result, as of June 30, 2020, the District's current CalPERS pension liability is estimated at \$6.5 million and its OPEB liability is estimated at about \$4.7 million, before offsets of \$1.77 million (pension) and \$1.61 million (OPEB) from balances in its PARS Section 115 Trust account.</p> <p>Staff requested and received a presentation from the NHA/Brandis team: "UAL Restructuring Strategies" (see Attachment 1). NHA/Brandis team members will be present (via tele-conferencing) at the Board meeting to discuss the potential restructuring options.</p> <p>If the Board is interested in taking advantage of historically low interest rates for UAL restructuring, staff suggests that the Board consider moving forward with Option 1 of the Base Case scenario (slide nos. 6 and 7 of the presentation), i.e. 100% Pension UAL Restructuring (\$6.5 million) 16-year maturity, with funding through a private placement. This option maximizes overall savings (about \$3.44 million) and pays off the pension UAL eight (8) years earlier with the lowest interest rate.</p> <p>Aside from the overall savings, there are other related financial benefits to the UAL refinancing, primarily options where the District can: (a) Forego further UAL related payments to the PARS pension sub-account, <u>and</u> (b) Use the existing funds in the PARS pension sub-account to fund ongoing normal pension contributions. Both options, whether utilized individually or in combination, will further enhance future cash-flows.</p> <p>Therefore, if the Board wishes to proceed with a restructuring, staff requests that the Board provide appropriate direction to staff. Also, note that if the Board provides direction to proceed, the Board will be asked (at a subsequent Board meeting), to approve a Resolution that will include authorizing the General Manager-Chief Engineer to execute engagement agreements with financing team members, and execute Financing Documents.</p>	
<p>ATTACHMENTS: 1. Copy of presentation by NHA Advisors: "UAL Restructuring Strategies".</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook), Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications), of the latest Strategic Plan Update.</p>	
<p>Prepared by: lmc, ssk</p>	<p>Reviewed by General Manager: SSK</p>

Item 9.a.
Attachment 1
(Pages 108 to 124)

NOVATO SANITARY DISTRICT

UAL RESTRUCTURING STRATEGIES

NHA | **ADVISORS**
Financial & Policy Strategies.
Delivered.



BRANDIS TALLMAN LLC
INVESTMENT BANKING FOR CALIFORNIA COMMUNITIES

Primary Strategies to Address Rising Pension Costs

Strategies Are Not Mutually Exclusive

▶ **Fresh Start Amortization**

- ▶ Pros: Shortens repayment period; reduces overall interest paid
- ▶ Cons: New structure “locked-in” (no flexibility) + increased annual payments in near term

▶ **Use Cash Reserves to Pay Extra (two options)**

- ▶ Section 115 Trust - Separate trust solely dedicated to pension/OPEB
 - ▶ Offered by PARS, CalPERS, Keenan, PFM and others
- ▶ Lump Sum Pay Down of UAL – Reduce UAL through ADPs (Additional Discretionary Payments)
 - ▶ Choose optimal amortization bases to pay off

▶ **Restructure UAL**

- ▶ Restructure portion of UAL at lower bond interest rate (i.e. 3.0% vs. 7.0%) and “smooth out” payments for enhanced rate management, savings, and preservation of cash for other critical projects



UAL Restructuring - Conceptual Overview

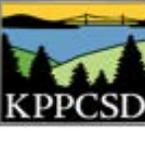
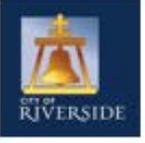
- ▶ District “borrows” money to pay off some or all its debt (UAL) with CalPERS
 - ▶ Bond is issued to investors
 - ▶ Converts 7% debt with CalPERS to lower interest rate debt (currently, 2.50% to 3.50% depending on length of term)
- ▶ Typical method is through a Pension Obligation Bond (POB) for cities, counties and fire districts
 - ▶ **Utility districts (like Novato Sanitary District) utilize a revenue bond structure**
- ▶ Flexibility to re-shape debt payments in way desired by District



Selected Recent UAL Restructuring Bonds

Record Low Taxable Interest Rates Have Resulted in Increased Issuance

- ▶ Recent 2020 issuances between 3.00% and 4.00% for interest rates
- ▶ July 2020 – interest rates moved even lower and currently bouncing around historical lows

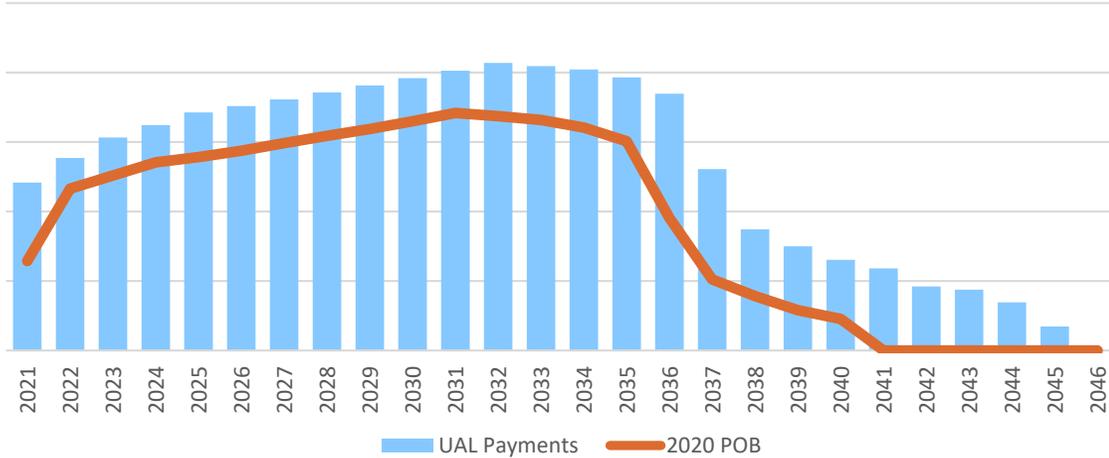
						
Grass Valley	North County Fire Protection District	Kensington Police Protection CSD	Carson	El Monte	Riverside	Inglewood
(2020)	(2020)	(2020)	(2020)	(2020)	(2020)	(2020)
Private Placement	AA-	Private Placement	AA-	A+ (Ins.)	AA	AA- (Ins.)
						
Montebello	Ontario	Larkspur	Riverside County	Pasadena	Richardson Bay Sanitary District	Monterey Regional Fire District
(2020)	(2020)	(2020)	(2020)	(2020)	(2020)	(2019)
A+ (Ins.)	AA	AAA	AA	AAA	Private Placement	AA-



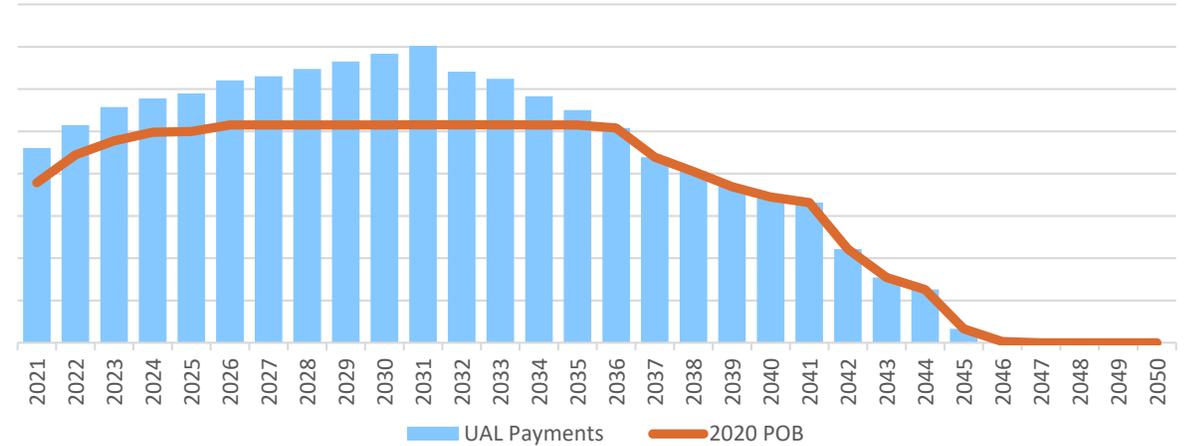
Recent Pension Bond Issuances

Restructuring for Smoothing is a Common Strategy

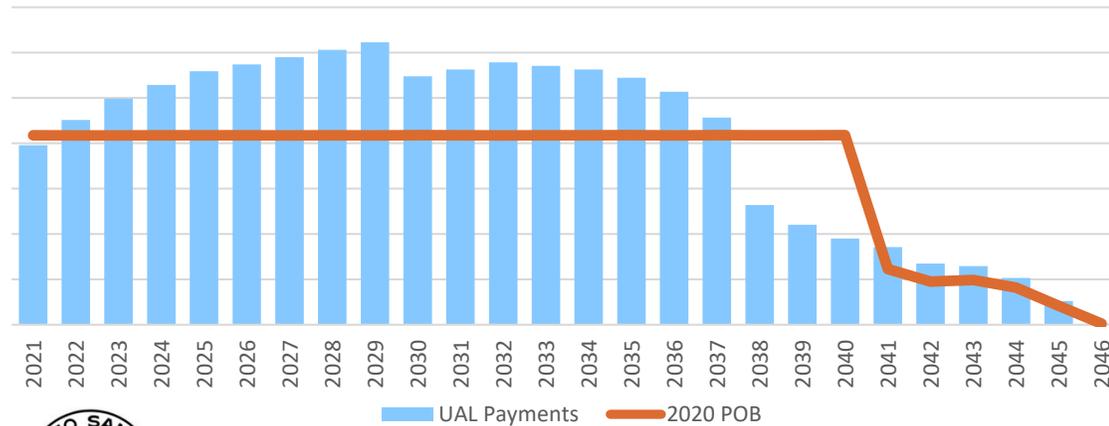
Larkspur \$18.3M POB (100% UAL; 3.12% Interest Rate)



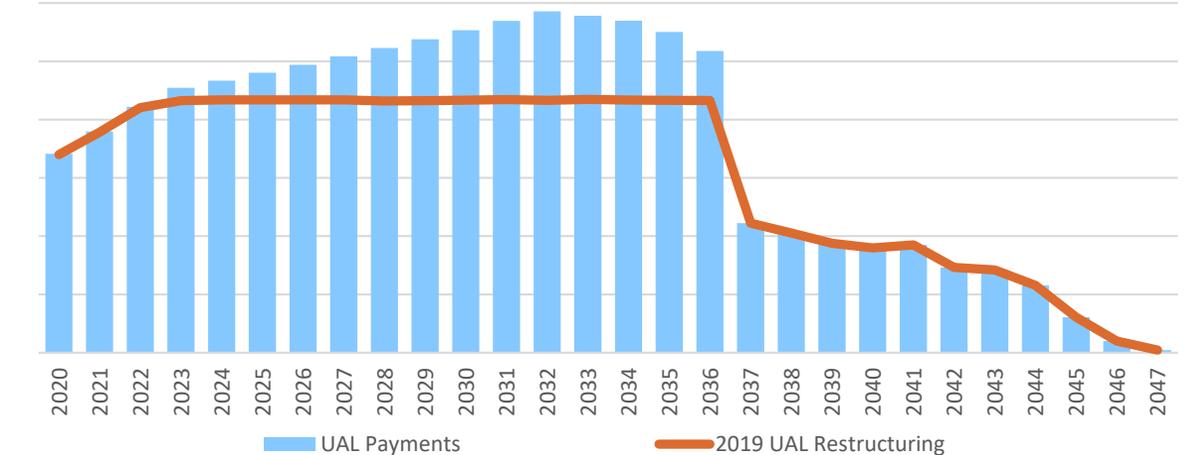
Riverside \$432M POB (67% UAL; 3.69% Interest Rate)



North County FPD \$20.3M POB (79% UAL; 3.28% Interest Rate)

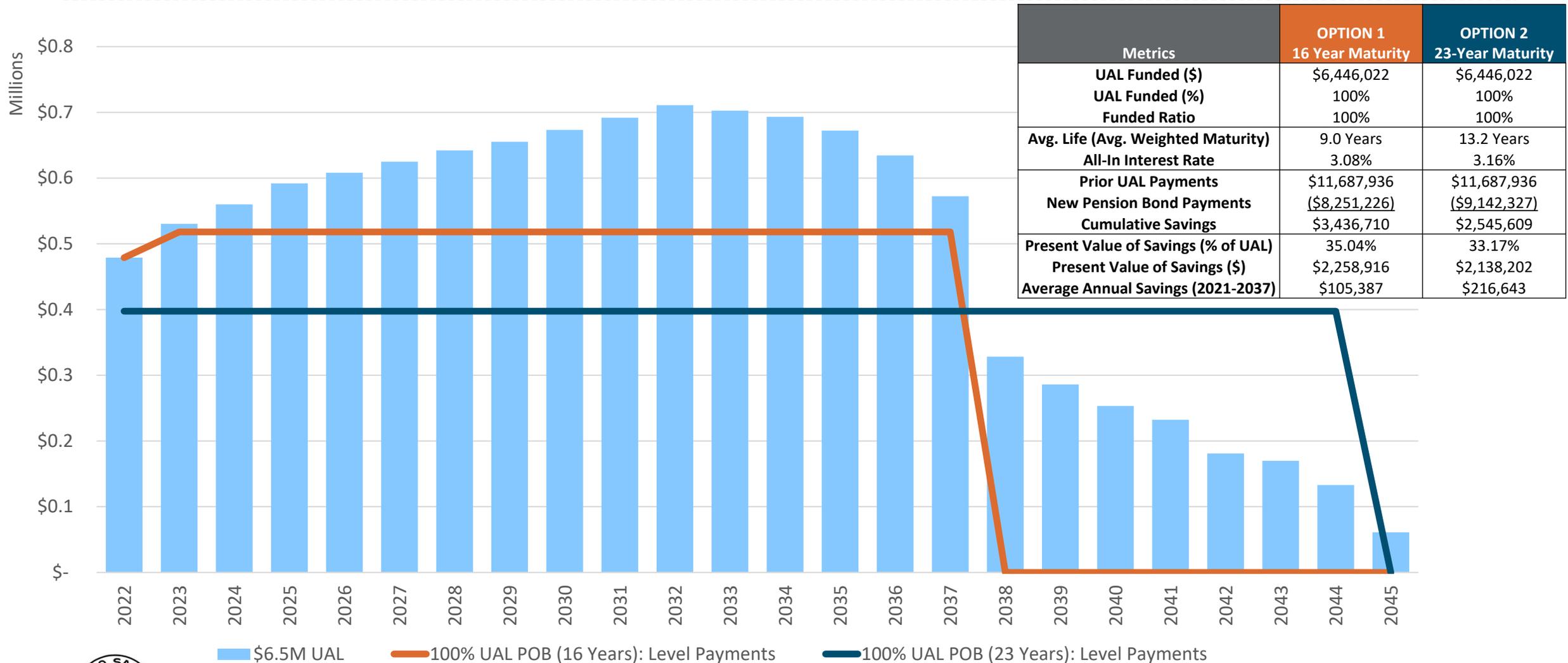


Calaveras County WD \$5.6M UAL Rest. (54% UAL; 3.62% Interest Rate)



Base Case Preliminary Analysis for NSD

100% UAL (\$6.5 Million) – Two Options (16 Year and 23 Year Maturities)



Metrics	OPTION 1 16 Year Maturity	OPTION 2 23-Year Maturity
UAL Funded (\$)	\$6,446,022	\$6,446,022
UAL Funded (%)	100%	100%
Funded Ratio	100%	100%
Avg. Life (Avg. Weighted Maturity)	9.0 Years	13.2 Years
All-In Interest Rate	3.08%	3.16%
Prior UAL Payments	\$11,687,936	\$11,687,936
New Pension Bond Payments	(\$8,251,226)	(\$9,142,327)
Cumulative Savings	\$3,436,710	\$2,545,609
Present Value of Savings (% of UAL)	35.04%	33.17%
Present Value of Savings (\$)	\$2,258,916	\$2,138,202
Average Annual Savings (2021-2037)	\$105,387	\$216,643



Savings Analysis: Detailed Comparison

- ▶ **OPTION 1:** Maximizes overall savings, pays off UAL 8 years earlier and lowest interest rate
- ▶ **OPTION 2:** Maximizes upfront savings; slightly lower overall savings and slightly higher interest rate

OPTION 1 – 16 YEAR MATURITY				
FY	Current UAL	Bond Debt	Savings	PV Savings
	Payment	Service		
2022	479,006	479,006	0	0
2023	530,392	518,148	12,244	11,271
2024	559,884	518,148	41,736	37,371
2025	591,914	518,148	73,766	64,252
2026	608,192	518,148	90,044	76,295
2027	624,916	518,148	106,768	88,001
2028	642,101	518,148	123,953	99,381
2029	655,357	518,148	137,209	107,013
2030	673,379	518,148	155,231	117,771
2031	691,897	518,148	173,749	128,230
2032	710,924	518,148	192,776	138,397
2033	702,567	518,148	184,419	128,791
2034	693,211	518,148	175,063	118,927
2035	672,280	518,148	154,132	101,856
2036	634,496	518,149	116,347	74,792
2037	572,287	518,148	54,139	33,854
2038	328,252	0	328,252	199,673
2039	286,021	0	286,021	169,245
2040	253,279	0	253,279	145,788
2041	232,355	0	232,355	130,101
2042	181,093	0	181,093	98,636
2043	169,940	0	169,940	90,040
2044	133,048	0	133,048	68,574
2045	61,145	0	61,145	30,656
Total	11,687,936	8,251,226	3,436,710	2,258,916

OPTION 2 – 23 YEAR MATURITY				
FY	Current UAL	Bond Debt	Savings	PV Savings
	Payment	Service		
2022	479,006	397,492	81,514	76,909
2023	530,392	397,492	132,900	121,799
2024	559,884	397,493	162,391	144,562
2025	591,914	397,493	194,421	168,116
2026	608,192	397,492	210,700	176,971
2027	624,916	397,493	227,423	185,544
2028	642,101	397,493	244,608	193,846
2029	655,357	397,492	257,865	198,495
2030	673,379	397,492	275,887	206,282
2031	691,897	397,493	294,404	213,820
2032	710,924	397,492	313,432	221,116
2033	702,567	397,492	305,075	209,053
2034	693,211	397,493	295,718	196,834
2035	672,280	397,492	274,788	177,662
2036	634,496	397,492	237,004	148,841
2037	572,287	397,493	174,794	106,627
2038	328,252	397,492	(69,240)	(41,027)
2039	286,021	397,493	(111,472)	(64,158)
2040	253,279	397,493	(144,214)	(80,625)
2041	232,355	397,493	(165,138)	(89,677)
2042	181,093	397,492	(216,399)	(114,147)
2043	169,940	397,493	(227,553)	(116,590)
2044	133,048	397,492	(264,444)	(131,610)
2045	61,145	0	61,145	29,559
Total	11,687,936	9,142,327	2,545,609	2,138,202



Alternative Option – Funding Both Pension and OPEB

- ▶ Effective pension UAL only \$4.7M when taking into account PARS assets
- ▶ Alternative Option = \$7.8M
 - ▶ \$4.7M to CalPERS for Pension + \$3.1M to OPEB
- ▶ District effectively **100% funded for both pension and OPEB**, but with additional assets with PARS for investment diversification and budgetary flexibility

	Pension (PERS)	OPEB (PARS)	Total
Assets	\$16.5M	\$1.6M	\$18.1M
Liabilities	\$23.0M	\$4.7M	\$27.7M
UAL	\$6.50M	\$3.1M	\$9.6M
Funding Ratio	73.0%	34.0%	65.3%

	Pension (PARS)
Balance	\$1.8M

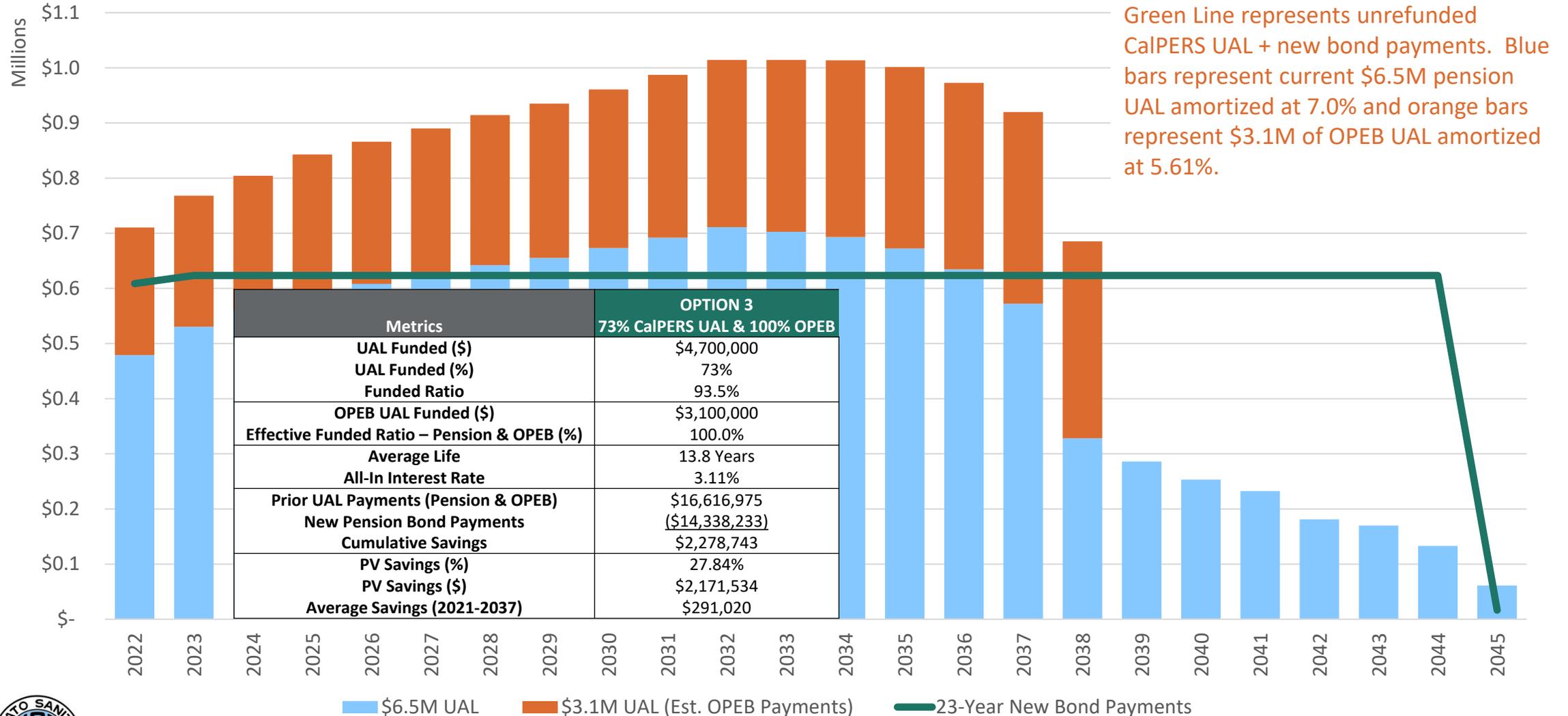
	Pension	OPEB	Total
Effective UAL	\$4.7M	\$3.1M	\$7.8M
Effective Funding Ratio	80.0%	34.0%	72.0%

Note: UAL shown are best estimates. Figures to be refined based on data from updated actuarial valuation reports to be released next month.



Alternative Option – OPTION 3

\$4.7 Million to CalPERS + \$3.1M to OPEB Account



Detailed Savings Analysis: OPTION 3

100% Effective Funding Ratio for Both Pension and OPEB

73% CalPERS UAL & 100% OPEB Restructuring (23 Years): Level Payments								
FY	Current Pension UAL Payment	Current OPEB UAL Payment	Total OPEB/Pension UAL Payments	Unrefunded UAL	New Debt Service	Total New Payments	Savings	PV Savings
2022	479,006	231,329	710,335	129,747	479,006	608,753	101,582	95,843
2023	530,392	237,691	768,083	143,666	479,648	623,315	144,768	132,676
2024	559,884	244,227	804,111	151,655	471,660	623,314	180,797	160,947
2025	591,914	250,943	842,857	160,331	462,983	623,314	219,543	189,839
2026	608,192	257,844	866,036	164,740	458,575	623,315	242,722	203,867
2027	624,916	264,935	889,851	169,270	454,045	623,315	266,536	217,454
2028	642,101	272,221	914,322	173,925	449,390	623,314	291,007	230,615
2029	655,357	279,707	935,064	177,515	445,799	623,314	311,749	239,974
2030	673,379	287,399	960,778	182,397	440,918	623,314	337,463	252,323
2031	691,897	295,302	987,199	187,413	435,901	623,314	363,885	264,282
2032	710,924	303,423	1,014,347	192,567	430,748	623,314	391,032	275,861
2033	702,567	311,767	1,014,334	190,303	433,011	623,314	391,020	267,947
2034	693,211	320,341	1,013,552	187,769	435,545	623,314	390,237	259,748
2035	672,280	329,150	1,001,430	182,099	441,215	623,314	378,116	244,467
2036	634,496	338,202	972,698	171,865	451,449	623,314	349,384	219,418
2037	572,287	347,502	919,789	155,014	468,300	623,314	296,475	180,855
2038	328,252	357,058	685,310	88,913	534,401	623,314	61,996	36,735
2039	286,021	0	286,021	77,474	545,841	623,315	(337,294)	(194,132)
2040	253,279	0	253,279	68,605	554,709	623,314	(370,035)	(206,873)
2041	232,355	0	232,355	62,938	560,376	623,314	(390,959)	(212,308)
2042	181,093	0	181,093	49,052	574,263	623,315	(442,222)	(233,264)
2043	169,940	0	169,940	46,031	577,284	623,315	(453,375)	(232,294)
2044	133,048	0	133,048	36,038	587,276	623,315	(490,267)	(243,998)
2045	61,145	0	61,145	16,562	0	16,562	44,583	21,552
Total	11,687,936	4,929,039	16,616,975	3,165,890	11,172,343	14,338,233	2,278,743	2,171,534



UAL Restructuring Considerations – Sale Method and Size/Shape

- ▶ Given small size of UAL (\$6.5M), a private placement sale method was analyzed
 - ▶ Preliminary indication of 2.85% to 2.95% (3.10%-3.20% with financing costs)
 - ▶ Public offering rates currently lower by 0.50-0.60% (inclusive of costs), but requires more staff time, formal rating process and more disclosure requirements
 - ▶ Both options on table and delta between both can continue to be monitored; private placement rate could be lower once multiple banks are solicited
 - ▶ District has many options for UAL restructure and can also fund OPEB/PARS depending on objectives
 - ▶ 16-year option maximizes overall savings, reduces interest rate and shortens maturity
 - ▶ 23-year maturity allows for additional lowering of repayment levels and enhanced rate management
 - ▶ Depending on Board feedback, financing team can assess other options (i.e. \$ amounts, or configuration – maturity/repayment shape, or pension vs. pension & OPEB)



UAL Restructuring – Estimated Cost Comparison

Costs of Issuance (Preliminary Estimates; \$8 Million Par)		
Service	Private Placement	Public Offering
Underwriter's Discount (\$8/Bond)	0.00	64,000.00
Bond Counsel	40,000.00	40,000.00
Disclosure Counsel	0.00	32,500.00
Counsel Expenses	0.00	3,000.00
Municipal Advisor	47,500.00	57,500.00
Rating	0.00	19,750.00
Trustee/Paying Agent/Fiscal Agent	5,000.00	5,000.00
Printer	0.00	2,500.00
Placement Agent	30,000.00	0.00
Bank Counsel	10,000.00	0.00
CDIAC	2,000.00	0.00
Contingency	5,000.00	5,000.00
Total	139,500.00	229,250.00



UAL Restructuring – Summary of Key Benefits & Risks/Considerations

BENEFITS

- ▶ Enhanced Fiscal Sustainability and Rate Management through Lower and Smooth Repayment Shape
- ▶ Interest Rate / Budgetary Savings
- ▶ Increased Funding Ratios of Retirement Plan
- ▶ Flexibility to Tailor Duration (Term) and Shape of Repayment to District's Needs
- ▶ Enhance Service Levels and/or Capital Project Funding using projected savings and increased cash flow

RISKS / CONSIDERATIONS

- ▶ Re-investment/Market Timing Risk: Present value (PV) savings is ultimately dependent on future CalPERS returns, which are unknown at time of issuance
 - ▶ PV savings occur if **actual CalPERS returns** are more than pension bond interest rate (≈3.0%) over life of debt
 - ▶ CalPERS Historical Returns: 6.3% (5 yr.); 8.5% (10 yr.); 5.5% (20 yr.) & 8.0% (30 yr.)
- ▶ Future UAL Can Still Appear – Whether a bond is issued or not, the District's UAL can grow (or reappear) in the future based on below average CalPERS investment returns
- ▶ Added bond debt to District's portfolio (converting "soft" debt to "hard" debt)



Hypothetical Financing Timeline

August 2020:
Presentation to Board by
Financing Team Members

August/Sept. 2020:
Legal document drafting &
options evaluation

Sept./October 2020:
Formal Board approval and
Interest Rate Lock

Oct./November 2020:
Closing and Pay UAL to
CalPERS



Conclusion

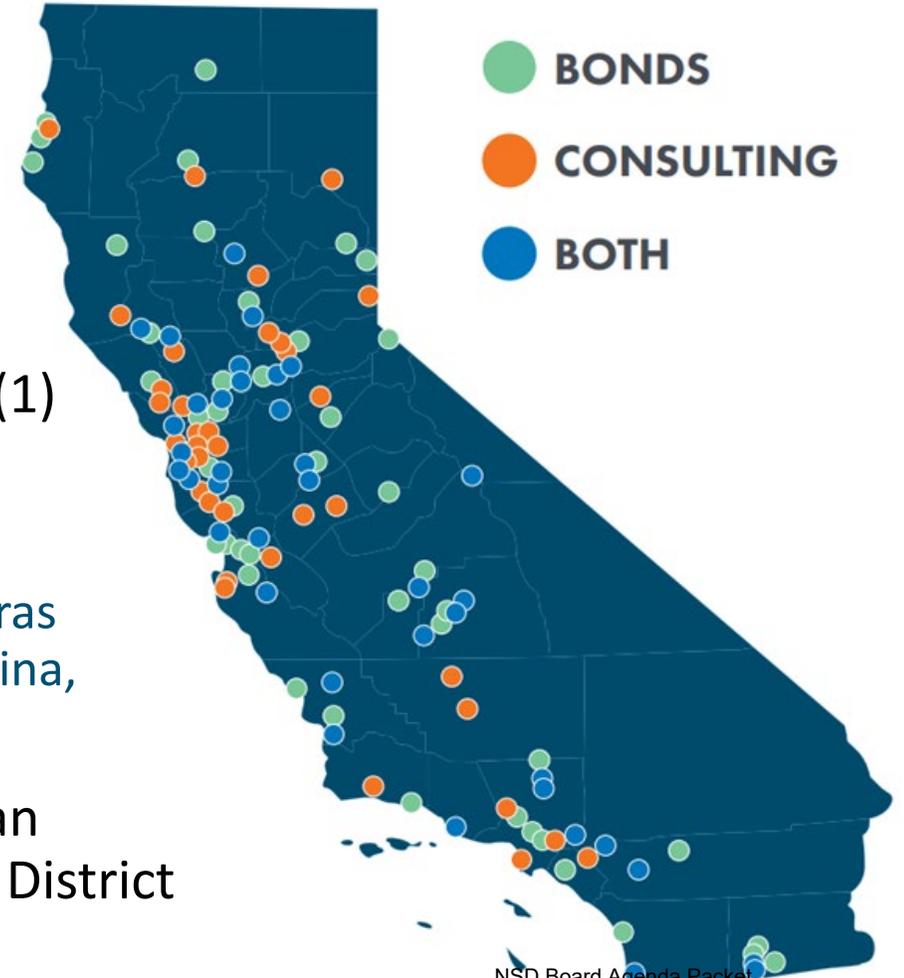
- ▶ District maintains a very strong financial position
 - ▶ A UAL restructuring is being evaluated for strategic purposes and not out of financial hardship
- ▶ Given that the OPEB debt is more “soft,” combined with the fact that the District is already setting aside additional cash to fund OPEB, only restructuring the pension UAL with CalPERS may be the more prudent approach
 - ▶ More than one UAL restructuring option (i.e. besides the 16-year Option 1) can be offered to banks in order to better compare potential interest rates before making final decision on structure
- ▶ If UAL 100% funded with CalPERS, District can use assets in PARS account to fund annual Normal Cost pension expenses with those funds as opposed to using rate revenue



NHA Advisors

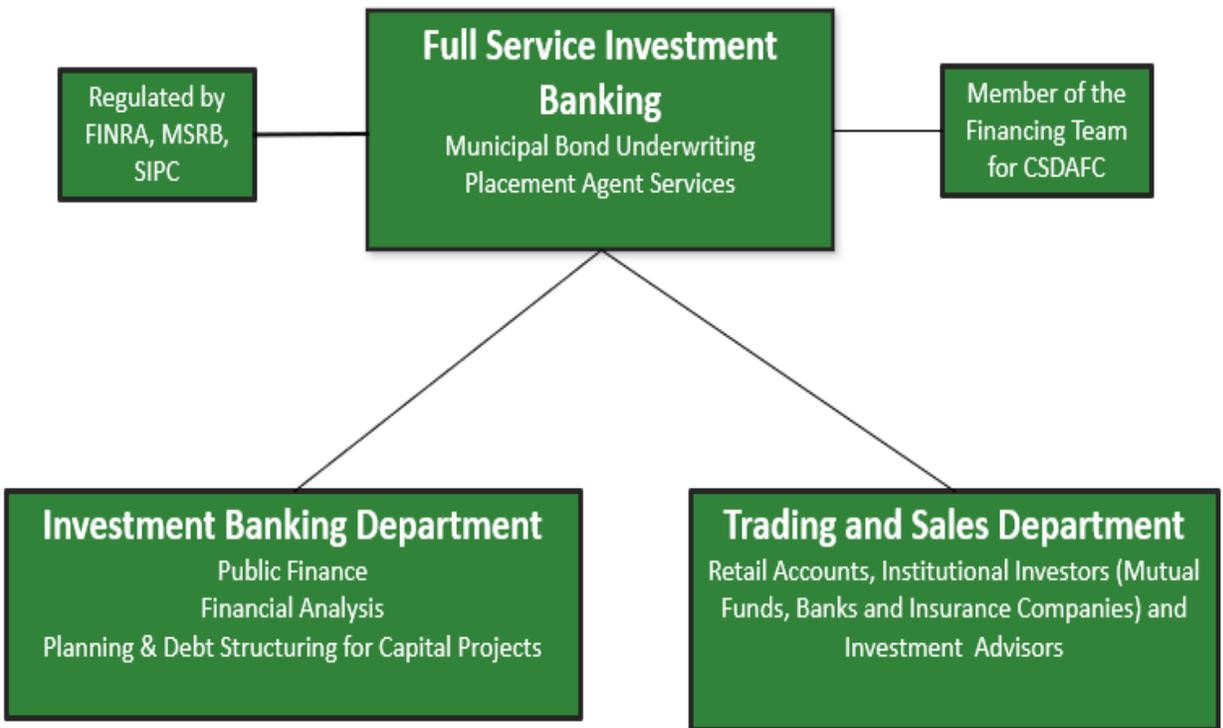
- ▶ Headquartered in San Rafael, CA - Consistently a top ranked financial advisor for debt financings in CA
- ▶ 8 Practice Groups to optimally serve public agencies
 - ▶ Pension/OPEB, Utility, Energy/Climate Change, Policy, Continuing Disclosure, Land Development, etc.
- ▶ Pension Group has worked with 40+ California entities on (1) CalPERS Education, (2) Cost Management Strategy Evaluation/Implementation and (3) UAL Restructurings
 - ▶ Recent UAL Restructurings: North County Fire District, Calaveras County Water District, Cities of Riverside, El Monte, West Covina, Lakeport, Arcata
- ▶ Other local clients include cities of Napa, Corte Madera, San Francisco, Berkeley, American Canyon, North Marin Water District

NHA Clients Served



Brandis Tallman LLC

- ▶ Leading placement agent in California since 2015
- ▶ Provided financing for 36 pension obligation bonds over last 8 years
- ▶ Have closed \$245 million in utility revenue bond financings since January of 2017, with \$60 million in process
- ▶ Brandis Tallman recently acquired by Oppenheimer & Co. Inc.
- ▶ Local experience includes:
 - **Fairfax (UAL Restructuring)**
 - Bolinas Stinson USD
 - **Belvedere (CalPERS Side Fund Refunding)**
 - **Kensington CSD (UAL Restructuring)**
 - Kentfield Fire District
 - Marin Municipal Water District
 - **Richardson Bay Sanitary District (UAL Restructuring)**



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, June and July 2020.

MEETING DATE: August 10, 2020

AGENDA ITEM NO.: 10.a.

RECOMMENDED ACTIONS: Receive Wastewater Operations Reports for June and July 2020:

- Collection System
- Treatment Facilities
- Reclamation Facilities

SUMMARY AND DISCUSSION:

The June and July 2020 Wastewater Operations Reports incorporating operations reports for collections system, wastewater treatment facilities, and the reclamation facilities are attached.

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

ATTACHMENTS: 1. Wastewater Operations Reports for the months of June and July 2020.

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

Prepared by: JO (Veolia), JA, JB, EB

Reviewed by General Manager: SSK

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
June 2020**

1.0 General:

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

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

2.0 Collection System Maintenance:

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

Line Cleaning Performance:

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 496 work orders for the month. Collections staff completed 496 work orders, 35 of these were videoed in lieu of cleaning, leaving zero work orders outstanding. The completed work orders resulted in the effective cleaning of 93,157 feet of sewer pipelines by staff (5,480 feet videoed).

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for four (4) working days and televised a total of 5,480 feet of sewer main.

CCTV Findings:

- Infrastructure-related: CCTV work identified one new structural issue. This was a broken lateral connection and has been put on the repair list.
- O&M related: CCTV work did not identify any area that would require a change in sewer line maintenance operations.

New Valmatic check valve
indicator arms installed at East
Hamilton Pump Station.



3.0 Pump Station Maintenance:

Collections staff conducted 187 lift station inspections this month. Of these, 46 inspections were generated through the District's JobsCal Plus CMMS system. There are 0 outstanding work orders for the month. A Pump Stations' Work Order Statistics summary is attached.

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
June 2020**

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on twelve (12) air relief/vacuum valves this month; no issues were identified.

5.0 Safety and Training:

General:

Collections staff attended eleven (11) safety tailgate meetings in June.

New Vactor sewer cleaning truck delivery update. Delivery date has been pushed back to August due to the current COVID-19 pandemic.

Specialized Training:

No reports for June.

Safety performance:

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

COVID-19:

Due to COVID-19 social distancing guidelines issued by the State and County of Marin, the collections and field services staff continue to work a temporary modified split shift (A/B teams). Other measures include (but not limited to): use of face coverings, social distancing during shifts, increased disinfection of commonly touched surfaces at the beginning and end of each shift, limiting vehicle occupation to one person per vehicle, etc.

6.0 Miscellaneous Projects:

- Root Treatment project completed. 49,197 feet of pipeline treated.
- Crews tested out an Acoustic Inspection device called an SL-Rat.
- Coolant high temperature switch replaced at Marin Village PS
- Vegetation maintenance was performed at Cypress, Deer Island, and Marin Village PSs
- Two ARV manhole lids were raised on Hamilton Parkway.
- Fire fuel management at Bahia Main completed by contractor.
- New 5HP pump installed at BMK 8, and spare pump ordered and put back in stock.

7.0 Sanitary Sewer Overflows (SSOs):

There were zero (0) sanitary sewer overflows (SSO) in June. The No Spills certification ID is # **2575423**.

**Novato Sanitary District
Collection System Monthly Report For June 2020 (as of June 30, 2020)**

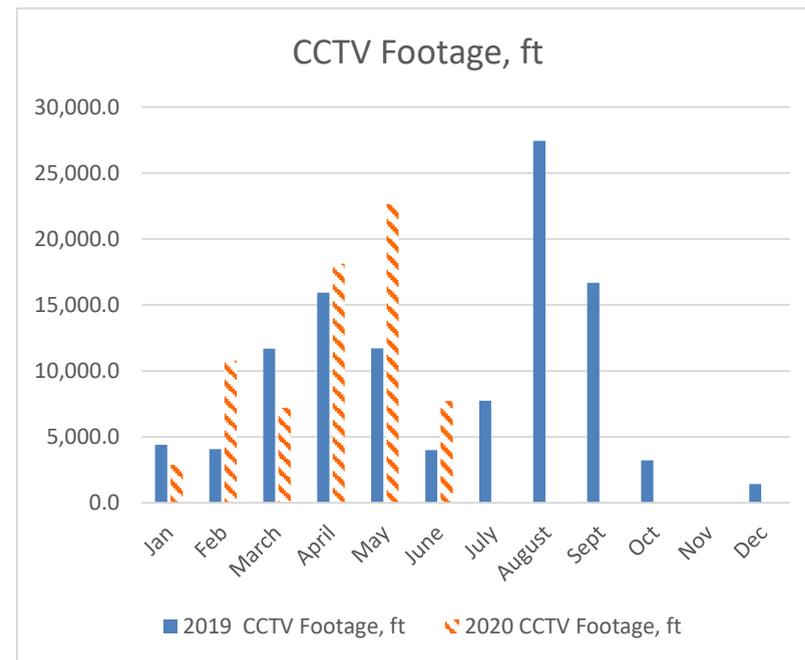
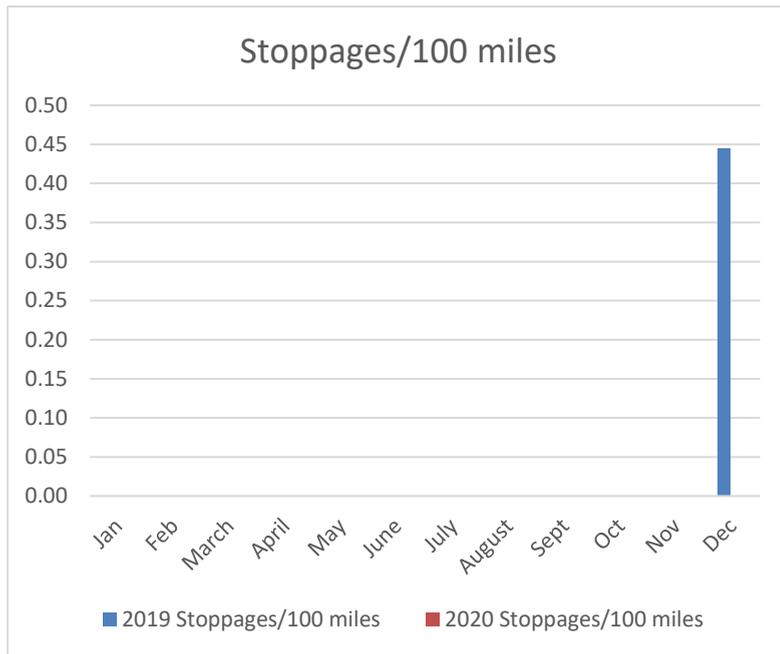
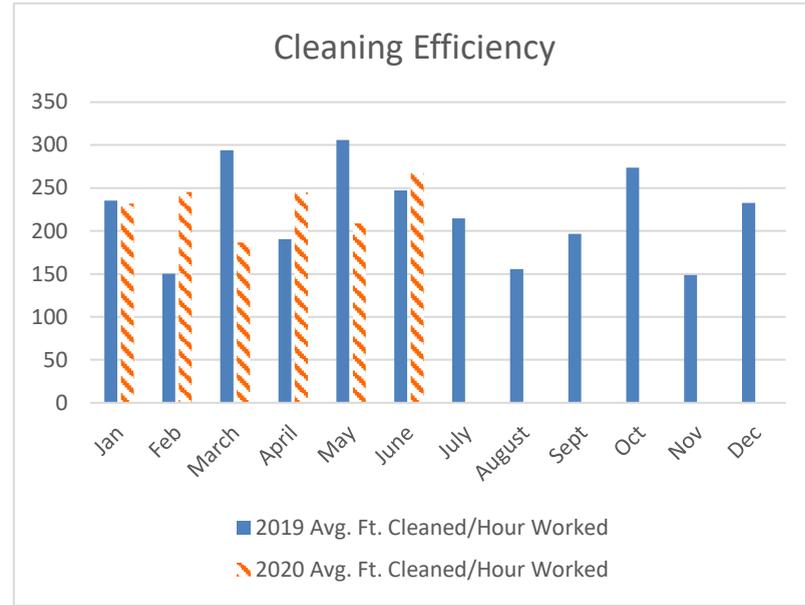
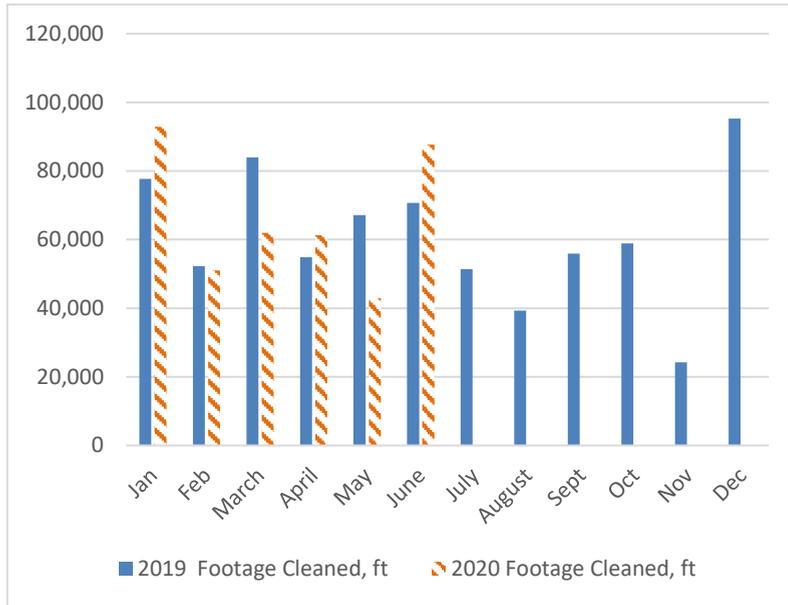
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning)	2.2	1.3	2.0	1.5	1.2	1.9	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.8
Number of FTEs (other)	1.3	1.2	1.4	2.0	1.8	2.4	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.8
Number of FTEs (USAs)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0
Number of FTEs (CCTV)	0.2	0.5	0.6	0.7	1.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.3
Total, FTEs	3.8	3.0	4.0	4.2	3.9	4.4	0.0	0.0	0.0	0.0	0.0	0.0	NA	1.9
Regular Time Worked, (main line cleaning), hrs	401	208	332	250	206	328							1,724	287
Regular Time Worked on Other, hrs ⁽¹⁾	228	194	235	340	314	404							1,714	286
Regular Time Worked on USAs	20	0	0	0	0	0							20	3
Regular Time Worked on CCTV (2)	39	77	106	114	169	27							531	89
Total Regular time, worked, hrs	687	479	673	703	689	759	0	0	0	0	0	0	3,989	332
Total Vacation/Sick Leave/Holiday, hrs	319	386	220	13	124	110							1,172	195
Vacation/Sick Leave/Holiday, FTEs	1.8	2.4	1.3	0.1	0.7	0.6	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.6
Overtime Worked on Coll. Sys., hrs	12	0	5	0	0	0							17	3
Overtime Worked on Other, hrs (1)	7	2	5	0	0	2							15	3
Overtime Worked on USAs, hrs	0	0	0	0	0	0							0	0
Overtime Worked on CCTV ⁽²⁾	0	0	0	0	0	0							0	0
Total Overtime, hrs	19	2	9	NA	NA	2	NA	NA	NA	NA	NA	NA	32	8
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	36	40	54	50	31	61							272	45
Rodder 3208 ft. cleaned	6,810	4,994	5,006	4,842	1,625	1,838							25,115	4,186
Rodder - outside services, ft cleaned	0	0	0	0	0	0							0	0
Flusher Work Orders generated	427	232	263	259	207	435							1,823	304
Truck 3205V ft. cleaned	4,329	0	0	0	0	0							4,329	722
Truck 3206V ft. cleaned	36,952	20,521	12,180	17,640	0	7,446							94,739	15,790
Truck 3209F ft. cleaned	44,800	25,523	44,760	38,792	41,325	78,393							273,593	45,599
Flusher - outside services, ft. cleaned	0	0	0	0	0	0							0	0
Total Footage cleaned ⁽³⁾	92,891	51,038	61,946	61,274	42,950	87,677	NA	NA	NA	NA	NA	NA	397,776	66,296
Work Orders completed	451	272	317	315	238	496							2,089	348
Work Orders backlog	12	0	0	0	0	0							12	2
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0							0	0
CCTV Truck 3126T, ft. videoed	2,876	10,401	7,195	14,780	17,179	2,227							54,658	9,110
CCTV (hand cam), ft. videoed	0	385	0	3,347	5,470	5,480							14,682	2,447
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	0							0	0
Total CCTV footage ⁽³⁾	2,876	10,786	7,195	18,127	22,649	7,707	NA	NA	NA	NA	NA	NA	69,340	11,557
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	0	0	0	0	0	0							0	NA
Major (Category II)	0	0	0	0	0	0							0	NA
Major (Category I)	0	0	0	0	0	0							0	NA
Overflow Gallons	0	0	0	0	0	0							0	NA
Volume Recovered	0	0	0	0	0	0							0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	6	2	5	4	3	1							21	4
Normal hours S.C. response time, mins (avg.)	11.7	12.5	29.6	19.25	11.6	25							110	18
Service Callouts, after hours, #	1	0	1	0	0	0							2	0
After Hours S.C. response time, mins (avg.)	3	0	30	NA	NA	NA	NA	NA	NA	NA	NA	NA	33	11
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	232	245	187	245	209	267	NA	NA	NA	NA	NA	NA	NA	231
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	0
Callouts/100 Miles	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.1
Overtime hours/100 Miles	5	0	2	0	0	0	0	0	0	0	0	0	7.33	1
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Collection System: 2019 & 2020 Graphs



Novato Sanitary District

Pump Station Monthly Report For June 2020 (as of June 30, 2020)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked													0	
Number of Employees (FTEs)	1.4	1.6	1.8	2.8	2.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0		1.0
Regular Time Worked on Pump Sta	264	249	298	467	413	329							2,018	
Overtime Worked on Pump Sta	46	36	39	14	27	47							208	
After Hours Callouts	0	0	0	0	0	0	0	0	0	0	0	0	0	
Average Callout response time (mins)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Work Orders														
Number generated in month	39	38	46	38	38	46							245	41
Number closed in month	39	38	46	38	38	46							245	41
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**PUMP STATIONS
WORK ORDER STATISTICS
June 1, 2020-June 30, 2020**

	Open Work Orders Due Prior to 6/1/2020	Open Work Orders 6/1/2020-6/30/2020	Total Open Work Orders
Preventive	0	46	46
Corrective	0	0	0
Total	0	46	46

	Closed Work Orders 6/1/2020 -6/30/2020
Preventive	46
Corrective	0
Total	46

Total Outstanding Work Orders as of 6/30/2020	0
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Item 10.a.
June 2020
Treatment Report
(Pages 132 to 165)

July 7, 2020

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

Subject: Veolia Water Operations Report – June 2020

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for June 2020.

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

Best regards,

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

John P. O'Hare
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
June 2020

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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

ATTACHMENTS

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

A: TREATMENT PLANT PERFORMANCE SUMMARY – Discharge to Reclamation – June 1 – 30, 2020

National Pollution Discharge Elimination System Permit – Table 1.0

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	3.64	3.93	N/A	
Influent				
BOD ₅ , lb/day (month ave/max)	10,501	12,695	N/A	
TSS, lb/day (monthly ave/max)	8,639	9,964	N/A	
Effluent				
BOD ₅ , mg/L (monthly ave/max weekly ave)	<5	8	15	30
TSS, mg/L (monthly ave/max weekly ave)	<3	<3	10	20
BOD ₅ - % Removal, Average	98		85 minimum	
TSS - % Removal, Average	99		85 minimum	
Ammonia, mg/L – (monthly ave/daily max)	N/A	N/A	5.9	21
pH, su (min / max)	6.7	7.0	6.5	8.5
Enterococcus, MPN/100 ml (30 day geo mean)	2.39		35	
Fecal Coliform, MPN/100 ml (monthly median)	N/A		140	
Fecal Coliform, MPN/100 ml (90 th PCTL)	N/A		430	
Total Coliform, MPN/100 ml (5 sample median)	24		240	
Total Coliform, MPN/100 ml (monthly maximum)	170		10,000	

Total Rainfall = 0.0 inches

Title 22 - Recycled Water Production and Quality – Table 2.0

Description	Units	Value	Limit
Potable Water Provided	Million Gallons	0	N/A
Volume Produced	Million Gallons	34.612	N/A
Average Turbidity	NTU	0.5	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	11	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	7.5	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 days	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

- National Pollutant Discharge Elimination System Permit (NPDES) Limits - None
- Reclaimed (Recycle) Water - None
- Recycled Water Permit – None
- Bay Area Air Quality Management District – None

B: SAFETY AND TRAINING:

- Alternative Staffing Schedule – Continued to utilize two separate crews throughout the month with



the administrative assistant working from home.

- Monthly plant safety inspections for Novato Wastewater Treatment Plant and Ignacio Transfer Pump Station completed.
- No safety incidents for the month of June 2020.
- Monthly Safety Topics: On Line Training June 2020 – COVID-19.

C: OPERATIONS & MAINTENANCE STATUS / REVIEW:**Key events for the period:****Wastewater Treatment Plant Power Outages**

- No power outages to report in June 2020.

Novato Wastewater Treatment Plant

- Routine rounds, readings and preventative maintenance.
- Annual maintenance and electrical inspection on the plant equipment.
- Annual thermography on the plant equipment.
- Administration standby generator - exhaust gasket replaced.
- Standby generators #2 & #3 - replaced block heaters.
- Semi-annual heating ventilation and control (HVAC) rooftop fan service.

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

- Primary Clarifier #1 (standby)
- Aeration Basin #1 & #3 (standby)
- Secondary Clarifier #2 (standby)

Ignacio Pump Station Power Outages

- Power outage for approximately 8 hours due to a fire at the rear of the facility on June 29th. The standby generator operated during this time.

Ignacio Transfer Pump Station

- Routine rounds, readings and preventative maintenance.
- Annual maintenance and electrical inspection on the pump station equipment.
- Annual thermography on the pump station equipment.
- Semi-annual HVAC/rooftop fan service.

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

- None

Recycled Water Plant (RWP)

- Routine rounds, readings and preventative maintenance.
- Annual maintenance and electrical inspection on the plant equipment.
- Annual thermography on the plant equipment.

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

- None

Sludge Lagoons (and Reclamation Area)

- Conducted routine checks.
- Exercised the sludge lagoons inlet and outlet valves.

D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY**Regulatory Programs:****Laboratory Program****Total Coliforms**

When effluent is discharged to the reclamation, the requirement is for Total Coliform. Three samples were analyzed each week in June. All results were below the regulatory limits.

Enterococcus

The recycled water use agreement with the California State Coastal Conservancy requires that Enterococcus data be provided, which continued through June 2020.

Pretreatment Program**Permits**

- Issued one Non-Domestic Temporary Discharge Permit

Inspections and Sampling

- Conducted semi-annual sampling at one Categorical Significant Industrial User

Fats, Oils and Grease Program**Compliance Reporting**

- Received support documentation confirming compliance from two Food Service Establishments.

E: ADMINISTRATION:

- May 2020 Electronic Discharge Monitoring Report (EDMR-US EPA) and May 2020 Self-Monitoring Report (SMR-State of California) submitted on June 29th.

F: ODORS & LANDSCAPING:

- Jerome meter (H₂S) parts per million (ppm) readings performed in adjacent neighborhood.
- Values reported averaged 0.000 ppm which is below the odor threshold.

G: MISCELLANEOUS

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

Veolia Support Staff On/Off Site (Various Times)

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

Melissa Sandvold, Veolia West Region VP of Operations

James Loven, Veolia Central/West Technical Director

Joe Hart, Veolia Regional Asset Manager

1) PHOTOS

PLANT OPERATION AND MAINTENANCE JUNE 2020



Above Left – Leete Company making repairs on the Administration Building standby generator.
Above Right – Carbon Dioxide injection system for purging Digester #2 before the cleaning process can begin.
Below Left – Alejo Cuntapay, Veolia Mechanic and Paul Bailey, Veolia Water Wastewater Operator completing online training for COVID-19.
Below Right – Young Coyote spotted at the Reclamation Area.

2) *LABORATORY DATA*

Novato Sanitary District
BOD/TSS Report



June, 2020

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal %
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
06/01/20	3.73										
06/02/20	3.80										
06/03/20	3.50	300	8,757	305	8,903	5	91	<3	<54	98.3	99.0
06/04/20	3.53							<3	<53		
06/05/20	3.62					6	132	<3	<66		
06/06/20	3.68										
06/07/20	3.68										
06/08/20	3.72										
06/09/20	3.77										
06/10/20	3.60					5	109	<3	<66		
06/11/20	3.93	316	10,357	304	9,964	8	199	<3	<75	97.5	99.0
06/12/20	3.80					<5	<125	<3	<75		
06/13/20	3.83										
06/14/20	3.59										
06/15/20	3.83										
06/16/20	3.59										
06/17/20	3.72					<5	<111	<3	<67		
06/18/20	3.59	424	12,695	283	8,473	<5	<106	<3	<64	98.8	98.9
06/19/20	3.52					<5	<102	<3	<61		
06/20/20	3.57										
06/21/20	3.64										
06/22/20	3.63										
06/23/20	3.67										
06/24/20	3.34	366	10,195	278	7,744	<5	<98	<3	<59	98.6	98.9
06/25/20	3.50							<3	<66		
06/26/20	3.72					<5	<114	<3	<68		
06/27/20	3.44										
06/28/20	3.49							<3	<62		
06/29/20	3.63			268	8,113			<3	<57		98.9
06/30/20	3.39							<3	<53		
Weekly Averages											
06/06/20	Week 1	300	8,757	305	8,903	6	111	3	58		
06/13/20	Week 2	316	10,357	304	9,964	6	145	3	72		
06/20/20	Week 3	424	12,695	283	8,473	5	106	3	64		
06/27/20	Week 4	366	10,195	278	7,744	5	106	3	64		
	Week 5										
Monthly											
Minimum	3.34	300	8,757	268	7,744	<5	91	<3	<53	97	99
Maximum	3.93	424	12,695	305	9,964	8	199	<3	<75	99	99
Total	109.05										
Average	3.64	352	10,501	288	8,639	<5	<119	<3	<63	98	99

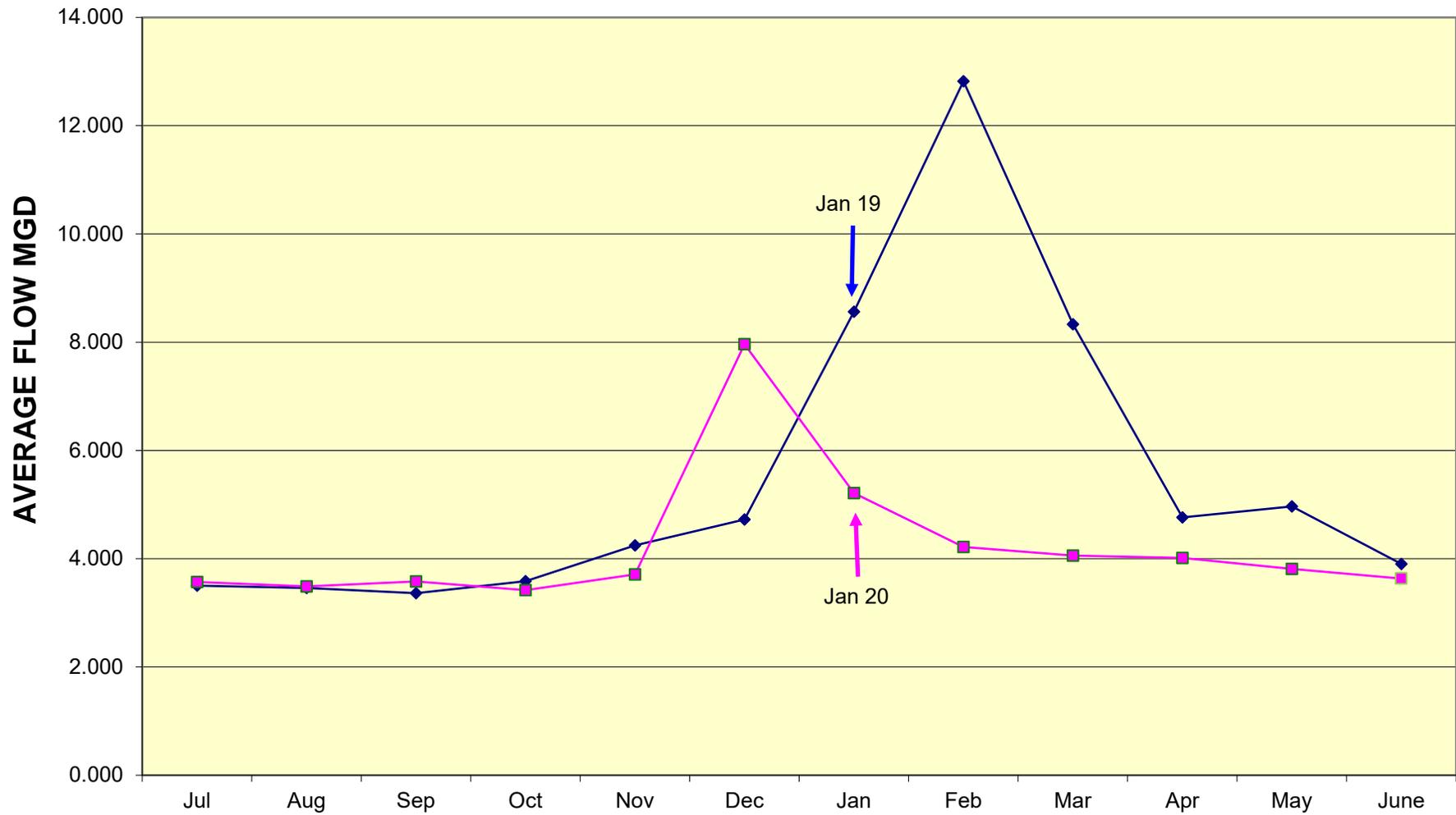
3) *RECYCLED WATER REPORT*

NOVATO SANITARY DISTRICT
 RECYCLED WATER
 COMPLIANCE SUMMARY REPORT

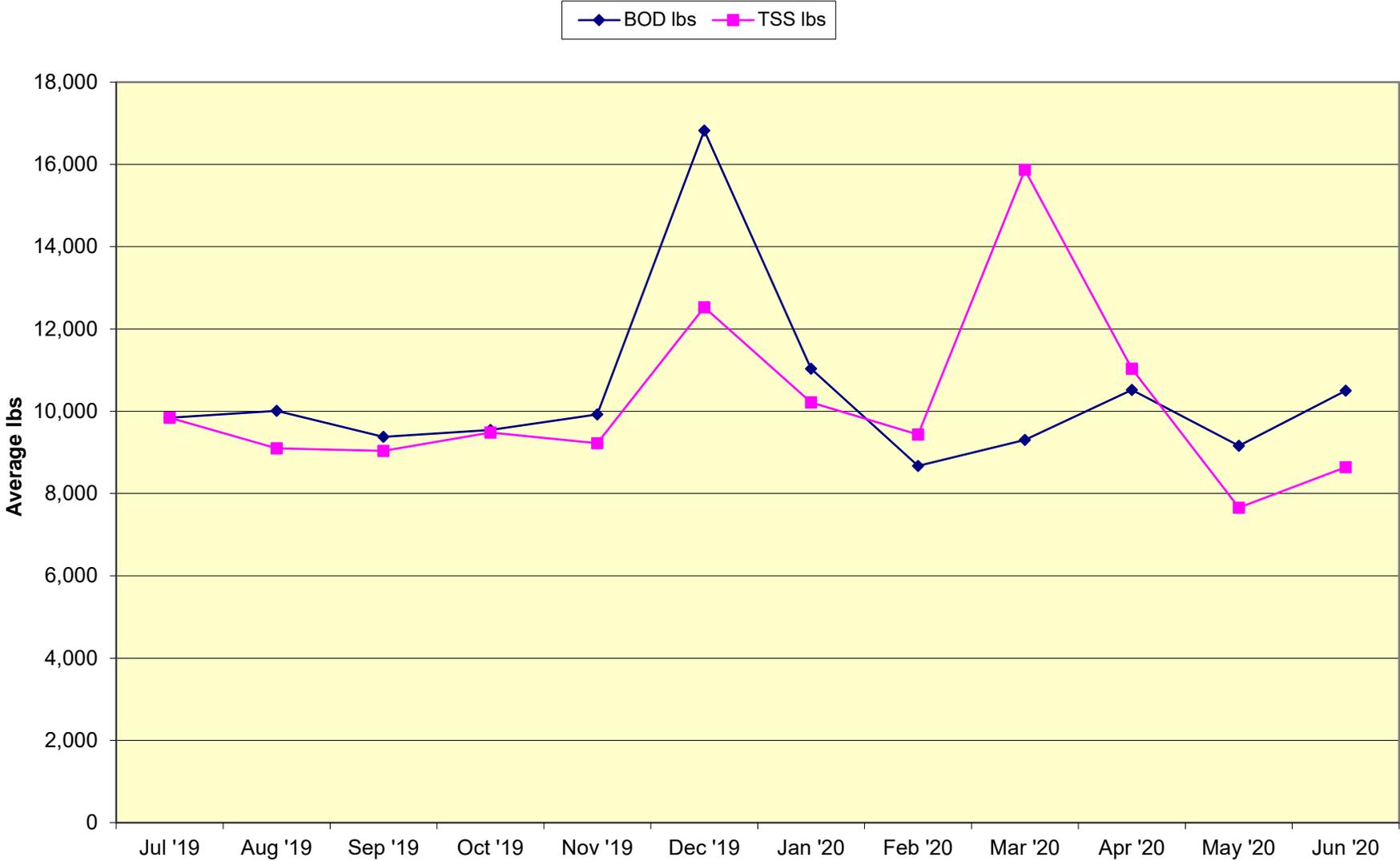
	Filter Influent Flow	Recycled Water Flow to Plum St.	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Disinfection CT Value
Date	MGD	MGD	MG	MGD	NTU	(m)	NTU	(mg/l)	MPN/100ml	mg-min/l
6/1/2020	0.860	0.821			0.8	0	0.4	8.3	<1	>450.000
6/2/2020	1.590	1.413			1.0	2	0.4	8.2	<1	>450.000
6/3/2020	1.300	1.324			1.3	0	0.5	8.1	<1	>450.000
6/4/2020	1.480	1.397			1.6	0	0.7		<1	>450.000
6/5/2020	1.120	0.988			1.7	0	0.5		<1	>450.000
6/6/2020	1.420	1.356			1.7	0	0.6		<1	>450.000
6/7/2020	1.380	1.252			1.4	0	0.6	8.1	<1	>450.000
6/8/2020	1.230	1.302			1.7	0	0.7	8.2	<1	>450.000
6/9/2020	1.390	1.372			1.6	0	0.7	8.1	<1	>450.000
6/10/2020	1.160	0.982			1.1	0	0.7		<1	>450.000
6/11/2020	1.280	0.942			1.2	11	0.7		<1	>450.000
6/12/2020	1.100	0.802			1.3	10	0.8		<1	>450.000
6/13/2020	1.450	1.350			1.2	0	0.4		<1	>450.000
6/14/2020	1.330	1.249			1.4	0	0.4	7.9	<1	>450.000
6/15/2020	1.450	1.382			1.6	0	0.9	7.9	<1	>450.000
6/16/2020	0.980	0.853			0.9	0	0.3	7.8	<1	>450.000
6/17/2020	1.120	1.057			0.9	0	0.4		<1	>450.000
6/18/2020	1.190	1.046			1.2	0	0.4		<1	>450.000
6/19/2020	1.020	1.079			0.9	0	0.6		<1	>450.000
6/20/2020	1.390	1.253			1.5	0	0.6		<1	>450.000
6/21/2020	1.360	1.207			0.7	0	0.6	7.7	<1	>450.000
6/22/2020	1.550	1.452			1.1	9	0.7	7.6	<1	>450.000
6/23/2020	1.060	0.893			1.0	0	0.6	7.6	<1	>450.000
6/24/2020	1.210	0.992			0.8	0	0.4		<1	>450.000
6/25/2020	0.980	0.881			1.0	0	0.4		<1	>450.000
6/26/2020	0.910	0.987			1.1	0	0.5		<1	>450.000
6/27/2020	1.380	1.334			1.5	0	0.4		<1	>450.000
6/28/2020	1.050	1.007			1.1	0	0.3	7.6	<1	>450.000
6/29/2020	1.420	1.360			1.7	9	0.6	7.5	<1	>450.000
6/30/2020	1.350	1.279			2.1	0	0.4	7.6	<1	>450.000
Total	37.510	34.612								
Minimum	0.860	0.802			0.7	0	0.3	7.5	<1	>450.0
Maximum	1.590	1.452			2.1	11	0.9	8.3	<1	>450.0
Average	1.250	1.154			1.3	1	0.5	7.9	<1	>450.0

4) ANNUAL PERFORMANCE SUMMARY – GRAPHS

WASTEWATER INFLUENT FLOW COMPARISON

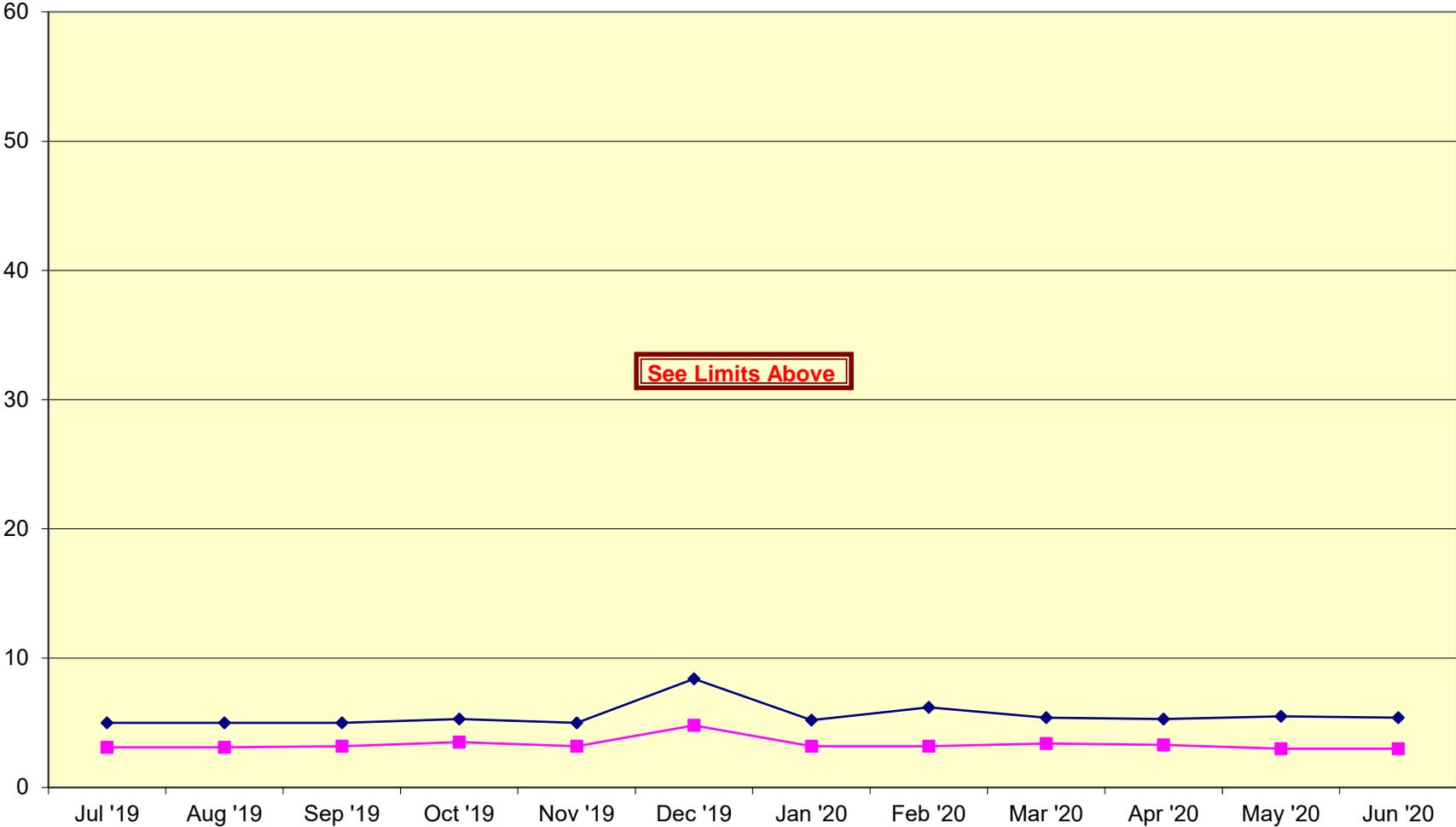


Influent Load BOD / TSS lbs



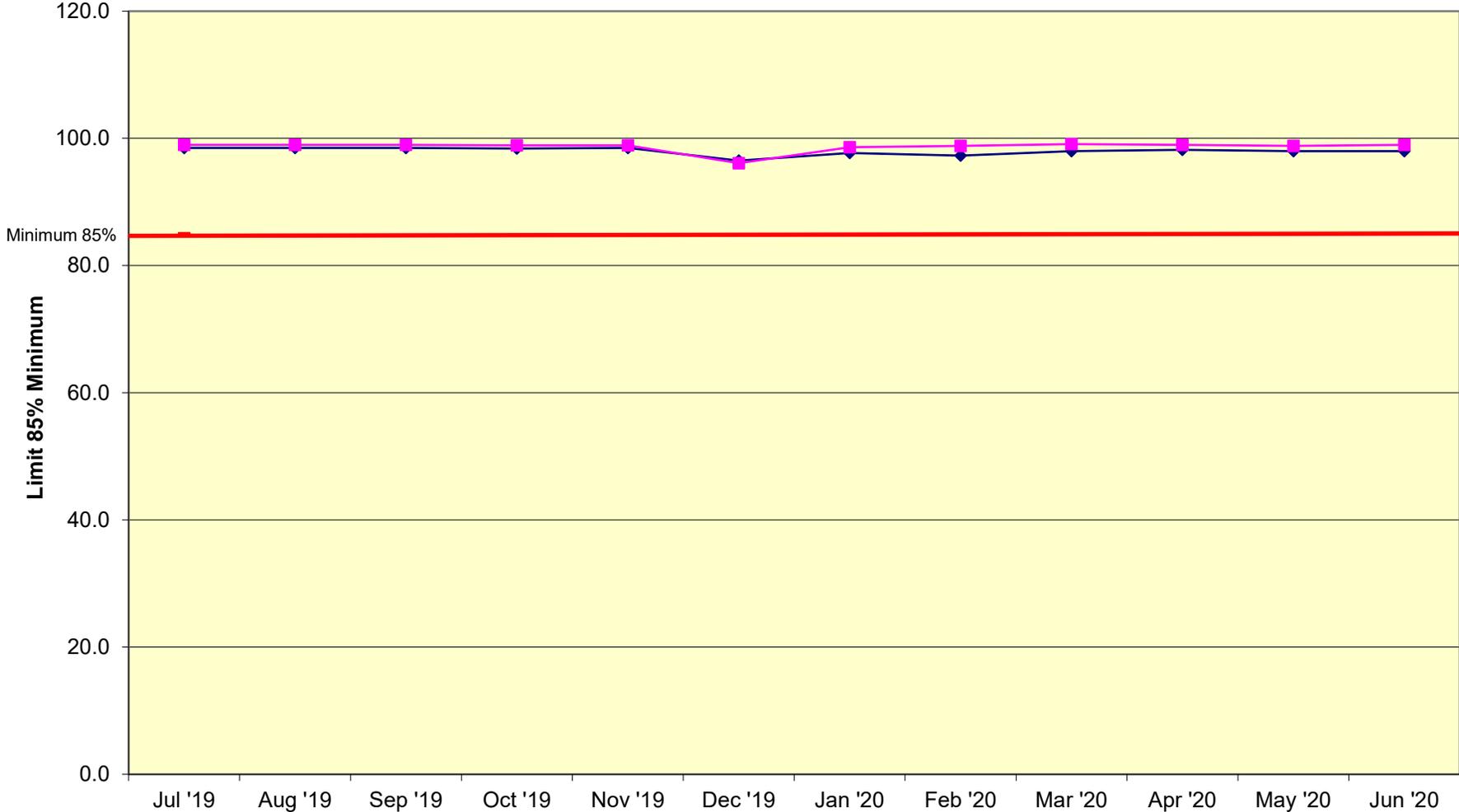
Effluent BOD / TSS Concentration

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

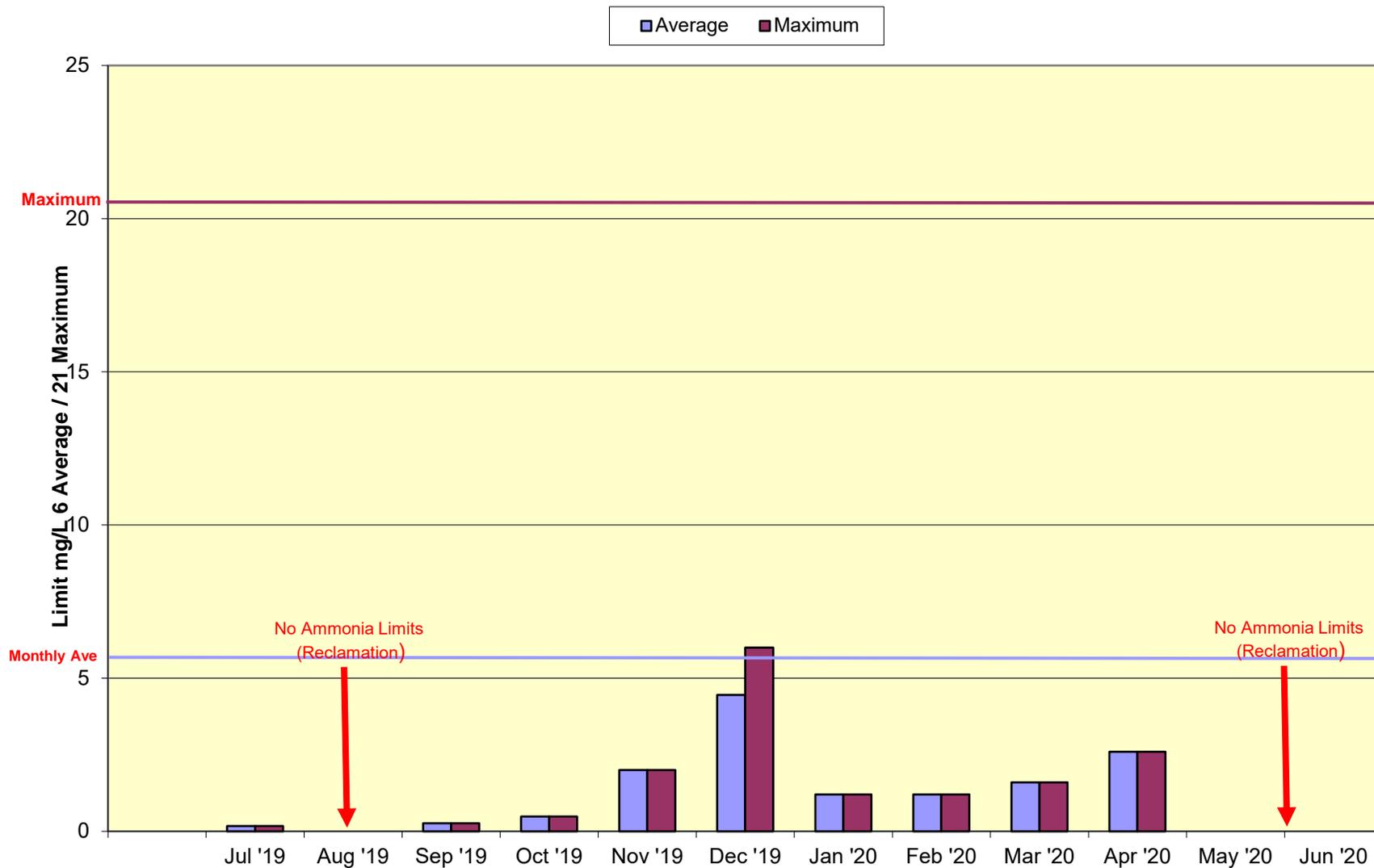


BOD / TSS Percent Removal

◆ BOD ■ TSS

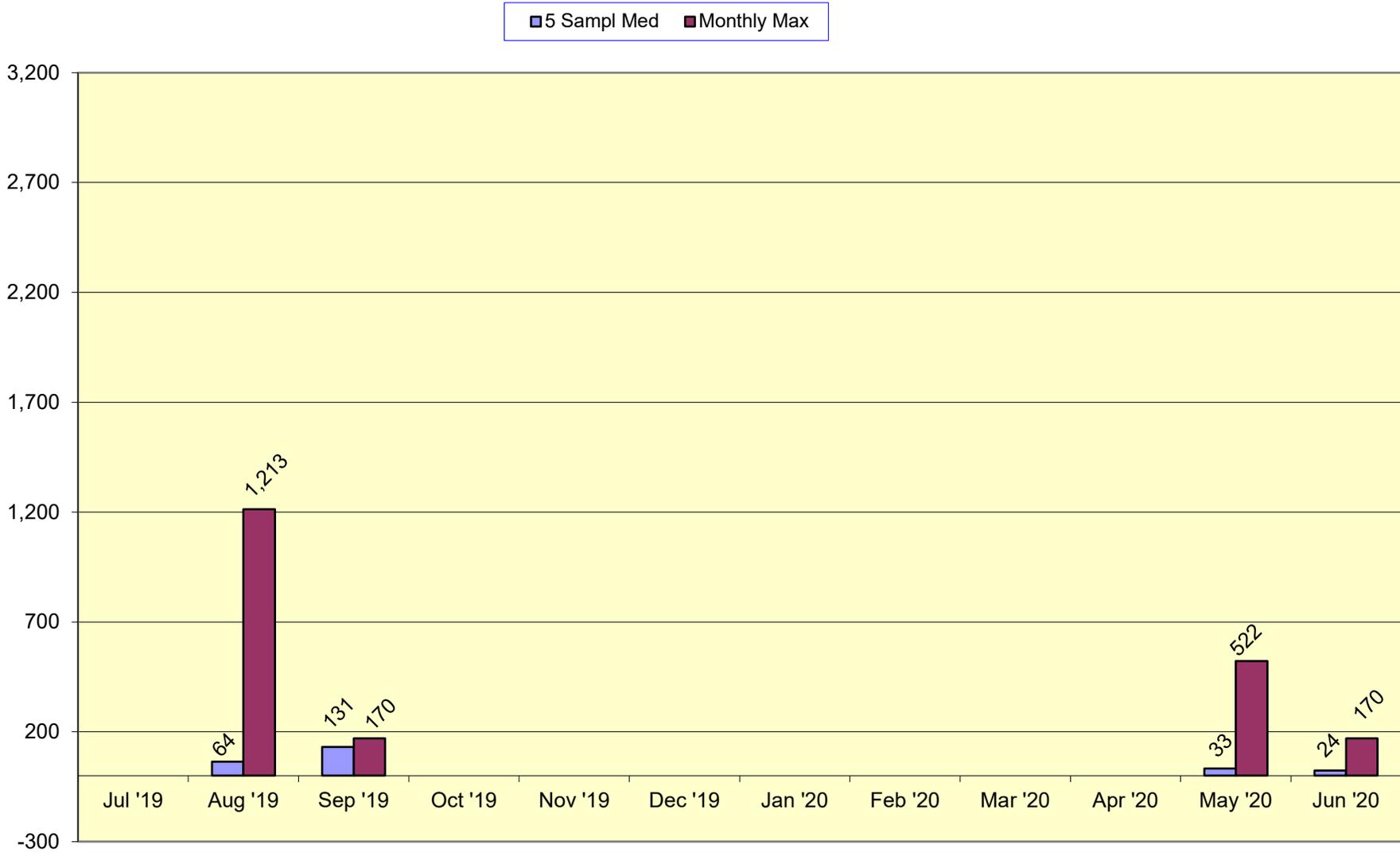


Effluent Ammonia

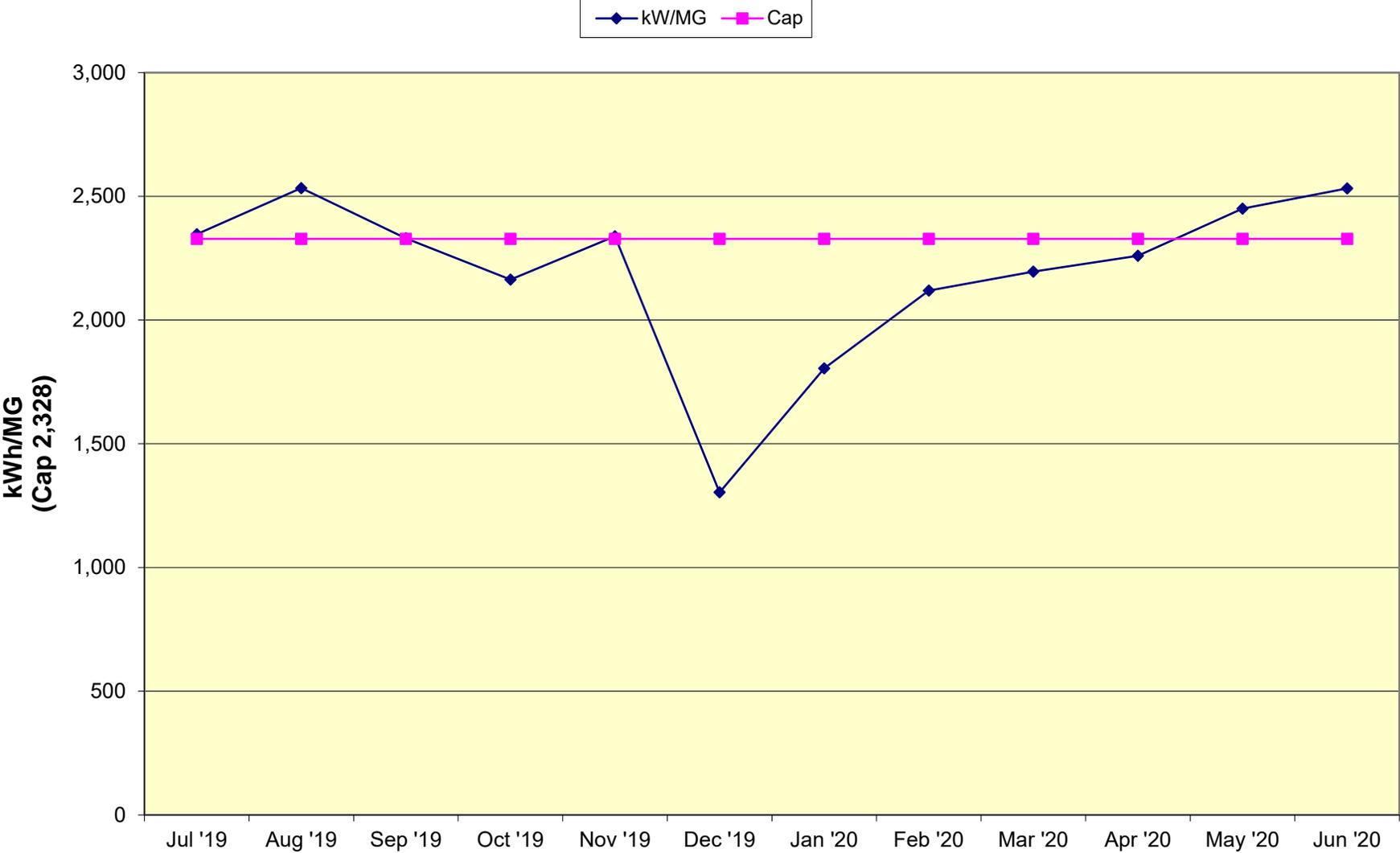


Disinfection - Total Coliform

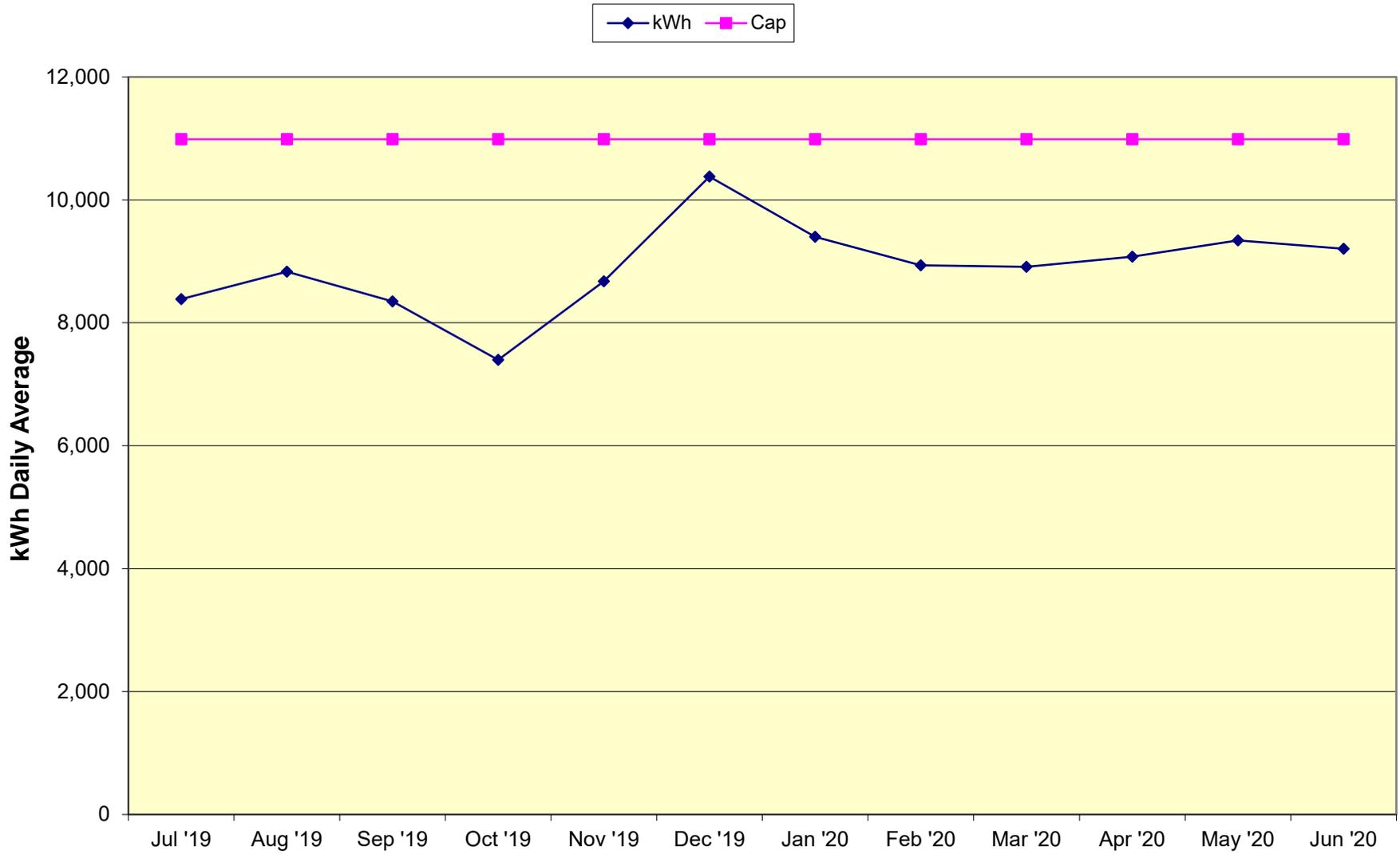
TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml



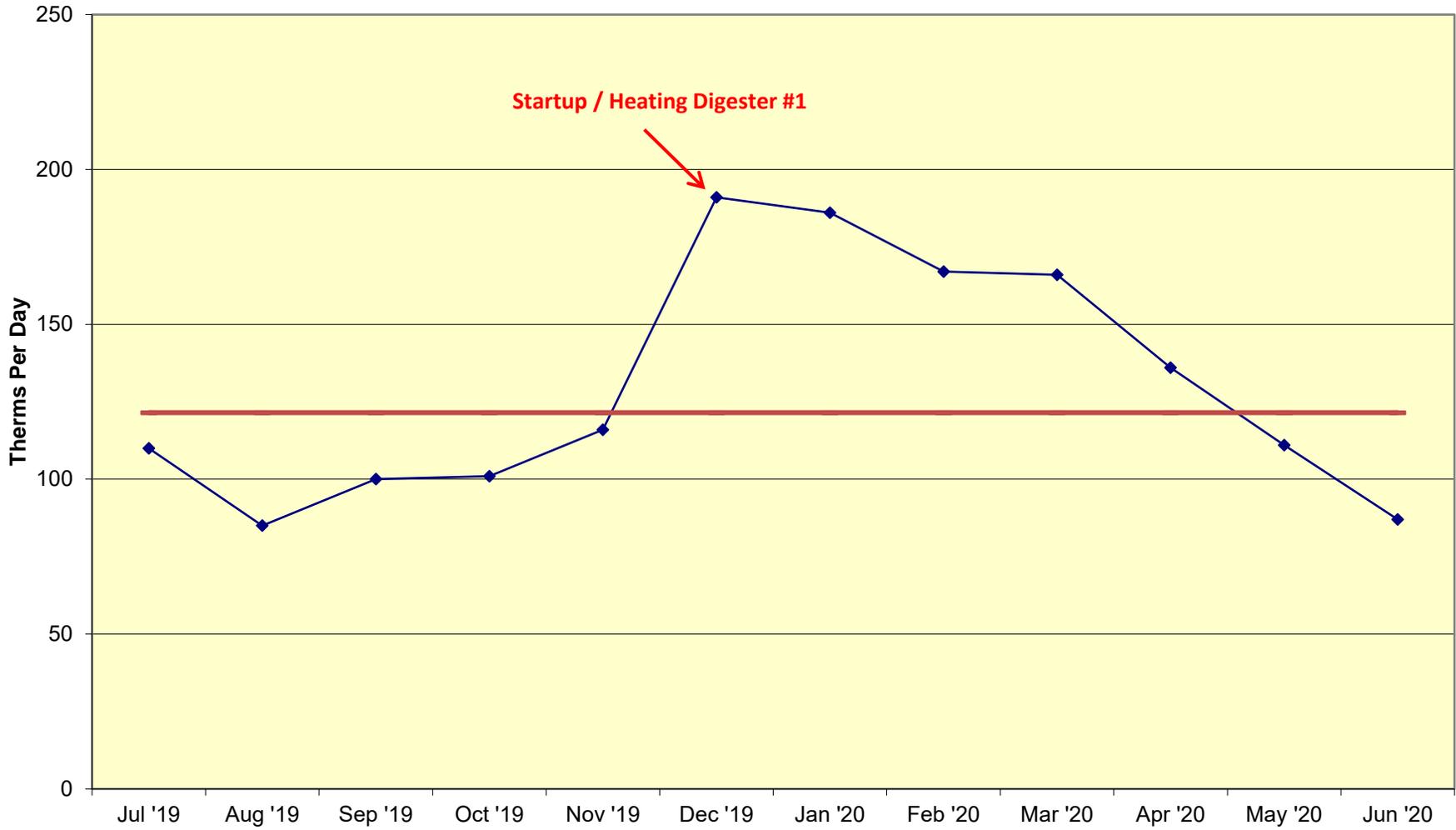
Energy kWh/MG



Energy kWh



Natural Gas Use

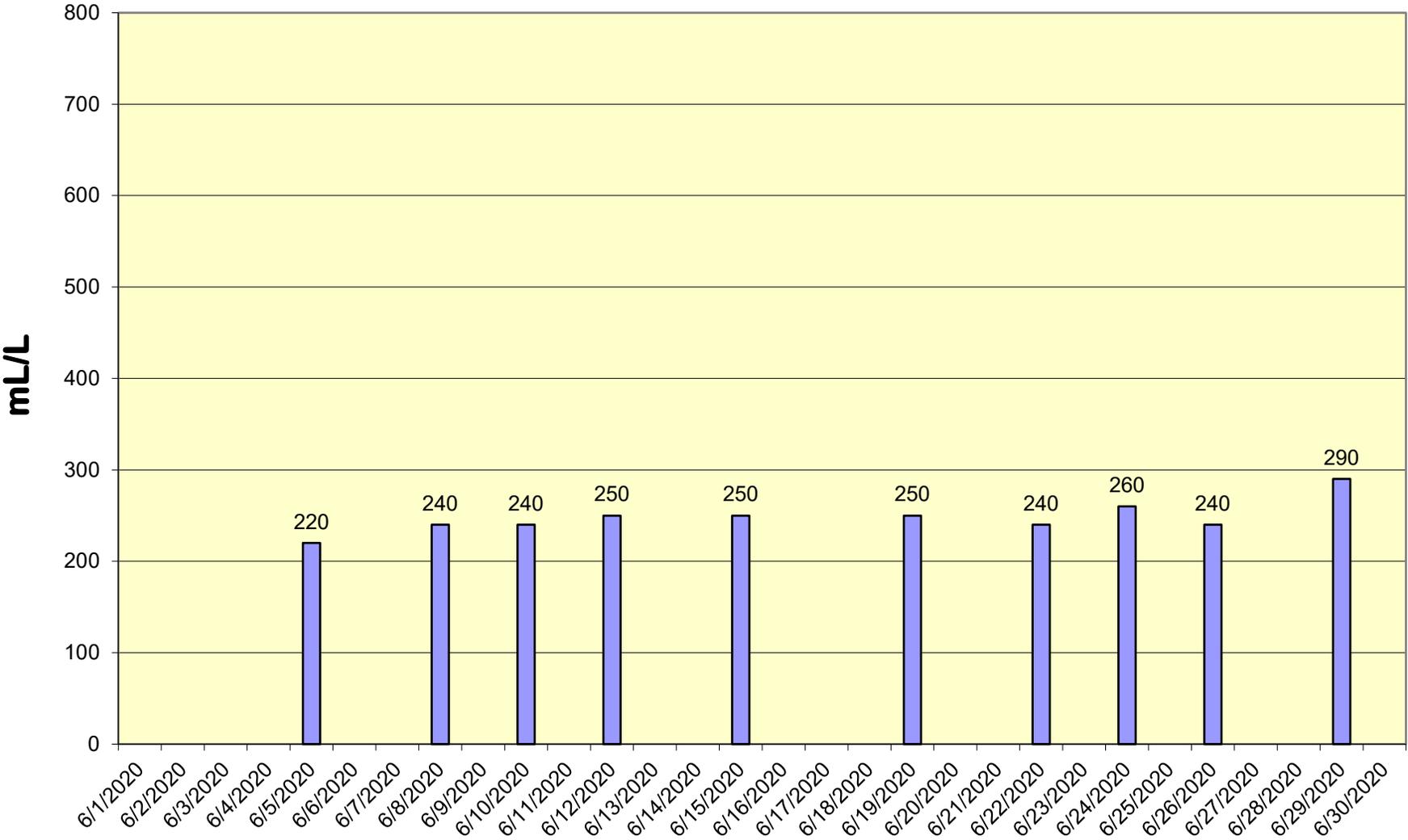


Process Control Data

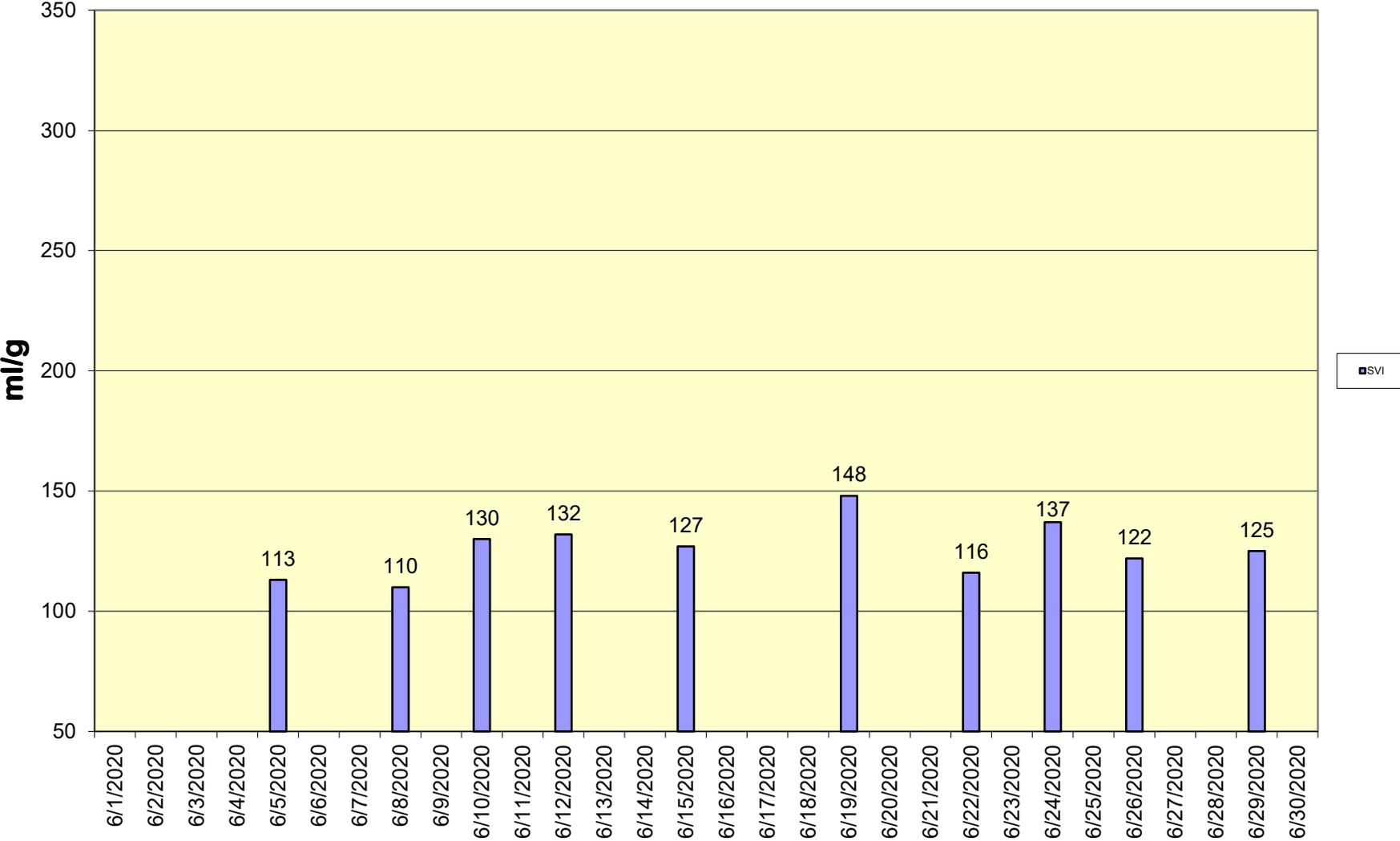
	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	MCRT	SVI
6/1/2020	3.73					
6/2/2020	3.80		1,820	32,422		
6/3/2020	3.50					
6/4/2020	3.53					
6/5/2020	3.62	220	1,950	34,738	8.8	113
6/6/2020	3.68					
6/7/2020	3.68					
6/8/2020	3.72	240	2,190	39,013	7.7	110
6/9/2020	3.77					
6/10/2020	3.60	240	1,850	32,956	7.4	130
6/11/2020	3.93					
6/12/2020	3.80	250	1,900	33,847	7.1	132
6/13/2020	3.83					
6/14/2020	3.59					
6/15/2020	3.83	250	1,970	35,094	9.3	127
6/16/2020	3.59					
6/17/2020	3.72					
6/18/2020	3.59					
6/19/2020	3.52	250	1,690	30,106	6.7	148
6/20/2020	3.57					
6/21/2020	3.64					
6/22/2020	3.63	240	2,070	36,875	7.0	116
6/23/2020	3.67					
6/24/2020	3.34	260	1,900	33,847	6.8	137
6/25/2020	3.50					
6/26/2020	3.72	240	1,970	35,094	6.0	122
6/27/2020	3.44					
6/28/2020	3.49					
6/29/2020	3.63	290	2,330	41,507	9.9	125
6/30/2020	3.39					
Minimum	3.34	220	1,690	30,106	6.0	110
Maximum	3.93	290	2,330	41,507	9.9	148
Total	109.05					
Average	3.64	248	1,967	35,045	7.7	126

5) PROCESS CONTROL DATA / GRAPHS

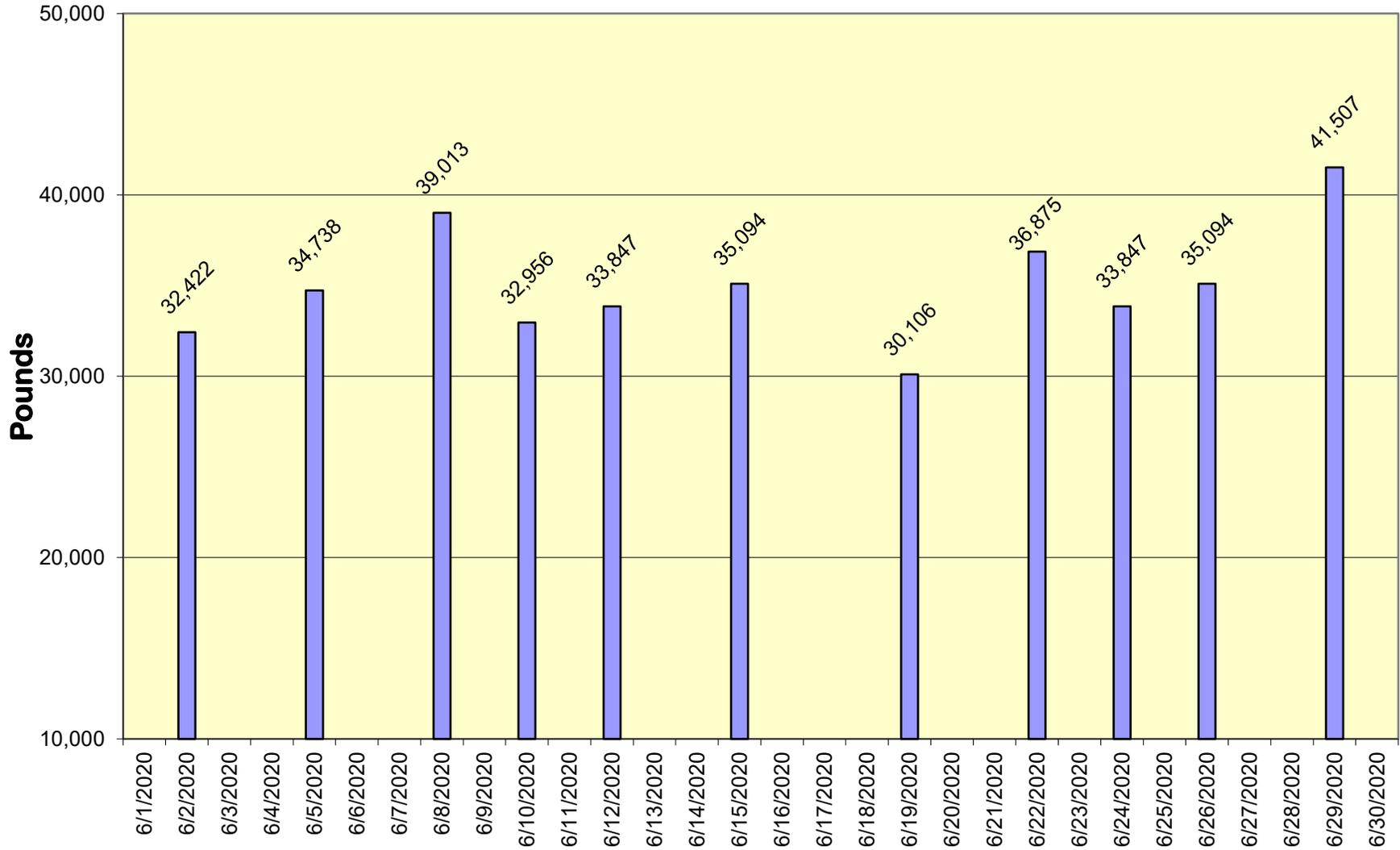
Settleability



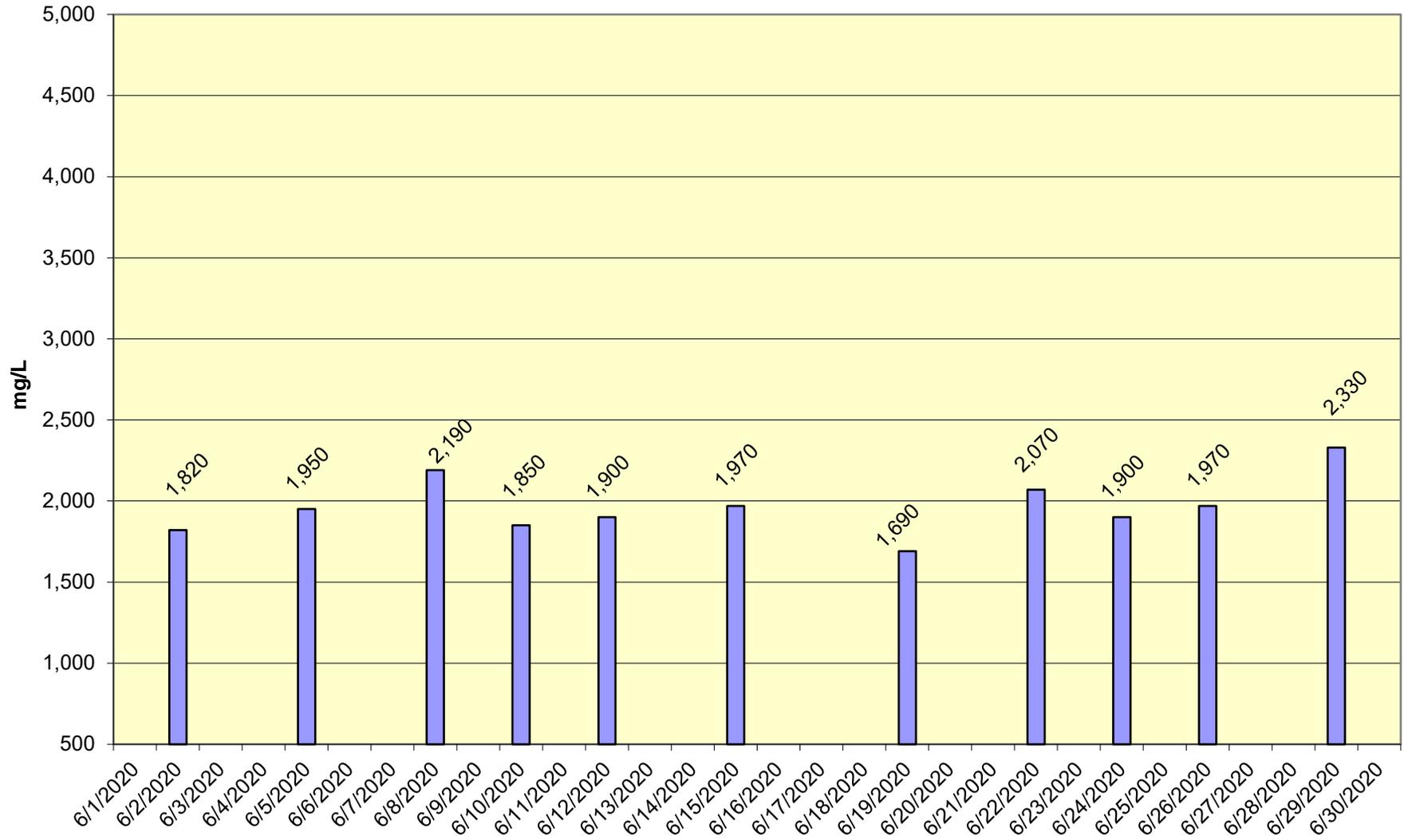
Sludge Volume Index



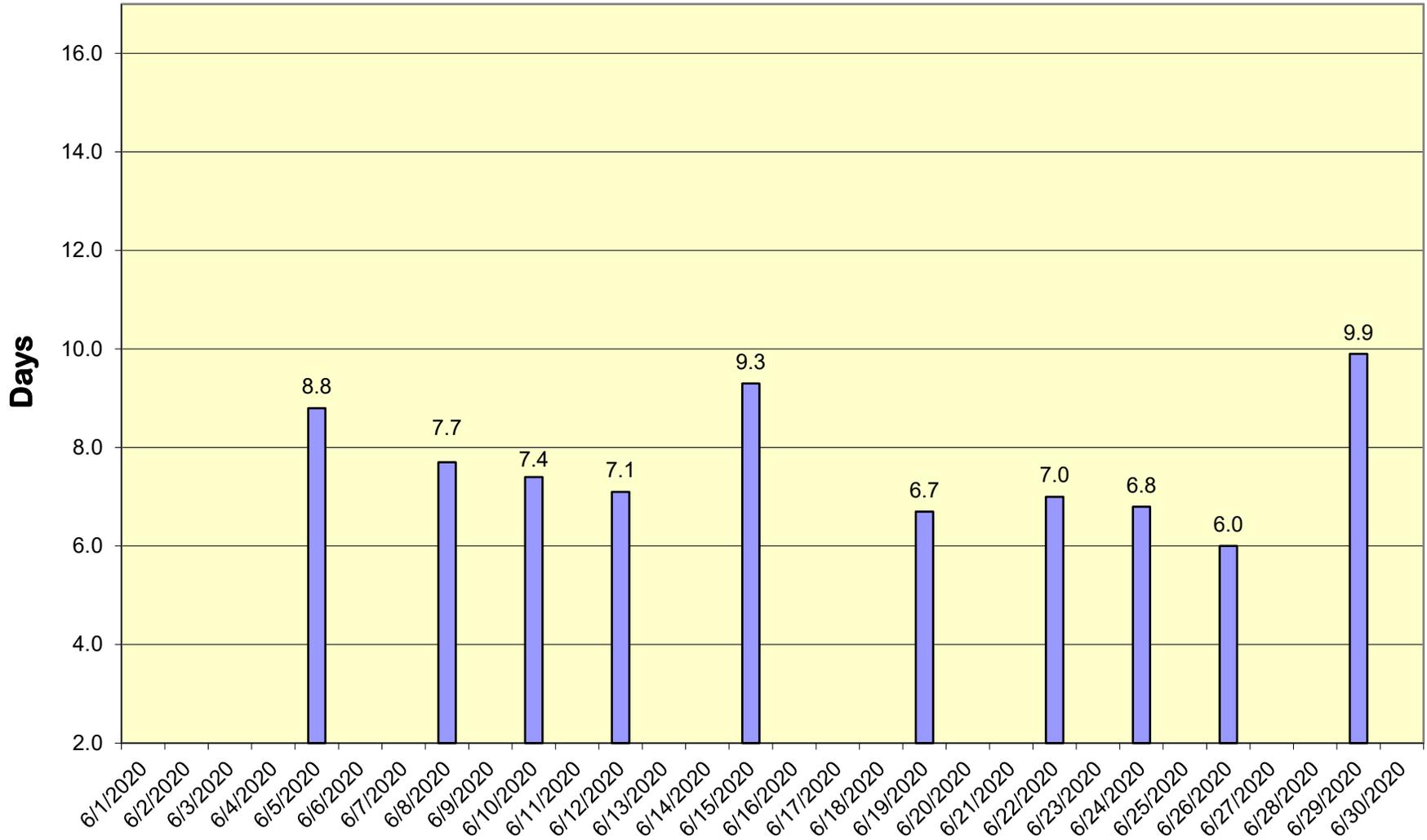
MLSS Inventory



MLSS Concentration

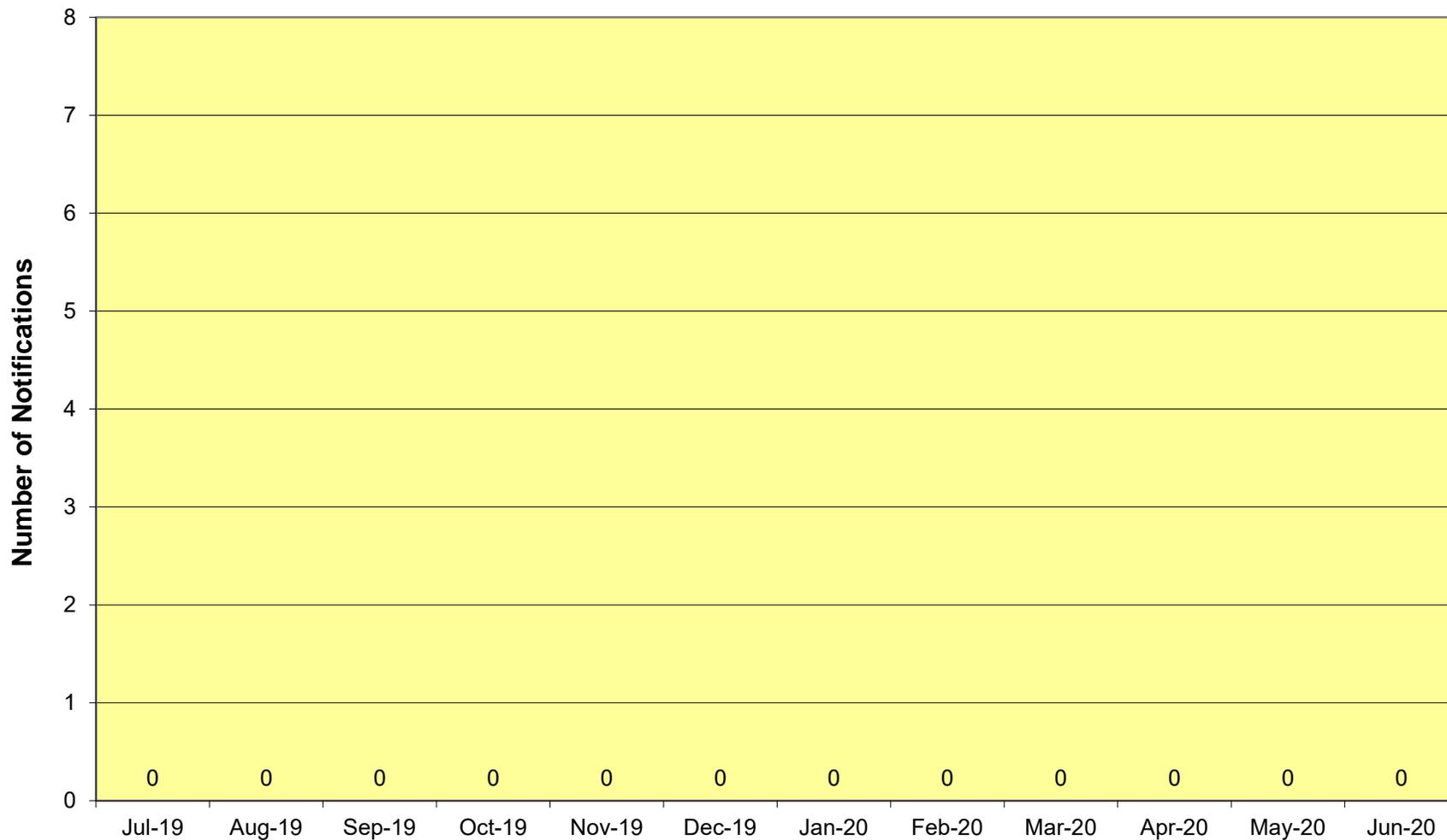


Mean Cell Residence Time



6) NEIGHBORHOOD COMPLAINTS RECEIVED

Neighborhood Complaints Received

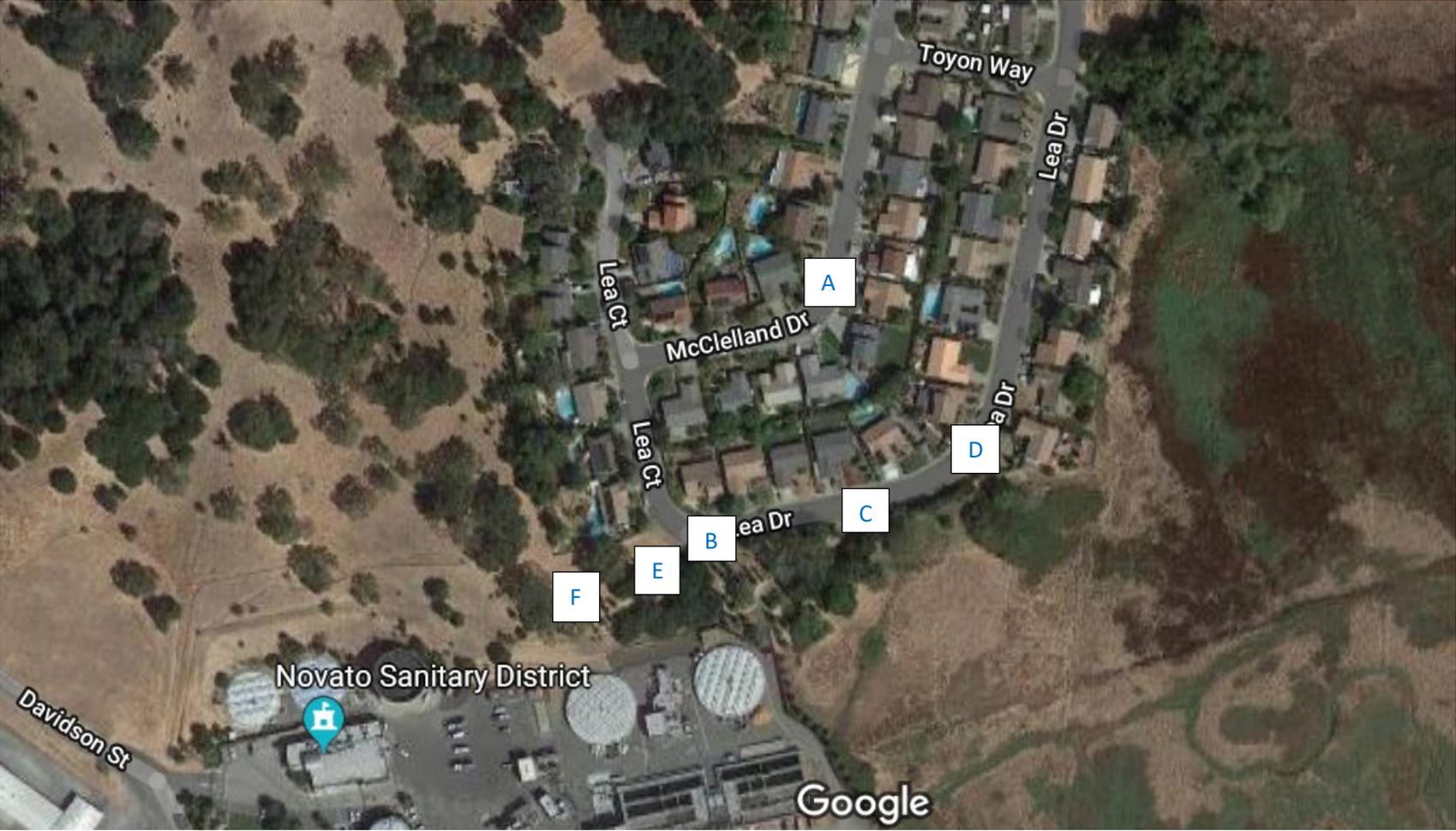


7) JEROME METER READINGS & LOCATIONS

JEROME METER READINGS - JUNE 2020

Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.000	0.000	Neighborhood
B: Lea 1	0.000	0.000	0.000	Neighborhood
C: Lea 2	0.000	0.000	0.000	Neighborhood
D: Lea 3	0.000	0.000	0.000	Neighborhood
E: Lea 4	0.000	0.000	0.000	Neighborhood
F: Lea 5	0.000	0.000	0.000	Neighborhood

NEIGHBORHOOD JEROME METER LOCATIONS – Lea Drive and McClelland Drive



NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
June 2020

1.0 Summary:

1.1 During June 2020:

- The treatment plant was in reclamation mode throughout all of June 2020.
- Approximately 66.5 million gallons of treated water flowed to storage ponds 1 and 2 during June 2020.
- On June 8th, Forgen, the contractor for the State Coastal Conservancy (SCC) building the new Hamilton Wetlands BMK V levee, installed a modified suction fitting in the District outfall pipe at Junction Box No. 5 to improve pumping of reclaimed water for levee construction. Approximately 8 million gallons of reclaimed water was used for the BMK V levee construction project during June 2020.

2.0 Ranch Operations:

- 2.1 Drainage Pump Stations 3 and 7 did not pump any water during June 2020.
2.2 Approximately 400 cows and calves grazed Sites 3 and 7 throughout June.

3.0 Irrigation Parcels:

- 3.1 Irrigation continued throughout June. Approximately 56 million gallons of reclaimed water were applied to the Site 3 and Site 7 pastures.
3.2 Repairs were made to the motor operated valves, primarily at Site 3 in June2020.

4.0 Irrigation Pump Station:

- 4.1 The Wildlife Pond was maintained at 6 feet throughout June.
4.2 The water level in storage ponds 1 and 2 dropped from 6.7 feet to 6.5 feet during June.
4.3 The Reclamation Facility Monthly Statistics spreadsheet for June 2020 is attached.



5.0 Biosolids (sludge) Handling & Disposal:

- 5.1 No biosolids activities occurred in June.

**Portable pump suction fitting being installed
at Junction Box 5**

NOVATO SANITARY DISTRICT

Reclamation Facility - Monthly Statistics/Estimates for Calendar Year 2020, as of June 30, 2020

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)	0	0	0	0	86.95	66.53							153.5	
Irrigation (MG)	0	0	0	0	5.33	56.11							61.4	
Irrigation Pump 1 Hours	0	0	0	0	20.8	126.1							146.9	
Irrigation Pump 2 Hours	0	0	0	0	0.9	62.6							63.5	
Irrigation Pump 3 Hours	0	0	0	0	19.7	130.9							150.6	
Washdown Water Pump Hours	0	0	0	0	0	0							-	
Wildlife Feed Pump Hours	0	0	0	720	648	720							2,088.0	
Water Circulated through Wildlife Pond (MG)	0	0	0	45.4	40.8	45.4							131.5	
Strainer No. 1 Hours	0	0	0	0	4	40.4							44.4	
Strainer No. 2 Hours	0	0	0	0	4.1	40.2							44.3	
Pond 1 Gauge @ Beginning of Month (feet)	3.5	3.5	3.4	3	2.8	6.7							22.9	
Pond 1 Gauge @ End of Month (feet)	3.5	3.4	3	2.8	6.8	6.5							26.0	
Pond 1 Gallons Stored @ End of Month(MG)	24	23	20	18	51	49							185.0	
Pond 2 Gauge @ Beginning of Month (feet)	3.5	3.5	3.4	3	2.8	6.7								
Pond 2 Gauge @ End of Month (feet)	3.5	3.4	3	2.8	6.8	6.5								
Pond 2 Gallons Stored @ End of Month(MG)	31	30	25	23	66	63								
Total Irrigation Water Stored (MG)	55	53	45	41	117	112								
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	0	61.8	2.2	0	0	0							64	
Drainage Pump No. 2 Hours	266.6	0	0.4	0	0	0							267	
Drainage Pump No. 3 Hours	0	0	5.2	0	0	0							5.2	
Total Gallons Stormwater Pumped (MG)	79.98	18.54	2.34	0	0	0							100.86	33.62
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	0	9.6	2.1	0	0	0							11.7	--
Drainage Pump No. 2 Hours	0	0	0	0	0	0							0	--
Drainage Pump No. 3 Hours	85.6	0	3.3	2.5	0	0							91.4	--
Total Gallons Stormwater Pumped (MG)	38.52	4.32	2.43	1.13	0	0.00							46.4	11.6

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
July 2020**

1.0 General:

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

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

2.0 Collection System Maintenance:

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

Line Cleaning Performance:

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 279 work orders for the month. Collections staff completed 276 work orders, 63 of these were videoed in lieu of cleaning, leaving three (3) work orders outstanding (the 3 work orders have been postponed due to the required wait time of 3 months after being root treated). The completed work orders resulted in the effective cleaning of 48,001 feet of sewer pipelines by staff (8,486 feet videoed).

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for sixteen (16) working days and televised a total of 28,731 feet of sewer main.

CCTV Findings:

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

3.0 Pump Station Maintenance:

Collections staff conducted 150 lift station inspections this month. Of these, 39 inspections were generated through the District's JobsCal Plus CMMS system. There are 0 outstanding work orders for the month. A Pump Stations' Work Order Statistics summary is attached.

New Seal Water pump installed at
Bahia Main Pump Station.



**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
July 2020**

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on six (6) air relief/vacuum valves this month; no issues were identified.

5.0 Safety and Training:

General:

Collections staff attended ten (10) safety tailgate meetings in July.

New Vactor sewer cleaning truck delivery update. Delivery date has been pushed back to August due to the current COVID-19 pandemic.

Specialized Training:

No reports for July.

Safety performance:

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

COVID-19:

Due to COVID-19 social distancing guidelines issued by the State and County of Marin, the collections and field services staff continue to work a temporary modified split shift (A/B teams). Other measures include (but not limited to): use of face coverings, social distancing during shifts, increased disinfection of commonly touched surfaces at the beginning and end of each shift, limiting vehicle occupation to one person per vehicle, etc.

6.0 Miscellaneous Projects:

- New seal water pump installed at Bahia Main Pump Station (PS)
- New Pressure switch installed on seal water system at Bahia Main PS
- New manual transfer switch installed at Hamilton Meadows PS
- Vegetation maintenance was performed at Olive PS, BMK PS's, and antennae sites.

7.0 Sanitary Sewer Overflows (SSOs):

There were zero (0) sanitary sewer overflows (SSO) in July. The No Spills certification ID is # **2576742**.

Novato Sanitary District
Collection System Monthly Report For July 2020 (as of July 31, 2020)

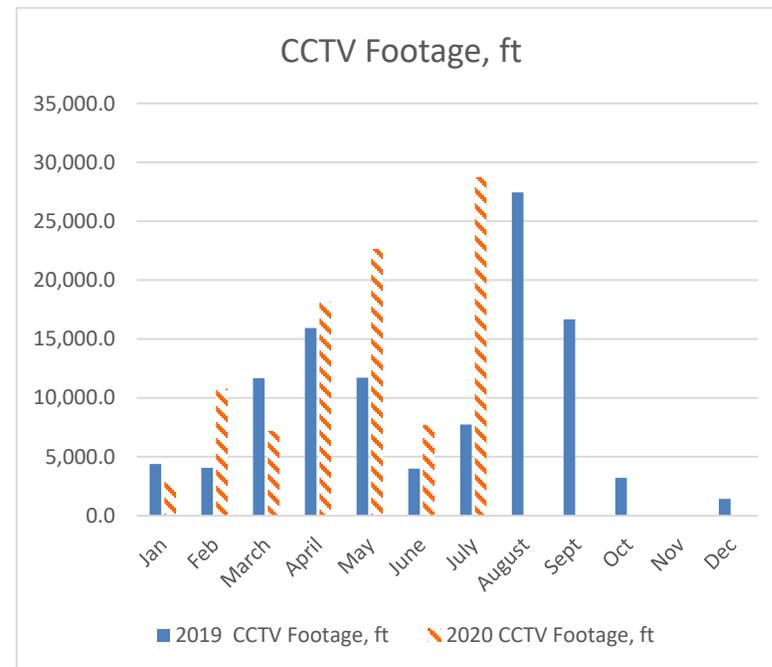
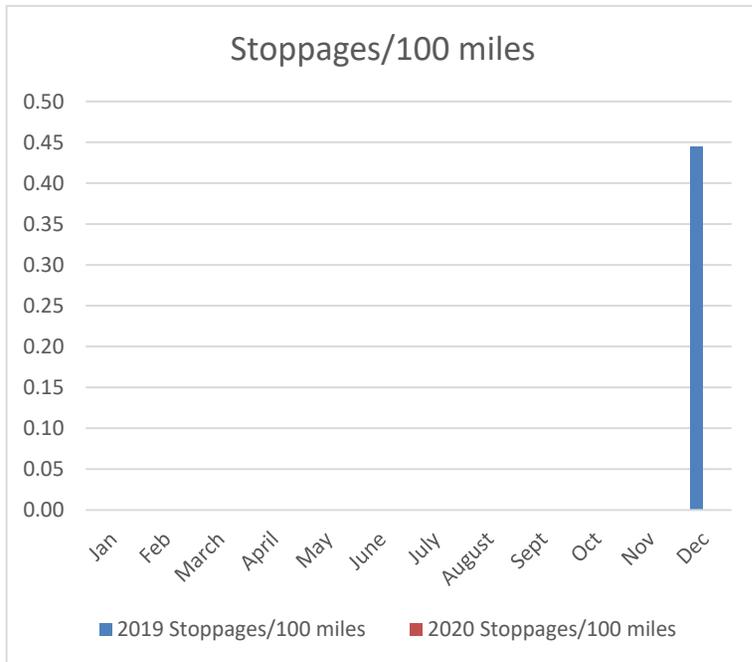
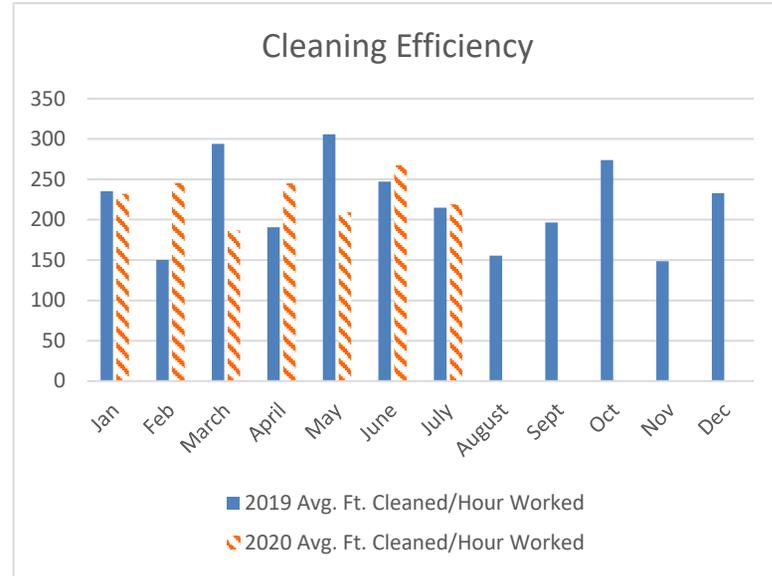
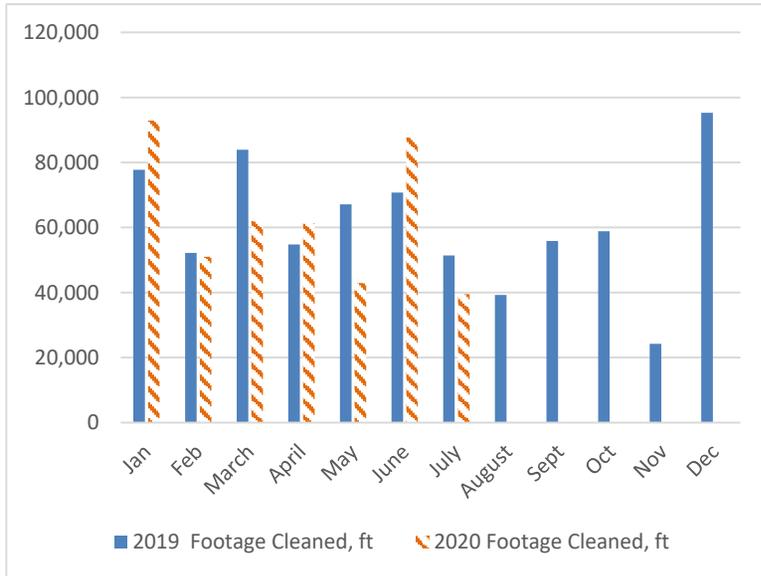
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning)	2.2	1.3	2.0	1.5	1.2	1.9	1.0	0.0	0.0	0.0	0.0	0.0	NA	0.9
Number of FTEs (other)	1.3	1.2	1.4	2.0	1.8	2.4	1.7	0.0	0.0	0.0	0.0	0.0	NA	1.0
Number of FTEs (USAs)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0
Number of FTEs (CCTV)	0.2	0.5	0.6	0.7	1.0	0.2	0.9	0.0	0.0	0.0	0.0	0.0	NA	0.3
Total, FTEs	3.8	3.0	4.0	4.2	3.9	4.4	3.6	0.0	0.0	0.0	0.0	0.0	NA	2.2
Regular Time Worked, (main line cleaning), hrs	401	208	332	250	206	328	181						1,905	272
Regular Time Worked on Other, hrs ⁽¹⁾	228	194	235	340	314	404	314						2,027	290
Regular Time Worked on USAs	20	0	0	0	0	0	0						20	3
Regular Time Worked on CCTV (2)	39	77	106	114	169	27	169						700	100
Total Regular time, worked, hrs	687	479	673	703	689	759	663	0	0	0	0	0	4,652	388
Total Vacation/Sick Leave/Holiday, hrs	319	386	220	13	124	110	250						1,422	203
Vacation/Sick Leave/Holiday, FTEs	1.8	2.4	1.3	0.1	0.7	0.6	1.4	0.0	0.0	0.0	0.0	0.0	8.3	0.7
Overtime Worked on Coll. Sys., hrs	12	0	5	0	0	0	0						17	2
Overtime Worked on Other, hrs (1)	7	2	5	0	0	2	3						18	3
Overtime Worked on USAs, hrs	0	0	0	0	0	0	0						0	0
Overtime Worked on CCTV ⁽²⁾	0	0	0	0	0	0	0						0	0
Total Overtime, hrs	19	2	9	NA	NA	2	3	NA	NA	NA	NA	NA	34	7
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	36	40	54	50	31	61	39						311	44
Rodder 3208 ft. cleaned	6,810	4,994	5,006	4,842	1,625	1,838	0						25,115	3,588
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0						0	0
Flusher Work Orders generated	427	232	263	259	207	435	237						2,060	294
Truck 3205V ft. cleaned	4,329	0	0	0	0	0	0						4,329	722
Truck 3206V ft. cleaned	36,952	20,521	12,180	17,640	0	7,446	10,800						105,539	15,077
Truck 3209F ft. cleaned	44,800	25,523	44,760	38,792	41,325	78,393	28,715						302,308	43,187
Flusher - outside services, ft. cleaned	0	0	0	0	0	0	0						0	0
Total Footage cleaned ⁽³⁾	92,891	51,038	61,946	61,274	42,950	87,677	39,515	NA	NA	NA	NA	NA	437,291	62,470
Work Orders completed	451	272	317	315	238	496	276						2,365	338
Work Orders backlog	12	0	0	0	0	0	3						15	2
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0	0						0	0
CCTV Truck 3126T, ft. videoed	2,876	10,401	7,195	14,780	17,179	2,227	24,399						79,057	11,294
CCTV (hand cam), ft. videoed	0	385	0	3,347	5,470	5,480	4,332						19,014	2,716
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	0	0						0	0
Total CCTV footage ⁽³⁾	2,876	10,786	7,195	18,127	22,649	7,707	28,731	NA	NA	NA	NA	NA	98,071	14,010
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	0	0	0	0	0	0	0						0	NA
Major (Category II)	0	0	0	0	0	0	0						0	NA
Major (Category I)	0	0	0	0	0	0	0						0	NA
Overflow Gallons	0	0	0	0	0	0	0						0	NA
Volume Recovered	0	0	0	0	0	0	0						0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA							
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	6	2	5	4	3	1	4						25	4
Normal hours S.C. response time, mins (avg.)	11.7	12.5	29.6	19.25	11.6	25	103						213	30
Service Callouts, after hours, #	1	0	1	0	0	0	0						2	0
After Hours S.C. response time, mins (avg.)	3	0	30	NA	NA	NA	NA	NA	NA	NA	NA	NA	33	11
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	232	245	187	245	209	267	219	NA	NA	NA	NA	NA	NA	229
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	NA	NA	NA	0	NA	NA	NA	0	NA	NA	0
Callouts/100 Miles	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.1
Overtime hours/100 Miles	5	0	2	0	0	0	0	0	0	0	0	0	7.33	1
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

Collection System: 2019 & 2020 Graphs



Novato Sanitary District
Pump Station Monthly Report For July 2020 (as of July 31, 2020)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked													0	
Number of Employees (FTEs)	1.4	1.6	1.8	2.8	2.4	1.9	2.0	0.0	0.0	0.0	0.0	0.0		1.2
Regular Time Worked on Pump Sta	264	249	298	467	413	329	370						2,388	
Overtime Worked on Pump Sta	46	36	39	14	27	47	15						223	
After Hours Callouts	0	1	1	0	0	0	0	0	0	0	0	0	2	
Average Callout response time (mins)	0	15	30	0	0	0	0	0	0	0	0	0	45	4
Work Orders														
Number generated in month	39	38	46	38	38	46	39						284	41
Number closed in month	39	38	46	38	38	46	39						284	41
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**PUMP STATIONS
WORK ORDER STATISTICS
July 1, 2020-July 31, 2020**

	Open Work Orders Due Prior to 7/1/2020	Open Work Orders 7/1/2020-7/31/2020	Total Open Work Orders
Preventive	0	39	39
Corrective	0	0	0
Total	0	39	39

	Closed Work Orders 7/1/2020 -7/31/2020
Preventive	39
Corrective	0
Total	39

Total Outstanding Work Orders as of 7/31/2020	0
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Item 10.a.
July 2020
Treatment Report
(Pages 174 to 208)

August 4, 2020

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

Subject: Veolia Water Operations Report – July 2020

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for July 2020.

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

Best regards,

A handwritten signature in blue ink that reads "John P. O'Hare". The signature is fluid and cursive.

John P. O'Hare
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
July 2020

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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- B: SAFETY AND TRAINING
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- E: ADMINISTRATION
- F: ODORS & LANDSCAPING
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ATTACHMENTS

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

A: TREATMENT PLANT PERFORMANCE SUMMARY – Discharge to Reclamation – July 1 – 31, 2020

National Pollution Discharge Elimination System Permit – Table 1.0

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	3.53	4.38	N/A	
Influent				
BOD ₅ , lb/day (month ave/max)	9,045	9,696	N/A	
TSS, lb/day (monthly ave/max)	7,786	8,343	N/A	
Effluent				
BOD ₅ , mg/L (monthly ave/max weekly ave)	<6	7	15	30
TSS, mg/L (monthly ave/max weekly ave)	<3	4	10	20
BOD ₅ - % Removal, Average	98		85 minimum	
TSS - % Removal, Average	99		85 minimum	
Ammonia, mg/L – (monthly ave/daily max)	N/A	N/A	5.9	21
pH, su (min / max)	6.8	7.0	6.5	8.5
Enterococcus, MPN/100 ml (30 day geo mean)	2.42		35	
Fecal Coliform, MPN/100 ml (monthly median)	N/A		140	
Fecal Coliform, MPN/100 ml (90 th PCTL)	N/A		430	
Total Coliform, MPN/100 ml (5 sample median)	40.2		240	
Total Coliform, MPN/100 ml (monthly maximum)	1,600		10,000	

Total Rainfall = 0.0 inches

Title 22 - Recycled Water Production and Quality – Table 2.0

Description	Units	Value	Limit
Potable Water Provided	Million Gallons	0	N/A
Volume Produced	Million Gallons	37.591	N/A
Average Turbidity	NTU	0.5	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	2	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	7.1	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 days	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

- National Pollutant Discharge Elimination System Permit (NPDES) Limits - None
- Reclaimed (Recycle) Water - None
- Recycled Water Permit – None
- Bay Area Air Quality Management District – None

B: SAFETY AND TRAINING:

- Alternative Staffing Schedule – Continued to utilize two separate crews throughout the month with



the administrative assistant working with one of the two teams and the remainder of the time from home.

- Monthly plant safety inspections for Novato Wastewater Treatment Plant and Ignacio Transfer Pump Station completed.
- No safety incidents for the month of July 2020.
- Monthly Safety Topics: On Line Training July 2020 – Heat Stress.

C: OPERATIONS & MAINTENANCE STATUS / REVIEW:

Key events for the period:

Wastewater Treatment Plant Power Outages

- No power outages to report in July 2020.

Novato Wastewater Treatment Plant

- Routine rounds, readings and preventative maintenance.
- Anaerobic Digester #2 Cleaning – initiated on July 27th and completed on July 31st.
- Administrative Building Standby Generator – replaced the exhaust manifold gasket and the three current transformers.
- Gravity Belt Thickener Filtrate Pumps – replaced both of the motor starters.
- Ultraviolet Disinfection System – replaced the analog circuit board in the UVT Meter.
- Odor Fan #2 – replaced the fan shaft assembly.
- Sodium Hypochlorite Pump #1 – replaced the tachometer unit.
- Digester Boiler – replaced the viewing port and tridicator/boiler temperature and pressure gauge unit.
- Standby Generators 1-4 – annual service performed.
- Wet Weather Pumps 1 & 2 – annual service performed.

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

- Primary Clarifier #1 (standby)
- Aeration Basin #1 & #3 (standby)
- Secondary Clarifier #2 (standby)

Ignacio Pump Station Power Outages

- No power outages to report in July 2020.

Ignacio Transfer Pump Station

- Routine rounds, readings and preventative maintenance.
- Standby Generator – annual service performed.
- Sodium Hypochlorite Pump - replaced

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

- None

Recycled Water Plant (RWP)

- Routine rounds, readings and preventative maintenance.

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

- None

Sludge Lagoons (and Reclamation Area)

- Conducted routine checks.
- Exercised the sludge lagoons inlet and outlet valves.
- Sludge Inlet and Outlet Lines – rodded and flushed all of the lines.

D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY**Regulatory Programs:****Laboratory Program****Total Coliforms**

When effluent is discharged to the reclamation, the requirement is for Total Coliform. Three samples were analyzed each week in July. All results were below the regulatory limits.

Enterococcus

The recycled water use agreement with the California State Coastal Conservancy requires that Enterococcus data be provided, which continued through July 2020.

Regional Monitoring Program (RMP)

The 2019 mass discharge loads for Chromium, Copper, Nickel, and Selenium were submitted online to the San Francisco Estuary Institute as requested by the San Francisco Regional Water Quality Control Board to derive the Regional Monitoring Program annual fee.

Retrospective Screening for SARS-CoV-2 in the Bay Area

Sampling of influent composite samples began in July at the request of the Berkeley Water Center (BWC) at the University of California, Berkeley. BWC provided all the supplies necessary for the weekly (at present) sampling events, including sample bottles, packaging and return labels for delivery back to their laboratory.

Public Education

Pollution Prevention onsite outreach activities have had to be suspended due to the COVID-19 pandemic. Julie Hoover, Novato Sanitary District, Administrative Secretary and Liz Falejczyk, Veolia Water Environmental Services Supervisor compiled door hanger information packets for distribution by the collection system crew. The focus of the messages continues to be the problems associated with disposable wipes and other non-tissue products clogging pipes and grease. The collections system crew distributed 150 packets (door hangers) to **residents** of the 1250 Redwood Blvd neighborhood, with information on fat free sewers, pharmaceutical take back locations, and what not to flush. The packets also included a kitchen grease scraper.

Pretreatment Program**Reports**

The semi-annual pretreatment report was submitted through the California Integrated Water Quality System and Environmental Protection Agency.

Inspections and Sampling

- Inspected one new Industrial User which will be permitted as a Class III industrial user.

Fats, Oils and Grease Program**Compliance Reporting**

- Inspected two Food Service Establishments (FSEs), one with Marin County Public Health Department.

Inspections and Sampling

- Received confirmation of continued compliance with maintaining grease removal devices from two FSEs.

E: ADMINISTRATION:

- June 2020 Electronic Discharge Monitoring Report (EDMR-US EPA) and June 2020 Self-Monitoring Report (SMR-State of California) submitted on July 29th.

F: ODORS & LANDSCAPING:

- Jerome meter (H₂S) parts per million (ppm) readings performed in adjacent neighborhood.
- Values reported averaged 0.000-0.0003 ppm which is below the odor threshold.

G: MISCELLANEOUS

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

Veolia Support Staff On/Off Site (Various Times)

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

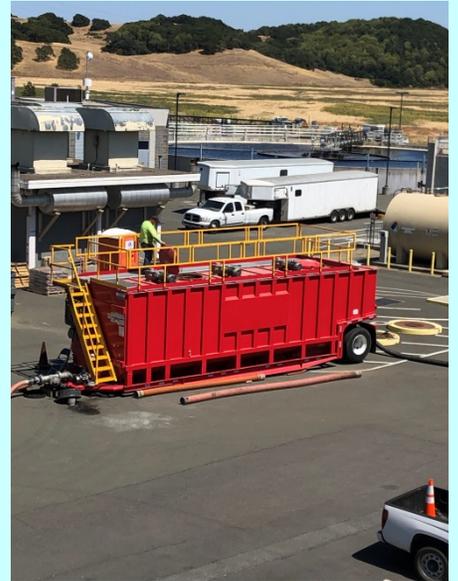
Melissa Sandvold, Veolia West Region VP of Operations

James Loven, Veolia Central/West Technical Director

Joe Hart, Veolia Regional Asset Manager

1) PHOTOS

PLANT OPERATION AND MAINTENANCE JULY 2020



Above Left – Catwalk on the top of digester #2
Above Middle – Interior of digester #2 sludge mixing lines
Above Right – Wastewater Solids Management sludge holding tank
Below Left – Floor of digester #2
Below Right – Interior dome of digester #2

2) *LABORATORY DATA*

Novato Sanitary District
BOD/TSS Report



July, 2020

Date	Flow MGD	Influent				Effluent				BOD % Removal	TSS % Removal
		BOD		TSS		BOD		TSS		PERCENT	%
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
07/01/20	3.66										
07/02/20	3.65										
07/03/20	3.47										
07/04/20	3.29										
07/05/20	3.42										
07/06/20	3.58										
07/07/20	3.78										
07/08/20	3.36	346	9,696	256	7,174	7	123	<3	<53	98.0	98.8
07/09/20	3.57	300	8,932	272	8,098	6	105	<3	<53	98.0	98.9
07/10/20	3.33					5	82	<3	<49		
07/11/20	3.38										
07/12/20	3.46										
07/13/20	3.48										
07/14/20	3.54										
07/15/20	3.64					<5	<99	<3	<59		
07/16/20	3.51			285	8,343	6	102	<3	<51		98.9
07/17/20	3.48					<5	<84	<3	<50		
07/18/20	3.46										
07/19/20	3.69					<5	<90	<3	<54		
07/20/20	3.40	300	8,507	251	7,117	<5	<92	<3	<55	98.3	98.8
07/21/20	3.53					<5	<105	<3	<63		
07/22/20	3.55					7	143	4	82		
07/23/20	3.49										
07/24/20	3.69										
07/25/20	3.27										
07/26/20	3.50										
07/27/20	3.60			273	8,197			3	64		98.9
07/28/20	3.38							3	54		
07/29/20	3.64							3	63		
07/30/20	3.35										
07/31/20	4.38										
Weekly Averages											
07/04/20	Week 1	306		268	8,113	5		3	57		
07/11/20	Week 2	323	9,314	264	7,636	6	103	3	51		
07/18/20	Week 3			285	8,343	5	95	3	54		
07/25/20	Week 4	300	8,507	251	7,117	6	108	3	63		
	Week 5										
Monthly											
Minimum	3.27	300	8,507	251	7,117	<5	82	<3	<49	98	99
Maximum	4.38	346	9,696	285	8,343	7	143	4	82	98	99
Total	109.53										
Average	3.53	315	9,045	267	7,786	<6	<102	<3	<58	98	99

Novato Sanitary District
Conventional Pollutants Report



July, 2020

Date	INFLUENT - A001			Effluent - E002							
	Flow	pH	Ammonia	Coliform / Bacteria			pH	Ammonia	Oil & Grease	Temp	Rainfall
	Total	su	mg/L	Fecal	Entero	Total	su	mg/L	mg/L	Deg C	Inches
	MGD			MPN/100 mL							
07/01/20	3.66	7.4					6.9			24.0	0.00
07/02/20	3.65	7.4					6.9			23.5	0.00
07/03/20	3.47										0.00
07/04/20	3.29										0.00
07/05/20	3.42										0.00
07/06/20	3.58	7.3			5.7	1,600	6.9			23.4	0.00
07/07/20	3.78	7.3			6.3	40	7.0			23.9	0.00
07/08/20	3.36	7.4			<1.0	23	7.0			24.5	0.00
07/09/20	3.57	7.5					6.9			23.9	0.00
07/10/20	3.33	7.4					6.9			24.4	0.00
07/11/20	3.38										0.00
07/12/20	3.46										0.00
07/13/20	3.48	7.4			1.0	21	6.9			24.2	0.00
07/14/20	3.54	7.2			1.4	17	7.0			24.3	0.00
07/15/20	3.64	7.2			10.9	19	6.9			23.9	0.00
07/16/20	3.51	7.3					7.0			25.2	0.00
07/17/20	3.48	7.3					6.9			24.7	0.00
07/18/20	3.46										0.00
07/19/20	3.69	7.3			1.7	22	6.8			22.2	0.00
07/20/20	3.40	7.4			1.0	46	6.8			22.3	0.00
07/21/20	3.53	7.5			5.2	15	6.8			23.8	0.00
07/22/20	3.55						6.8				0.00
07/23/20	3.49	7.2					6.9			25.2	0.00
07/24/20	3.69										0.00
07/25/20	3.27										0.00
07/26/20	3.50						6.8			24.2	0.00
07/27/20	3.60	7.7			4.1	5	6.9			24.3	0.00
07/28/20	3.38	7.7			2.0	21	6.9			24.3	0.00
07/29/20	3.64	7.5			<1.0	20	6.9			24.4	0.00
07/30/20	3.35	7.3					7.0			23.8	0.00
07/31/20	4.38										0.00
Monthly											
Minimum	3.27	7.2			<1.0	5	6.8			22.2	0.00
Maximum	4.38	7.7			10.9	1,600	7.0			25.2	0.00
Total	109.53										0.00
Average	3.53	7.4					6.9			24.0	0.00
Geomean					2.42						

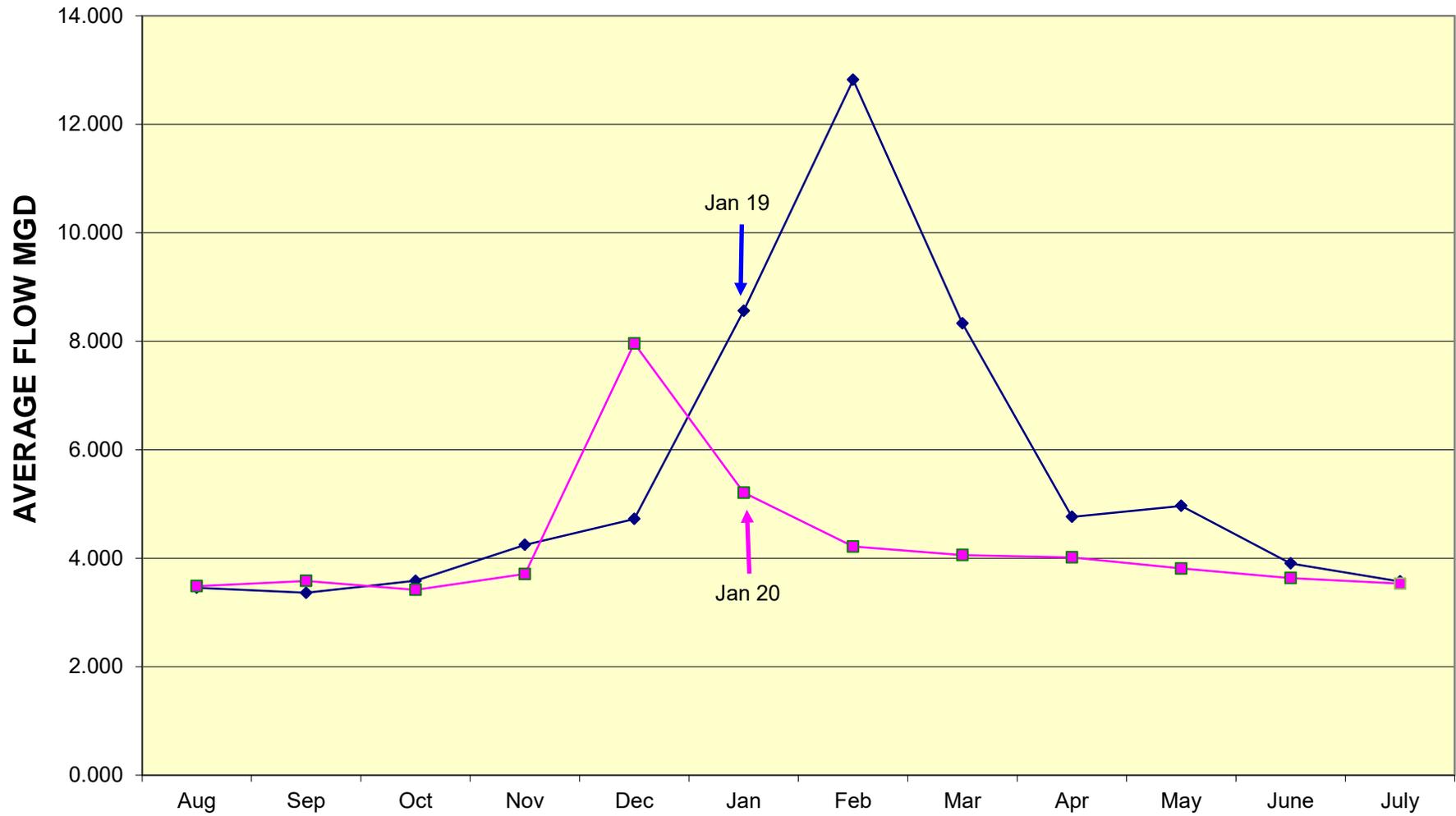
3) *RECYCLED WATER REPORT*

NOVATO SANITARY DISTRICT
 RECYCLED WATER
 COMPLIANCE SUMMARY REPORT

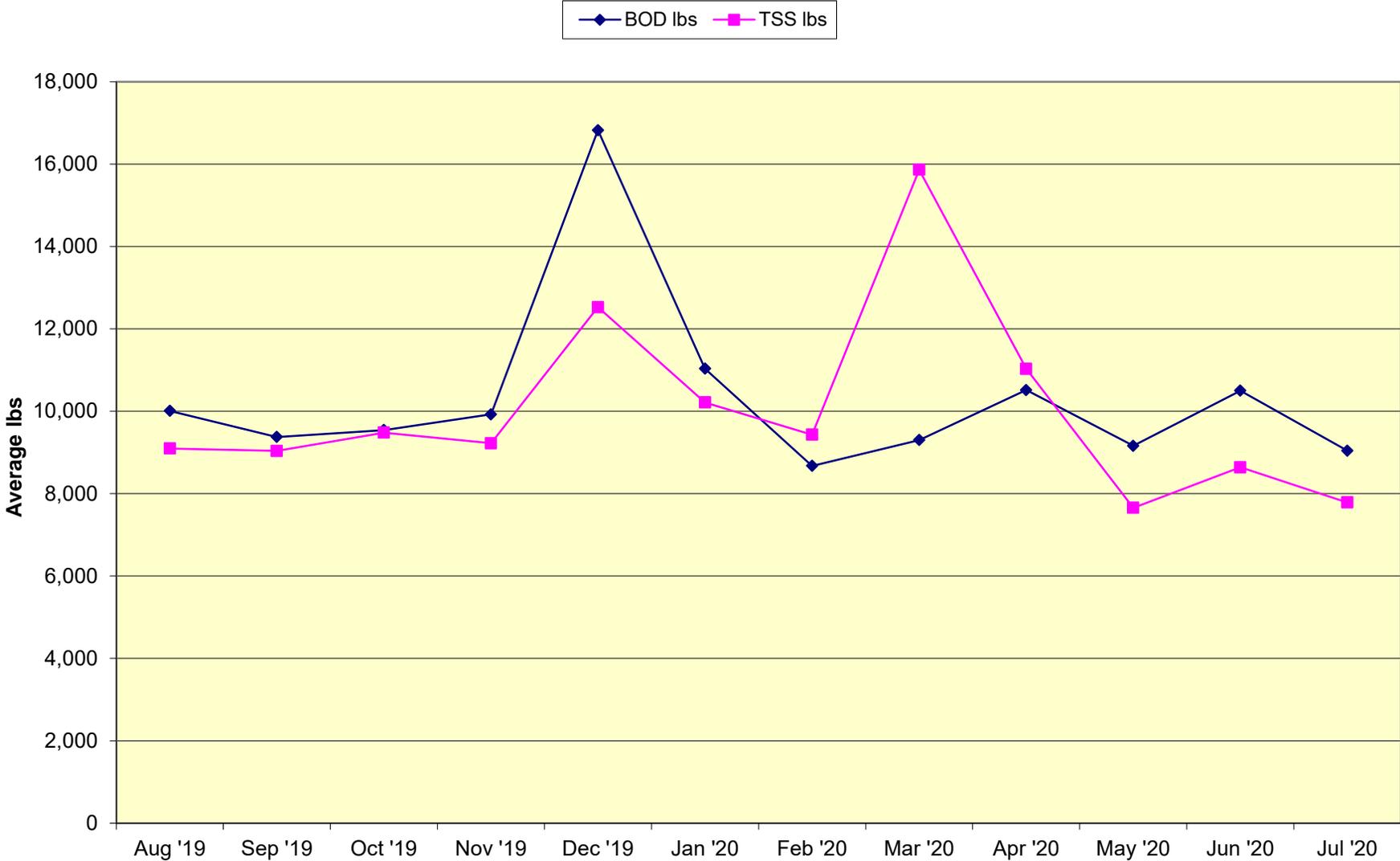
	Filter Influent Flow	Recycled Water Flow to Plum St.	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Disinfection CT Value
Date	MGD	MGD	MG	MGD	NTU	(m)	NTU	(mg/l)	MPN/100ml	mg-min/l
7/1/2020	1.420	1.363			0.8	0	0.4	7.5	<1	>450.000
7/2/2020	1.320	1.238			1.4	0	0.8		<1	>450.000
7/3/2020	1.210	1.144			1.2	0	0.9		<1	>450.000
7/4/2020	1.390	1.270			1.0	0	0.8		<1	>450.000
7/5/2020	1.220	1.177			0.9	0	0.7	7.3	<1	>450.000
7/6/2020	1.390	1.339			0.9	0	0.7	7.3	<1	>450.000
7/7/2020	1.180	1.100			1.3	0	0.5	7.3	<1	>450.000
7/8/2020	1.390	1.259			1.8	0	0.5		<1	>450.000
7/9/2020	1.500	1.467			1.4	0	0.5		<1	>450.000
7/10/2020	1.460	1.374			1.7	0	0.5		<1	>450.000
7/11/2020	1.570	1.507			1.2	0	0.3		<1	>450.000
7/12/2020	1.360	1.197			2.0	0	0.3	7.3	<1	>450.000
7/13/2020	1.670	1.561			1.0	1	0.4	7.1	<1	>450.000
7/14/2020	0.960	0.911			3.0	0	0.3	7.2	<1	>450.000
7/15/2020	1.320	1.262			0.8	0	0.5		<1	>450.000
7/16/2020	1.500	1.468			1.1	1	0.6		<1	>450.000
7/17/2020	1.540	1.472			0.8	0	0.5		<1	>450.000
7/18/2020	1.480	1.079			0.7	0	0.4		<1	>450.000
7/19/2020	1.630	1.527			2.0	0	1.1	7.2	<1	>450.000
7/20/2020	1.330	1.202			1.6	0	1.1	7.2	<1	>450.000
7/21/2020	1.060	1.005			1.8	0	0.9	7.3	<1	>450.000
7/22/2020	1.210	1.102			1.3	0	0.3		<1	>450.000
7/23/2020	1.360	1.258			1.7	0	0.4		<1	>450.000
7/24/2020	1.100	0.908			1.0	0	0.2		<1	>450.000
7/25/2020	1.100	1.043			1.1	0	0.2		<1	>450.000
7/26/2020	0.960	0.821			1.0	0	0.3	7.4	<1	>450.000
7/27/2020	1.200	1.032			1.6	0	0.5	7.4	<1	>450.000
7/28/2020	1.160	1.225			0.5	0	0.2		1	>450.000
7/29/2020	1.170	1.103			1.0	0	0.2	7.4	<1	>450.000
7/30/2020	1.130	0.975			1.0	0	0.3		<1	>450.000
7/31/2020	1.250	1.202			1.2	2	0.3		<1	>450.000
Total	40.540	37.591								
Minimum	0.960	0.821			0.5	0	0.2	7.1	<1	>450.0
Maximum	1.670	1.561			3.0	2	1.1	7.5	1	>450.0
Average	1.308	1.213			1.3	0	0.5	7.3	<1	>450.0

4) ANNUAL PERFORMANCE SUMMARY – GRAPHS

WASTEWATER INFLUENT FLOW COMPARISON

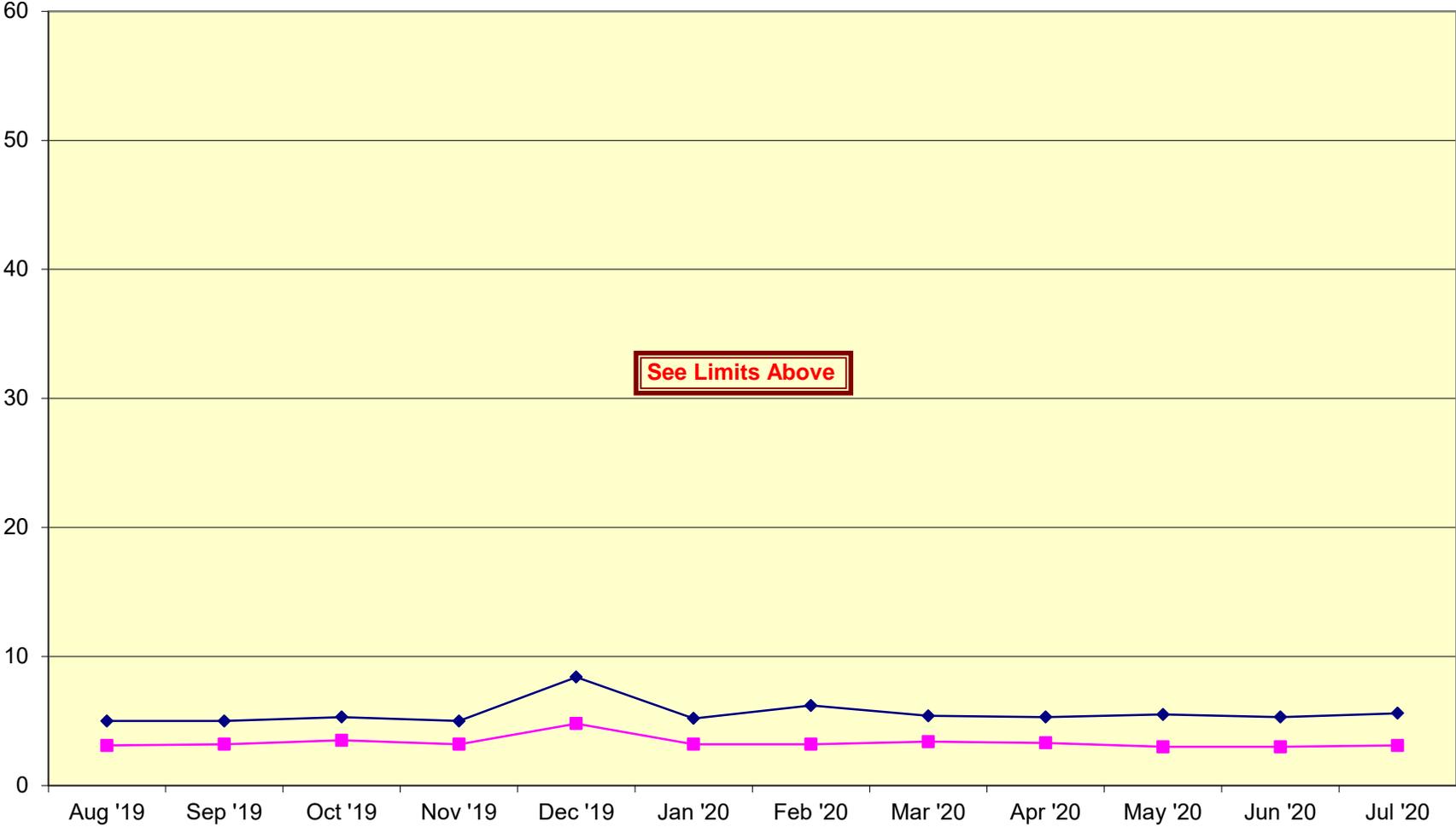


Influent Load BOD / TSS lbs



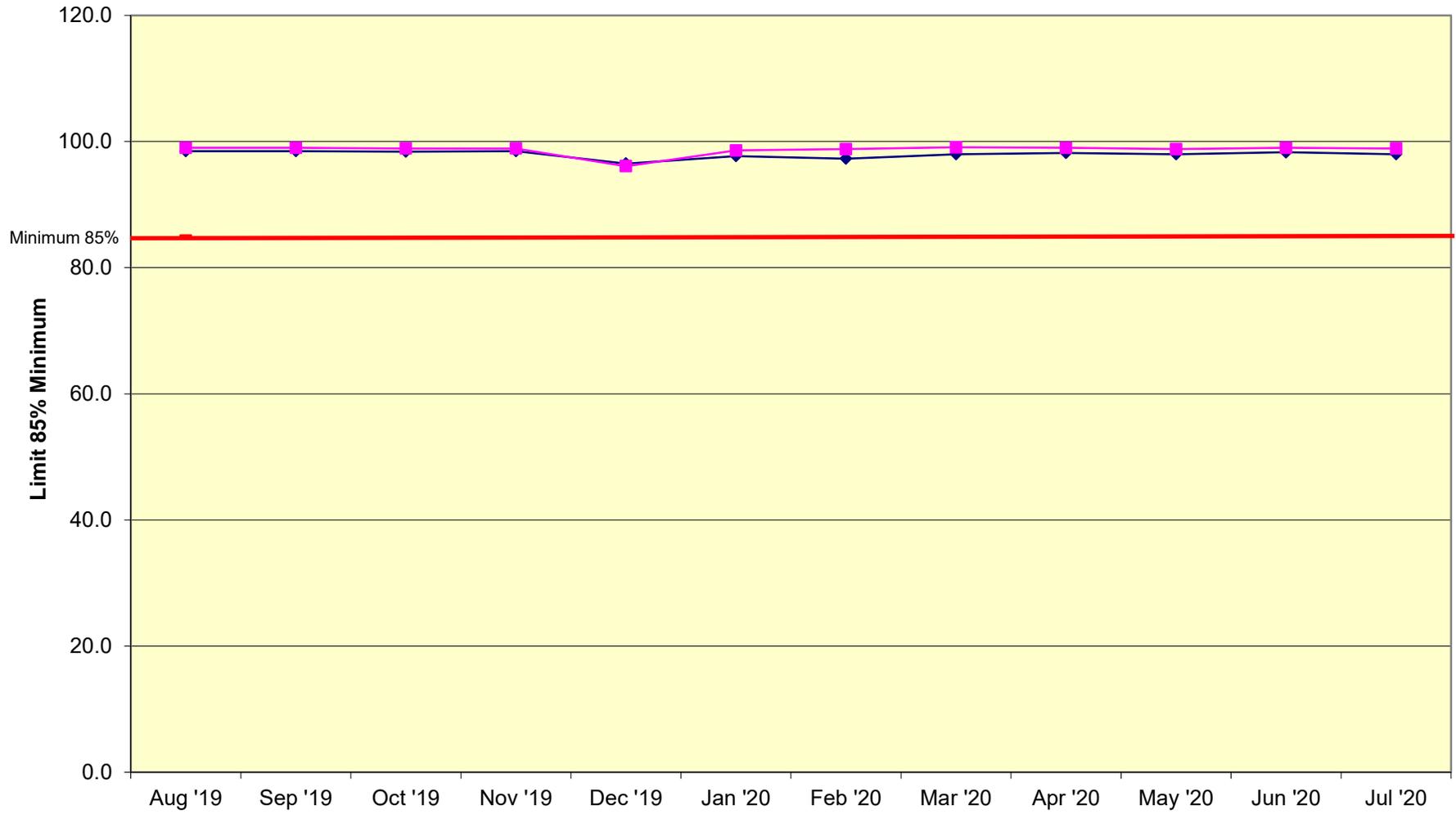
Effluent BOD / TSS Concentration

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

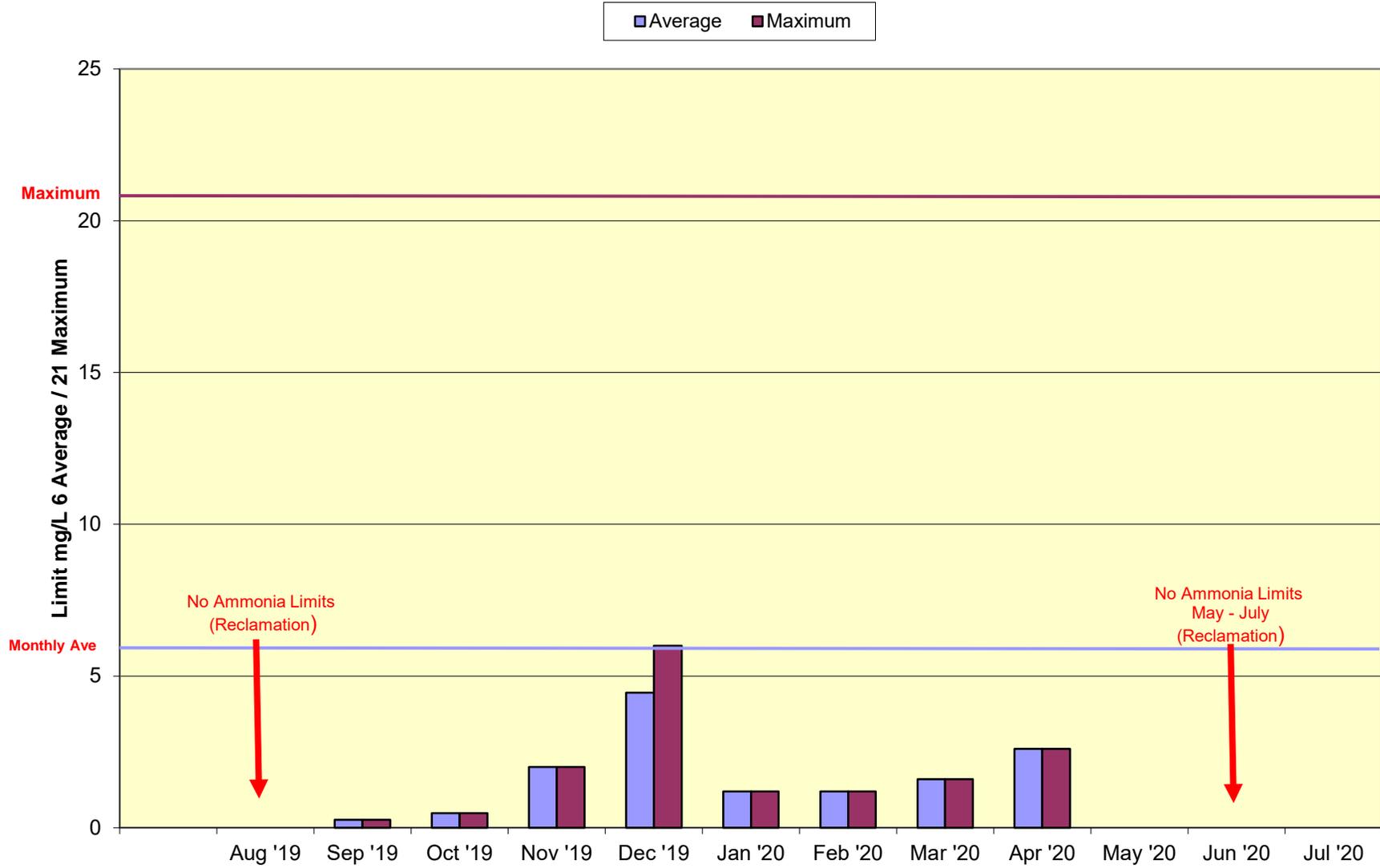


BOD / TSS Percent Removal

◆ BOD ■ TSS

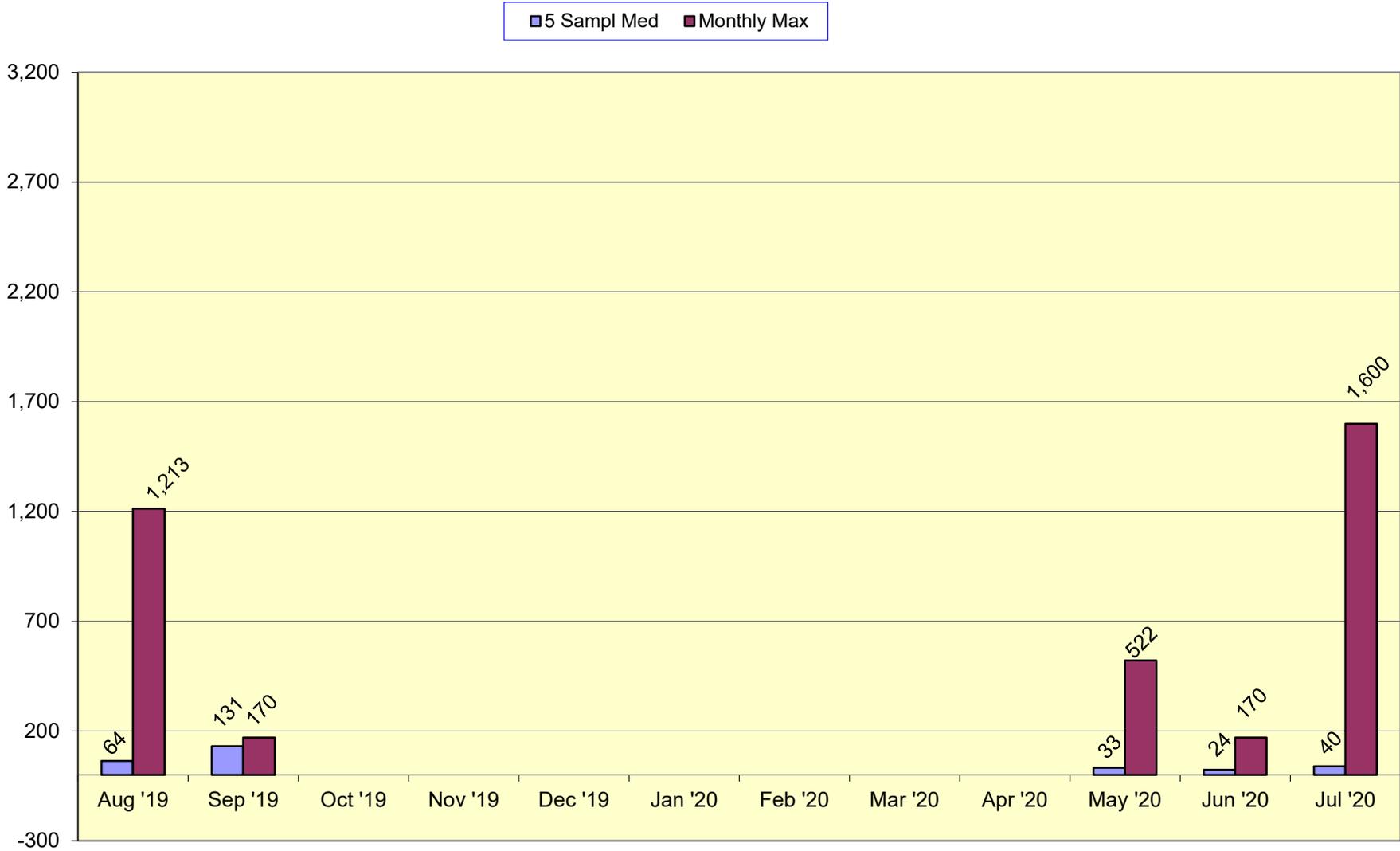


Effluent Ammonia

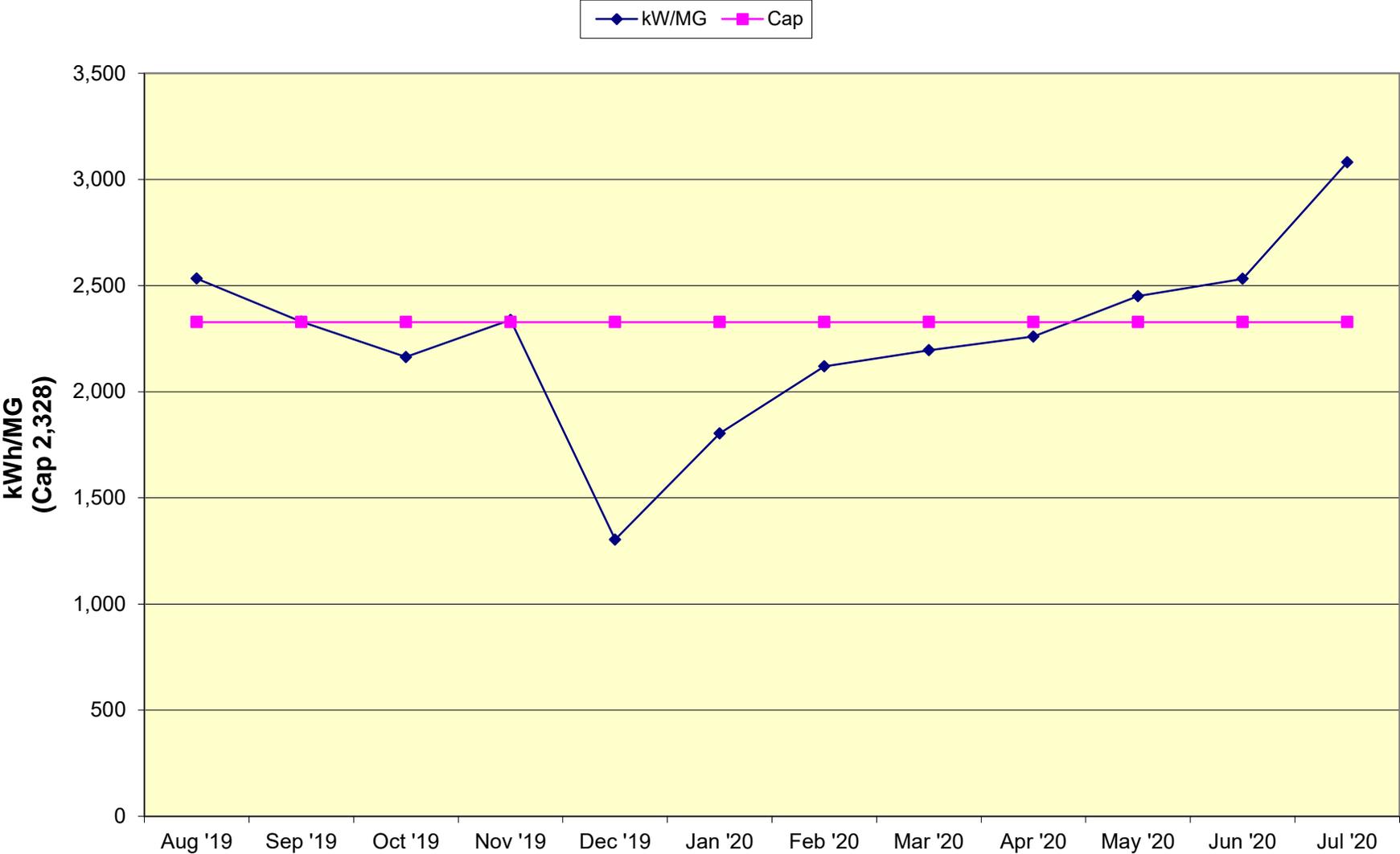


Disinfection - Total Coliform

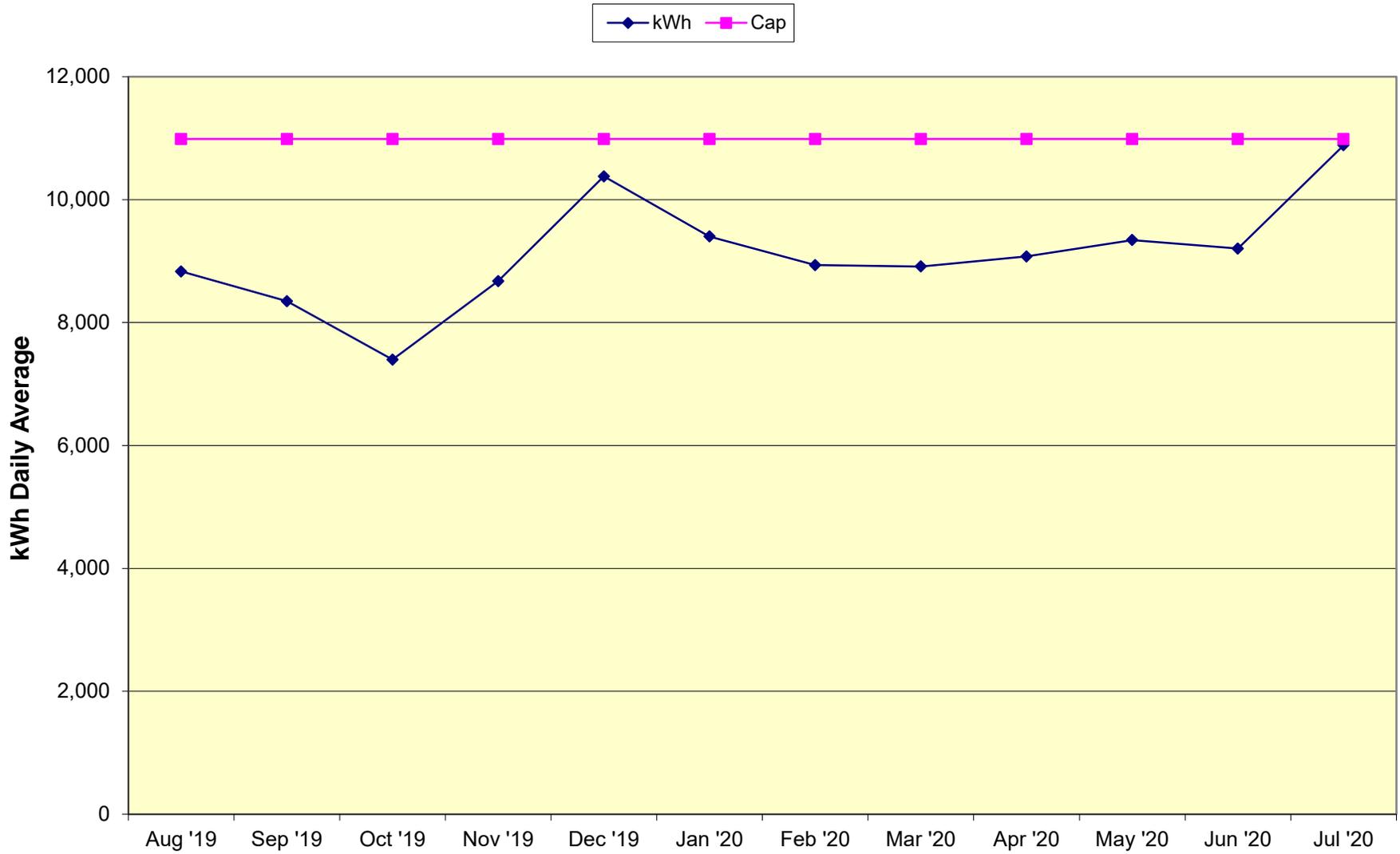
TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml



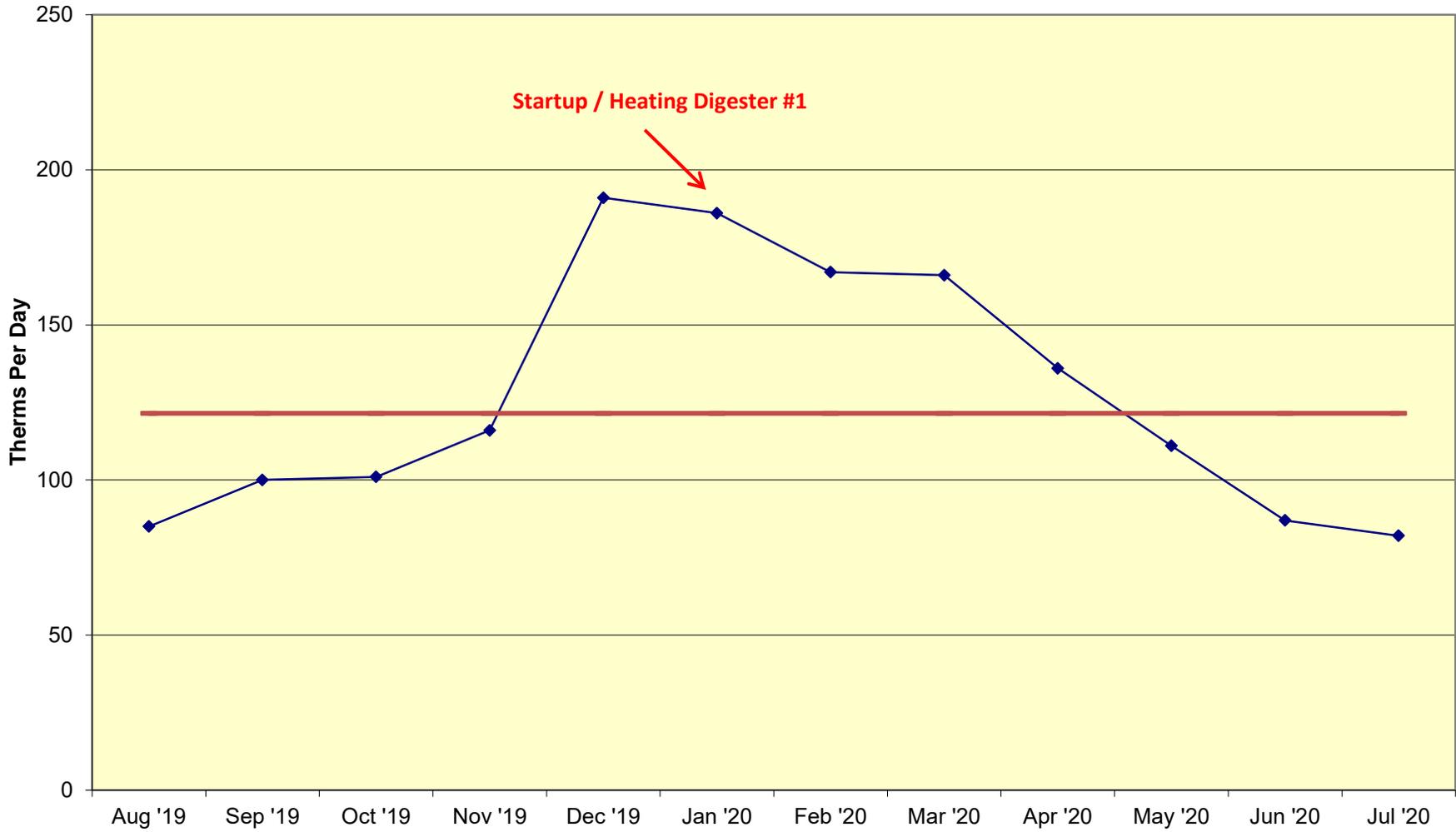
Energy kWh/MG



Energy kWh



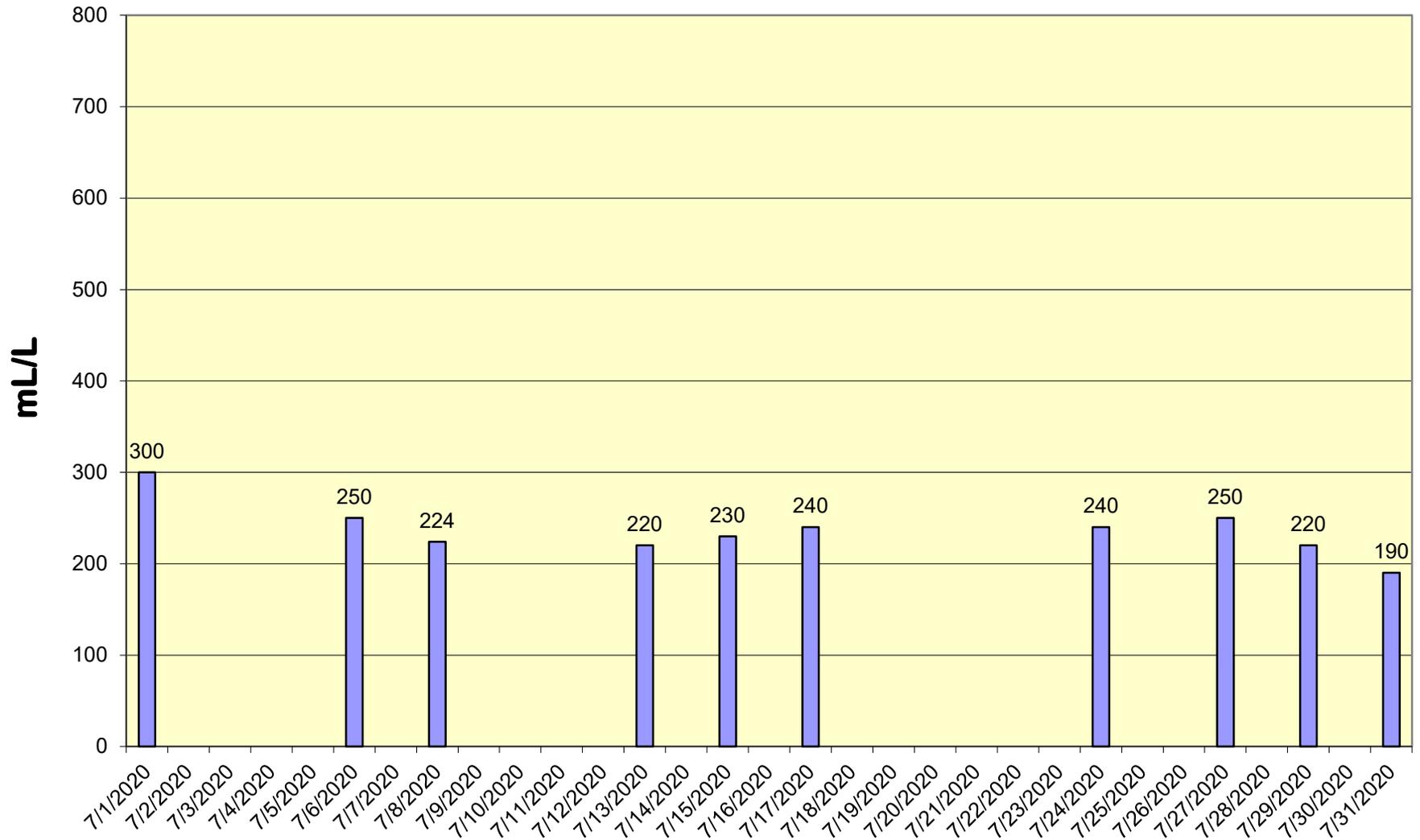
Natural Gas Use



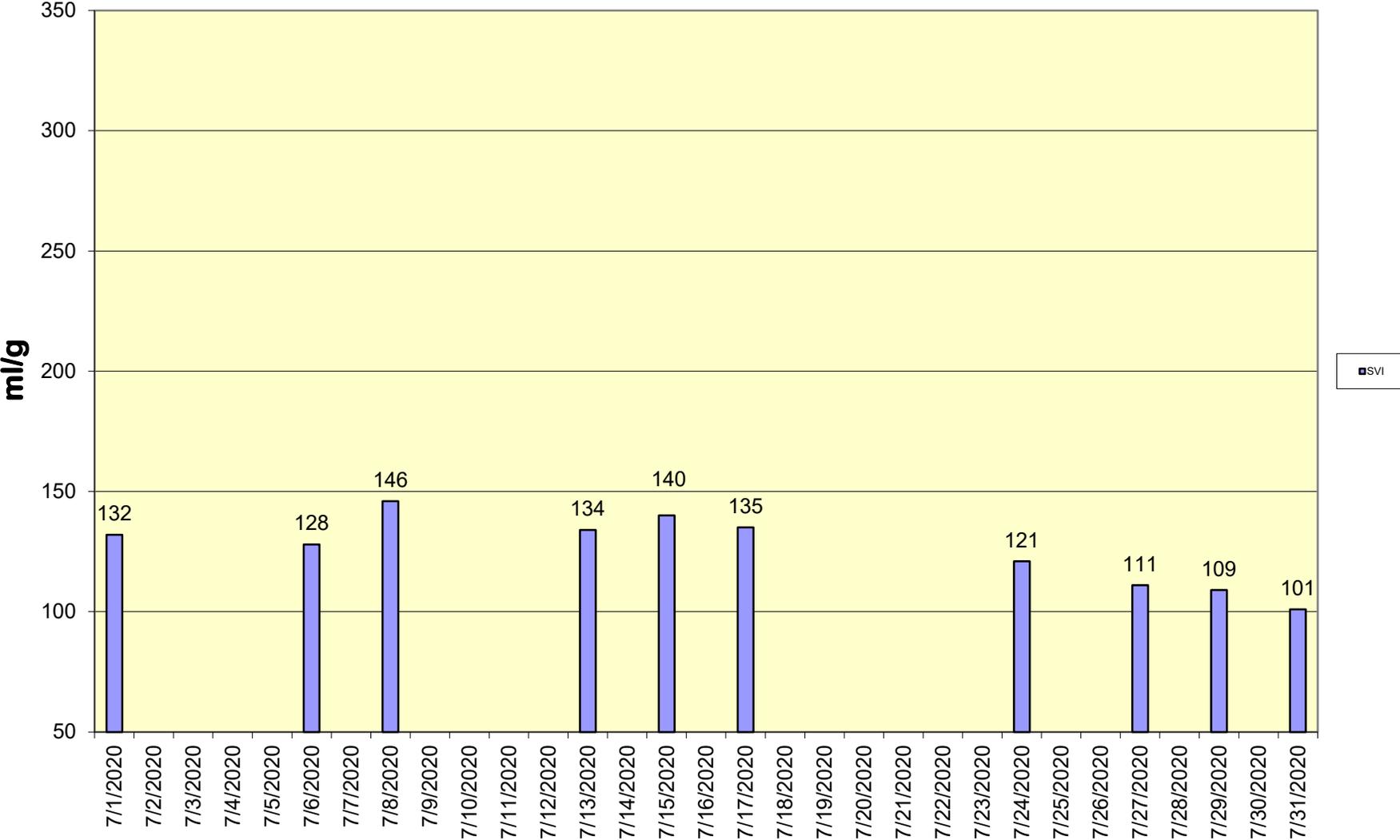
5) PROCESS CONTROL DATA / GRAPHS

Process Control Data						
	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	MCRT	SVI
7/1/2020	3.66	300	2,270	40,438	6.5	132
7/2/2020	3.65					
7/3/2020	3.47					
7/4/2020	3.29					
7/5/2020	3.42					
7/6/2020	3.58	250	1,960	34,916	7.2	128
7/7/2020	3.78					
7/8/2020	3.36	224	1,540	27,434	6.3	146
7/9/2020	3.57					
7/10/2020	3.33					
7/11/2020	3.38					
7/12/2020	3.46					
7/13/2020	3.48	220	1,640	29,215	6.5	134
7/14/2020	3.54					
7/15/2020	3.64	230	1,650	29,393	6.9	140
7/16/2020	3.51					
7/17/2020	3.48	240	1,790	31,887	8.2	135
7/18/2020	3.46					
7/19/2020	3.69					
7/20/2020	3.40		1,730	30,819		
7/21/2020	3.53					
7/22/2020	3.55					
7/23/2020	3.49					
7/24/2020	3.69	240	1,980	35,272	6.5	121
7/25/2020	3.27					
7/26/2020	3.50					
7/27/2020	3.60	250	2,262	40,296	10.9	111
7/28/2020	3.38					
7/29/2020	3.64	220	2,020	35,985	6.5	109
7/30/2020	3.35					
7/31/2020	4.38	190	1,880	33,491	8.5	101
Minimum	3.27	190	1,540	27,434	6.3	101
Maximum	4.38	300	2,270	40,438	10.9	146
Total	109.53					
Average	3.53	236	1,884	33,559	7.4	126

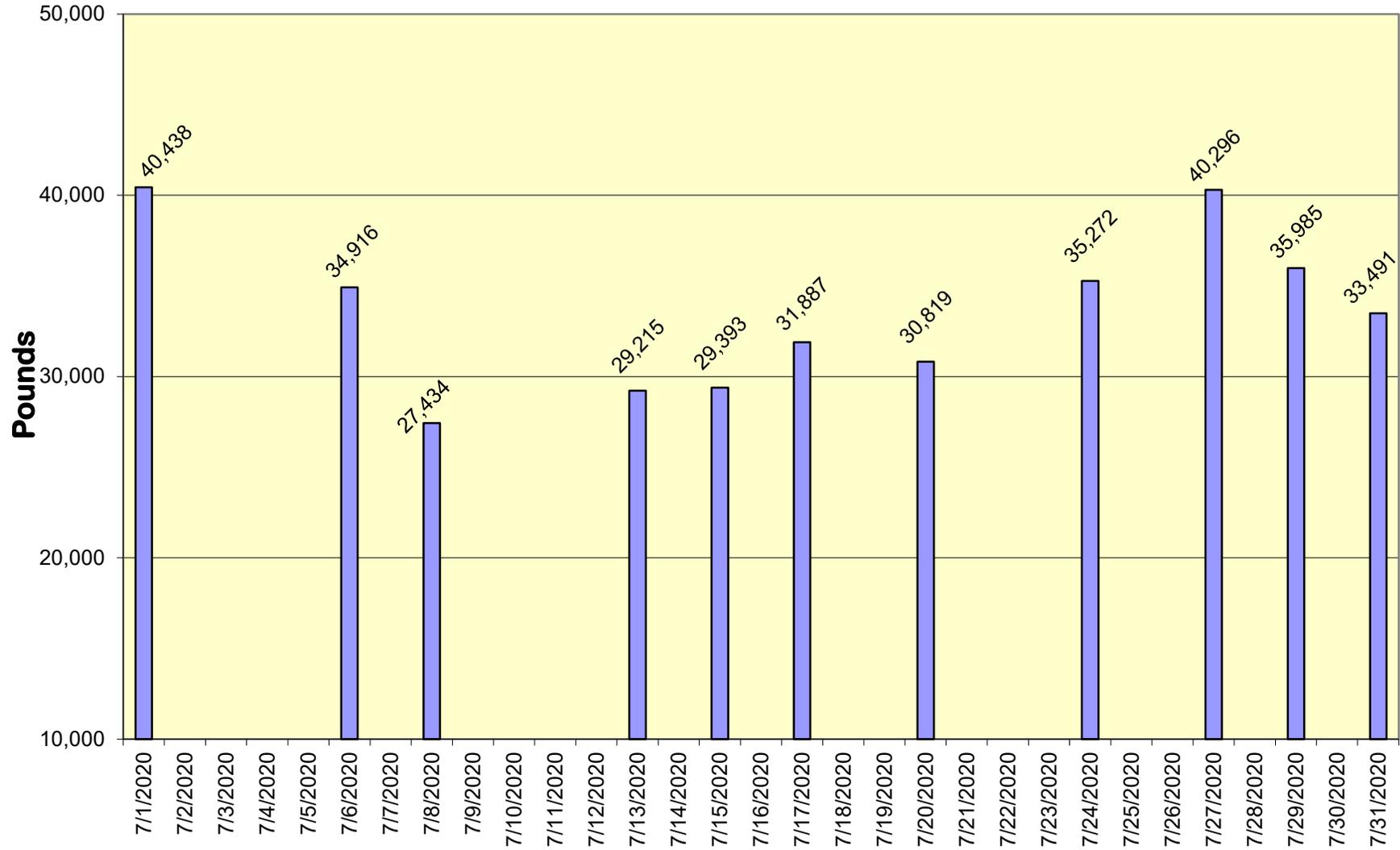
Settleability



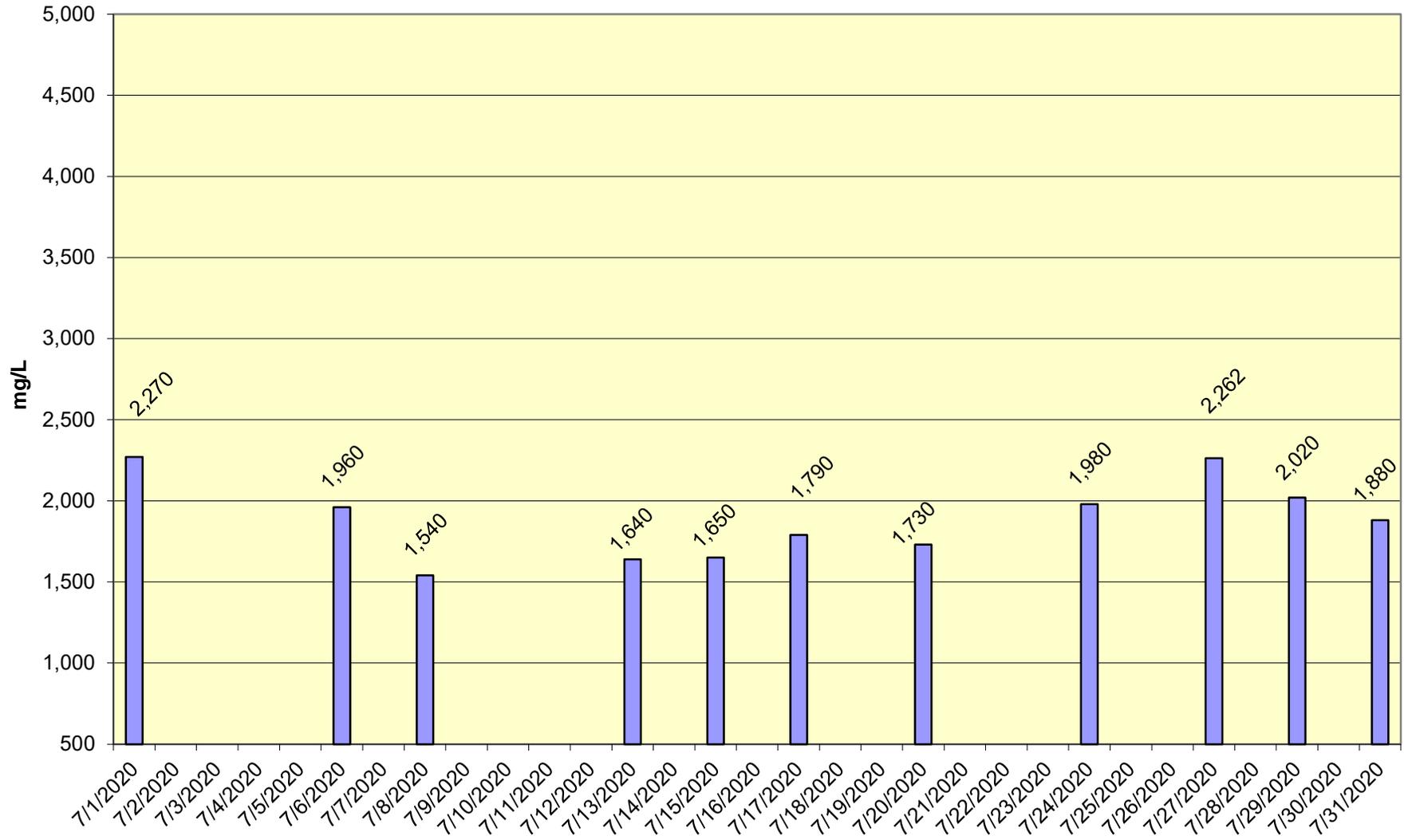
Sludge Volume Index



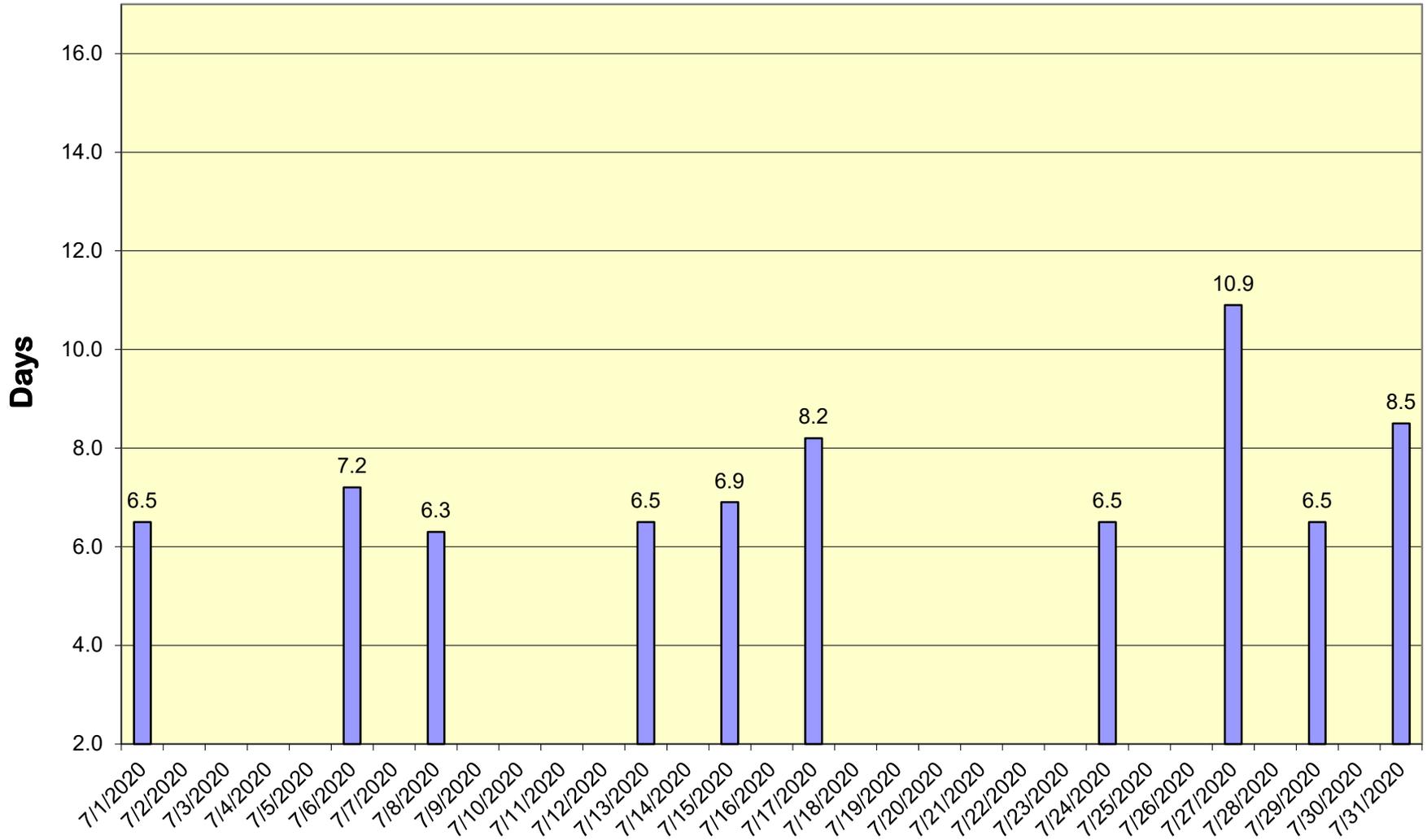
MLSS Inventory



MLSS Concentration

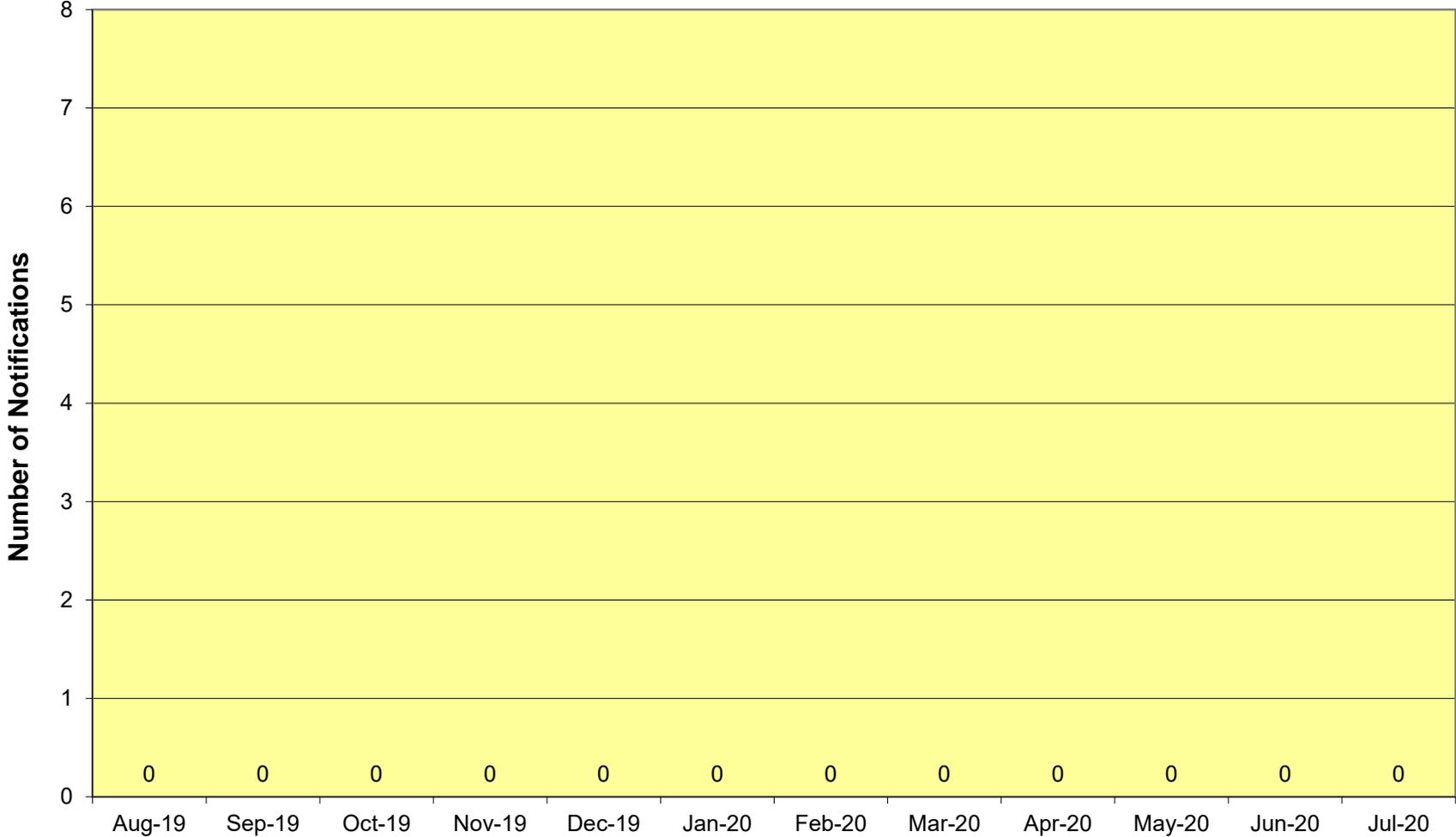


Mean Cell Residence Time



6) NEIGHBORHOOD COMPLAINTS RECEIVED

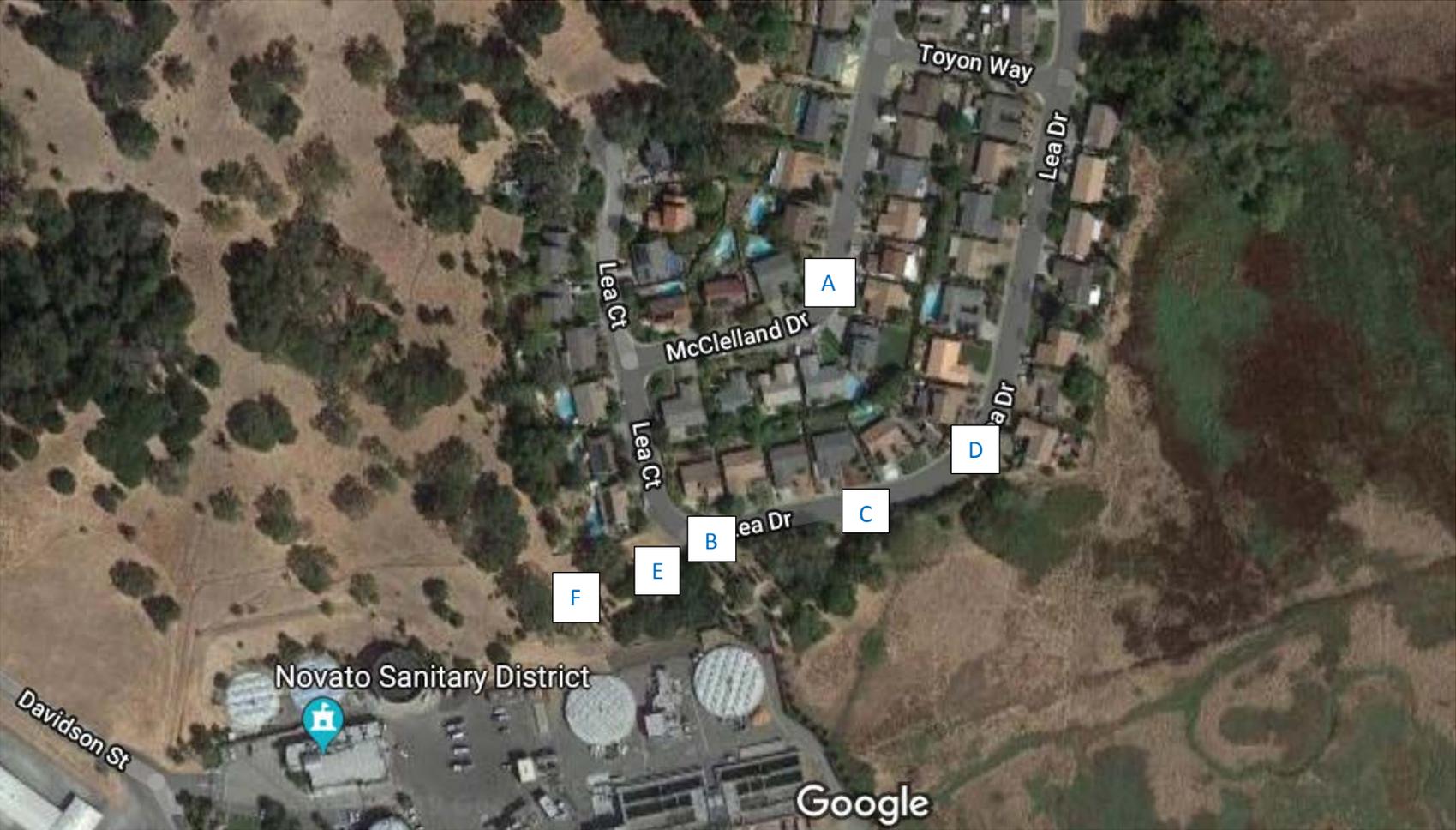
Neighborhood Complaints Received



7) JEROME METER READINGS & LOCATIONS

JEROME METER READINGS - JULY 2020				
Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.000	0.000	Neighborhood
B: Lea 1	0.000	0.001	0.0003	Neighborhood
C: Lea 2	0.000	0.001	0.0003	Neighborhood
D: Lea 3	0.000	0.000	0.000	Neighborhood
E: Lea 4	0.000	0.000	0.000	Neighborhood
F: Lea 5	0.000	0.000	0.000	Neighborhood

NEIGHBORHOOD JEROME METER LOCATIONS – Lea Drive and McClelland Drive



NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
July 2020

1.0 Summary:

1.1 During July 2020:

- The treatment plant was in reclamation mode throughout all of July 2020.
- Approximately 65.2 million gallons of treated water flowed to storage ponds 1 and 2 during July 2020.
- Approximately 6.8 million gallons of reclaimed water was used for the Bel Marin Keys (BMK) V levee construction project during July 2020.

2.0 Ranch Operations:

- 2.1 Drainage Pump Stations 3 and 7 did not pump any water during July 2020.
- 2.2 Approximately 220 cows and calves grazed Sites 2, 3, and 7 throughout July.

3.0 Irrigation Parcels:

- 3.1 Irrigation continued throughout July. Approximately 68 million gallons of reclaimed water were applied to the Site 3 and Site 7 pastures.
- 3.2 Repairs were made to the motor operated valves at Sites 3 and 7 July 2020.
- 3.3 One potable water leak was repaired in pasture 3.1.

4.0 Irrigation Pump Station:

- 4.1 The Wildlife Pond was maintained at 6 feet throughout July.
- 4.2 The water level in storage ponds 1 and 2 dropped from 6.5 feet to 5.3 feet during July.
- 4.3 The Reclamation Facility Monthly Statistics spreadsheet for July 2020 is attached.

5.0 Biosolids (sludge) Handling & Disposal:

- 5.1 No biosolids activities occurred in July.



A Coyote pup was spotted resting near the DLD in July 2020.

NOVATO SANITARY DISTRICT														
Reclamation Facility - Monthly Statistics/Estimates for Calendar Year 2020, as of July 31, 2020														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)	0	0	0	0	86.95	66.53	65.15						218.6	
Irrigation (MG)	0	0	0	0	5.33	56.11	67.82						129.3	
Irrigation Pump 1 Hours	0	0	0	0	20.8	126.1	117.6						264.5	
Irrigation Pump 2 Hours	0	0	0	0	0.9	62.6	79.9						143.4	
Irrigation Pump 3 Hours	0	0	0	0	19.7	130.9	123.5						274.1	
Washdown Water Pump Hours	0	0	0	0	0	0	0						-	
Wildlife Feed Pump Hours	0	0	0	720	648	720	720						2,808.0	
Water Circulated through Wildlife Pond (MG)	0	0	0	45.4	40.8	45.4	45.4						177.0	
Strainer No. 1 Hours	0	0	0	0	4	40.4	39.5						83.9	
Strainer No. 2 Hours	0	0	0	0	4.1	40.2	39.9						84.2	
Pond 1 Gauge @ Beginning of Month (feet)	3.5	3.5	3.4	3	2.8	6.7	6.5						29.4	
Pond 1 Gauge @ End of Month (feet)	3.5	3.4	3	2.8	6.8	6.5	5.3						31.3	
Pond 1 Gallons Stored @ End of Month(MG)	24	23	20	18	51	49	38						223.0	
Pond 2 Gauge @ Beginning of Month (feet)	3.5	3.5	3.4	3	2.8	6.7	6.5							
Pond 2 Gauge @ End of Month (feet)	3.5	3.4	3	2.8	6.8	6.5	5.3							
Pond 2 Gallons Stored @ End of Month(MG)	31	30	25	23	66	63	50							
Total Irrigation Water Stored (MG)	55	53	45	41	117	112	88							
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	0	61.8	2.2	0	0	0	0						64	
Drainage Pump No. 2 Hours	266.6	0	0.4	0	0	0	0						267	
Drainage Pump No. 3 Hours	0	0	5.2	0	0	0	0						5.2	
Total Gallons Stormwater Pumped (MG)	79.98	18.54	2.34	0	0	0	0						100.86	33.62
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	0	9.6	2.1	0	0	0	0						11.7	--
Drainage Pump No. 2 Hours	0	0	0	0	0	0	0						0	--
Drainage Pump No. 3 Hours	85.6	0	3.3	2.5	0	0	0						91.4	--
Total Gallons Stormwater Pumped (MG)	38.52	4.32	2.43	1.13	0	0	0						46.4	11.6

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Reclamation: Sludge Disposal, Account No. 63115	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 11.a.
RECOMMENDED ACTION: Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoons cleaning in a not-to-exceed amount of \$222,000, and authorize the General Manager-Chief Engineer to execute it.	
SUMMARY AND DISCUSSION: <p>Under the terms of its discharge permit, the District is required to dispose of biosolids generated from its treatment facilities at its dedicated land disposal (DLD) site off Highway 37.</p> <p>For the past several years, the District has contracted with Custom Tractor Service (CTS) of Petaluma to perform this work. CTS has been performing this work satisfactorily for the Las Gallinas Valley Sanitary District for the past several years as well, and they are the only contractor in this area that has the type of equipment to adequately perform this work.</p> <p>Staff requested and received a proposal from CTS to perform these services this year. CTS proposes to provide the biosolids disposal services for a lump sum amount of \$149,300.00.</p> <p>In addition, some of the biosolids typically accumulate and compact in the bottom of the lagoons so that they cannot be completely removed by pumping. This results in reducing the overall holding capacity of the lagoons. Staff requested a proposal from CTS to excavate and spread these solids in the DLD using a manure spreader. This work must be done immediately after a lagoon is emptied in order to place it back into service. CTS performed this work the previous three years for \$69,250. CTS proposes to clean out all 6 lagoons for \$72,700 in 2020. Both work items would be funded from Account No. 63115 – Sludge Disposal.</p> <p>Staff recommends that the Board accept the CTS proposal that incorporates: (a) a lump sum amount of \$149,300 for sludge pumping, and (b) a lump sum amount of \$72,700 for cleaning out the lagoons, and authorize the General Manager-Chief Engineer to execute a contract with CTS in the not-to-exceed amount of \$222,000.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The FY 20-21 proposed Final Budget includes \$225,000 under Account No. 63115 - Sludge Disposal, for this work.	
Prepared by: jjb, esb	Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Collection System Improvements (Vineyard Creek Bank Stabilization Project), Account No. 72706.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 12.a.
RECOMMENDED ACTION: Receive update and make California Environmental Quality Act (CEQA) findings that the project is categorically exempt– Vineyard Creek Bank Stabilization; Project No. 72706-2019-08.	
SUMMARY AND DISCUSSION: <p>As previously reported in the monthly Capital Improvement Project update reports, District staff has been working with Nute Engineering, Clearwater Hydrology and ESA & Associates to navigate through the permitting process and prepare plans and specifications for the project. This work will be bid under the Informal Bid Provisions of the Uniform Public Construction Cost Accounting Act adopted by the District in August 2006.</p> <p>The project is located in Vineyard Creek behind 9 Angelica Court and consists of installing a concrete jacket around the existing 8” sewer main, bolstering the exposed area of the creekbank with rip-rap boulders, covering with native soils, planting with native species to prevent future erosion of the streambank and associated tasks to perform the work. The primary purpose of the Project is to address existing streambank failure and ongoing erosive conditions in order to stabilize the existing sanitary sewer pipeline and restore the section of the creek with native species where non-native species currently exist.</p> <p>The Engineer’s Estimate for this work is \$115,000. ESA & Associates has completed the California Environmental Quality Act (CEQA) documentation and determined that the project is categorically exempt. This determination is made because the work is considered a small habitat restoration project under five acres in size.</p> <p>Staff recommends that the Board approve the CEQA findings. The date for acceptance of bids is to be determined as the permit acquisition process is not complete and the CEQA process is part of the acquisition process.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: This work will be funded from the budget for Account No. 72706: Collection System Improvements, which has an FY 20-21 preliminary budget amount of \$2,940,000.	
Prepared by: eb	Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects Update, July 2020.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 12.b.
RECOMMENDED ACTIONS: Receive Capital Projects Update through July 2020.	
SUMMARY AND DISCUSSION: The Capital Projects Update through July 2020 is attached. District staff will be present at the meeting to provide an overview of the memo and be available to discuss the status of the various projects or respond to any questions.	
ATTACHMENTS: 1. Capital Projects Update as of July 2020.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
Prepared by: eb	Reviewed by General Manager: SSK

**Novato Sanitary District
Capital Improvement Program (CIP)
Capital Projects Update
As of July 2020**

Account No. 72403: Pump Station Improvements

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

1. Rowland Plaza Pump Station: Project to convert the Gorman Rupp style wet well/dry well pump station to submersible pump-type station and new emergency generator.
 - Estimated start of construction, originally Summer 2020. However, the project will require a new electrical service to accommodate the larger pumps, generator and transfer switch. It is typical for PG&E to provide the design for new electrical services which was received the last week of July. This will likely push the construction schedule out to Spring of 2021.
2. Marin Village Pump Station: Project to replace the existing wetwell/drypit type pump station with new submersible pump-type station.
 - Draft site plan submitted, reviewed and revised.
 - Staff is reviewing preliminary electrical plans.
 - Estimated start of construction, Summer 2021.
3. Olive Pump Station: Project to replace the existing natural gas generator with a new diesel generator, and upgrade electrical switchgear and related electrical equipment.
 - District has purchased a portable standby generator to be stationed on site until the project can be implemented.
 - The Board approved a contract for engineering design services with the District's Consultant, Nute Engineering in June. A kickoff meeting was held in July.

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

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). Fiscal Year (FY) 19-20 is the sixth year of the multi-year Phase 2 program, including continuing environmental work for currently over \$75 million in recycled water projects across all NBWRA agencies for funding under the US Bureau of Reclamation Title XVI (WaterSMART) program.

- No update this period.

Account No. 72706: Collection System Improvements

2. Redwood Blvd. Sewer Rehab Project: Rehabilitation of about 1,850 feet of 12-inch sewer main along Redwood Blvd. between Lamont Avenue and Diablo Avenue.
 - Informal bids for final paving are expected to be received in late August.
3. Bel Marin Keys Blvd. Sewer Rehab Project: Rehabilitation of about 900 feet of 10-inch and about 1,410 feet of 8-inch sewer main in Bel Marin Keys Blvd.
 - Notice of Completion (NOC) for the Project was filed in February 2020.

- In June, the District executed an agreement with its consultant, GHD, for engineering services for the design of the replacement of the remaining portion of sewer main that was not able to be lined.
- 4. Golden Gate Place Phase II: Realignment/replacement of approximately 940 feet of 8-inch sewer with new 8-inch and 10-inch PVC sewer.
 - Informal bids for final paving are expected to be received in late August.
- 5. Collection System Master Plan (CSMP): Continuing work associated with the CSMP currently underway by the District's consultant Woodard and Curran (W&C):
 - Staff have reviewed the scope for professional services for project implementation planning and have provided comments to W&C.
- 5. ARV Replacement Project: Replacement of Air Relief Valves (ARV) and modifications of their maintenance vaults at 11 separate locations throughout the system.
 - Work commenced the week of 3/30/2020.
 - Substantial completion is anticipated to be achieved in August.
- 6. Vineyard Creek at Angelica Court Bank Repair:
 - Project has received permits from Army Corps of Engineers and California Department of Fish and Wildlife, and the State Water Resources Control Board.
 - Acceptance of CEQA determination for the project is being presented to the Board under a separate Agenda item.
- 7. Del Mar Sewer Replacement: Realignment/replacement of approximately 1,400 lineal feet of 8-inch sewer main with new 10-inch PVC sewer main and appurtenances.
 - 90% Design review complete.
 - City comments on paving limits received.
 - Construction start anticipated for Spring 2021.

Account No. 72706-1: Lateral Replacement Program

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

- The FY 20-21 preliminary budget for this account is \$60,000. No grants have been distributed as of yet this FY.

Account No. 72707: Hamilton Wetlands/Outfall Integration

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

- The District will continue to supply secondary treated effluent to the Project per the Interagency Agreement between the District and SCC for use of reclaimed water executed on September 23, 2019.
- SCC's contractor inserted an inflatable plug in the District's outfall at Junction Box 6. The plug results in the ability to "charge" the line while the District is in reclamation mode and allow SCC's contractor to still draw water from the outfall at Junction Box 5.

- District staff have been working with SCC's team to refine workplans and timelines associated with the relocation of the District's outfall pipeline. SCC is aware that the District will return to Bay discharge on September 1.

Account No. 72708: Cogeneration/Alt. Energy

- The Board received a presentation from District's consultant, Woodard & Curran (W&C) on a recommended option for a cogeneration project at the June 8, 2020 Board meeting and authorized staff to implement the recommendation. The recommended option is to negotiate a Power Purchase Agreement (PPA) with a fuel cell company.
- At the November 2019 Board meeting, TerraVerde Energy, LLC (TerraVerde) presented on opportunities in energy saving, use-optimization, and generation, through the deployment of Distributed Energy Resources (DERs) to the District Board. Per the California Energy Commission (CEC) grant administered by MCE, and per direction from the District Board, TerraVerde is developing Requests for Proposals (RFPs) for the DERs selected by the District including:
 - Solar PV arrays with Battery Storage
 - Replacing Interior Lighting w/ LED Lighting and Occupancy Sensors
 - Replacing Exterior Lighting w/ LED Lighting
 - Virtual Power Plant

District staff conducted a site visit in July with an MCE approved contractor to evaluate and provide an estimate for lighting upgrades.

NTP Solar/Battery Storage Project-

- A draft version of the Initial Study/Mitigated Negative Declaration for the solar portion was completed in June.
- TerraVerde submitted the Battery Storage portion of the Project for a CPUC Self Generation Incentive Program (SGIP) grant. The program is oversubscribed, and the proposed project will be placed on a wait list should more SGIP funding become available.

Account No. 72803: Annual Collection System Repairs

Collection system repairs are generally reported monthly in the Collection System Operations report, and annually in the Uniform Public Construction Cost Accounting Act (UPCAA) staff report. The 2019-20 UPCCAA staff report is being presented to the Board under a separate Agenda item.

Account 72804: Annual Reclamation Facilities Improvements

Reclamation facilities improvements are generally reported monthly in the Reclamation Facilities Operations report, and annually in the UPCA staff report.

- A repair to the 54-inch outfall just south of Bel Marin Keys Blvd and east of Pacheco Pond will be funded from this account. The informal contract was awarded to W.R. Forde Construction who will be performing the repair work in mid-August.

Account No. 72805: Annual Treatment Plant Improvements

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

- Digester No. 1 Cleaning – At its regular meeting of August 12, 2019, the Board approved a contract with Veolia for cleaning of Digester No. 1.

However, due to some operational challenges with Digester No. 2, Veolia determined that Digester No.1 needed to be brought back online, and the District opted to clean Digester No. 2 instead. Veolia scheduled the work to clean Digester No. 2 with the cleaning contractor and completed it in the week of July 27, 2020.

Account No. 72806: Annual Pump Station Improvements

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

Account No. 72807: Annual Ignacio Facility Improvements

Annual Ignacio Facility Improvements are generally reported monthly as part of the Collection System Operations report, and annually in the UPCA staff report.

Account No. 72808: Strategic Plan Update:

- No update this month.

Account No. 72809: Novato Creek Watershed

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

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

- No update this period.

Account No. 73003: Administration Building Upgrades/Maintenance Building

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

- No update this month.

Account No. 73004: Odor and Landscaping Improvements

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

- No update this month.

Account No. 73005: RWF Expansion

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

- Project complete.

Account No. 73006: NTP Corrosion Control

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

- Headworks Protective Coating Project – The Board rejected all bids at their June 8th regular meeting. Staff plan to rebid the project in Spring, 2021.

Account No. 73090: Vehicle Replacement

This account includes a FY 20-21 preliminary budget amount of \$330,000 for the purchase of one new portable generator, one new portable pump, two new light-medium duty pickup trucks, one SUV, and includes an allotment of \$40,000 to overhaul one of the District's existing sewer combo units.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Staff Reports: CalPERS Health Plan Premium Rates for 2021 – Information only	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 13.a.																								
RECOMMENDED ACTION: Receive report on CalPERS Health Plan Premium Rates for 2021 – information only.																									
SUMMARY AND DISCUSSION: <p>The District has received notification of health plan premiums for calendar year 2020 from CalPERS as follows:</p> <p style="text-align: center;">CalPERS Health Plan (Kaiser CA rates):</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">2020 Rates</th> <th style="text-align: center;">2021 Rates</th> </tr> </thead> <tbody> <tr> <td colspan="3">Basic Premium rates – Region 1:</td> </tr> <tr> <td style="padding-left: 20px;">Subscriber</td> <td style="text-align: right;">\$768.49/mo</td> <td style="text-align: right;">\$813.64/mo</td> </tr> <tr> <td style="padding-left: 20px;">Subscriber + 1</td> <td style="text-align: right;">\$1,536.98/mo</td> <td style="text-align: right;">\$1,627.28/mo</td> </tr> <tr> <td style="padding-left: 20px;">Family Rate</td> <td style="text-align: right;">\$1,998.07/mo</td> <td style="text-align: right;">\$2,115.46/mo</td> </tr> <tr> <td colspan="3">Medicare Eligible Retiree</td> </tr> <tr> <td style="padding-left: 20px;">Single Supplemental Medicare</td> <td style="text-align: right;">\$339.43/mo</td> <td style="text-align: right;">\$324.48/mo</td> </tr> <tr> <td style="padding-left: 20px;">2-Party Supplemental Medicare</td> <td style="text-align: right;">\$678.86/mo</td> <td style="text-align: right;">\$648.96/mo</td> </tr> </tbody> </table> <p>This represents an increase of 5.87% for regular health coverage and a 4.40% decrease in Medicare rates. The preliminary FY 20-21 budget had projected an increase of 8% across both sets of rates. The Final FY 20-21 budget has been revised to reflect actual rates.</p>			2020 Rates	2021 Rates	Basic Premium rates – Region 1:			Subscriber	\$768.49/mo	\$813.64/mo	Subscriber + 1	\$1,536.98/mo	\$1,627.28/mo	Family Rate	\$1,998.07/mo	\$2,115.46/mo	Medicare Eligible Retiree			Single Supplemental Medicare	\$339.43/mo	\$324.48/mo	2-Party Supplemental Medicare	\$678.86/mo	\$648.96/mo
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STRATEGIC PLAN INFORMATION: This item addresses Goal 3 (Board District and Community, Alignment and Communications) and Goal 4 (Well Planned Finances with a long-Range Outlook) of the latest Strategic Plan Update.																									
Prepared by: drt	Reviewed by General Manager: SSK																								

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Staff Reports: Capacity Charges Report for Fiscal Year (FY) 19-20.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 13.b.
RECOMMENDED ACTION: Receive Capacity Charges Report for Fiscal Year (FY) 2019-20 – Information only.	
<p>SUMMARY AND DISCUSSION:</p> <p>This summary report is prepared to comply with California Government Code 66013, detailing the amount of capacity charges (or connection fees) received by the District in FY 19-20, and how those charges were used to fund wastewater facilities capital-related projects.</p> <p>The District’s most recent Wastewater Capacity Fee Study (2016) recommended that the District: “Comply with the annual reporting requirements of Government Code 66013 et seq which includes publishing a public document demonstrating the expenditure of capacity fee funds on capital improvements or debt service used to fund capital improvements.” The District’s Annual Budget document serves as the public document that demonstrates the allocation and expenditure of capacity (connection) fees on capital improvements or debt service used to fund capital improvements.</p> <p>In FY 19-20, from the FY 20-21 Annual Budget (page 20), the District received \$837,883 in capacity (connection) fee revenue. Consistent with prior years, all of this revenue was allocated to the District’s Capital Fund Revenue Center (Cost Center 51000), Account No. 51020, and expended via “Capital Improvements Cost Centers – 72000, 73000 and 78000” (including Account Nos. 78500 and 78501). Expenditures under these Cost Centers totaled \$10,255,288 in FY 19-20, or \$9,417,405 in excess of the estimated connection fees collected.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 3 (Board District and Community, Alignment and Communications) of the latest Strategic Plan Update.	
Prepared by: lc, ssk	Reviewed by General Manager: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Staff Reports: Uniform Public Construction Cost Accounting Act (UPCCAA) Implementation for FY19-20.	MEETING DATE: August 10, 2020 AGENDA ITEM NO.: 13.c.
RECOMMENDED ACTION: Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for Fiscal Year (FY) 19-20 – Information only.	
SUMMARY AND DISCUSSION: <p>The District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA, or the “Act”) to perform certain projects each year. The Act allows a local agency to perform these projects if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission. The Act is enacted under Public Contracts Code Sections 22000 through 22045. The District utilizes this Act under its Resolution No. 2947 adopting Ordinance No. 109 dated August 28, 2006, updated by Ordinance No. 118 adopted on August 12, 2013, and most recently updated by Board action at its regular meeting on December 10, 2018.</p> <p>The District utilizes provisions of the Act for alternative bidding procedures as follows: (a) Projects of \$60,000 or less may be performed by negotiated contract or by purchase order, (b) Projects of \$200,000 or less may be let to contract by the informal procedures set forth in the Act, and (c) Projects of more than \$200,000 are to be let to contract by formal bidding procedures. In short, the District uses the relevant provisions of the Act to allow the District to complete projects with less administrative effort while maintaining work quality.</p> <p>For FY 19-20, the District utilized the Act provisions under item (a) and (b) above to complete work across the following projects/accounts:</p> <ol style="list-style-type: none"> 1. Account No. 60153 (Collections: Outside Services)- total amount \$29,168, five contracts 2. Account No. 63150 (Reclamation: Repairs & Maintenance) - total amount \$21,624, seven contracts 3. Account No. 63157 (Reclamation: Ditch/Dike Maintenance) - total amount \$7,390, two contracts 4. Account No. 65150 (Pump Stations: Repairs & Maintenance) – total amount \$11,587, five contracts 5. Account No. 66124 (Admin/Eng: IT/Misc. Electrical)- total amount \$565, one contract 6. Account No. 66150 (Admin/Eng: Repairs & Maintenance) – total amount \$13,108, four contracts 7. Account No. 72706 (Collection System Improvements) – total amount \$64,554, two contracts 8. Account No. 72803 (Annual Collection System Repairs) - total amount \$58,223, five contracts 9. Account No. 72804 (Annual Recl. Fac. Improvements) - total amount \$82,846, twelve contracts 10. Account No. 72805 (Annual Treatment Plant) - total amount \$6,451, two contracts 11. Account No. 72806 (Annual Pump Sta. Improvements)- total amount \$3,889, one contract 12. Account No. 72807 (Annual Ignacio Fac. Improvements) - total amount \$29,033, five contracts 13. Account No. 73003 (Admin/Maintenance Building) – total amount \$88,358, six contracts 14. Account No. 73004 (Odor Control and Landscaping) – total amount \$26,682, four contracts 15. Account No. 73006 (NTP Corrosion Control) – total amount \$24,352, one contract <p>The total amount of work performed under the Act provisions in FY 19-20 was \$467,830.</p>	
ATTACHMENT: 1. FY 19-20 UPCCAA Expenditures.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
Prepared by: eb	Reviewed by General Manager: SSK

