

NOVATO SANITARY DISTRICT

Meeting Date: August 12, 2013

The Board of Directors of Novato Sanitary District will hold a regular meeting at 6:00 p.m., Monday, August 12, 2013, at the District Offices, 500 Davidson Street, Novato.

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

AGENDA

- 1. PLEDGE OF ALLEGIANCE:**
- 2. AGENDA APPROVAL:**
- 3. PUBLIC COMMENT (PLEASE OBSERVE A THREE-MINUTE TIME LIMIT):**

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

- 4. REVIEW OF MINUTES:**

- a. Consider approval of minutes of the July 8, 2013 meeting.

- 5. CONSENT CALENDAR:**

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

- a. Authorize the Manager-Engineer to issue a Class I Non-Domestic Temporary Discharge Permit approving treated groundwater discharge to the District's sewer system by CardnoERI from their proposed groundwater remediation project.
- b. Consider approval of a contract with Custom Tractor for Biosolids disposal for a total cost of \$182,000 and authorize Manager-Engineer to execute contract.
- c. Approve regular disbursements and ratify July payroll and payroll-related disbursements.

6. PUBLIC HEARING – UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (UPCCAA):

- a. Report on Ordinance 118 modifying Ordinance No. 109 implementing the UPCCAA.
- b. Open hearing.
- c. Public comment.
- d. Close hearing.

7. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT:

- a. Consider adopting Ordinance No. 118 modifying Ordinance 109 Relating to Bid Cost Thresholds and Bidding Procedures for Construction Services.

8. SOLID WASTE COMMITTEE:

- a. Solid Waste Committee report.

9. WASTEWATER OPERATIONS:

- a. Wastewater Operations Committee July meeting report.
- b. Odor control, landscaping, and noise report.
- c. Consider adopting Resolution recertifying the Sewer System Management Plan (SSMP).

10. NEW FACILITIES AND STRATEGIC PLAN COMMITTEE:

- a. New Facilities and Strategic Plan Committee report.
- b. Consider approval of 2013 Strategic Plan Update.

11. FINANCE COMMITTEE:

- a. Finance Committee Report on Reserve and Fund Policies
- b. Consider approval of the Reserve Policy.
- c. Consider approval of Funds Policy
- d. Consider approval of response to Grand Jury findings and recommendations.

12. COLLECTION SYSTEM IMPROVEMENT PROJECT 72706:

- a. Consider making CEQA findings, approving plans and specifications, and authorizing advertising for bids for the Center Road – Diablo Avenue to Kristy Court project.

13. PETITIONS FOR WRITS OF MANDATE CITY OF NOVATO VS. STATE OF CALIFORNIA SUPERIOR COURT MARIN COUNTY CASE NO. 34-2013-80001496:

- a. Consider approval of submitting a stipulation re compliance with issued writ of mandate, judgment, and/or final ruling by and between petitioners and real party in interest.

CLOSED SESSION AGENDA (If needed)

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL –LITIGATION – ONE POTENTIAL CASE:

Existing litigation pursuant to Subsection (b) of Government Code Section 54956.9. Petitions for Writs of Mandate City of Novato vs. State of California, Superior Court, Marin County Case No. 34-2013-80001496.

14. BOARD MEMBER REPORTS:

- a. North Bay Watershed Association July meeting.

15. MANAGER’S ANNOUNCEMENTS:

16. ADJOURN:

Next resolution no. 3060

Next regular meeting date: Monday, August 26, 2013, 6:00 PM at the Novato Sanitary District office, 500 Davidson Street, Novato, CA

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

July 8, 2013

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, July 8, 2013, at the District offices, 500 Davidson Street, Novato.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly James, Deputy Manager-Engineer Sandeep Karkal, Information System Specialist Robin Merrill, and Administrative Secretary Julie Swoboda.

ALSO PRESENT: Dasse de longh, Novato resident, NSD employee

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the June 24, 2013 Board meeting.

Member Peters pointed out a typographical error on page two. Julie Swoboda, Board Recorder, stated she would make the spelling correction.

On motion of Member Mariani, seconded by Member Long and carried unanimously, the June 24th Board meeting minutes were approved as corrected.

CONSENT CALENDAR:

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

- a. Review accounts receivable report.
- b. Approved regular disbursements in the amount of \$210,200.95, capital project disbursements in the amount of \$222,639.17, and Board member disbursements in the amount of \$2,813.38.

PUBLIC HEARING – 2013/14 SEWER SERVICE CHARGE REPORT:

- Sewer Service Charge Report. The Manager stated that Robin Merrill, Novato Sanitary District Information System Specialist, was available with a computerized database to verify individual sewer service charges. No requests for information were brought forth.

- Open Public Hearing. President Di Giorgio opened the Public Hearing at 6:04 p.m.

- Consider protests regarding sewer service charge report. No protests were brought forth.

- Close hearing. President Di Giorgio closed the Public Hearing at 6:05 p.m.

RESOLUTION CONFIRMING REPORT ON SEWER SERVICE CHARGES:

- Consider adoption of Resolution No. 3059, confirming sewer service charge report and electing to collect on tax rolls. The Manager stated that the original Resolution which was included with the Board packet was incorrect. She noted that a strike-out corrected version was provided to all members for their review.

On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board approved Resolution No. 3059: A Resolution Prescribing and Providing for the Collection of Sewer Service Charges for Novato Sanitary District on the Tax Rolls of the County of Marin for the Fiscal Year 2013-14.

ADMINISTRATION:

- Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for FY 2012/13. The Manager stated that the District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA or the "Act") to perform certain projects each year. She noted that for FY 2012/13, the District utilized the Act provisions to complete projects totaling \$530,933. She gave an overview of the projects/accounts for which work was completed utilizing the Act's provisions.

- Consider setting date of August 12, 2013 for Public Hearing on updating Ordinance No. 109, Relating to Bid Cost Thresholds and Bidding Procedures for Construction Services. The Manager stated that the Uniform Public Construction Cost Accounting Act (the Act) had been updated to account for inflation and she outlined the details of the new provisions. She recommended the Board update District Ordinance No. 109 to be consistent with the Act and provided a copy of the new proposed Ord. No. 118 which would supersede Ord. No. 109. She requested that any Board comments be provided as soon as possible.

The Manager stated that the new ordinance requires a Public Hearing and requested the Board set the date for the Public Hearing for the regularly scheduled meeting on August 12, 2013.

On motion of Member Peters, seconded by Member Long and carried unanimously, the Board set the date of August 12, 2013 for a Public Hearing on updating Ordinance No. 109 with Ordinance No. 118, An Ordinance Relating to Bid Cost Thresholds and Bidding Procedures for Construction Services.

BOARD OF DIRECTORS:

- Presidential appointment of Committee members for 2013-14: President Di Giorgio asked for input from Board members who would like to change their committee assignments. Hearing no objections or input, President Di Giorgio stated that the committee assignments would remain the same. The assignments will be as follows:

Standing Committees:

Joint City/District Solid Waste Committee:

Michael Di Giorgio
Dennis Welsh
William C. Long, Alternate

Wastewater Operations Committee:

William C. Long
Jerry Peters
Jean Mariani, Alternate

New Facilities Committee:

Michael Di Giorgio
Jean Mariani
Dennis Welsh, Alternate

Finance Committee

William C. Long
Jean Mariani
Dennis Welsh, Alternate

Regular Committees:

California Association of Sanitation Agencies:

Michael Di Giorgio, Delegate
Jean Mariani, Alternate

California Sanitation Risk Management Authority:

Beverly B. James, Delegate
Michael Di Giorgio, Alternate

North Bay Water Reuse Authority:

William C. Long, Delegate
Jerry Peters, Alternate

North Bay Watershed Association:
Michael Di Giorgio, Delegate
Beverly B. James, Alternate

Ad Hoc Committee Assignments:

Adhoc Labor Negotiations Committee:
William Long
Jerry Peters

Adhoc Wastewater Service Agreement Update Committee:
Jean Mariani
Jerry Peters

OPERATIONS:

- Consider approval of a proposal from Shape, Inc. to replace the rotating assemblies on two conveyance pumps at the Ignacio Transfer Pump Station (ITPS), and authorize the Manager-Engineer to issue a purchase order for an amount not-to-exceed \$70,800. The Deputy Manager-Engineer gave an overview of the problems associated with the C-style conveyance pumps located at the Ignacio Transfer Pump Station. He outlined the benefits of replacing the pumps with a more efficient N-style assembly and discussed a proposal from Shape Inc. to complete the work.

The Deputy Manager-Engineer requested that the purchase order amount be revised to \$77,800 to take into account the sales tax associated with the materials. He stated that the original purchase order request of \$70,800 had omitted this detail. The Deputy Manager-Engineer requested the Board approve the proposal from Shape Inc. and authorize the Manager-Engineer to issue a purchase order in an amount not-to-exceed \$77,800 for the work.

On motion of Member Long, seconded by Member Peters and carried unanimously the Board approved a proposal from Shape Inc. to replace the rotating assemblies on two conveyance pumps at the Ignacio Transfer Pump Station and authorized the Manager-Engineer to issue a purchase order for an amount not-to-exceed \$77,800.

STAFF REPORTS:

- July 4th parade participation: The Manager reported that the District included the Vector truck as a participant in the Novato July Fourth parade. She stated that along with herself, the following District personnel participated in the parade: Dasse de longh, Collection Systems Leadworker, Steve Krautheim, Field Services Superintendent, and Sandeep Karkal, Deputy Manager-Engineer.

BOARD MEMBER REPORTS:

Member Welsh reported that he was in the Lea Drive neighborhood on July 7th at approximately 1:00 p.m. and experienced aeration basin odors. A discussion followed regarding electrical load shedding scenarios as requested by PG&E and the impact these activities may have on odor issues.

MANAGER'S ANNOUNCEMENTS:

- The North Bay Watershed Association will hold a meeting on Friday, July 12th at the Marin Community Foundation at 9:30 a.m.
- The next regular Board meeting will be held on Monday, August 12th at 6:00 p.m.
- The next Wastewater Operations Committee meeting will be held on Monday, July 15th at 2:00 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the Board meeting at 6:46 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Class I Temporary Discharge Permit for Groundwater Remediation Project	MEETING DATE: August 12, 2013 AGENDA ITEM NO.: 5.a.
RECOMMENDED ACTION: Authorize the Manager-Engineer to issue a Class I Non-Domestic Temporary Discharge Permit approving treated groundwater discharge to the District's sewer system by CardnoERI from their proposed groundwater remediation project.	
SUMMARY AND DISCUSSION: <p>CardnoERI is requesting a permit to discharge treated groundwater to the District's sanitary sewer system from their proposed groundwater remediation system, as provided for by the District's Sewer Use Ordinance (SUO). The remediation site is a former gasoline service station site located at 1400 South Novato Blvd. (adjacent to O'Reilly Auto Parts). Cardno proposes to use 12 wells to extract and treat petroleum-hydrocarbon impacted groundwater from the site, at a maximum, not-to-exceed, continuous discharge rate of 5 gallons per minute (or 7,200 gallons per day), until the remediation phase is completed (currently anticipated at about 3 years).</p> <p>Cardno will use a dual phase extraction/air sparging system to extract groundwater and soil vapor. The groundwater will be pumped through two, 50-micron bag filters to trap any sediment during the extraction process. It will then pass through three, in-series, 2,000 pound liquid-phase carbon filters to remove any volatile organic compounds. Finally, prior to discharge to the District's sewer, the treated groundwater will enter a lower explosive limit (LEL) drop tank. If the air space within the drop tank reaches 10% of the LEL for gasoline, an alarm will be generated to Cardno, and the remediation system will be automatically shut down immediately.</p> <p>The proposed permit will require that the remediation system be monitored periodically at each carbon filter unit to verify compliance with all District pretreatment requirements, and to determine carbon change-out requirements. The District has successfully issued permits for similar projects when the following conditions have been met:</p> <ol style="list-style-type: none"> 1. The Discharger obtains a permit from the District that specifies the conditions under which the District will accept the groundwater. 2. The Discharger pretreats the groundwater to the specified requirements in the permit. 3. The treated groundwater is tested by a certified laboratory for volatile organic compounds. <p>Based on the information provided above, staff recommends that the Board authorize the Manager-Engineer to issue a Class I Non-Domestic Temporary Discharge Permit and authorize the Manager-Engineer to approve the discharge of treated groundwater by Cardno ERI from their groundwater remediation system at 1400 South Novato Blvd.</p>	
ALTERNATIVES: Do not issue Class I Non-Domestic Temporary Discharge Permit	
BUDGET INFORMATION: The following standard District fees will apply to this discharge: application fee (\$175); Permit issuance fee (\$1,240); inspection fee (\$40 per inspection); and discharge fee (\$18.07 per 1,000 gallons discharged).	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Reclamation Facility: Biosolids Disposal	MEETING DATE: August 12, 2013 AGENDA ITEM NO.: 5.b.
<p>RECOMMENDED ACTION: Consider a proposal from Custom Tractor Services (CTS) to: (a) dispose of District biosolids into the District's Dedicated Land Disposal (DLD) Area at the Reclamation Facility, and (b) clean out the biosolids lagoons; all for a total cost of \$182,000; and authorize the Manager-Engineer to execute a contract for the same.</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>Under the terms of its discharge permit, the District is required to dispose of digested biosolids generated from its treatment facilities at its dedicated land disposal (DLD) site off of Highway 37, in accordance with Title 40 Code of Federal Regulations (CFR) Part 503. Options for final disposal historically have been either by spreading or by injection into the DLD in summer.</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. CTS performed this work last season for the District at a not-to-exceed rate of 3.4 cents per gallon.</p> <p>Staff requested and received a proposal from CTS to perform these services this year. Under their proposal, CTS proposes to provide the biosolids disposal services for 2.3 cents per gallon plus a one-time setup fee of \$2,500. The setup fee will be waived if one million gallons are disposed this season. The price per gallon has dropped because the sludge lagoons hold more sludge than originally thought. District staff installed depth gauges on the valve platforms and surveyed the ponds to get a better idea of the amount of sludge in the lagoons. Staff estimates that close to 5 million gallons will be disposed of and the amount of the work should not exceed \$120,000.00.</p> <p>Also, some of the biosolids typically accumulate and compact in the bottom of the lagoons so that they cannot be completely removed by pumping, reducing the overall 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 last year for \$62,000.00. CTS proposes to clean out the four ponds for the same amount as last year. Both work items would be funded from Account No. 63115 – Sludge Disposal.</p> <p>Staff recommends that the Board accept the CTS proposal, and authorize the Manager-Engineer to execute a contract with CTS for (a) a not-to-exceed amount of \$120,000.00 for sludge pumping and (b) a lump sum amount of \$62,000.00 for cleaning out the lagoons.</p>	
<p>ALTERNATIVES: NA</p>	
<p>BUDGET INFORMATION: This work is budgeted in the FY13-14 Preliminary Budget under Account No. 63115 - Sludge Disposal in an amount of \$190,000.00.</p>	
<p>DEPT.MGR.:</p>	<p>MANAGER:</p>

Novato Sanitary District Operating Check Register

July 22, 2013

Date	Num	Name	Credit
Jul 22, 13			
7/22/2013	55870	CSRMA-	78,567.96
7/22/2013	55891	Pacific, Gas & Electric	74,162.25
7/22/2013	55879	Marin County Office	9,421.00
7/22/2013	55889	Novato, City	6,616.35
7/22/2013	55863	Alliant Insurance Services, Inc	5,356.08
7/22/2013	55869	Central Marin Sanitation Distr...	4,624.50
7/22/2013	55881	Meyers, Nave, Riback, Silver ...	3,539.50
7/22/2013	55895	RMC Water & Environment, L...	3,052.80
7/22/2013	55900	Veolia Water North America, ...	3,005.83
7/22/2013	55865	Bartle Wells Assoc, Inc	2,842.29
7/22/2013	55893	Rauch Communication Cons...	2,616.25
7/22/2013	55864	American Express-21007	2,369.59
7/22/2013	55899	U.S. Bank Card (2)(June)	1,752.43
7/22/2013	55886	North Marin Water District - L...	1,705.00
7/22/2013	55862	Able Tire & Brake Inc.	1,343.52
7/22/2013	55887	North Marin Water District Pa...	1,158.74
7/22/2013	55866	Brown & Caldwell, Inc.	904.05
7/22/2013	55861	3T Equipment Company Inc.	866.56
7/22/2013	55874	Empire Mini Storage - Novato	810.00
7/22/2013	55868	Cantarutti Electric, Inc	802.00
7/22/2013	55877	IEDA, INC	799.00
7/22/2013	55876	Hertz Corporation	670.35
7/22/2013	55883	North Bay Truck Service	667.80
7/22/2013	55878	Johnson Controls, Inc.	644.00
7/22/2013	55901	Verizon EQ	598.32
7/22/2013	55894	Ricoh USA, Inc.	536.16
7/22/2013	55903	Water Components & Buildin...	499.97
7/22/2013	55871	CWEAmembers	420.00
7/22/2013	55898	U.S. Bank Card (1)(Bev)	385.79
7/22/2013	55888	Novato Disposal-	288.85
7/22/2013	55890	Orkin Pest Control, Inc.	255.20
7/22/2013	55872	Datco Billing Inc.	191.10
7/22/2013	55897	Staples Business Adv Inc.	174.33
7/22/2013	55896	Rotary Club of Novato	150.00
7/22/2013	55867	Cagwin & Dorward Inc.	128.80
7/22/2013	55885	North Marin Water District	121.63
7/22/2013	55884	North Marin Auto Parts	117.75
7/22/2013	55892	Quill Corporation	93.72
7/22/2013	55902	Verizon Wireless-	93.67
7/22/2013	55880	Marin Independent Journal	81.25
7/22/2013	55873	EEC	45.02
7/22/2013	55882	North Bay Gas & Weld	27.20
7/22/2013	55875	Grainger	15.92
Jul 22, 13			<u>212,522.53</u>

Novato Sanitary District
Operating Check Register Detail
For July 22, 2013

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
3T Equipment Company Inc.			
	07/09/2013	60152 · Small Tools	866.56
Total 3T Equipment Company Inc.			<u>866.56</u>
Able Tire & Brake Inc.			
	07/03/2013	60150 · Repairs & Maintenance	26.85
	07/03/2013	60100 · Operating Supplies	26.85
	07/15/2013	66150 · Repairs & Maintenance	54.00
	07/15/2013	66150 · Repairs & Maintenance	1,235.82
Total Able Tire & Brake Inc.			<u>1,343.52</u>
Alliant Insurance Services, Inc			
	07/08/2013	66070 · Insurance	5,356.08
Total Alliant Insurance Services, Inc			<u>5,356.08</u>
American Express-21007			
	06/30/2013	64170 · Pollution Prevention/Public Ed	157.20
	06/30/2013	60100 · Operating Supplies	55.08
	06/30/2013	66170 · Travel, Meetings & Training	439.50
	06/30/2013	65100 · Operating Supplies	55.08
	06/30/2013	66090 · Office Expense	107.05
	06/30/2013	66193 · Telephone	20.00
	07/01/2013	64170 · Pollution Prevention/Public Ed	84.83
	07/01/2013	66170 · Travel, Meetings & Training	218.49
	07/01/2013	66090 · Office Expense	217.35
	07/01/2013	66150 · Repairs & Maintenance	233.53
	07/01/2013	21015 · American Express	781.48
Total American Express-21007			<u>2,369.59</u>
Bartle Wells Assoc, Inc			
	06/18/2013	66123 · O/S Contractual	2,842.29
Total Bartle Wells Assoc, Inc			<u>2,842.29</u>
Brown & Caldwell, Inc.			
	06/30/2013	66123 · O/S Contractual	904.05
Total Brown & Caldwell, Inc.			<u>904.05</u>
Cagwin & Dorward Inc.			
	06/30/2013	66150 · Repairs & Maintenance	128.80
Total Cagwin & Dorward Inc.			<u>128.80</u>
Cantarutti Electric, Inc			
	07/10/2013	65153 · Outside Services, Electrical	172.50
	07/17/2013	65153 · Outside Services, Electrical	460.00
	07/17/2013	65153 · Outside Services, Electrical	169.50
Total Cantarutti Electric, Inc			<u>802.00</u>
Central Marin Sanitation District			
	06/30/2013	64160 · Research & Monitoring	4,624.50
Total Central Marin Sanitation District			<u>4,624.50</u>
CSRMA-			
	07/01/2013	66070 · Insurance	21,541.96
	07/01/2013	66020 · Employee Benefits	57,026.00
Total CSRMA-			<u>78,567.96</u>
CWEAmembers			
	07/01/2013	66080 · Memberships	140.00
	07/15/2013	66080 · Memberships	140.00
	07/15/2013	66080 · Memberships	140.00
Total CWEAmembers			<u>420.00</u>
Datco Billing Inc.			
	07/01/2013	66123 · O/S Contractual	191.10
Total Datco Billing Inc.			<u>191.10</u>
EEC			
	07/08/2013	63150 · Repairs & Maintenance	45.02
Total EEC			<u>45.02</u>

Novato Sanitary District
Operating Check Register Detail
For July 22, 2013

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Empire Mini Storage - Novato			
	07/18/2013	66123 · O/S Contractual	810.00
Total Empire Mini Storage - Novato			<u>810.00</u>
Grainger			
	07/09/2013	65085 · Safety Expenses	15.92
Total Grainger			<u>15.92</u>
Hertz Corporation			
	06/28/2013	65150 · Repairs & Maintenance	670.35
Total Hertz Corporation			<u>670.35</u>
IEDA, INC			
	07/01/2013	66123 · O/S Contractual	799.00
Total IEDA, INC			<u>799.00</u>
Johnson Controls, Inc.			
	07/02/2013	66150 · Repairs & Maintenance	644.00
Total Johnson Controls, Inc.			<u>644.00</u>
Marin County Office			
	07/01/2013	66075 · Agency Dues	9,421.00
Total Marin County Office			<u>9,421.00</u>
Marin Independent Journal			
	06/30/2013	66090 · Office Expense	81.25
Total Marin Independent Journal			<u>81.25</u>
Meyers, Nave, Riback, Silver & Wilson			
	06/30/2013	66122 · Attorney Fees	3,539.50
Total Meyers, Nave, Riback, Silver & Wilson			<u>3,539.50</u>
North Bay Gas & Weld			
	07/08/2013	60100 · Operating Supplies	27.20
Total North Bay Gas & Weld			<u>27.20</u>
North Bay Truck Service			
	07/01/2013	60150 · Repairs & Maintenance	243.06
	07/01/2013	60150 · Repairs & Maintenance	424.74
Total North Bay Truck Service			<u>667.80</u>
North Marin Auto Parts			
	07/01/2013	65150 · Repairs & Maintenance	112.43
	07/03/2013	60150 · Repairs & Maintenance	5.32
Total North Marin Auto Parts			<u>117.75</u>
North Marin Water District			
	06/30/2013	65192 · Water	40.58
	06/30/2013	65192 · Water	40.55
	06/30/2013	65192 · Water	40.50
Total North Marin Water District			<u>121.63</u>
North Marin Water District - Lab			
	06/30/2013	64160 · Research & Monitoring	1,705.00
Total North Marin Water District - Lab			<u>1,705.00</u>
North Marin Water District Payroll			
	06/30/2013	64010 · Salaries & Wages	1,158.74
Total North Marin Water District Payroll			<u>1,158.74</u>
Novato Disposal-			
	07/01/2013	60200 · Other(Garbage Coll)	288.85
Total Novato Disposal-			<u>288.85</u>
Novato, City			
	06/30/2013	60060 · Gas, Oil & Fuel	2,557.19
	06/30/2013	61000-4 · Water/Permits/Telephone	2,130.05
	06/30/2013	63060 · Gasoline & Oil	403.77
	06/30/2013	64060 · Gasoline & Oil	269.18
	06/30/2013	65060 · Gasoline & Oil	448.63
	06/30/2013	66060 · Gasoline & Oil	807.53
Total Novato, City			<u>6,616.35</u>

Novato Sanitary District
Operating Check Register Detail
For July 22, 2013

	<u>Date</u>	<u>Account</u>	<u>Debit</u>
Orkin Pest Control, Inc.	06/25/2013	66150 · Repairs & Maintenance	255.20
Total Orkin Pest Control, Inc.			<u>255.20</u>
Pacific, Gas & Electric	06/30/2013	65191 · Gas & Electricity	13.23
	06/30/2013	65191 · Gas & Electricity	1.55
	06/30/2013	65191 · Gas & Electricity	135.57
	06/30/2013	61000-5 · Gas & Electricity	50,216.64
	06/30/2013	61000-5 · Gas & Electricity	6,312.68
	06/30/2013	63191 · Gas & Electricity	8,404.24
	06/30/2013	65191 · Gas & Electricity	9,078.34
Total Pacific, Gas & Electric			<u>74,162.25</u>
Quill Corporation	07/03/2013	66090 · Office Expense	93.72
Total Quill Corporation			<u>93.72</u>
Rauch Communication Consultants. Inc.	06/30/2013	66123 · O/S Contractual	2,616.25
Total Rauch Communication Consultants. Inc.			<u>2,616.25</u>
Ricoh USA, Inc.	06/30/2013	66090 · Office Expense	258.25
	07/04/2013	66090 · Office Expense	277.91
Total Ricoh USA, Inc.			<u>536.16</u>
RMC Water & Environment, Inc.	06/30/2013	64160 · Research & Monitoring	3,052.80
Total RMC Water & Environment, Inc.			<u>3,052.80</u>
Rotary Club of Novato	07/01/2013	66080 · Memberships	150.00
Total Rotary Club of Novato			<u>150.00</u>
Staples Business Adv Inc.	06/30/2013	66090 · Office Expense	106.79
	07/03/2013	66090 · Office Expense	67.54
Total Staples Business Adv Inc.			<u>174.33</u>
U.S. Bank Card (1)(Bev)	06/30/2013	66124 · IT/Misc Electrical	179.99
	06/30/2013	66170 · Travel, Meetings & Training	205.80
Total U.S. Bank Card (1)(Bev)			<u>385.79</u>
U.S. Bank Card (2)(June)	06/30/2013	21016 · U.S. Bank Visa	1,752.43
Total U.S. Bank Card (2)(June)			<u>1,752.43</u>
Veolia Water North America, Inc.	06/30/2013	61000-2 · Insurance & Bonds	3,005.83
Total Veolia Water North America, Inc.			<u>3,005.83</u>
Verizon EQ	06/28/2013	65193 · Telephone	598.32
Total Verizon EQ			<u>598.32</u>
Verizon Wireless-	06/28/2013	60193 · Telephone	-143.50
	06/28/2013	66193 · Telephone	83.08
	06/28/2013	65193 · Telephone	61.64
	06/28/2013	60193 · Telephone	92.45
Total Verizon Wireless-			<u>93.67</u>
Water Components & Building, Inc.	07/09/2013	60150 · Repairs & Maintenance	229.34
	07/11/2013	60152 · Small Tools	270.63
Total Water Components & Building, Inc.			<u>499.97</u>
TOTAL			<u><u>212,522.53</u></u>

Novato Sanitary District Capital Projects Check Register

July 22, 2013			
Date	Num	Name	Credit
Jul 22, 13			
07/22/2013	2548	Bank of New York Mellon	430,848.75
07/22/2013	2554	W.R. Forde	72,912.13
07/22/2013	2553	Team Ghilotti, Inc.	44,773.50
07/22/2013	2551	Nute Engineering Inc.	8,633.00
07/22/2013	2550	Linscott Engineering Contractors Inc	2,400.00
07/22/2013	2555	Lateral-Steinberger	1,500.00
07/22/2013	2552	Rauch Communication Consultants. Inc.	1,464.00
07/22/2013	2549	void	0.00
Jul 22, 13			<u>562,531.38</u>

Novato Sanitary District

Capital Projects

Check Register Detail

July 22, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Bank of New York Mellon			
	07/15/2013	78500 · Interest - Capital Projects\	430,848.75
Total Bank of New York Mellon			<u>430,848.75</u>
Lateral-Steinberger			
	06/30/2013	72706 · 2008 Collection System Improv	1,500.00
Total Lateral-Steinberger			<u>1,500.00</u>
Linscott Engineering Contractors Inc			
	06/30/2013	72804 · Annual Reclamation Fac Imp	2,400.00
Total Linscott Engineering Contractors Inc			<u>2,400.00</u>
Nute Engineering Inc.			
	06/30/2013	72403 · Pump Station Rehabilitation	1,494.00
	06/30/2013	72403 · Pump Station Rehabilitation	2,784.00
	06/30/2013	72706 · 2008 Collection System Improv	4,187.00
	06/30/2013	72706 · 2008 Collection System Improv	168.00
Total Nute Engineering Inc.			<u>8,633.00</u>
Rauch Communication Consultants. Inc.			
	06/30/2013	72808 · Strategic Plan Update	1,464.00
Total Rauch Communication Consultants. Inc.			<u>1,464.00</u>
Team Ghilotti, Inc.			
	05/31/2013	72706 · 2008 Collection System Improv	44,773.50
Total Team Ghilotti, Inc.			<u>44,773.50</u>
W.R. Forde			
	06/30/2013	72403 · Pump Station Rehabilitation	72,912.13
Total W.R. Forde			<u>72,912.13</u>
TOTAL			<u><u>562,531.38</u></u>

Novato Sanitary District Operating Check Register

August 12, 2013

Date	Num	Name	Credit
Aug 12, 13			
8/12/2013	55978	Veolia Water North America, ...	333,998.57
8/12/2013	55975	U.S. Bank Corporate	134,721.25
8/12/2013	55953	MME	24,680.82
8/12/2013	55966	PSC	23,724.26
8/12/2013	55961	Patricia Elliot, Attorney at Law	20,988.90
8/12/2013	Wire	Pi2 Technologies, Inc.	20,250.00
8/12/2013	55929	Central Marin Sanitation Distr...	19,280.94
8/12/2013	55951	Marin Mechanical II, Inc.	9,428.08
8/12/2013	55926	Caltest Analytical Lab Inc.	6,907.60
8/12/2013	55950	Marin Audubon Society	6,318.14
8/12/2013	55948	Johnson, Dee	6,233.00
8/12/2013	55936	CSRMA-	6,152.49
8/12/2013	55974	U.S. Bank Card (2)(June)	5,551.99
8/12/2013	55965	Preferred Benefit	3,299.08
8/12/2013	55952	Meyers, Nave, Riback, Silver ...	3,174.50
8/12/2013	55938	Dearborn National	2,607.18
8/12/2013	55925	Cagwin & Dorward Inc.	2,581.00
8/12/2013	55949	Koffler Electrical Mech, Inc.	2,497.40
8/12/2013	55977	US Bank Corporate Trust	2,310.00
8/12/2013	55945	ICommm, Inc.	2,180.00
8/12/2013	55957	Novato Chevrolet	1,993.97
8/12/2013	55956	North Marin Water District	1,656.87
8/12/2013	55932	Comet Building Maintenance,...	1,453.05
8/12/2013	55933	Control Systems West, Inc.	1,433.75
8/12/2013	55939	Farwest Corrosion Control, Inc.	1,307.91
8/12/2013	55970	Sears Commercial One	1,300.92
8/12/2013	55920	3T Equipment Company Inc.	1,267.16
8/12/2013	55922	Adamson, Robert D.	1,125.00
8/12/2013	55976	Underground Service Alert, Inc.	1,109.64
8/12/2013	55946	IEDA, INC	1,051.00
8/12/2013	55967	Rauch Communication Cons...	865.00
8/12/2013	55930	Cintas Corporation	813.28
8/12/2013	55971	Siemens Industry Inc. - Lab	749.21
8/12/2013	55927	Cantarutti Electric, Inc	734.50
8/12/2013	55980	Verizon EQ	595.77
8/12/2013	55960	Pacific, Gas & Electric	581.59
8/12/2013	55944	Heusser Neweigh	557.00
8/12/2013	55982	Vision Service Plan	531.15
8/12/2013	55964	Pini Hardware	459.61
8/12/2013	55924	Beecher Engineering	300.00
8/12/2013	55935	Core Utilities, Inc.	300.00
8/12/2013	55937	CWEAmembers	296.00
8/12/2013	55931	Claremont EAP, Inc.	295.00
8/12/2013	55958	Novato Disposal-	288.85
8/12/2013	55942	Garton Tractor Inc.	284.10
8/12/2013	55959	Orkin Pest Control, Inc.	255.20
8/12/2013	55969	Royal Petroleum Company	213.86
8/12/2013	55928	CDW Government, Inc.	209.87
8/12/2013	55981	Verizon Wireless-	199.86
8/12/2013	55941	Frank Olsen Company	169.32
8/12/2013	55962	Petty Cash	159.44
8/12/2013	55973	U.S. Bank Card (1)(Bev)	153.05
8/12/2013	55923	Barnett Medical LLC	135.00
8/12/2013	55943	Grainger	132.64
8/12/2013	55979	Verizon California	123.83
8/12/2013	55954	North Bay Portables, Inc.	92.20
8/12/2013	55921	Able Tire & Brake Inc.	83.85
8/12/2013	55934	Cook Paging	66.30
8/12/2013	55955	North Marin Auto Parts	65.91
8/12/2013	55983	Zenith Instant Printing, Inc.	58.86
8/12/2013	55968	Redwood Empire Chapter MSA	50.00
8/12/2013	55947	James, Beverly-	43.23
8/12/2013	55940	Federal Express	30.22
8/12/2013	55972	T-Mobile	22.97
Aug 12, 13			660,501.14

Novato Sanitary District
Operating Check Register Detail
For August 12, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
3T Equipment Company Inc.			
	07/23/2013	60150 · Repairs & Maintenance	438.20
	07/23/2013	60150 · Repairs & Maintenance	262.50
	07/23/2013	60150 · Repairs & Maintenance	566.46
Total 3T Equipment Company Inc.			<u>1,267.16</u>
Able Tire & Brake Inc.			
	07/25/2013	60150 · Repairs & Maintenance	83.85
Total Able Tire & Brake Inc.			<u>83.85</u>
Adamson, Robert D.			
	08/01/2013	64160 · Research & Monitoring	1,125.00
Total Adamson, Robert D.			<u>1,125.00</u>
Barnett Medical LLC			
	06/19/2013	67500 · Household Hazardous Waste	45.00
	06/19/2013	67500 · Household Hazardous Waste	90.00
Total Barnett Medical LLC			<u>135.00</u>
Beecher Engineering			
	07/25/2013	66123 · O/S Contractual	300.00
Total Beecher Engineering			<u>300.00</u>
Cagwin & Dorward Inc.			
	07/01/2013	66150 · Repairs & Maintenance	329.00
	07/30/2013	66150 · Repairs & Maintenance	2,252.00
Total Cagwin & Dorward Inc.			<u>2,581.00</u>
Caltest Analytical Lab Inc.			
	06/30/2013	64160 · Research & Monitoring	6,907.60
Total Caltest Analytical Lab Inc.			<u>6,907.60</u>
Cantarutti Electric, Inc			
	07/03/2013	63150 · Repairs & Maintenance	734.50
Total Cantarutti Electric, Inc			<u>734.50</u>
CDW Government, Inc.			
	07/23/2013	66124 · IT/Misc Electrical	209.87
Total CDW Government, Inc.			<u>209.87</u>
Central Marin Sanitation District			
	07/15/2013	66123 · O/S Contractual	19,280.94
Total Central Marin Sanitation District			<u>19,280.94</u>
Cintas Corporation			
	07/26/2013	60100 · Operating Supplies	161.64
	08/01/2013	64100 · Operating Supplies	94.89
	08/01/2013	66100 · Engineering Supplies	331.43
	08/01/2013	60100 · Operating Supplies	225.32
Total Cintas Corporation			<u>813.28</u>
Claremont EAP, Inc.			
	07/16/2013	66123 · O/S Contractual	295.00
Total Claremont EAP, Inc.			<u>295.00</u>
Comet Building Maintenance, Inc.			
	07/21/2013	66150 · Repairs & Maintenance	1,090.00
	07/21/2013	60150 · Repairs & Maintenance	152.50
	07/21/2013	65150 · Repairs & Maintenance	152.50
	07/21/2013	66090 · Office Expense	58.05
Total Comet Building Maintenance, Inc.			<u>1,453.05</u>
Control Systems West, Inc.			
	07/30/2013	65153 · Outside Services, Electrical	1,433.75
Total Control Systems West, Inc.			<u>1,433.75</u>

Novato Sanitary District
Operating Check Register Detail
For August 12, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Cook Paging			
	08/01/2013	61000-4 · Water/Permits/Telephone	24.00
	08/01/2013	65193 · Telephone	30.83
	08/01/2013	60193 · Telephone	<u>11.47</u>
Total Cook Paging			66.30
Core Utilities, Inc.			
	08/02/2013	66123 · O/S Contractual	<u>300.00</u>
Total Core Utilities, Inc.			300.00
CSRMA-			
	07/30/2013	66071 · Insurance Claim Expense	906.00
	07/30/2013	66071 · Insurance Claim Expense	<u>5,246.49</u>
Total CSRMA-			6,152.49
CWEAmembers			
	08/01/2013	66080 · Memberships	148.00
	08/01/2013	66080 · Memberships	<u>148.00</u>
Total CWEAmembers			296.00
Dearborn National			
	07/22/2013	66020 · Employee Benefits	<u>2,607.18</u>
Total Dearborn National			2,607.18
Farwest Corrosion Control, Inc.			
	07/25/2013	65150 · Repairs & Maintenance	660.88
	07/31/2013	65150 · Repairs & Maintenance	<u>647.03</u>
Total Farwest Corrosion Control, Inc.			1,307.91
Federal Express			
	07/19/2013	66090 · Office Expense	<u>30.22</u>
Total Federal Express			30.22
Frank Olsen Company			
	07/25/2013	63150 · Repairs & Maintenance	<u>169.32</u>
Total Frank Olsen Company			169.32
Garton Tractor Inc.			
	08/02/2013	60150 · Repairs & Maintenance	<u>284.10</u>
Total Garton Tractor Inc.			284.10
Grainger			
	08/01/2013	60100 · Operating Supplies	<u>132.64</u>
Total Grainger			132.64
Heusser Neweigh			
	06/30/2013	64150 · Repairs & Maintenance	<u>557.00</u>
Total Heusser Neweigh			557.00
IComm, Inc.			
	06/30/2013	60100 · Operating Supplies	<u>2,180.00</u>
Total IComm, Inc.			2,180.00
IEDA, INC			
	08/01/2013	66123 · O/S Contractual	<u>1,051.00</u>
Total IEDA, INC			1,051.00
James, Beverly-			
	06/30/2013	66170 · Travel, Meetings & Training	<u>43.23</u>
Total James, Beverly-			43.23
Johnson, Dee			
	07/01/2013	67400 · Consulting Services	1,463.00
	07/01/2013	67530 · Used Oil Program	270.00

Novato Sanitary District
Operating Check Register Detail
For August 12, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
	07/01/2013	67400 · Consulting Services	4,500.00
Total Johnson, Dee			<u>6,233.00</u>
Koffler Electrical Mech, Inc.			
	07/31/2013	63150 · Repairs & Maintenance	2,497.40
Total Koffler Electrical Mech, Inc.			<u>2,497.40</u>
Marin Audubon Society			
	07/31/2013	65201 · Permits & Fees	917.83
	07/31/2013	63201 · Permits & Fees	215.96
	07/31/2013	61000-4 · Water/Permits/Telephone	323.94
	07/31/2013	60201 · Permits & Fees	3,941.28
	07/31/2013	21020 · Accounts Payable	
	07/31/2013	63201 · Permits & Fees	36.77
	07/31/2013	61000-4 · Water/Permits/Telephone	55.15
	07/31/2013	65201 · Permits & Fees	156.25
	07/31/2013	60201 · Permits & Fees	670.96
Total Marin Audubon Society			<u>6,318.14</u>
Marin Mechanical II, Inc.			
	08/07/2013	65150 · Repairs & Maintenance	1,186.46
	08/07/2013	63150 · Repairs & Maintenance	4,435.66
	08/07/2013	65150 · Repairs & Maintenance	3,805.96
Total Marin Mechanical II, Inc.			<u>9,428.08</u>
Meyers, Nave, Riback, Silver & Wilson			
	06/30/2013	66122 · Attorney Fees	3,174.50
Total Meyers, Nave, Riback, Silver & Wilson			<u>3,174.50</u>
MME			
	06/30/2013	60150 · Repairs & Maintenance	23,281.48
	06/30/2013	60150 · Repairs & Maintenance	1,399.34
Total MME			<u>24,680.82</u>
North Bay Portables, Inc.			
	07/16/2013	63100 · Operating Supplies	92.20
Total North Bay Portables, Inc.			<u>92.20</u>
North Marin Auto Parts			
	07/10/2013	60150 · Repairs & Maintenance	18.49
	07/18/2013	60100 · Operating Supplies	19.53
	07/25/2013	60150 · Repairs & Maintenance	27.89
Total North Marin Auto Parts			<u>65.91</u>
North Marin Water District			
	07/25/2013	65192 · Water	388.11
	07/25/2013	61000-4 · Water/Permits/Telephone	98.46
	08/01/2013	65192 · Water	42.73
	08/01/2013	60192 · Water	820.97
	08/01/2013	60192 · Water	306.60
Total North Marin Water District			<u>1,656.87</u>
Novato Chevrolet			
	07/17/2013	60150 · Repairs & Maintenance	820.62
	07/17/2013	60150 · Repairs & Maintenance	1,173.35
Total Novato Chevrolet			<u>1,993.97</u>
Novato Disposal-			
	08/01/2013	60200 · Other(Garbage Coll)	51.40
	08/01/2013	66150 · Repairs & Maintenance	237.45
Total Novato Disposal-			<u>288.85</u>

Novato Sanitary District
Operating Check Register Detail
For August 12, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Orkin Pest Control, Inc.			
	07/15/2013	66150 · Repairs & Maintenance	255.20
Total Orkin Pest Control, Inc.			<u>255.20</u>
Pacific, Gas & Electric			
	08/01/2013	65191 · Gas & Electricity	155.26
	08/01/2013	63191 · Gas & Electricity	426.33
Total Pacific, Gas & Electric			<u>581.59</u>
Patricia Elliot, Attorney at Law			
	06/20/2013	66122 · Attorney Fees	11,763.90
	06/30/2013	66122 · Attorney Fees	9,225.00
Total Patricia Elliot, Attorney at Law			<u>20,988.90</u>
Petty Cash			
	08/05/2013	64170 · Pollution Prevention/Public Ed	29.85
	08/05/2013	66170 · Travel, Meetings & Training	92.00
	08/05/2013	60100 · Operating Supplies	19.98
	08/05/2013	66193 · Telephone	17.61
Total Petty Cash			<u>159.44</u>
Pi2 Technologies, Inc.			
	06/30/2013	61000-3 · Major Repair/Replacement	20,250.00
Total Pi2 Technologies, Inc.			<u>20,250.00</u>
Pini Hardware			
	08/01/2013	60100 · Operating Supplies	85.11
	08/01/2013	64170 · Pollution Prevention/Public Ed	87.76
	08/01/2013	65100 · Operating Supplies	186.97
	08/01/2013	65150 · Repairs & Maintenance	99.77
Total Pini Hardware			<u>459.61</u>
Preferred Benefit			
	08/01/2013	66020 · Employee Benefits	3,197.72
	08/01/2013	21074 · Health Insurance Payable	101.36
Total Preferred Benefit			<u>3,299.08</u>
PSC			
	06/30/2013	67500 · Household Hazardous Waste	23,724.26
Total PSC			<u>23,724.26</u>
Rauch Communication Consultants. Inc.			
	06/30/2013	66123 · O/S Contractual	865.00
Total Rauch Communication Consultants. Inc.			<u>865.00</u>
Redwood Empire Chapter MSA			
	07/01/2013	66080 · Memberships	50.00
Total Redwood Empire Chapter MSA			<u>50.00</u>
Royal Petroleum Company			
	07/15/2013	66100 · Engineering Supplies	213.86
Total Royal Petroleum Company			<u>213.86</u>
Sears Commercial One			
	07/30/2013	66085 · Safety	1,300.92
Total Sears Commercial One			<u>1,300.92</u>
Siemens Industry Inc. - Lab			
	07/12/2013	64100 · Operating Supplies	272.00
	07/18/2013	64100 · Operating Supplies	477.21
Total Siemens Industry Inc. - Lab			<u>749.21</u>
T-Mobile			
	07/22/2013	65193 · Telephone	22.97

Novato Sanitary District
Operating Check Register Detail
For August 12, 2013

	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Total T-Mobile			22.97
U.S. Bank Card (1)(Bev)			
	07/03/2013	64170 · Pollution Prevention/Public Ed	54.75
	07/03/2013	66060 · Gasoline & Oil	98.30
Total U.S. Bank Card (1)(Bev)			<u>153.05</u>
U.S. Bank Card (2)(June)			
	07/03/2013	64100 · Operating Supplies	204.18
	07/03/2013	66090 · Office Expense	82.70
	07/03/2013	66193 · Telephone	40.00
	07/03/2013	61000-3 · Major Repair/Replacement	3,458.80
	07/03/2013	21016 · U.S. Bank Visa	1,766.31
Total U.S. Bank Card (2)(June)			<u>5,551.99</u>
U.S. Bank Corporate			
	07/22/2013	21045 · Novato Heights Deposits	134,721.25
Total U.S. Bank Corporate			<u>134,721.25</u>
Underground Service Alert, Inc.			
	07/20/2013	66075 · Agency Dues	1,109.64
Total Underground Service Alert, Inc.			<u>1,109.64</u>
US Bank Corporate Trust			
	07/25/2013	21045 · Novato Heights Deposits	2,310.00
Total US Bank Corporate Trust			<u>2,310.00</u>
Veolia Water North America, Inc.			
	06/30/2013	68010 · O & M Services	8,573.21
	06/30/2013	68010 · O & M Services	8,909.30
	06/30/2013	61000-0 · Contract Operations	158,258.03
	07/01/2013	61000-0 · Contract Operations	158,258.03
Total Veolia Water North America, Inc.			<u>333,998.57</u>
Verizon California			
	07/10/2013	66193 · Telephone	123.83
Total Verizon California			<u>123.83</u>
Verizon EQ			
	07/28/2013	65193 · Telephone	595.77
Total Verizon EQ			<u>595.77</u>
Verizon Wireless-			
	08/01/2013	60193 · Telephone	78.97
	08/01/2013	65193 · Telephone	52.65
	08/01/2013	66193 · Telephone	68.24
Total Verizon Wireless-			<u>199.86</u>
Vision Service Plan			
	07/18/2013	66020 · Employee Benefits	531.15
Total Vision Service Plan			<u>531.15</u>
Zenith Instant Printing, Inc.			
	06/30/2013	66090 · Office Expense	58.86
Total Zenith Instant Printing, Inc.			<u>58.86</u>
TOTAL			<u><u>660,501.14</u></u>

Novato Sanitary District Capital Project Check Register

August 12, 2013

Date	Num	Name	Credit
Aug 12, 13			
8/12/2013	2559	R E Smith Contractor, Inc.	135,134.58
8/12/2013	2563	Sonoma County Water Agency	109,473.00
8/12/2013	2556	Covello Group, The	28,641.00
8/12/2013	2561	RMC Water & Environment, I...	7,656.19
8/12/2013	2557	P,G & E1-Projects	7,461.61
8/12/2013	2558	Pareto Co.	4,351.00
8/12/2013	2562	Roy's Sewer Service, Inc.	2,650.00
8/12/2013	2560	Rauch Communication Cons...	1,571.85
8/12/2013	2564	U.S. Bank Card (2)(June)	1,411.03
8/12/2013	2567	Willis Professional Land Surv...	900.00
8/12/2013	2565	Valencia Landscape Service	263.00
8/12/2013	2566	Water Components & Buildin...	73.14
Aug 12, 13			299,586.40

**Novato Sanitary District
Capital Projects
Check Detail for August 12, 2013**

	<u>Account</u>	<u>Amount</u>
Covello Group, The		
	73001 · WWTP Upgrade - Contract C	28,641.00
Total Covello Group, The		<u>28,641.00</u>
P,G & E1-Projects		
	72403 · Pump Station Rehabilitation	7,461.61
Total P,G & E1-Projects		<u>7,461.61</u>
Pareto Co.		
	72803 · Annual Collection Sys Repairs	4,351.00
Total Pareto Co.		<u>4,351.00</u>
R E Smith Contractor, Inc.		
	73001 · WWTP Upgrade - Contract C	135,134.58
Total R E Smith Contractor, Inc.		<u>135,134.58</u>
Rauch Communication Consultants. Inc.		
	72808 · Strategic Plan Update	1,326.00
	72808 · Strategic Plan Update	245.85
Total Rauch Communication Consultants. Inc.		<u>1,571.85</u>
RMC Water & Environment, Inc.		
	73001 · WWTP Upgrade - Contract C	6,448.94
	73001 · WWTP Upgrade - Contract C	1,207.25
Total RMC Water & Environment, Inc.		<u>7,656.19</u>
Roy's Sewer Service, Inc.		
	73001 · WWTP Upgrade - Contract C	2,250.00
	72803 · Annual Collection Sys Repairs	400.00
Total Roy's Sewer Service, Inc.		<u>2,650.00</u>
Sonoma County Water Agency		
	72508 · N. Bay Water Recycling Auth	109,473.00
Total Sonoma County Water Agency		<u>109,473.00</u>
U.S. Bank Card (2)(June)		
	73001 · WWTP Upgrade - Contract C	1,411.03
Total U.S. Bank Card (2)(June)		<u>1,411.03</u>
Valencia Landscape Service		
	72403 · Pump Station Rehabilitation	263.00
Total Valencia Landscape Service		<u>263.00</u>
Water Components & Building, Inc.		
	73001 · WWTP Upgrade - Contract C	73.14
Total Water Components & Building, Inc.		<u>73.14</u>
Willis Professional Land Surveying		
	73001 · WWTP Upgrade - Contract C	900.00
Total Willis Professional Land Surveying		<u>900.00</u>
		<u>299,586.40</u>

08/08/13

Novato Sanitary District Board Fees for July 2013

August 8, 2013

Date	Num	Name	Credit
Aug 8, 13			
8/8/2013	2677	Long, William C	954.55
8/8/2013	3173	Di Giorgio, Michael	696.30
8/8/2013	2678	Mariani, Jean M	600.61
8/8/2013	2679	Peters, A. Gerald	274.36
8/8/2013	3174	Welsh, Dennis J	103.79
Aug 8, 13			<u>2,629.61</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Uniform Public Construction Cost Accounting Act (UPCCAA) Set Date for Public Hearing	MEETING DATE: August 12 2013 AGENDA ITEM NO.: 6.a.b.c., 7.a.
RECOMMENDED ACTION: 6.b.c. Hold Public Hearing on UPCCAA 7.a Adopt Ordinance No. 118 modifying Ordinance 109 Relating to Bid Cost Thresholds and Bidding Procedures for Construction Services	
SUMMARY AND DISCUSSION: <p>The District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA) to perform certain projects each year. The UPCCAA allows local agencies 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 (Commission). The UPCCAA is enacted under Public Contracts Code Sections 22000 through 22045. The District uses the UPCCAA under its adopted Ordinance No. 109 adopted August 28, 2006.</p> <p>The UPCCAA has been updated to provide for alternative bidding procedures as follows: (a) projects of \$45,000 or less may be performed by negotiated contract or by purchase order, (b) projects of \$175,000 or less may be let to contract by the informal procedures set forth in the Act, and (c) projects of more than \$175,000 are to be let to contract by formal bidding procedures. In short, the Act allows the District to complete projects with less administrative effort while maintaining work quality. Ordinance 118 will replace Ordinance 109 and implement the updated UPCCAA procedures.</p> <p>Notice of the Public Hearing was published twice in the Marin IJ newspaper, July 19th and 26th, 2013.</p>	
ALTERNATIVES: NA.	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT

Ordinance No. 118

AN ORDINANCE RELATING TO BID COST THRESHOLDS AND BIDDING PROCEDURES FOR CONSTRUCTION SERVICES

WHEREAS, the District has previously adopted Ordinance 109 adopting informal bidding procedures under the Uniform Public Construction Cost Accounting Act (UPCAA), and

WHEREAS, Ordinance No. 109, adopted by the Board of Directors on August 28, 2006 set limits for force account and informal bidding in conformance with the UPCAAs limits in effect at that time; and

WHEREAS, the UPCAAs informal bid limits have been changed pursuant to Public Contract Code Section 22032 as of July 1, 2011;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Novato Sanitary District as follows:

SECTION 1: Informal Bid Procedures.

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section 1.1: Contractors List.

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Section 1.2: Notice Inviting Informal Bids.

Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 1.1, and to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids, provided however:

(1) If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

(2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Section 1.3: Award of Contracts

The Manager-Engineer is authorized to award informal contracts pursuant to this Section.

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Directors voting for and against the same in the Marin Independent Journal, a newspaper of general circulation published in the County of Marin.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Novato Sanitary District in the County of Marin, State of California, this ___th day of August, 2013, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

President, Board of Directors
Novato Sanitary District

ATTEST:

Secretary, Board of Directors
Novato Sanitary District

MEMORANDUM

Date: August 8, 2013
To: Board of Directors
From: Solid Waste Committee: Michael Di Giorgio, Dennis Welsh
Subject: City of Novato Fiscal Sustainability Plan, Road Impact Fee Option

Background on City Staff Proposal for Road Impact Fee

City of Novato (City) staff has prepared a draft Fiscal Sustainability Plan (Plan) providing information about revenue and expenditures and highlighting policy options going forward. One of the policy options for increasing City revenues is to implement a road impact fee for refuse collection to generate about \$350,000 annually. The City Manager's Recommended Fiscal Sustainability Plan includes "Pursue options to collect refuse road impact fee" of \$350,000 beginning in the 2016/17 fiscal year". The Plan provides details of this option on pages 36 and 37 (see attached).

Joint City/District Solid Waste Committee Meeting

The Joint City/District Solid Waste Committee considered this option at their meeting on August 6, 2013. The City was officially represented by Dave Meyers, Maintenance Superintendent. Mayor Pat Eklund, and Brian Cochran, Finance Manager were also present.

A copy of the presentation given by Beverly James, Manager-Engineer, on some of the issues raised by the City's option is attached. Key points from the presentation were:

- Contrary to the implication from the Figure on Page 37 of the City's Fiscal Sustainability Plan, Novato Sanitary District's overall rates for solid waste collection services are the lowest in the Marin and Sonoma jurisdictions shown;
- In order to obtain the lower rates shown for the single-family home 32 gallon can, all of the jurisdictions charge higher rates for commercial and multi-family service;

- Novato Sanitary District does a thorough analysis of audited financial information from Novato Disposal prior to any rate adjustment using an independent expert.
- Novato Sanitary District is committed to a transparent rate setting process that is compliant with Proposition 218.

Brian Cochran explained that the City of Novato staff calculated the proposed \$350,000 road impact fee by adjusting the City of Mill Valley road impact fee up to account for the difference in population. He emphasized that this was just a preliminary estimate. The City could impose a road impact fee as a mitigation fee for damage caused by the trucks to the roadway but they would need to have a study to determine what the fee should be.

Mayor Pat Eklund questioned the rationale for imposing the fee only on garbage trucks given the many other large trucks travelling the Novato streets including delivery trucks, utility trucks, and fire trucks.

Committee Recommendation

The Committee recommended taking no action at this time.



Fiscal Sustainability Plan

Pursue Options to Collect Refuse Road Impact Fee					
One-Time Funds	FY 13/14	FY 14/15	FY15/16	FY 16/17	FY 17/18
n/a				\$350,000	\$350,000

Most cities in California do not offer garbage service directly as a City-provided service. Rather, they typically contract out that service to an exclusive provider via a “franchise agreement” that gives one provider effectively a monopoly on that service in town. As compensation for granting a monopoly franchise for garbage service, cities typically charge a franchise fee within the agreement that provides significant compensation to the City. This franchise fee is considered general revenue to the City (similar to general tax revenue) and can be used for any City services. Additionally, many franchise agreements levy a separate but related fee on the waste hauler that is specifically a “Road Impact Fee” or similarly named fee, that is specifically charged to compensate for the significant wear and tear that the weekly waste and recycling trucks have on city streets and pavement conditions.

Novato is fairly unique amongst cities in that it is one of the only incorporated municipalities that does not hold the garbage franchise. In those rare instances where cities are not the franchise holder, there is a pass-through by the franchise holder to the City. Rather in Novato’s case, the Novato Sanitary District is the public agency in Novato that contracts with and administers the waste hauling franchise. There are multiple issues for the City with this arrangement. First, the City receives no compensation under the arrangement – either for the right of the waste hauler to have a monopoly or for the wear and tear on City streets. While the Sanitary District holds the franchise due to its earlier formation, it is the City’s responsibility to repair and maintain the pavement, storm drains, and other public assets that receive wear and depreciation from the weekly waste and recycling trucks. This effectively amounts to a City taxpayer subsidy to the waste hauler for the wear and tear on City-maintained streets. Second, it should be noted that it is City staff’s belief that not even the Sanitary District is receiving appropriate compensation from the hauler for the franchise rights. The Novato waste hauler pays a total annual franchise fee of \$45,000 per year. For comparison purposes, the *Refuse Franchise Fee / Vehicle Impact Fee* slide looks at the financial details of three other neighboring cities’ franchise agreements. It is clear that franchise agreements, even for small- to medium-sized cities, can result in millions of dollars in annual additional revenue to the cities.

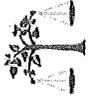
There is clearly a nexus between the franchise fee amount and the rates charged to the residents. Within each franchise agreement, it is typically spelled out fairly

REFUSE FRANCHISE FEE / VEHICLE IMPACT FEE

- Novato Sanitary District grants the franchise for waste hauling in Novato
- City of Novato maintains the roads upon which garbage trucks operate
- Total franchise fee collected from hauler by Sanitary District - \$45,000 + CPI factor
- No gross receipts fee
- No vehicle impact fee
- No compensation to the City for impacts on roads / maintenance

	Novato Sanitary	San Rafael	Petaluma	Mill Valley
Franchise Fee	n/a	10% receipts	10% receipts + \$500k	20% receipts
\$ Generated	\$45,000	\$1,400,000	\$1,500,000	\$790,000
Vehicle Impact Fee	n/a		10% receipts	\$135,000 (fixed rate)
\$ Generated	\$0	\$196,000	\$1,000,000	\$135,000
Total \$\$	\$45,000	\$1,596,000	\$2,500,000	\$925,000

SOURCE: REFUSE FRANCHISE AGREEMENTS
 NOVATO SANITARY DISTRICT
 THE CITY OF NOVATO
 CALIFORNIA



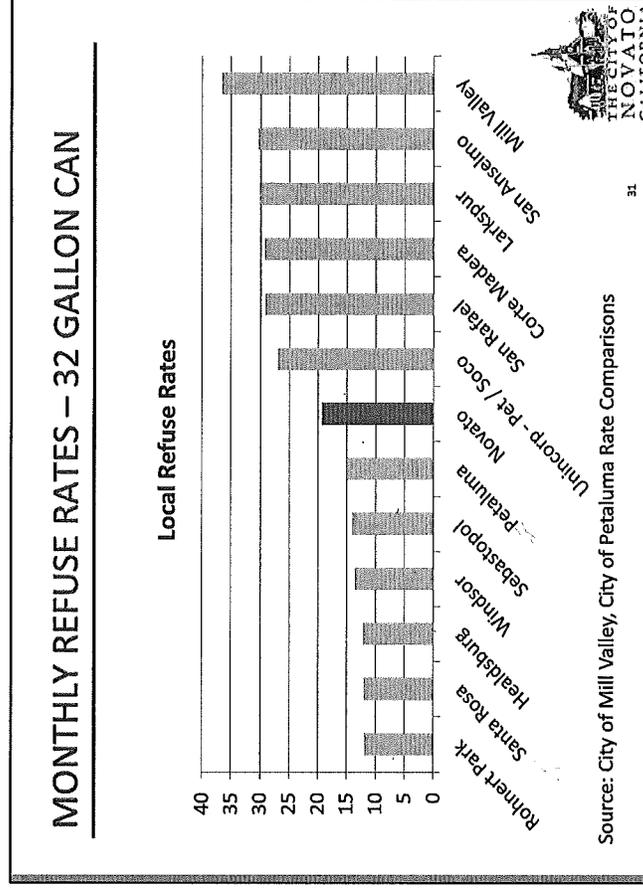
Fiscal Sustainability Plan

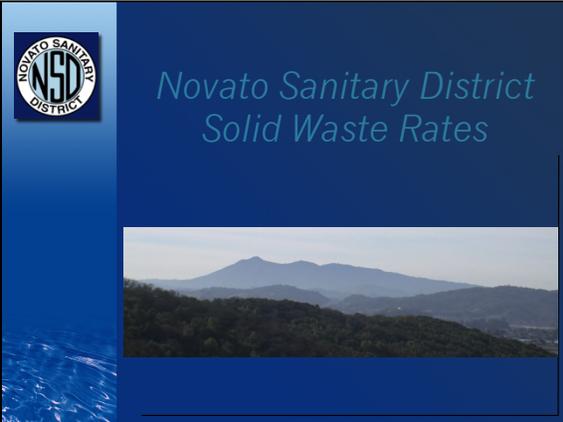
clearly what portions of a franchise fee can be passed on to residents in higher rates and which cannot be. In essence, portions of any franchise fee are paid directly out of the waste hauler's profit margin, and other portions of the fee end up coming from user rates.

The effect of Novato Sanitary's franchise agreement are multiple: (1) the waste hauler effectively shares only a minor amount of the gross receipts and therefore keeps almost a 100% of their profit; (2) rates are relatively low; and (3) the City (and its taxpayers) receive no compensation for road impacts.

The *Monthly Refuse Rates - 32 Gallon Can* slide, compiled in the fall of 2012, compares garbage rates of some various Marin and Sonoma cities. Clearly, Novato is the lowest of the Marin County cities, and yet Novato's rates are above many Sonoma County cities. What is especially interesting about the chart is that all of the cities that have lower rates than Novato are served by the same waste hauler company, and most of those cities receive significant franchise fee payments from their franchise agreements.

This option in the options tool, if selected, does not attempt to institute a new franchise fee or attempt to take over the franchise from the Sanitary District. Instead, it proposes to enter into negotiations with both the waste hauler and the Sanitary District to implement a road impact fee, specifically to help fund roadway improvements and upkeep that are necessitated by the continual operation of waste trucks on City-owned streets. Very rough estimates are that this option could generate about \$350,000 annually for the City's roads, but would be ultimately be subject to the completion of a nexus study to quantify the actual impacts.





History

- Novato Sanitary District (NSD) was originally formed in 1925 to provide garbage service for the Novato Community.
- It is organized under the Sanitary District Act of 1923 that specifically includes garbage collection as one of the functions of a Sanitary District.
- NSD has a long history of providing innovative, environmentally protective services at reasonable rates.



NSD Rate Setting Methodology

- Rates reflect the cost of providing service consistent with Proposition 218.
- Rates are set in a transparent process that provides opportunity for public comment.
- Financial information used to set rates is subject to regular audits by competent professionals.
- The Franchise Fee is set to the amount needed to cover normal administrative oversight.



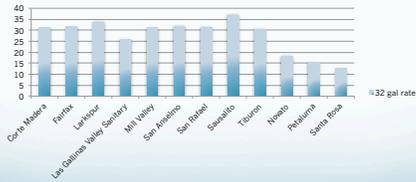
NSD Rate Composition

- Hauler costs.
- Household Hazardous Waste Program Fees.
- Disposal and composting fees.
- County JPA fees.
- Credit for recycling materials income.
- Franchise fees
- Hauler profit limited to 10% of non-pass through costs.



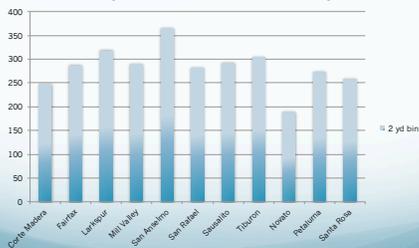
Residential Rate Comparison

Monthly Residential Refuse Rates - 32 gallon can



Commercial Rate Comparison

Monthly Commercial Refuse Rates - 2 yd bin



Applying Petaluma Rates to Novato Customers

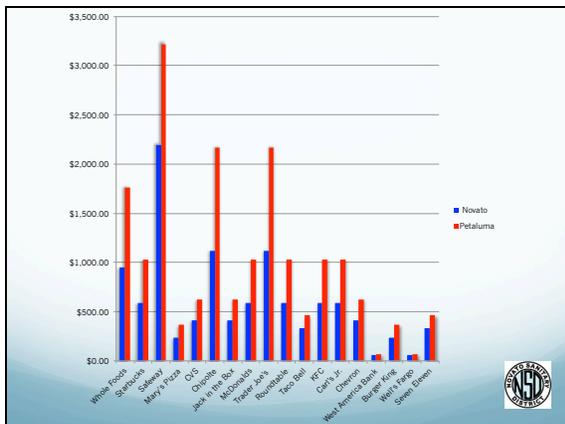
- Petaluma rates are 17% higher overall.
- Petaluma residential rates are 16% lower.
- Petaluma commercial, industrial and multi-family rates are 56% higher.



Examples of Impact on Businesses

Business	Novato	Petaluma
Whole Foods	\$946.85	\$1,763.26
Starbucks	\$589.18	\$1,029.52
Safeway	\$2,193.37	\$3,215.97
Mary's Pizza	\$237.45	\$364.12
CVS	\$413.20	\$625.88
Chipotle	\$1,116.66	\$2,163.42
Jack in the Box	\$413.20	\$625.88
McDonalds	\$589.18	\$1,029.52
Trader Joe's	\$1,116.66	\$2,163.42
Roundtable	\$589.18	\$1,029.52
Taco Bell	\$330.41	\$461.83





Would Fees Raise Rates?

- New fees would need to be passed on to the ratepayers. This is what all other jurisdictions do that impose franchise or other fees.
- Modifying the rate structure to load the new fees differently on different classes of customers would violate Proposition 218.
- Novato has relatively few commercial, multi-family and industrial customers so the impact of disparate rates would be higher.



Road Impact Fee

- Do the garbage trucks cause extraordinary wear on City streets compared to other commercial, transit, and utility vehicles and how would that be quantified?
- If so, what is the appropriate compensation for the wear?
- If a fee is imposed, should it be evenly spread across all customers or allocated unevenly?
- Should the City or the District be responsible for imposing the fee?



Should the Ratto Group Pay More for Exclusive Rights to Haul Novato's Garbage?

The city manager says Novato is losing out on more than \$1 million a year because its waste hauler does not pay its fair share.

Posted by [Karina Ioffee](#) (Editor) , August 02, 2013 at 06:01 AM

[18 Comments Recommend](#)



[257](#)

It's no secret that the city of Novato is struggling financially, starting this fiscal year \$300,000 in the hole.

The economy is partially to blame, with lower property and sales taxes while pension obligations continue to grow.

But City Manager Michael Frank says there is another reason Novato doesn't have as much money as it could: it gets no revenue from the [Ratto Group](#), the local garbage hauler, despite the fact that the company's dump trucks use city streets.

"As far as I can tell, we are the only city in the state that is not receiving a significant amount of (garbage) franchise fees," Frank said. "I think it's outrageous."

Cities typically receive franchise fees from waste haulers in exchange for operating as a monopoly within the jurisdiction. Petaluma collects \$500,000 a year, plus 10 percent of all receipts, from its garbage hauler (Petaluma Refuse & Recycling, also owned by the Ratto Group.) It also gets a cool \$1 million a year in vehicle impact fees, money spent on road repairs.

The same is true in San Rafael and Mill Valley, which collect \$1.6 million and \$900,000, respectively, from a combination of garbage franchise and vehicle impact fees.

Meanwhile, Novato gets nothing.

That's because garbage service is handled by the Novato Sanitary District, a separate agency created 40 years before the formation of the city. The district has its own board, which according to sources, has for years declined to extract franchise fees from Ratto in lieu of higher refuse rates.

The argument has been that by not forcing the company to pay a franchise fee, it's keeping rates low for Novato residents. But while it's true that Novato pays less each month for garbage than other Marin cities, the rate is still higher than Petaluma, Windsor, Santa Rosa and Rohnert Park.

"It's the city's belief that not even the Sanitary District is receiving appropriate compensation from the hauler for the franchise rights," Frank wrote in the city's Draft Fiscal Sustainability report, released in June.

As a result, he concluded, the Ratto Group "shares only a minor amount of the gross receipts and keeps almost 100 percent of their profit" while providing no compensation for road impacts.

The grumbling about whether the company is paying its "fair share" is not new. But on Tuesday, the issue will be taken up at the sanitary district meeting, which will consider implementing a road impact fee.

The Novato Sanitary District meets Tuesday at 3pm at 500 Davidson St., Novato.

What do you think? Do you think the Ratto Group should be required to pay a franchise fee for

Comments [+ Leave a Comment](#)

Roger August 02, 2013 at 09:53 AM

If Mr. Frank wants to model Novato after Petaluma, then he should have more of our land zoned commercial/business, instead of residential. I think Petaluma has 15% of it land zoned business, while Novato is at 5%.

M. Manzano August 02, 2013 at 11:33 AM

So Frank thinks the "road impact fee" should be put upon Ratto while The City he works for sprays toxic pesticides and herbicides all over town, gladly accepts money from developments still sitting vacant, the expensive mess they made of Grant Ave., etc., etc. The City of Novato wants to Burden working people while irresponsibly using their money. Typical politicians. Vote them out with a vengeance.

Tina McMillan August 02, 2013 at 12:20 PM

So it took Mr. Frank four years to decide that Novato is entitled to garbage franchise fees which in turn will raise costs for residents. Why is this not a surprise? This from the same man who wants to make Measure F, our quarter cent sales tax increase permanent and who continues to spend on a downtown city office structure that will require an additional \$400,000 to purchase furniture and equipment not in the original budget. Notice the pattern. Instead of focusing on bringing new business to Novato to increase sales tax revenue or at properties like Hannah Ranch, require the developer to provide workforce housing at their cost, Mr. Frank wants tax increases paid by residents to fund services. This is the same Mr. Frank that purchased an \$800,000 home with a private loan from the city of Novato of less than 1% where he is only responsible for interest payments. Hmmm I wonder if Mr. Frank should have to refinance his home loan

with a private lender at the same cost that residents are paying and start carrying his own weight. You would think that on a total compensation package of \$265,969 a year, Mr. Frank could afford to carry his own loan.

Michelle D August 02, 2013 at 12:22 PM

The city should not be in bed with the Ratto Group, it equates to a monopoly and a monopoly is never in the best interest for the community it serves, one of the reasons why is it often illegal in most civic situations, especially when there is no 'kick back' being incurred to offset the benefit of the company. Open this HUGE financial account to other garbage haulers in the area and let's see how *Novato can negotiate a competitive bid for services. (ie, we might need to hire a consultant for that because the city doesn't seem to do a very good job at them left by themselves) Novato has some of the riches natural and business resource opportunities and the city ineptly mismanages it. It is so discouraging to the point that many residents have become apathetic.

Tina McMillan August 02, 2013 at 12:22 PM

As of 2012 Mr. Frank is the third highest paid Novato city employee. Take a look:
<http://www.mercurynews.com/salaries/bay-area/2012>

Karina Ioffee (Editor) August 02, 2013 at 12:56 PM

Thanks Tina. But to fair, a city manager is one of the highest paid positions in ANY city, along with police and fire chiefs. Novato is no different than most other California jurisdictions.

Christine August 02, 2013 at 03:07 PM

What happens to the money collected by Ratto for our redeemable recycling? At five cents a bottle I've no doubt that adds up to a significant amount.

Dave Robertson August 02, 2013 at 03:31 PM

Recycling is thrown in with the regular garbage - I've seen the trucks do this many times. But I think Michael Frank is scraping the bottom of the barrel here trying pick up dimes off the roadway. The fact is that, if Novato is that broke, then there is a profound structural problem in our government, its size and efficiency - that make it need all this money and still come up short. Even addind sales taxes (Measure F) is a regressive act of a desperate city government. All I know is that most families I know - when faced with less funds and more expenses - tend to cut expenses. Novato never learned that one.

DK August 02, 2013 at 04:24 PM

While I don't always agree with the decisions of the Sanitary District, I have always appreciated their policy of assessing garbage franchise fees based on the recovery of costs associated with managing the franchise, not as a mechanism to generate revenue. This helps keeps rates low.

Karina Ioffee (Editor) August 02, 2013 at 04:40 PM

DK: I think Frank's point is that the point of franchise fees is to generate fees for the city. Dave Robertson: Some would say that "Novato's structural problem" is that it has 3 special districts that pull money away from City Hall (Sanitary District, North Marin Water and Novato Fire Protection District). All were created before the city was incorporated. For example, the fire district receives twice as much from your property taxes as does the city.

Bob Ratto August 02, 2013 at 04:49 PM

Perhaps on Monday we can have another trial balloon floated for a utility users tax; Tuesday will be the fact our real property transfer tax is too low; Wednesday will be ???

Dave Robertson August 02, 2013 at 04:59 PM

Karina: BTW ... This site is iPad (mobile) unfriendly. But to answer your question ... Yes that is part of it. Another part of it is those 3 functions cannot be controlled (mostly) by the city of Novato as well. Not only do they pull money, but they spend it as they would like, not city hall. A more general structural problem is the fact that we have a city manager who is not elected (although he/she reports to the CC). Another issue is

that the CC can create monetary problems (by overspending). It does no good to have 4 year terms all slated for off "off" year elections - the ones where the least people tend to vote. Two year terms in the more popular election years would keep them on their toes. For example, this year only Pat Eklund and Denise Athas are up for reelection. These are election years with the least voter turnout. Four year terms can be a long tenure in a small (fiscally vulnerable) town like Novato. If the citizens feel the city is going in the wrong direction, we have this fall's election (statistically little voter turnout), and the other three in 2 more years. The US Congress can be changed quickly. We need that flexibility here too, and at times when the most people tend to vote. This is also a "structural" problem - and hard to fix.

[Dave Robertson](#) August 02, 2013 at 05:07 PM

I don't know what needs to be changed to make that happen, but 2 year terms, possibly not even staggered, would make our Council more responsive. And pay them a decent salary ... So that it doesn't attract part-time participation. If Novato can spend as much money as it does - then remove a few administrative positions to help come up with a reasonable City Council salary. We then make them work for it by giving them only two years to produce results. Yes, this is a big change - but our current system clearly isn't working. I would bet good money that half of the people in Novato could not name a single council member. That is very telling.

[Tina McMillan](#) August 02, 2013 at 06:04 PM

Karina: Did you know in addition to his salary Mr. Frank received an interest only loan from the city to purchase an \$800,000 house. The loan is less than 1%. While it may be true that city managers make some of the highest salaries, in a city like Novato where the revenue is next to none because of poor land planning decisions (fewer than 5% land zoned commercial and a restrictive urban growth boundary) Mr. Frank is being compensated at the expense of other positions. For Mr. Frank to suggest that Novato need to create more taxes and fees is a bit like having the fox in the hen house when you look at the salaries and the pension obligations that have been created. I am not sure if you are aware but Mr. Frank has asked the council to make Measure F, our quarter cent sales tax increase permanent. In Novato every time they tell you they need a temporary fix that involves higher taxes you know the real push is for a permanent one. I believe given the city's state of economic crisis that Mr. Frank should refinance his loan privately and pay the same interest rates that the rest of the city's residents pay. I think this effort would go a long way toward making his other suggestions more palatable.

[Tina McMillan](#) August 02, 2013 at 06:11 PM

Great point about how much the fire district takes of the budget. To date has Mr. Frank suggested reducing compensation to fire or police? No just increasing taxes and costs passed on to public. Franchise fees equal higher garbage costs. Our recycling program is one of the best in the county. Typically recycling is not the profitable part of the garbage business but in Marin we focus on conservation as a necessary part of our efforts to protect the environment. Before we add fees to any local business lets look at what we get for our money. I would rather hire a new city manager than Fire, Police, Water or Sanitation.

[DK](#) August 02, 2013 at 08:05 PM

Karina: thanks for trying to clarify. I understand the points Mr. Frank is trying to make, but it is incorrect that "the point of franchise fees is to generate revenue for the city." The City does not grant or administer the franchise, the Sanitary District does. And to correct your article, they do assess a franchise fee but they have made the policy decision to set the fee to recover only their costs of administering the franchise, not to generate any additional revenues for other purposes. This is part of their rate-setting process and efforts to keep rates low for Novato rate payers - residents and businesses.

[Concerned Citizen](#) August 05, 2013 at 11:17 AM

How about someone actually looks at the revenue/profit generated by Novato Disposal. I know I pay for street improvement bonds in my tax bill and surely some fee to their operation would be fair. But b4 we all go off on different tangents how about some facts. If profits are being generated and nothing is being contributed to the costs then perhaps a realistic rational percentage should be levied? Perhaps it should be enough to justify and perhaps not so onerous that they raise our rates. Why is it always one extreme or the other instead of all pitching in? btw the Fire District is entirely different discussion.

[M. Calwald](#) August 07, 2013 at 12:45 AM

Michael Frank is trying to bleed everybody put himself. His Fat Cat Salary (Obama always talked about The Fat Cats on Wall Street--well we have Fat Cats in Novato)--which includes auto allowances, 4.5 weeks of vacation, sick pay, every ground hog day off, and only paying LESS than \$200.00 a month on a loan he borrowed from us! I am in agreement with you Ms. McMillian. Frank should get a conventional loan and give back the \$669,000 to the city of Novato so we are not 300K in the hole at the start of the year. Frank DOES NOT have Novato's best interest in mind.

[Recommend](#)

Pointing Fingers: City and Sanitary District Say It's the Other Who Should Take Lead in Passing Impact Fee

Novato says the sanitary district is getting a raw deal by not charging more from the waste hauler. But the district says it's not its job to generate cash for Novato. Can the 2 sides find common ground?

Posted by [Karina Ioffee](#) (Editor) , August 07, 2013 at 09:31 AM

[26 Comments Recommend](#)



[902](#)

Three dollars.

That's how much more the typical Novato resident would have to pay each month for garbage service to generate \$350,000 in annual road impact fees.

The city has suggested that the Novato Sanitary District impose the fee on Novato Disposal Service, owned by the Ratto Group, arguing that the company's trucks impact city streets and should pay for the wear and tear.

But the Novato Sanitary District, which oversees waste collection for Novato and the surrounding area, says it's up to the city to pursue a fee increase, either by creating one or by asking voters for a new sales tax measure.

“It’s not our jurisdiction to raise money for Novato,” said Beverly James, the manager of the Novato Sanitary District, adding that any impact fee would be reflected in a rate change. “If the city wants to do something, they need to take action.”

The idea to impose a franchise or impact fee on Novato Disposal Service is not new.

But it was again recently floated by City Manager Michael Frank as a way to generate more revenue for Novato. In his Fiscal Sustainability report, Frank has suggested the district is getting a raw deal from the hauler, who he said could be paying more.

James disagrees with the assessment, saying asking Novato Disposal to pay the \$350,000 impact fee without raising rates would be tantamount to asking them to work for free. (Novato Disposal’s financials are not available to the public since they are not a publicly traded company.)

“If we impose additional fees, it would inevitably be passed on to the customers,” she said, adding that commercial and multi-family units would be disproportionately impacted, seeing increases totaling in hundreds of dollars. “We don’t have any extra income sitting around.”

Hence the political stalemate as neither the city nor the district want to be the one raise Novato’s garbage rates, currently the lowest in Marin County.

The average single-family homeowner in Novato pays \$18 a month for garbage service. If the sanitary district were to impose a new fee on the hauler, as the city has suggested, the move would result in a 16 percent increase, amounting to \$2.88 each month.

But the debate is about a lot more than dollars and cents.

“It’s probably not the amount of money that it’s important,” said Mike Di Giorgio, president of the Novato Sanitary District board. “It’s the principle of the matter.”

Mayor Pat Eklund agrees.

“It’s about fairness. If we do a road fee for garbage, what about all the other large trucks that use city streets like the fire district, UPS and 18-wheelers?” she said.

On Tuesday, the Solid Waste Committee of the Sanitary District briefly discussed the issue, but decided that the city should take the first step. City Manager Frank was not present (he is currently on vacation), but Finance Director Brian Cochran said the city was limited in what it could do since Novato Disposal’s contract was managed by the district.

“As a city our hands are tied when it comes to approving new fees, generally, because we have to go the voters to get this approved as a tax,” said Finance Director Brian Cochran. “Most cities are generating both road impact and franchise fees.”

Brent Miller, the only resident to speak at Tuesday’s meeting said he was not opposed to an increase, but that the city needed to make a solid case to residents about why it needed the money and how it would utilize it.

“It sounds like a stealth tax,” Miller said. “The residents have already approved a half-cent sales tax three years ago. But they may give you more money if you make a convincing case for it.”

What do you think? Would you be in favor paying a bit more each month to generate revenues to improve city streets?

Comments [+ Leave a Comment](#)

Craig Belfor August 07, 2013 at 10:38 AM

You guys gotta be kidding. A matter of principle? That baby was toasted when the council begged for money to help schools, then blew it on a cow palace. Fairness? Every city in the bay area gets the fee but Novato. They don't have a problem. Why should we? Stealth tax? When's the last time you paid taxes, and actually saw them spent the way you wanted them to be spent? (see Cow Palace/Taj Mahal- \$400,000 more needed so the drapes can match their shoes) Heavy truck tax? I pay Novato over \$800 a year for my trucks, and I don't see a \$2.88 a month increase in my garbage bill breaking me. While we're at it, raise it to \$5.00 a month and we'll balance our budget, get back some teachers, and hire a cop to stand between Wyndover and the senior housing across the street. The real problem is that the sanitary district runs their own show, and pays themselves royally with a benefit package that would make a congressman envious, all without having to show us their books. Since the sanitary district sold us down the river to Veola, they don't have much to do anymore, and are about as useful as a BART conductor. They both don't steer, brake, stop, accelerate, or make any daily decisions anymore. At least the BART bozos have to go to work every day, sit in front of a train that runs itself, and get paid to tweet their friends.

Roger August 07, 2013 at 10:57 AM

Craig, you should run for office. Very entertaining.

Concerned Citizen August 07, 2013 at 11:01 AM

I think Craig has elegantly stated the case. Let me add the notion that the City of Novato has just figured out they don't collect an impact tax only took them 50+ years to figure out. Of course they forgot to budget furniture for the monolith known as the new city office bldg. I can't wait to find out how much the plague they are buying with all the council members and city managers name to memorialize their infamy forever on the motel 6 lookalike.

Craig Belfor August 07, 2013 at 11:09 AM

\$3! That's all, and the council can't decide who'll ask them for it, but have no problem asking us for \$400,000 more for better furniture when you can put all of recorded history on a key chain flash drive and lay off some of the staff. (or ask for the \$3 and keep everyone). Tough decision guys. I can't believe you're not doing it now. This same indecisiveness and lack of leadership is what the rest of Marin noticed and decided to put the dump in Novato in the first place. We get the AH and the landfill, and they get the cheap workers and the revenue to fix their streets.

JAN August 07, 2013 at 11:15 AM

Novato should try and unshackle themselves from the Novato Sanitary District and simply put waste hauling out to bid. The District has no great need for community loyalty or concern for public relations. They have a sweet business plan.

Bob Ratto August 07, 2013 at 11:17 AM

Concerned Plaque...but plague was potentially an excellent description. With cash outflow for bond payments being about triple existing rent, it is quite likely you will see a relentless push for additional revenue, since the city does not seem to have the will/desire to cut down on things such as massive fee waivers for developments that do not pay taxes.

Craig Belfor August 07, 2013 at 11:18 AM

Let's make it easy for the girls. Novato has a \$300,000 budget deficit for the upcoming year. \$2.88 per household per month will balance it. \$6 per month will give us a \$300,000 surplus to hire back some teachers and cops. Pick one.

Cynthia August 07, 2013 at 11:40 AM

Craig (and others) - Please stop calling adult women "girls" as a way of stating your displeasure/disgust with them. While I don't like what the City Council is doing either, they were elected into office by the voters and don't deserve your mysogyny. There is nothing wrong with being a girl.

Craig Belfor August 07, 2013 at 11:47 AM

No offense meant. Anyone who knows me knows that I've always called them boys or girls, and leave the hair splitting up to those who care.

[Brant](#) August 07, 2013 at 12:18 PM

So, the problem here is that the city is short of money. To get more money the City wants to increase the cost of garbage service via a fee. They want to do that because they do not trust the voters. ("As a city our hands are tied when it comes to approving new fees, generally, because we have to go the voters to get this approved as a tax," said Finance Director Brian Cochran.) And Councilwoman Pat Eklund wonders whether it would be fair to assess a fee on garbage trucks and not on fire trucks. We citizens of Novato care about our community. When need has arisen, we have stepped up to the plate - the 58% vote in favor of Measure F (the 1/2% temporary increase in sales tax) shows that we will give the City our money when we understand that there is a real need. The solution to the City's problem is to make the case to us voters for the needed additional money. If they convince us, we will respond. Of course, if they can not show real need, we will not help. That must be what they are worried about.

[Craig Belfor](#) August 07, 2013 at 12:30 PM

Here's another thought. Novato has a \$300,000 budget deficit. The WOMEN at city hall want \$400,000 more for new furnishings at the cow palace. Why not just hire a mover to move the furniture from the old offices to the new city hall? That would cost a lot less. I actually speak from experience. As the oldest mover in town, (I've been doing this for 45 years), I can say it'll cost a lot less than that to do a good job, still buy drapes and carpets, and have the budget balance. While teachers are running out of supplies, and citizens have to chip in for furniture at the schools, it's a little insulting to see the WOMEN spend like there's no tomorrow.

[Dave Robertson](#) August 07, 2013 at 03:37 PM

You want to balance the budget this year - take back Michael Frank's interest free home loan courtesy the Novato taxpayers. ===== In general, Novato has been like the rest of California in its desire to stretch the budget by failing to cut services - yet still taxing the pants off its residents. If Maryland or Virginia (and its cities and towns) can keep solvent, then California (with twice the tax revenue - income and sales) should also. Or do we blame prop 13 for everything?

[Dave Robertson](#) August 07, 2013 at 03:43 PM

And, as Craig Belfor stated - the city's need for \$400K in additional office furniture is unnecessary and excessive. If this was known to be needed at the time the building was approved, then the CC should have made that clear. If the CC didn't know, then they are not reading the material put before them. If the CC wasn't given the "need" (yes - quotes!) then someone is guilty of deception. If it was simply forgotten, then someone doesn't know their job.

[Concerned Citizen](#) August 07, 2013 at 06:02 PM

I read these threads and it just makes me wonder what it is we are doing here. Everything involving the CC and C Manager appears broken. If the public is serious about taking back the City and correcting current and future disasters in the making I propose we recall the entire CC and fire the City Manager. Appoint a temp City Manager and stage an election within 30-45 days of approving the recall, assuming we do. Anyone including those recalled can run. There will be 2-3 public debates moderated so the voters can participate and get questions answered by all. Then we vote and whatever the results well it is democracy in action and we end up with what we deserve be it good or bad. What do you all think?

[Maggie](#) August 07, 2013 at 06:54 PM

I feel the trash truck company *should* pay some fees to the city because driving behind them I see trash flying out. Just the other day a rubber glove and a plastic bag flew off the truck, and it was right next to what's left of the wetlands at the n 101 off ramp from Hwy 37. Large trucks that pass through town pay a \$16 permit fee to the city. Why shouldn't trash trucks pay something? @ Donna DiGiorgio: Michael Frank, the city manager, DOES live in Novato. Lay off more staff? Already 20% have been laid off, and services cut, how will more of that make things better? Here's an idea: how about we all start generating LESS trash and recycling? Recycling is not much better than trash, in terms of resources used. What is needed is a REDUCTION in generation of trash, even trash that can be recycled. Most plastic is down-cycled and is

often transported great distances to do so. REDUCE-REUSE-recycle (as a last resort). Then you get the smallest size trash-can, like I have, and save money on your garbage bill, so maybe that \$3 a month won't hurt so much.

[Roger](#) August 07, 2013 at 07:11 PM

If the fee is for roads that is where the extra revenue should be spent, not Frank's fat cat benefits. My street needs resurfacing now. In the last cycle streets around me were done, but not mine. Ugly streets with cracks and weeds growing there keeps property values down and thus property tax revenue down.

[Tuna On Wheat](#) August 07, 2013 at 07:36 PM

Elections are just around the corner and we need people to step up to the plate in all races . The sanitary district has three up for election and I say Change the vote by voting three new people in . Look at the fire board and The president guy who is collecting a pension from the county running the smart train and President of the Fire board . Then you have a city council race where Denise promised an open door and slammed it behind her the day she was sworn in

[Donna DiGiorgio](#) August 07, 2013 at 08:25 PM

Maggie: I humbly stand corrected: Mr. Franks does live in Novato.

[Dave Robertson](#) August 08, 2013 at 12:57 AM

This fact that we are discussing here whether \$3 per person tax would cover the city's current deficit is pathetic. Now what is this city's (and associated districts) operating budget? I assume many tens of millions of dollars. And it now becomes a big discussion to generate an additional \$350K?There was a poster above who suggested recalling all the CC and firing the city manager. A good idea if it was procedurally correct - which it likely is not. The problem is that we have small town politicians running around to get a few votes for these part time unpaid jobs. Part time/ unpaid is the real problem. We get people who run this city as a hobby. Now the city manager is just a full time overpaid civil servant to make the pipe dreams of our part time City Council a reality. People voted in a sales tax measure to fix roads (a regressive tax if there ever was one), and we get little in return. So now we are sill looking to collect nickels and dimes to help keep our streets intact. Obviously none of this is working. You cut 2 middle level city employees (along with their generous underfunded benefits) and we are even. And we can save 1/40th the \$400K for desks and cubicles the city was so desperate for last week! These nickel and dime crises never end! Why? Because this town is run by people with nickle and dime mentalities. If we made or City Council positions actual jobs, we might attract really intelligent people who try and have the time to try. What's a city council position worth? \$100K (this is a civil service position). If you want to get rich, you need not apply. But until we make the top level of this town a group of dedicated public officials with real jobs to run this town, we haven't a snowball's chance in hell to succeed. Think of how much more efficiently this town could be run with real jobs at the top?! We would save the cost of paying them many times over. We would stop running in the red and we shouldn't be fighting over a few dollars in garbage fees to balance the budget. This is not a novel idea, but likely one which has been fought by those at the top for years. Time to organize the voters.

[M. Calwald](#) August 08, 2013 at 01:06 AM

One of the many "raw deals" the residents of Novato are getting are from the city council and Michael Frank. The city council gave Frank 4.5 weeks vacation, car allowance, bonus, AND less than a \$200.00 per month interest only mortgage. This was stated in another comment by a Tina. Once Novato gets its \$669,000 dollars back from Michael Frank, the city won't be \$300,000 in the hole. Frank should have a conventional loan like the rest of us. With his \$267,000 annual comp package he can well qualify for one. Instead he wants Novato residents to be taxed again and again so he can have his housing subsidized. He pays LESS than the poor women who will be living in Oma's Village. They will be paying \$600.00 a month We need to STOP subsidizing Michael Frank's housing. He is not poor and doesn't need affordable housing. The city council need to be held accountable for this. They are his boss. VOTE NO on any more taxes! STOP MICHAEL FRANK's GREED!

[M. Calwald](#) August 08, 2013 at 01:08 AM

In summary the city council has loaned Michael Frank \$669,000 of our money. Michael Frank pays less than \$200.00 a month for this interest only mortgage. We, the people, are subsidizing Michael Frank's \$800,000 home. THAT'S THE RAW DEAL!

Bubbasixpack August 08, 2013 at 02:09 AM
Wyndover is affordable. Let him live there.

Tuna On Wheat August 08, 2013 at 08:06 AM
Wow some of you people must really be out to lunch as your are now complaining about things that have been going on for years in this town . Let me wake you up ! The cities started putting the voters in a stupid mode years ago and you all fell for it Hook Line and Sinker They now have you voting for anything they want and your complaints fall on deaf ears. They laugh at you even before election day as they know you will vote yes on anything they cry out loud for . Just read some of the comments above and please tell me you are an educated voter on any subject. I don't think so! Oh yes keep up with Tina's comments where she says send the city workers home early on Farmers Market day and make them once again start working on Fridays to save on Parking . Do you know what that would cost ? . Did we cut Fridays to save on the budget HELLO !

DC August 08, 2013 at 11:55 AM
I'm quite certain my increased vehicle registration fee for commercial vehicles in part covers road maintenance. Dan Carlson

Brant August 08, 2013 at 12:31 PM
Dan, have a look at Novato's financials. They transferred much of the vehicle licensing and gas tax money to the General Fund. Money is fungible! And that is the problem with charging road use fees, whether against Novato Disposal or Novato Fire. Once the City has the money, what they actually do with it is up to them. And the City admits that in the case of their proposed Novato Disposal fee they just took information from another city and adjusted it upward based on a ratio. They do not know what a fair fee might actually be. Worse, it would appear to not be important to them.

Dave Robertson August 08, 2013 at 03:55 PM
Brant: All this is likely due to the fact that people like yourself spend far more time thinking about the needs of this city than our elected officials do. It is not sustainable to keep a part time government in a city so large and in such a precarious financial situation. If this happened, we would not be arguing over small change.===== BTW are Novato's financials available online? If so, do you have the link?

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report for June 2013

MEETING DATE: August 12, 2013

AGENDA ITEM NO.: 9.a.

RECOMMENDED ACTION: Information. Receive report.

SUMMARY AND DISCUSSION:

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

Wastewater Treatment Facility

The Novato Treatment Plant (NTP) transitioned to Reclamation discharge mode in June, and water quality performance was excellent with all parameters well within effluent standards. There were no significant maintenance issues to report. Safety performance was excellent with accident-free months in April and May, for a total of 1,124 accident-free days at the end of June 2013. The Recycled Water Facility continued to operate well, and produced 19.52 million gallons of recycled water in June. Routine maintenance activities were performed at the NTP and the Ignacio Transfer Pump Station (ITPS). Odor complaints through June are summarized in the attached operations reports.

Collection System

The Collection System report summarizes the monthly and year-to-date performance, and a comparison of these performances against the prior year. In June, the crews cleaned and televised a total of 66,025 feet of sewer line. The average cleaning rates for June was 201 feet/hour versus 183 feet/hour for the previous month. District staff also assisted in the chemical root treatment of 61,212 feet of sewer main by an outside contractor. The CCTV van was in the field for a total of 15 working days in June, for CCTV production of 25,938 ft. There were no lost time accidents for a total of 150 accident-free days at the end of June 2013.

The District had two Sewer System Overflows (SSOs) in June 2013 as summarized below; further details on these SSOs can be found in the attached operations report.

No.	Date	Location	Amount, gal	Cause
1	6/10/2013	13 Yarrow Ln.	1,110	Roots
2	6/27/2013	0 Hamilton Pkwy.	<1	Restriction in force main

Reclamation Facility

The rancher completed harvesting hay on Site 2. Cattle were moved in to Sites 3 & 7. Irrigation was enabled on all Sites. A few control actuators were replaced due to faulty actuation. Underground repairs to the irrigation system were performed in Site 2, Parcel 2. A purchase order was issued for the repair of Pump 1 at Drainage Pump Station 7. Approximately 35 MG of recycled water was used for irrigation this month. The storage ponds are storing approximately 56 MG of recycled water. Failed shear keys were replaced on both irrigation strainers. Staff submitted run-time data to PG&E so they can determine if a rebate program is available for the replacement of Irrigation Pump No. 2 motor. A leak developed at the top of Irrigation Pump No. 1 and a purchase order has been issued for the repair. All accumulated water has been removed from the DLD.

DEPT.MGR.:

MANAGER-ENGINEER:



July 9, 2013

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

Subject: Veolia Water Operations Report – June 2013

Dear Ms. James:

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

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

Regards,

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

John Bailey
Project Manager

**MONTHLY OPERATIONS REPORT
June 2013**

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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TREATMENT PLANT PERFORMANCE SUMMARY: June 2013:

Reclamation/Storage – Waste Discharge Requirements (WDR)

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	4.09	4.46	N/A	N/A
Max Peak Hour, MGD – Daily (Dry Weather)	N/A	N/A	N/A	N/A
Influent BOD ₅ , lb/day (month ave/max)	9,546	12,447	N/A	N/A
Influent TSS, lb/day (monthly ave/max)	12,362	14,180	N/A	N/A
Effluent BOD ₅ , mg/L (monthly ave/weekly max)	<6	8	40	N/A
Effluent TSS, mg/L (monthly ave/weekly max)	<3	4	N/A	N/A
Effluent BOD ₅ - % Removal, Minimum	98	N/A	N/A	N/A
Effluent TSS - % Removal, Minimum	99	N/A	N/A	N/A
Ammonia, mg/L – (monthly ave/daily max)	N/S	N/S	N/A	N/A
pH, su (min / max)	6.9	7.2	6.5	8.5
Total Coliform (5 Sample Median) / mpn/100 ml	80	N/A	240	N/A
Total Coliform (maximum) / mpn/100 ml	240	N/A	10,000	N/A
Total Permit Exceedances (WDR)	0			

NA – Not Applicable

Discussion of Violations / Excursions: NONE

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	19.52	N/A
Average Turbidity	NTU	< 2.0	< 2.0
Turbidity > 5 NTU (consecutive)	Minutes	0	< 5.0
Minimum CT (disinfection)	ml-min/L	> 450	> 450
Minimum Dissolved Oxygen	mg/L	7.8	>1.0
Maximum Total Coliform	mpn/100 ml	< 2	< 2

OPERATIONS & MAINTENANCE STATUS / REVIEW:

Key events for the period:

Novato

- Routine rounds, readings and maintenance
- Aeration Basin #4 removed from service, drained and cleaned
- #3 Waterline repair near UV generator
- Annual maintenance on Flygt Pumps
- TWAS VFD Repaired (thickened waste activated sludge)
- Blower #3 VFD repaired
- Drained and cleaned Digested Sludge Sump Transfer Box
- HVAC Repair in Blower Building
- Annual maintenance performed on Headworks Screening system
- Installed ground fault interrupter (GFI) in moisture control panel for Aeration Basin air mist system
- Replaced level transducer for TWAS Sump
- Troubleshoot and rewire motor on grinder
- Replaced Headworks Compactor control system UPS batteries

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

- Aeration Blower #3 OOS – VFD fan replacement / On Order
- Headworks Compactor OOS – Auger replacement / Scheduled to ship week of July 15th
- Primary Clarifier #2 OOS – Preparation for recoating as part of Contract “C” – WWTP Upgrade Project
- GBT Odor Fan #1 OOS - replace bearings/belts

Ignacio Transfer Pump Station

- Routine rounds, readings and maintenance
- Channel Monster Grinder replacement cutter cartridge delivered
- Installed spare grinder from decommissioned Novato influent structure at Ignacio Pump Station (temporary)
- New grinder cutter cartridge on site
- De-ragged Transfer Pumps several times
- Cleaned pump station wet well (Vactor Truck)

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

- Influent channel grinder (see above)

Recycled Water Plant

- Performed plant rounds and maintenance
- Produced 19.52 million gallons of recycled water in June
- Control Board replacement on air compressor

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

- Polymer Pump #1 OOS – New pump on order

Sludge Lagoons

- Performed daily checks
- Unplugged telescoping valves

ADMINISTRATION:

- Electronic Self Monitoring Report May for submitted on 6/28/13
- Preston Ingram – Operator – began employment

SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTF completed
- Five Minute Tailgate training is held daily with the O&M staff.
- No safety incidents for the month of June 2013
- Accident Free: 6/1/10 – 6/30/13: 1,124 days / 51,254 hours
- Bloodborne Pathogens training
- Housekeeping training

ODORS:

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

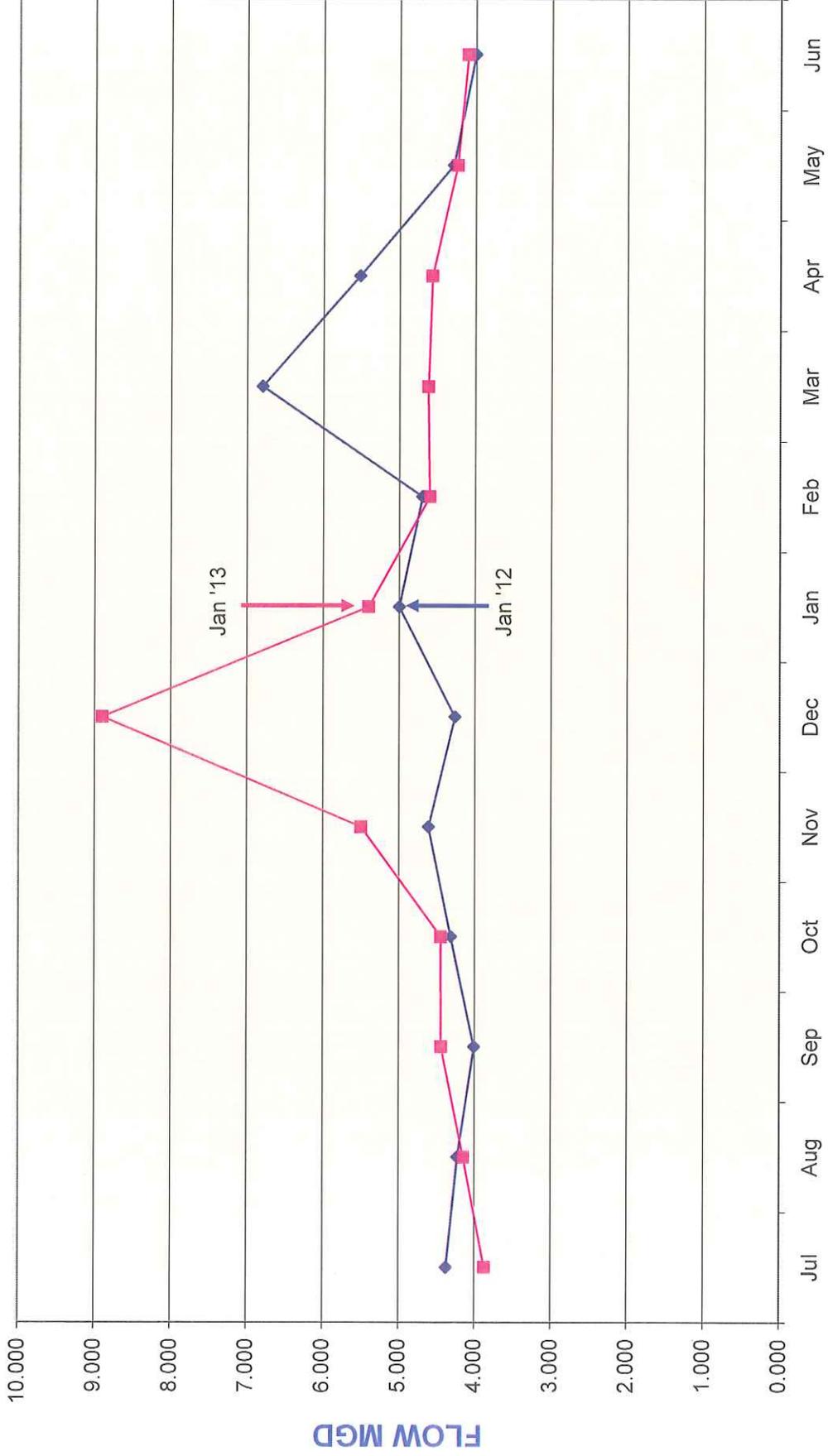
MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held regularly

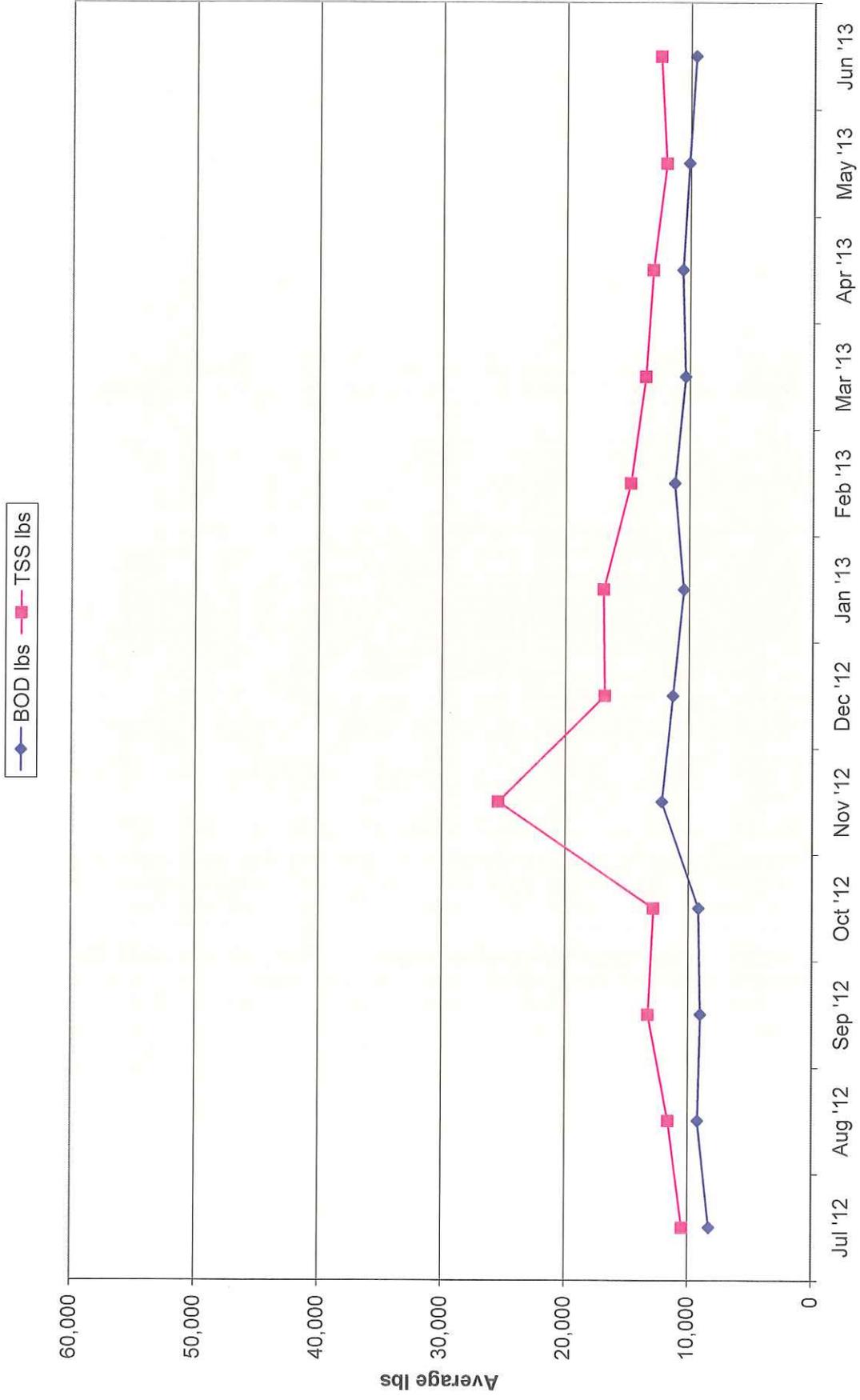
Veolia Support Staff On/Off Site (Various Times)

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

FLOW COMPARISON



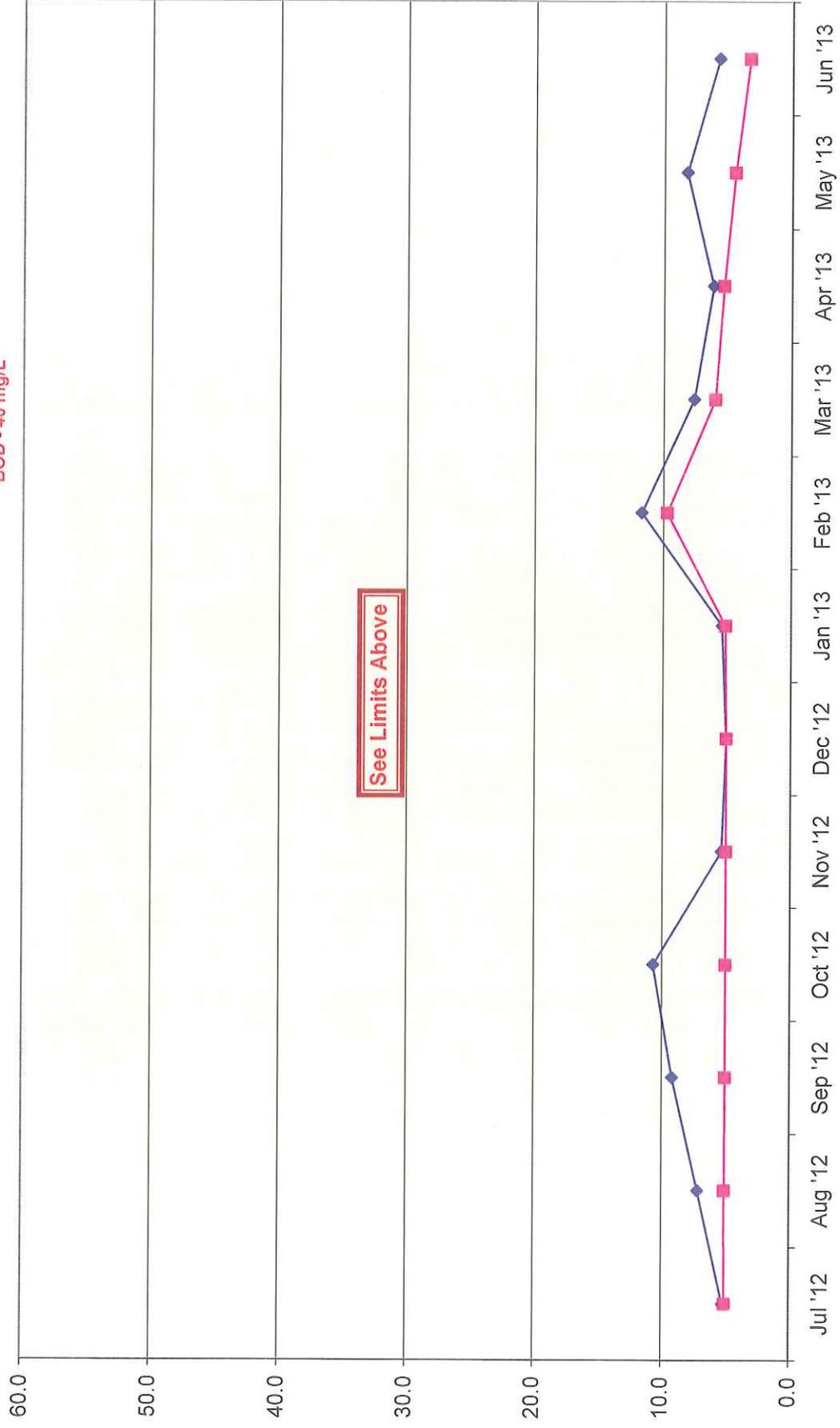
Influent Load BOD / TSS lbs



Effluent BOD / TSS Concentration

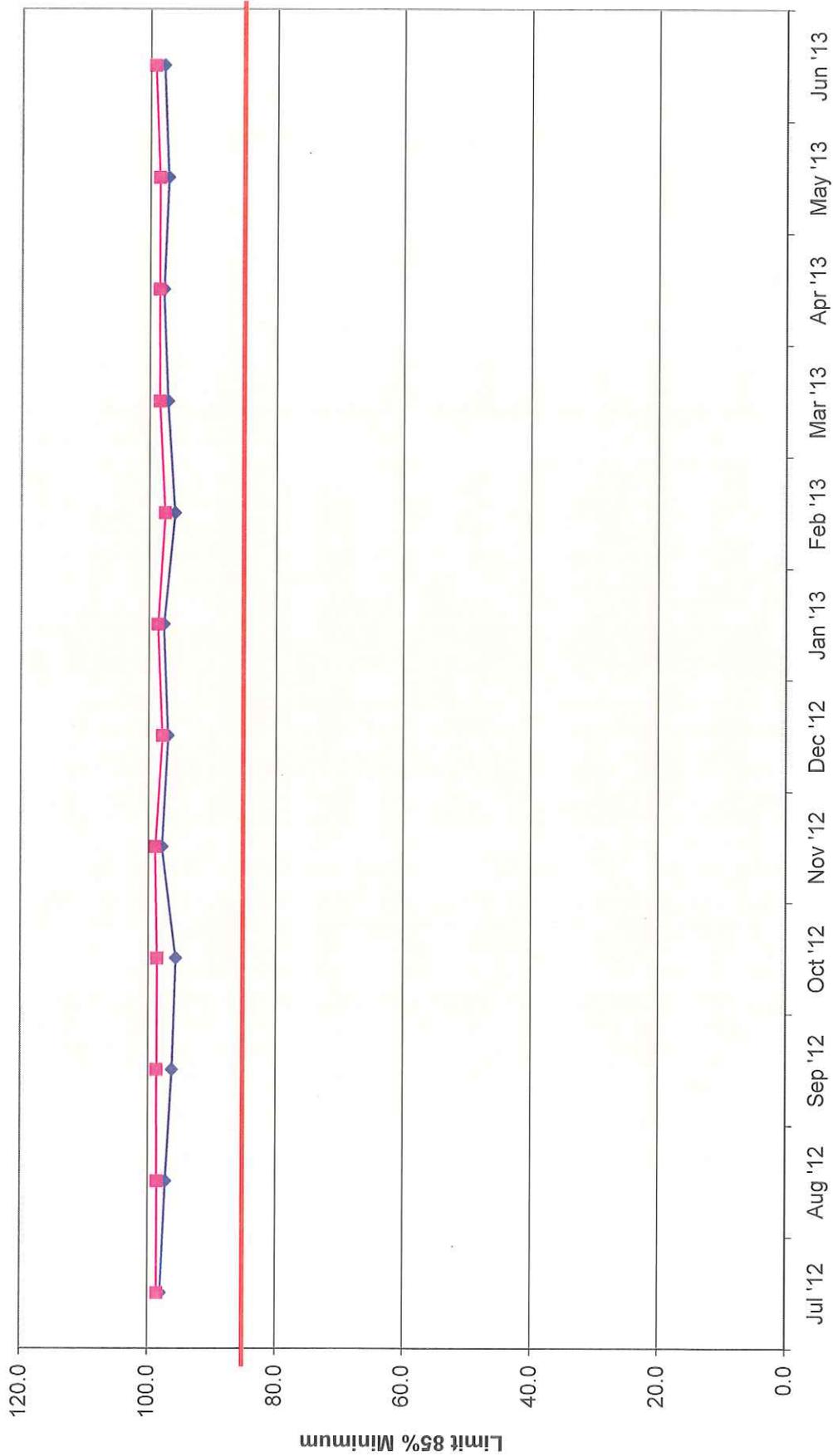
NPDES LIMITS WET SEASON
 BOD & TSS - 30 mg/L Monthly Ave, 45 mg/L Weekly Ave
 NPDES LIMITS DRY SEASON
 BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
 TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave
 WDR (Waste Discharge Requirements) RECLAMATION
 BOD - 40 mg/L

—◆— BOD —■— TSS



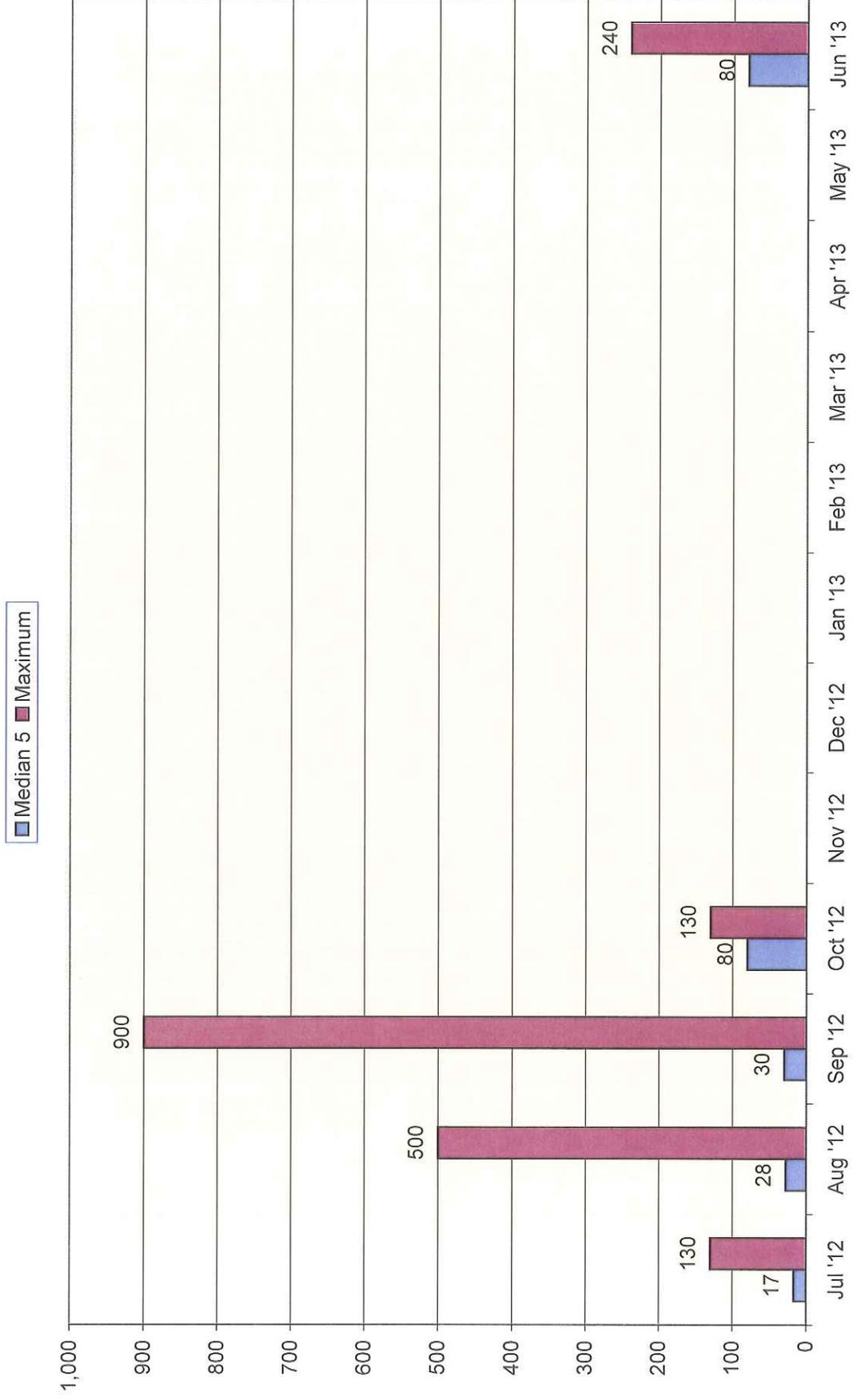
BOD / TSS Percent Removal

—◆— BOD —■— TSS



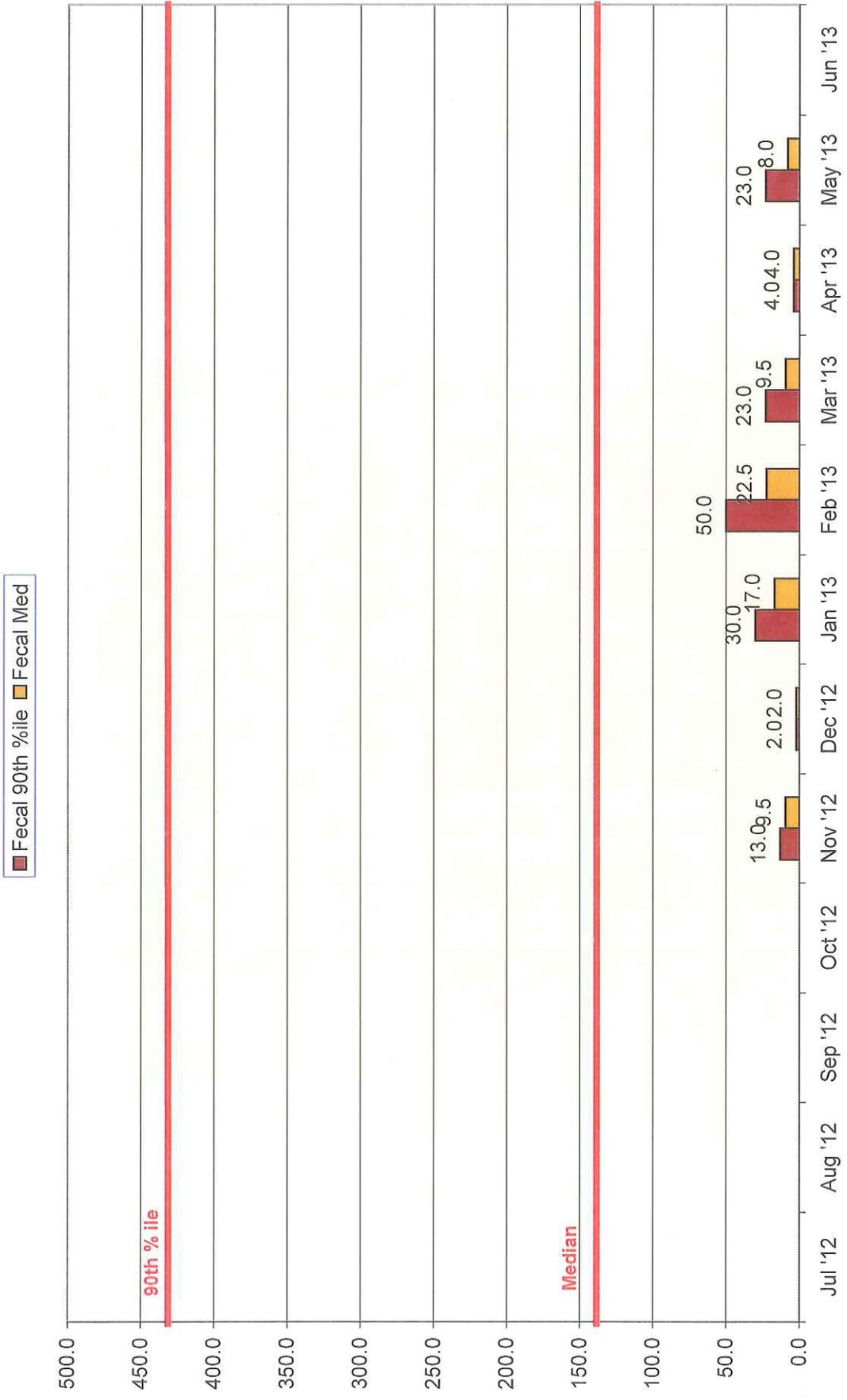
TOTAL COLIFORM LIMITS - WDR
5 Sample Median - 240 mpn /100 ml
Maximum - 10,000 mpn/100 ml

Disinfection



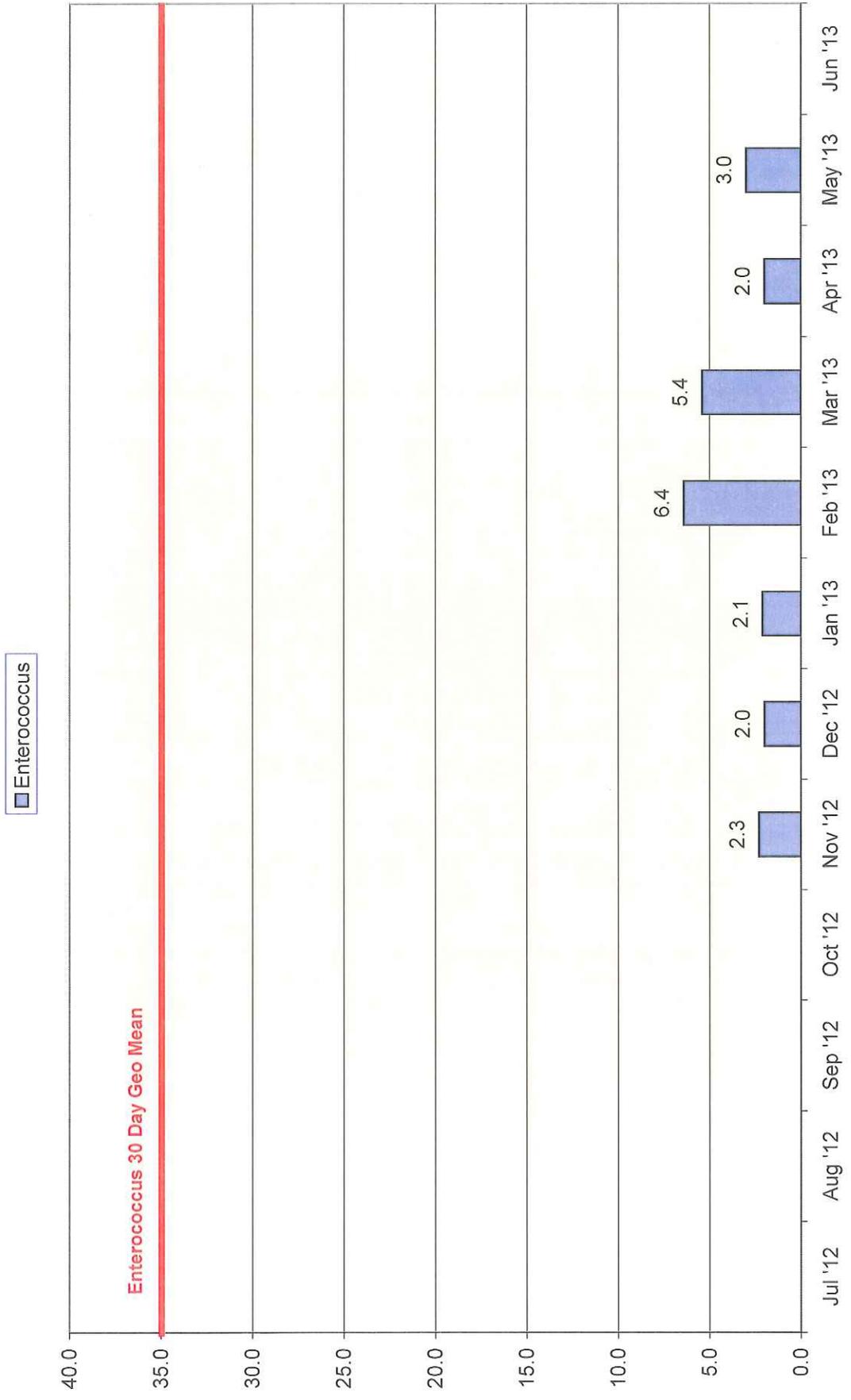
Disinfection

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

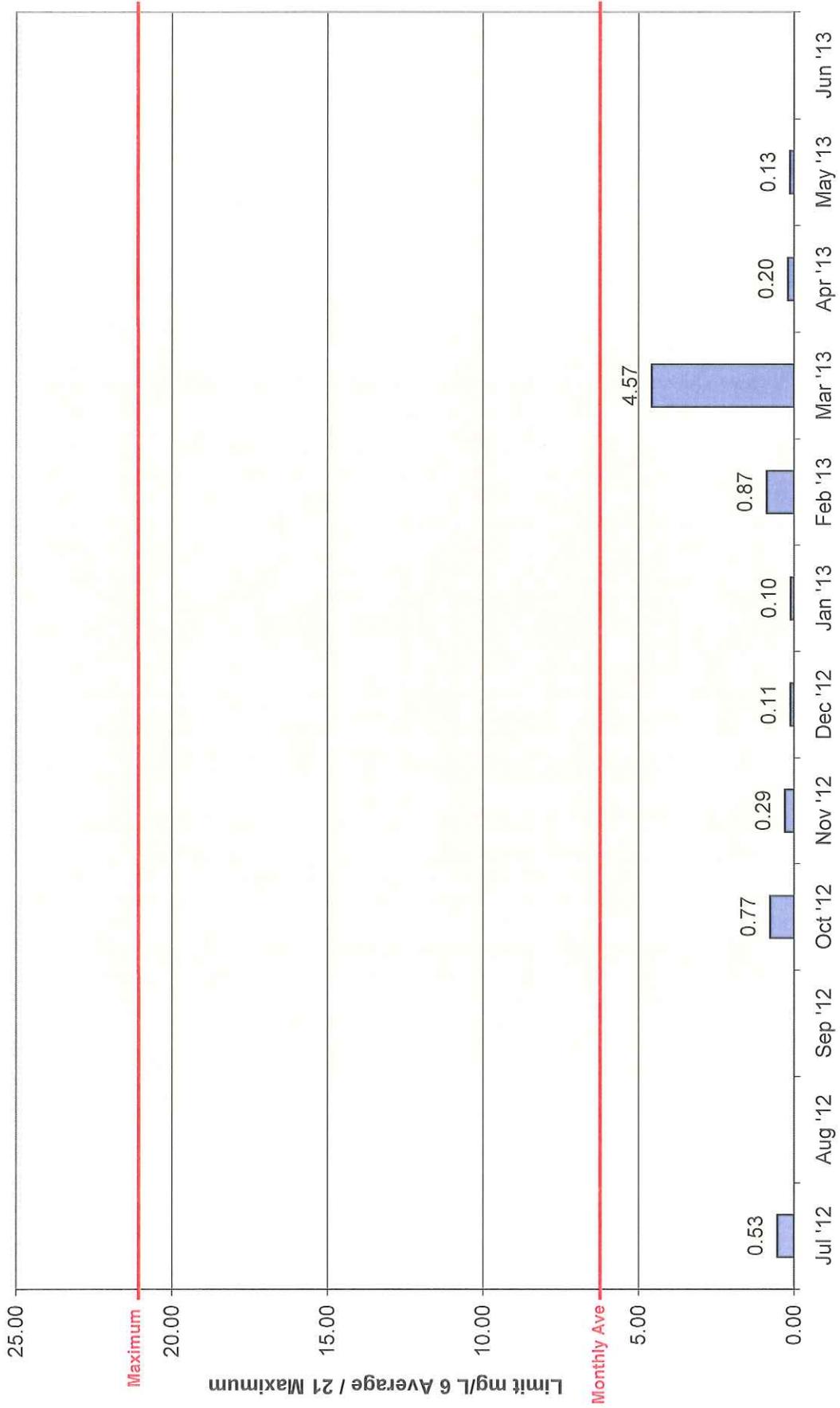


LIMITS - NPDES
Entero 30 day geo mean 35 mpn /100ml

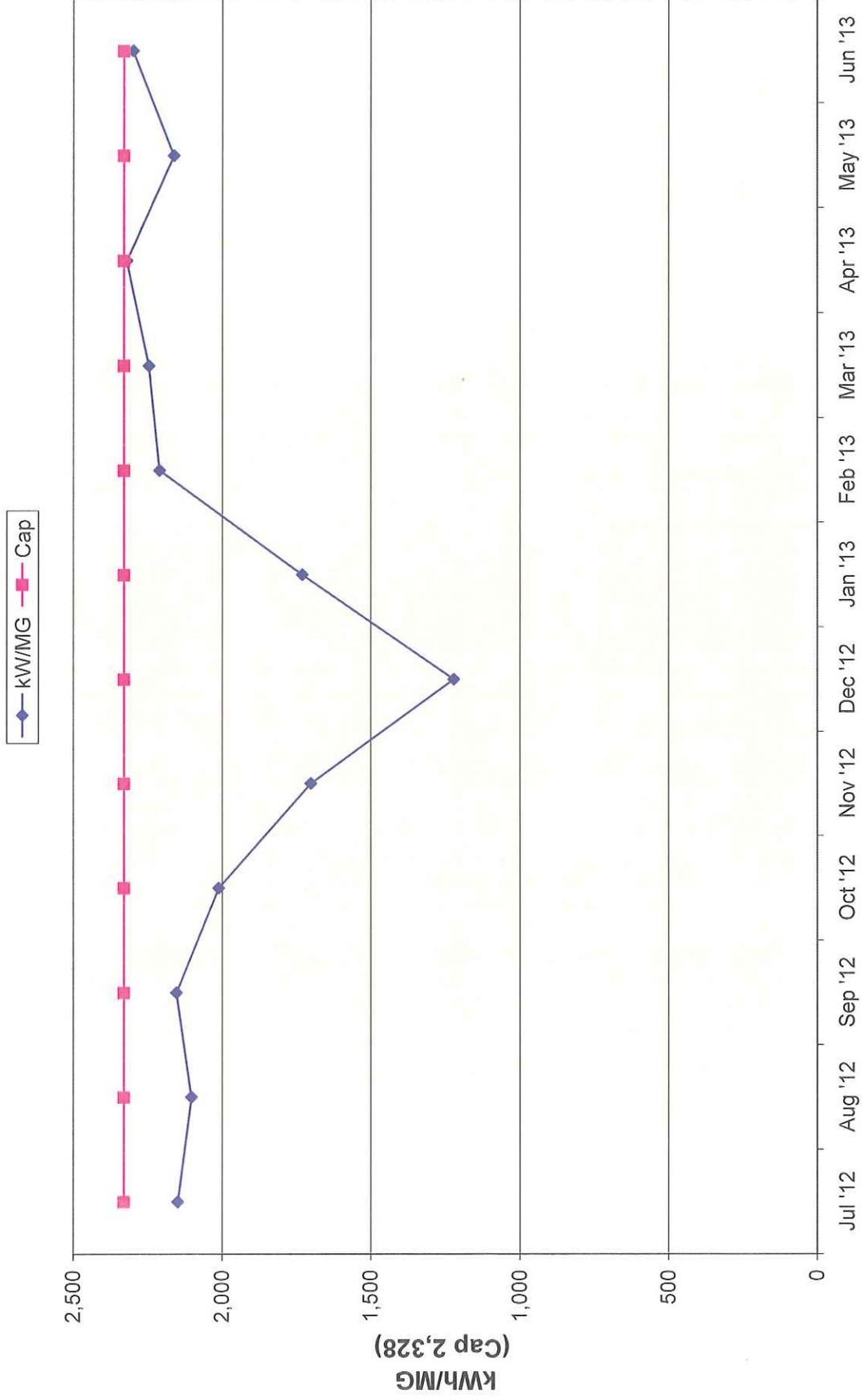
Disinfection



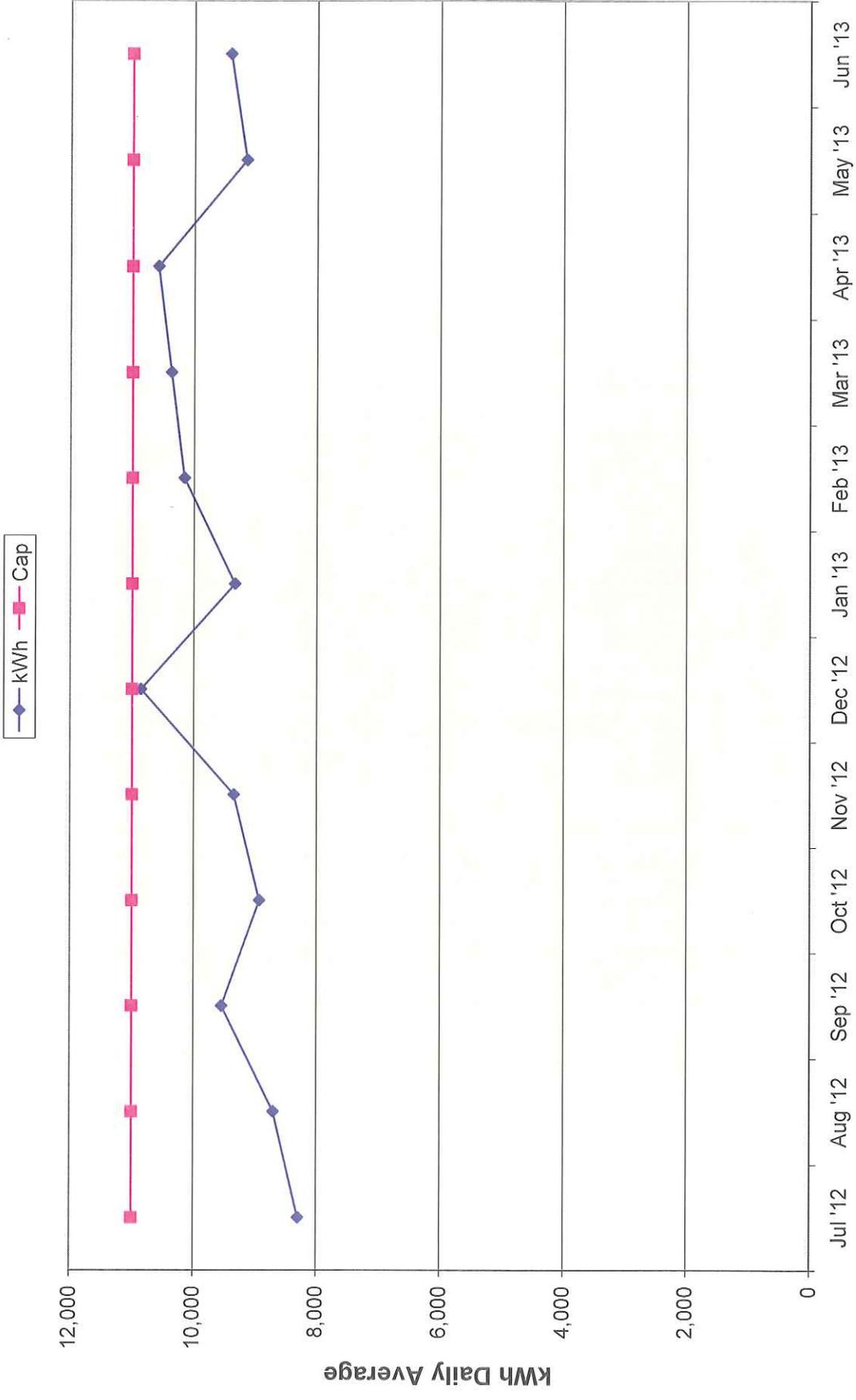
Effluent Ammonia



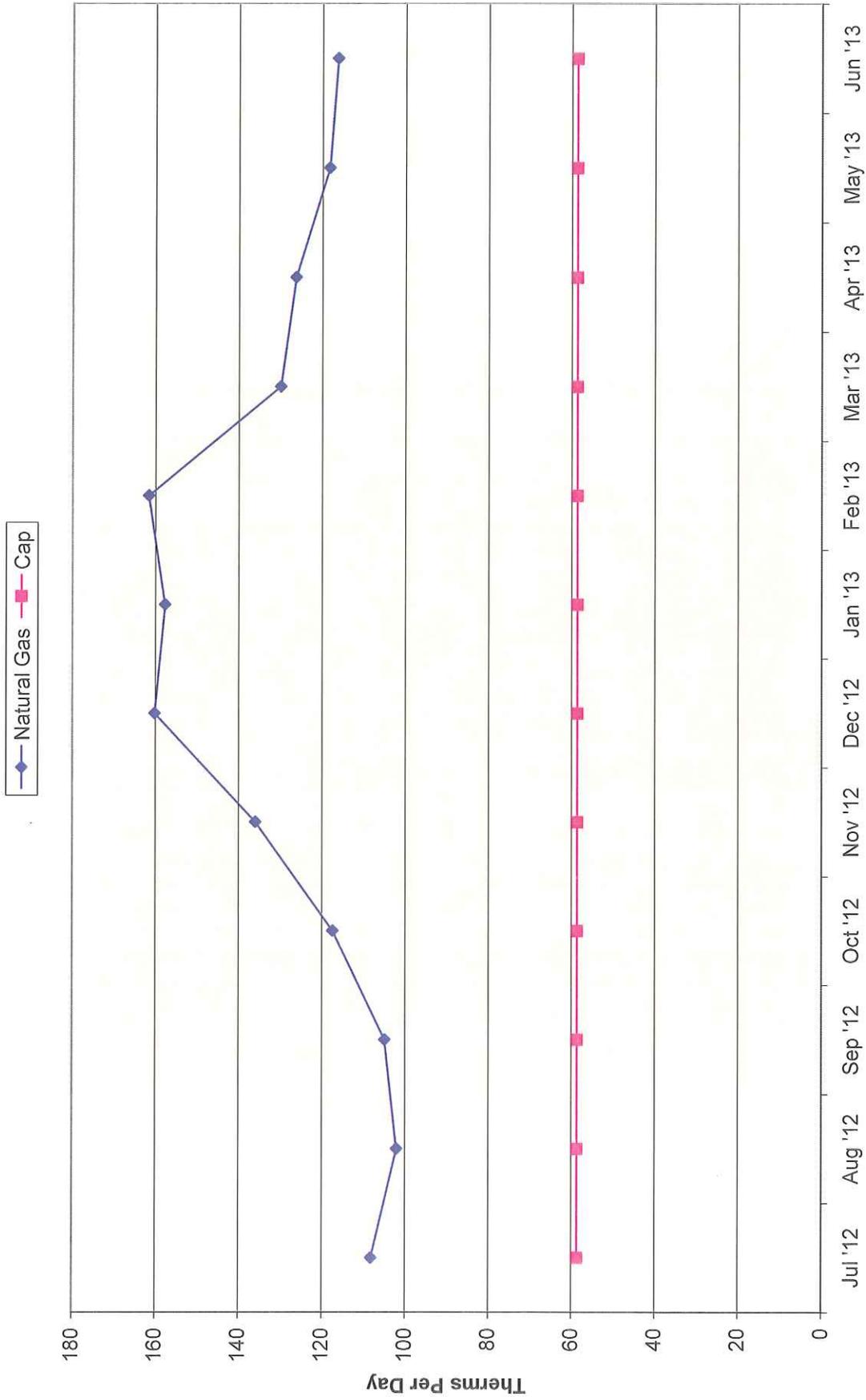
Energy kWh/MG



Energy kWh



Natural Gas Use



WORK ORDER STATISTICS

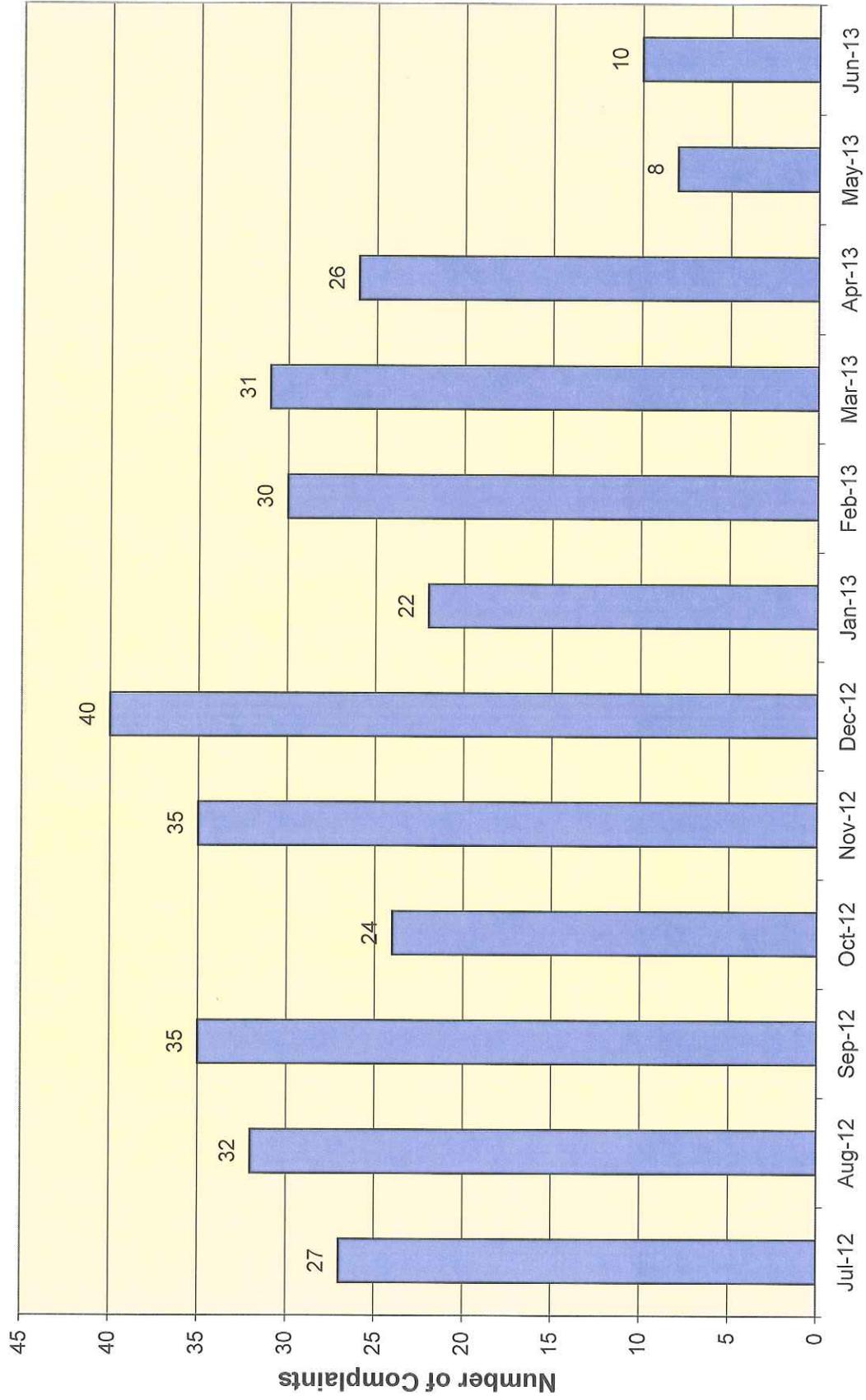
June 1, 2013 - June 30, 2013

	Open Work Orders Due Prior to 6/1/13	Open Work Orders 6/1/13 - 6/30/13	Total Open Work Orders
Preventative	13	301	314
Corrective	1	27	28
Total	14	328	342

	Closed Work Orders 6/1/13 - 6/30/13
Preventative	251
Corrective	25
Total	276

Total Outstanding Work Orders as of July 1, 2013	66
--	----

Complaints Received



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

Summary:

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

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

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

Odor control:

As mentioned in the May 2013 report, the District had fast-tracked approval, of a proposed scope of services and fee estimate from Brown and Caldwell (B&C) with their proposed project manager Mr. David McEwen), for a new odor study focusing primarily on the aeration basins as a potential odor source.

In June, staff completed executing the contract (along with an implementation schedule), with B&C. Also, Mr. McEwen scheduled an initial sampling event for late June. However, due to unseasonal rains on the day of the sampling event, Mr. McEwen postponed this initial sampling and rescheduled it to July.

Also, the District developed pilot project to cover the anoxic zones of the aeration basins this summer progressed with a delivery update for mid-July from Pi2 Technologies of Montreal, Quebec. As mentioned in the May 2013 report, these covers incorporate a honeycomb design, float on the water surface, and utilize carbon filtering/scrubbing media to remove odors. Further, to investigate the effectiveness of this technology, staff included provisions in B&C's contract to include efficacy testing of this technology.

Noise:

In June 2013, staff continued to address the low level noise issues raised by some Lea Drive neighbors, related to the fans for the main odor control biofilter in the northwest corner of the Novato plant. As background, these fans are currently inside a temporary insulated enclosure, and staff has evaluated various options to provide a cost-effective permanent sound attenuating. Current sound measurements at the property line on Lea Drive indicate that the sound levels are those of an "Average Quiet Street" and well below the 60 decibels the Novato General Plan specifies for residential neighborhoods.

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

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

Landscaping:

In June 2013, staff worked with its landscaping contractor Cagwin and Dorward (C&A), Novato, CA, to care for the attributes of the landscaping installed at the District's fence-line on Lea Drive at the northeast corner area of the NTP. As mentioned in the May 2013 report, the District completed landscaping upgrades to replace plants that to replace plants that died and augment the current visual screening on the open corridor at a cost of about \$19,000. The District also negotiated and executed a maintenance contract with C&A for C&A to provide periodic maintenance services to this landscaping, including weed control and irrigation systems.

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

General:

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

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

Collection System Maintenance:

A total of 66,025 feet of sewer pipelines were cleaned for the month. District staff also assisted two (2) Duke's root abatement crews in the chemical treatment of 61,212 feet of sewer main. This process took five (5) days and took two crew members away from normal maintenance activities. Note that the footage related to chemical root abatement and the hours worked by District staff on this project are not included in the Collection System Monthly Report spreadsheet. The footage cleaned per hour, line cleaned/month, are within established parameters for the department. Graphs showing the length of line cleaned/month, footage cleaned/hour worked, along with the overflows/month are attached. Staff completed 267 maintenance work orders generated by the ICOM3 CMMS system, with 160 outstanding work orders. The CCTV van was in the field for a total of 15 working days during the month of June and the department's CCTV production of 25,938 ft for the month is below expected production goals.

Both issues, i.e. outstanding cleaning work orders being higher than normal and the lower than expected CCTV production are primarily due to: (a) one hydro-flusher being out of service due to a seal failure on the debris tank, (b) the continuous rodder being out of service due to mechanical issues, (c) the additional work-load associated with chemical root treatment, and (d) implementation of modified work practices to better integrate flushing with CCTV work as part of the department's continuous improvement practices. All these issues are being addressed and resolved, and staff anticipates catching up to its production goals in the near future.

Pump Station Maintenance:

The Collection System Department conducted 273 lift station inspections for the month with 123 of the inspection visits generated through the JobCal Plus CMMS system.

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

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

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

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

Pump Station Rehabilitation:

As part of the District's continuing multi-year Pump Station Rehabilitation Project (Capital Improvement Project No. 72403), the District accepted as substantially complete all three pump stations of Project Unit 4. Operational responsibility for these pump stations is now with District staff while punch list items continue being addressed.

Safety and Training:

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

Specialized training: Collection System staff attended Trenching and Excavation training in June. Aaron Hendricks and Bob Stiles attended USA locator training

Safety performance: There were no lost time accidents this month for a total of 150 accident-free days.

Standard Operating Procedures (SOPs):

In June, Collection System staff issued two (2) SOP's (Periodic Pump Station Checks).

Sanitary Sewer Overflows (SSOs):

For the month of June, there were two (2) SSOs.

No.	Date	Location	Amount, gal	Cause
1	6/10/2013	13 Yarrow Ln.	1,110	Roots
2	6/27/2013	0 Hamilton Pkwy.	<1	Restriction in force main

1. SSO at 13 Yarrow Ln.: This SSO was a Category I event with the discharge volume of approximately 1,110 gallons entering the storm drain system and a difficult to access drainage ditch. There was partial recovery (9%) for this discharge due to the location of this event. This discharge was reported to the District by a neighborhood resident.

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

This discharge was determined to be the result of a partial root blockage in a District manhole. The duration of this discharge was determined using residential and reporting party interviews. The discharge volume was estimated, (and the estimates were verified), by using a combination of: (a) the San Diego picture method, (b) a chart from the NSD Overflow Response Plan that provides an estimate of the discharge vs. the observed height of the discharge above the pick-hole, and (c) a spreadsheet based discharge calculation that uses tributary home water usage and percentage of blockage.

California Emergency Management Agency (CalEMA), and Marin County Environmental Health Services (MCEHS) were notified of this discharge within two (2) hours of District staff being notified of the event.

In terms of cleaning history, the affected line segment was last cleaned on schedule on October 20, 2011 using a hydro-flusher, and this line segment is on a thirty-six (36) month cleaning frequency. CCTV inspection immediately after the discharge event showed no problems with the line segment. No changes to the cleaning schedule will be made as a result of this event. The roots were removed from the manhole and the manhole was chemically treated to prevent reoccurrence after the event.

This event was reported into the State's CIWQS database on June 11, 2013 as a Category I event, SSO Event ID # 795334 and was certified in CIWQS on June 20, 2013, Certification ID # 522134.

2. SSO at 0 Hamilton Pkwy: This SSO was a Category II event with a discharge volume of less than one (1) gallon which was fully contained in the street. The discharge was reported to the District by a City of Novato maintenance staff person. There was no recovery (0%) for this discharge due to its small volume and subsequent evaporation.

This discharge was determined to be a "burp" resulting from an extremely short duration, partial obstruction in the District force main that manifested and cleared itself while staff was performing wet well cleaning operations at the District's East Hamilton Pump Station. The "burp" duration was determined using reporting party interview and visual evidence. The volume of this event was visually estimated, (and the estimates were verified), by using spill comparison test i.e. water was poured onto the street simulating an equivalent spill footprint. The discharge water that escaped during this discharge manifested between the asphalt and frame of the sealed manhole.

Since the SSO did not result in triggering any reporting requirements to either CalEMA or MCEHS, these entities were not notified of this discharge.

This event was reported into the State's CIWQS database on July 3, 2013 as a Category II event, SSO Event ID # 796477 and was certified in CIWQS on July 10, 2013, Certification ID # 157796.

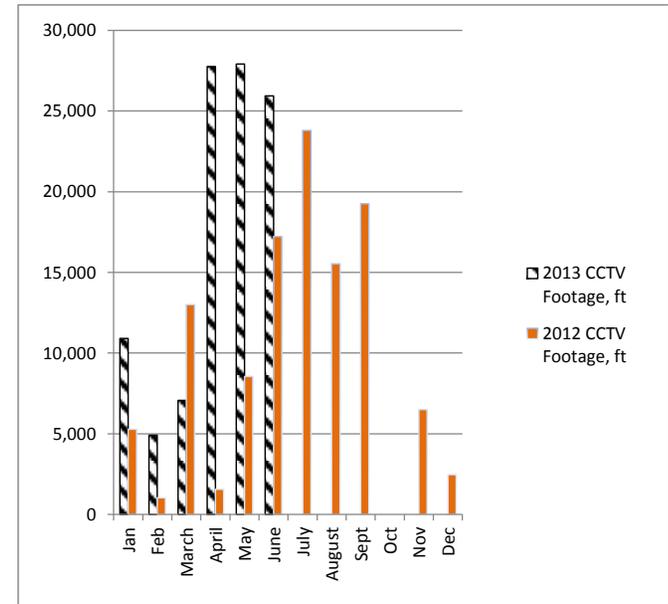
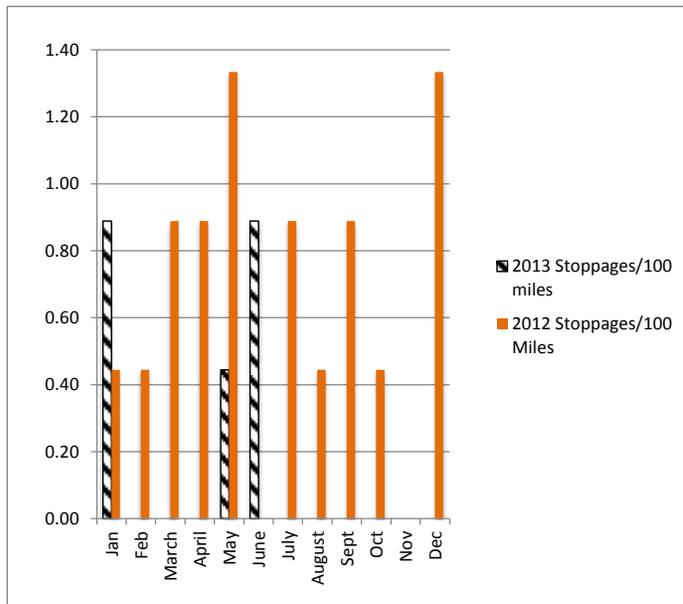
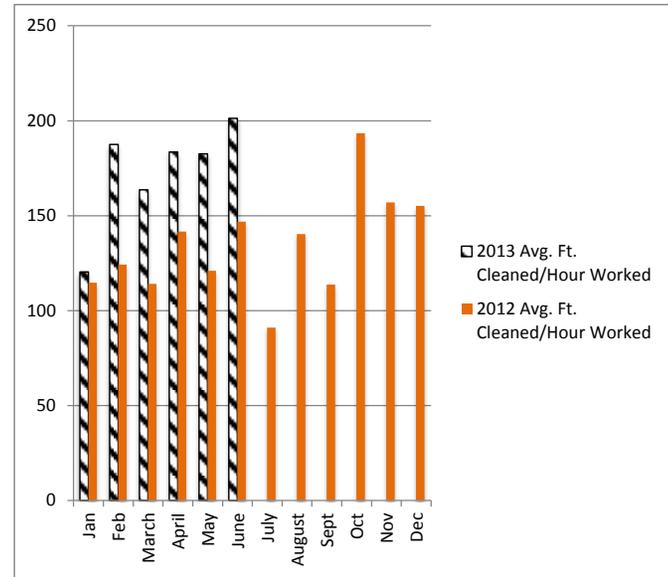
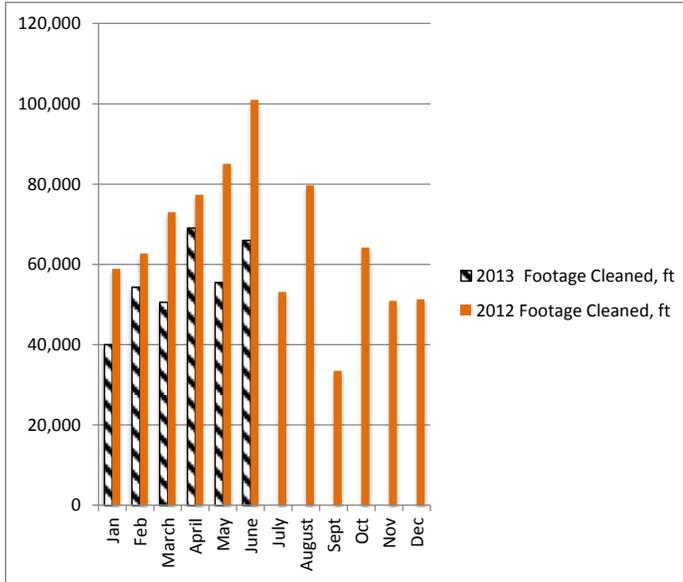
Novato Sanitary District
Collection System Monthly Report For June 2013 (as of June 30, 2013)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.9	1.7	1.8	2.2	1.8	1.9							NA	1.9
Number of FTEs (other)	1.9	1.4	2.4	1.5	1.8	1.2							NA	1.7
Number of FTEs (CCTV)	0.1	0.3	0.5	1.7	1.1	1.2							NA	0.8
Total, FTEs	3.9	3.4	4.7	5.4	4.6	4.3							NA	4.4
Regular Time Worked, (main line cleaning), hrs	333	290	309	377	304	328							1,940	323
Regular Time Worked on Other, hrs ⁽¹⁾	326	249	415	259	308	216							1,772	295
Regular Time Worked on CCTV ⁽²⁾	20	46	85	300	192	200							842	140
Total Regular time, worked, hrs	678	585	809	935	804	744							4,554	759
Total Vacation/Sick Leave/Holiday, hrs	204	77	101	114	239	62							796	133
Vacation/Sick Leave/Holiday, FTEs	1.2	0.4	0.6	0.7	1.4	0.4							4.6	0.8
Overtime Worked on Coll. Sys., hrs	6	45	5	47	5	1							109	18
Overtime Worked on Other, hrs ⁽¹⁾	3	19	5	28	12	6							73	12
Overtime Worked on CCTV ⁽²⁾	1	3	0	0	0	0							4	1
Total Overtime, hrs	10	67	10	75	17	7							186	31
Productivity														
Rodder Work Orders Generated, ft	14	0	24	31	83	66							218	36
Rodder 3203 Ft. Cleaned	3,138	0	3,856	5,490	678	4,371							17,533	2,922
Flusher Work Orders Generated	187	252	290	385	438	361							1,913	319
Truck 3205V Ft. Cleaned	2,782	5,146	2,755	13,698	15,477	10,186							50,044	8,341
Truck 3206V Ft. Cleaned	34,114	49,225	43,954	49,898	39,332	51,468							267,991	44,665
Camera Work Orders Generated	0	0	0	0	0	0							0	
Camera Ft. Videoed	10,905	4,912	7,075	27,756	27,913	25,938	NA	NA	NA	NA	NA	NA	104,499	17,417
Work Orders Completed	201	252	286	374	314	267							1,694	282
Work Orders backlog	6	0	28	42	207	160							443	74
Total Footage Cleaned	40,034	54,371	50,565	69,086	55,487	66,025	NA	NA	NA	NA	NA	NA	335,568	55,928
Sanitary Sewer Overflows (SSOs)														
Minor (Category II)	0	0	0	0	1	1							2	NA
Major (Category I)	2	0	0	0	0	1							3	NA
Overflow Gallons	2,200	0	0	0	158	1,111							3,469	NA
Volume Recovered	880	0	0	0	158	100							1,138	NA
Percent Recovered	40%	NA	NA	NA	100%	9%	NA	NA	NA	NA	NA	NA	33%	NA
Service Calls (non-SSO related)														
Service calls, normal hours, #	7	5	7	12	6	6							43	7
Normal hours S.C. response time, mins (avg.)	12	15	14	18	17	22							98	16
Service Callouts, after hours, #	1	0	0	1	1	0							3	1
After Hours S.C. response time, mins (avg.)	23	NA	NA	20	30	0							73	18
Benchmarks														
Average Ft. Cleaned/Hour Worked	120	187	164	183	183	201	NA	NA	NA	NA	NA	NA	NA	173
Total Stoppages/100 Miles	0.9	0.0	0.0	0.0	0.4	0.9	NA	NA	NA	NA	NA	NA	2.2	NA
Average spill response time (mins)	18	0	0	0	15	19							NA	9
Callouts/100 Miles	0.4	0.0	0.0	0.4	0.4	0.0							1.3	0.2
Overtime hours/100 Miles	3	20	2	21	2	0							48	8
Overflow Gallons/100 Miles	978	0	0	0	70	494	NA	NA	NA	NA	NA	NA	1542	257

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

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

Collection System 2012-13 Graphs



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

	Open Work Orders Due Prior to 6/1/2013	Open Work Orders 6/1/2013 -6/30/2013	Total Open Work Orders
Preventive	0	125	2
Corrective	0	0	0
Total	0	125	125

	Closed Work Orders 6/1/2013 -6/30/2013
Preventive	123
Corrective	0
Total	123

Total Outstanding Work Orders as of 6/30/2013	2
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NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
June 2013

Summary:

The rancher completed harvesting hay on Site 2. Cattle were moved in to Sites 3 & 7. Irrigation was enabled on all Sites. A few control actuators were replaced due to faulty actuation. Underground repairs to the irrigation system were performed in Site 2, Parcel 2. A purchase order was issued for the repair of Pump 1 at Drainage Pump Station 7. Approximately 35 MG of recycled water was used for irrigation this month. The storage ponds are storing approximately 56 MG of recycled water. Failed shear keys were replaced on both irrigation strainers. Staff submitted run-time data to PG&E so they can determine if a rebate program is available for the replacement of Irrigation Pump No. 2 motor. A leak developed at the top of Irrigation Pump No. 1 and a purchase order has been issued for the repair. All accumulated water has been removed from the DLD.

Ranch Operations:

Site 2: The cover crop on Parcels 24 & 28 was harvested this month.

Site 3: All hay was cut, baled, and stacked last month. The rancher moved his herd of cattle in to graze the parcels late this month.

Site 7: All hay was cut, baled, and stacked last month. The rancher moved his herd of cattle in to graze the parcels.

Irrigation Parcels:

Site 2: Staff tested the irrigation control valves in all Parcels. Inoperable actuators were found in Parcel 26 and 28. These actuators were replaced and the inoperable units will be analyzed by a factory representative. Irrigation was enabled for Parcels 22, 23, 26 & 27. Parcels 21, 24, 25 & 28 are scheduled for rehabilitation work this year.

Two underground repairs were completed in Parcel 2.

Site 3: Staff tested the irrigation control valves in all Parcels. Inoperable actuators were found in Parcel 31, 32 and 33. These actuators were replaced and the inoperable units will be analyzed by a factory representative. Irrigation was enabled for Parcels 31, 32, 33, 34, 35, 36 & 37. Parcel 38 is scheduled for rehabilitation work this year.

Site 7: Staff tested the irrigation control valves in all Parcels and no problems were found. New control wire was installed in the conduit passing through the chase installed across the new ditch between Parcel 77 & 78. Irrigation was enabled for Parcels 71, 72, 73, 74, 75, 76 & 77. Parcel 78 is scheduled for rehabilitation work this year.

Staff received a quote to troubleshoot the problems with Pump No. 1 at Drainage Pump Station No. 7 and a purchase order was issued. Work will be scheduled for late July. The motor is pulling high amps causing the motor starter to trip. An initial investigation by staff showed that the motor was fine so the problem may be with the pump.

NOVATO SANITARY DISTRICT
Wastewater Operations Committee Meeting
Reclamation Facilities Report
June 2013

Irrigation Pump Station:

Approximately 35.04 million gallons of recycled water was used for irrigation in June. The average storage pond staff gauge depth at the beginning of June was 2.0 feet and 5.0 feet at end of June, accumulating approximately 56 million gallons. This quantity is calculated using charts from the Reclamation Facilities O&M Manual.

Staff replaced failed shear keys on both Irrigation Strainers. The shear keys are brass and will fail when fatigued. A harder material is not recommended since it may allow damage to occur to the strainers if the backwash tube jams inside the strainer during backwash.

As previously reported, staff is re-evaluating the replacement/repair of Irrigation Pump No. 2. Staff contacted PG&E to inquire about rebate programs for replacing the pump with a more efficient motor. PG&E requested run time data and staff forwarded this information early this month.

Irrigation Pump No. 1 began leaking at the top of the pump around where the shaft comes out of the pump and up to the motor. Further investigation determined that the leak was due to a failing gasket between the top of the pump body and the flange for the mechanical seal. The leak is only a nuisance and will not harm the pump. Staff requested a quote to replace the gasket and a purchase order was issued. This work will be scheduled for late July.

Sludge Handling & Disposal:

There were no reclamation area related sludge handling and disposal activities in June. All of the surface water has been pumped off of the Dedicated Land Disposal (DLD) site and the surface will need to dry for at least a month before it can be worked to prepare it for sludge application.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Sewer System Management Plan (SSMP) - Recertification	MEETING DATE: August 12, 2013 AGENDA ITEM NO.: 9.c.
RECOMMENDED ACTION: Adopt a Resolution recertifying the District's Sewer System Management Plan (SSMP).	
SUMMARY AND DISCUSSION: <p>At its August 11, 2008 meeting the District Board adopted the District's Sewer System Management Plan (SSMP) in accordance with California State Water Resources Control Board (SWRCB) Order No. 2006-0003 - Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems. The WDR also requires that District re-certify the SSMP every five (5) years.</p> <p>The SSMP contains the following elements:</p> <ol style="list-style-type: none"> 1. Goal 2. Organization 3. Legal Authority 4. Operation and Maintenance Program 5. Design and Performance Provisions 6. Overflow Emergency Response Plan 7. Fats, Oils, and Grease (FOG) Control Program 8. System Evaluation and Capacity Assurance Plan 9. Monitoring, Measurement, and Program Modifications 10. SSMP Program Audits 11. Communication Program <p>The SSMP is a very large document (pages) but it can be viewed at the following url on the District's website: http://www.novatosan.com/assets/uploads/documents/planning-and-facilities/Final_SSMP.pdf</p> <p>Staff has reviewed these elements and has periodically updated them as required, typically on an annual basis, as a minimum. Accordingly, staff recommends that the Board recertify the SSMP and adopt Resolution No. 3060 documenting this recertification.</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: NA	
DEPT.MGR.:	MANAGER:

RESOLUTION NO. 3060

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

NOVATO SANITARY DISTRICT

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

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

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

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

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

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

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

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

* * * * *

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 12th day of August, 2013, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

President, Board of Directors

ATTEST:

Secretary, Novato Sanitary District

NOVATO SANITARY DISTRICT

MEMORANDUM

Date: August 8, 2013

To: BOARD OF DIRECTORS

From: Strategic Planning and New Facilities Committee, Michael Di Giorgio, Jean Mariani

Subject: Committee Report

Strategic Plan

The 2013 Strategic Plan review began with one-on-one interviews with board members and management staff. The Board then met in a workshop format at a regularly scheduled meeting on April 22, 2013. Martin Rauch served as the facilitator and led the board and management through a review of progress on meeting the goals and objectives of the 2012 Strategic Plan as well as a review of the Mission, Vision, and Values statements.

The Strategic Planning and New Facilities Committee reviewed the draft document at their meeting on May 7th. The comments were incorporated and a final draft of the 2013 Strategic Plan and Work Plan prepared and reviewed by the Committee at their meeting on July 30, 2013. The Committee's comments were incorporated in the attached Final Strategic Plan and Workplan.

Committee Recommendation

The Committee recommends the Board approve the plan subject to any suggested edits and revisions.

Current Capital Projects Update

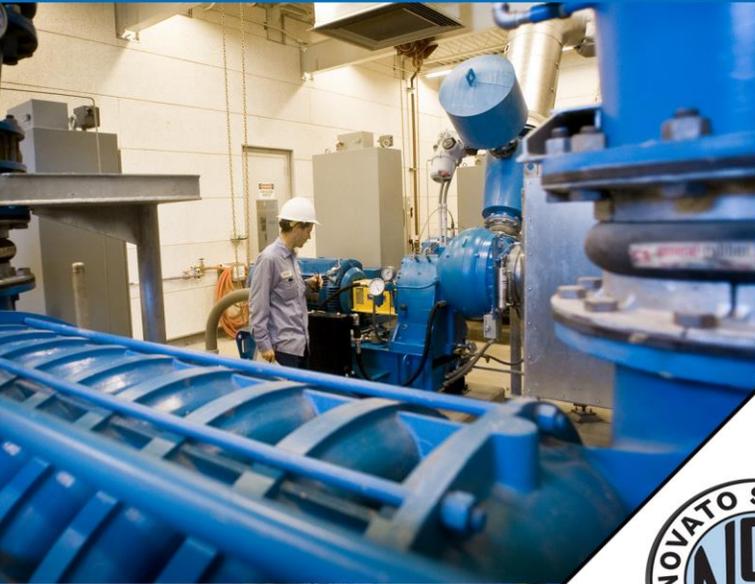
The Committee reviewed the current capital projects as shown in the attached spreadsheet.

**NOVATO SANITARY DISTRICT
ENGINEERING, CONSTRUCTION, & MAJOR MAINTENANCE PROJECTS
Current Projects (Status Update - July 2013)**

Year	Account No.	Project Name	Description of work	Status	Estimated Construction Cost	Contract/ Final Amount	Outside Costs (Engr. & CM)
Treatment Plant							
2013-14	72609	WWTP Upgrade - Contract B	Misc. odor control improvements	Analysis/ Design	\$ 50,000	n/a	n/a
2013-14	73001	WWTP Upgrade - Contract C (Solids Handling)	Upgrade Digester No. 2 & misc. plant work	Construction	n/a	\$ 2,814,928	\$ 553,000.00
2013-14	73002	WWTP Upgrade - Contract D (Recycled Water Facility)	Baffling improvements at chlorine contact tank	Design	\$ 160,000	n/a	\$ 10,000.00
Collection System							
2013-14	72803	Work Order 72803-12-15	Repair sewer main at 2014 Leese Lane [Spot repair (+/- 5 ft)]	Complete	n/a	\$ 6,623	n/a
2013-14	72803	Work Order 72803-12-16	Repair sewer main at 333 Enfrente Road [Spot repair (+/- 5 ft)]	Complete	n/a	\$ 13,763	n/a
2013-14	72803	Work Order 72803-12-17	Raise manhole to grade at Center Road & Sutro Avenue [Spot repair (+/- 5 ft)]	Complete	n/a	\$ 3,425	n/a
2013-14	72803	Hill Road Sewer Rehabilitation Project	Rehabilitate (pipeburst) existing sewer main [300LF]	Construction	\$ 50,000	\$ 66,441	n/a
2013-14	72803	Hill Road Sewer Rehabilitation Project at Redwood Blvd.	Replace existing sewer main [199 LF]	In Design	\$ 50,000		n/a
2013-14	72805	East Hamilton Pump Station Force main ARV Improvement	Construct ARV vault at Chapel Hill	In Design	\$ 50,000	n/a	\$ 6,240.00
2013-14	72706	Reichert Court Easement Sewer Rehabilitation Project	Rehabilitate (pipeburst) existing sewer main [175 LF]	Design complete	\$ 50,000	n/a	n/a
2013-14	72706	South Novato Blvd. at Midway Drive, & Midway Drive Easement Sewer Rehabilitation Project	Rehabilitate (pipeburst) existing sewer main [535 LF]	Design complete	\$ 90,000	n/a	n/a
2013-14	72706	Greenwood/Sunset Pkwy Easement Sewer Rehabilitation	Rehabilitate (pipeburst) existing sewer main [962 LF]	Design complete	\$ 125,000	n/a	n/a
2013-14	72706	Truman Drive/Brown Drive Easement Sewer Rehabilitation	Rehabilitate (pipeburst) existing sewer main [2,335 lf]	Design complete	\$ 150,000	n/a	n/a
2012-13	72706	Olive Avenue Force Main Rehabilitation Project	Rehabilitate existing 27" Techite Force Main [2,250 LF]	In Re-Design	\$ 800,000	n/a	\$ 7,486.00

**NOVATO SANITARY DISTRICT
ENGINEERING, CONSTRUCTION, & MAJOR MAINTENANCE PROJECTS
Current Projects (Status Update - July 2013)**

Year	Account No.	Project Name	Description of work	Status	Estimated Construction Cost	Contract/ Final Amount	Outside Costs (Engr. & CM)
2012-13	72706	Center Road & Kristy Court Sewer Project	Replace existing sewer mains ranging in size from 8" to 18" [1,450 LF]	Design complete	\$ 650,000	n/a	\$ 6,114.00
Pump Stations							
2012-13	72403	Pump Station Rehabilitation Project - Unit 4	Reconstruct Bel Marin Keys 9 & 10 and Hanger Avenue Pump Stations [minor punch list items]	Complete	n/a	\$ 1,409,725	\$ 191,335.42
2013-14	72805	East Hamilton, Marin Village & Bahia Pump Station Miscellaneous Improvements	Install drainage & emergency bypass improvements	Design	\$ 100,000	n/a	n/a
2013-14	72403	Pump Station Rehabilitation Project - Unit 5	Reconstruct Digital Drive & Los Robles Pump Stations	Design	\$ 1,000,000	n/a	n/a
2013-14	65150	BMK Pump Station No. 5	Potential pump rehab/replace	Analysis	\$ 24,000	n/a	n/a
2013-14	65150	BMK PS 1,2,3,4,7,& 8	Potential pump rehab/replace	Analysis	\$ 25,000	n/a	n/a
Reclamation & Sludge Disposal							
2013-14	72110	Drainage PS 3&7 Outfall Rehab	Rehab. outfall pile supports	Design complete	\$ 50,000	n/a	n/a
2013-14	72804	Drainage PS #7	Pump # 1 Repair	Analysis	n/a	n/a	n/a
2013-14	72804	Irrigation PS	Pump # 2 Repair	Analysis	n/a	n/a	n/a
2013-14	63115	Sludge Disposal	Sludge transfer from ponds to DLD	Contract negs.	n/a	n/a	n/a



Novato Sanitary District
2013
Strategic Plan Update

Prepared by Rauch Communications Consultants, Inc.





BOARD OF DIRECTORS

Michael Di Giorgio, President

Jean Mariani, President Pro-Tem

William C. Long

Jerry Peters

Dennis Welsh

DISTRICT MANAGEMENT STAFF

Beverly James, Manager/Engineer

Sandeep Karkal, Deputy Manager/Engineer

Tim O'Connor, Collection System Superintendent

Steve Krautheim, Field Services Superintendent

Laura Creamer, Finance Officer

Andrew Oko, Environmental Services Supervisor

Craig Deasy, Senior Engineer

CONSULTANT

Martin Rauch, Managing Consultant

Updating the Plan in 2013

Update Development Process

The strategic planning process was updated following the process outlined below.

Background Research. The consultants began by holding discussions with the Manager-Engineer and by reviewing background documents.

Confidential Interviews. This was followed by a series of confidential interviews carried out by the consultant. The goal is for the interviewees to candidly express their interests and perspectives on the District and its priorities.

The interviewees included the entire Board of Directors, Manager-Engineer and the entire management team, specifically:

BOARD: Bill Long, Mike Di Giorgio, Jean Mariani, Dennis Welsh, Jerry Peters

MANAGEMENT: Beverly James, Manager-Engineer; Sandeep Karkal, Deputy Manager/Engineer; Tim O'Connor, Collection System Superintendent; Steve Krauthem, Field Services Superintendent; Laura Creamer, Finance Officer; Andrew Oko, Environmental Services Supervisor; Craig Deasy, Senior Engineer.

Planning Workshop. The Board of Directors and senior management staff participated in a strategic planning update workshop on April 22, 2013. At this workshop, the following was undertaken:

- **Manager's Report.** The Manager-Engineer presented a brief written and verbal report on progress in 2012 on the strategic plan. The report was organized in the same format as the work plan.
- **Report On the Interviews.** The consultant reviewed the results of the interviews and research phase, with a focus on areas of strength and areas where challenges remain. A summary that combines the Manager's Report and the results of the interviews is located on the following pages.
- **What Can We Do To Make This District Better?** The workshop participants were asked to write down their response to this single question: "What can we do to make this District better?" They were asked to focus on only the most critical actions that needed to be completed and to incorporate policy level guidance on how it should be approached. The responses were collected one-by-one and discussed.
- **List of Priority Issues.** Out of this discussion, the priority actions were outlined and the essential few highest priorities were identified.

- **Goals and Objectives Review.** The participants briefly reviewed the goals and objectives and made recommendations to align the goals and objectives more with categories used to manage the District. This includes, for, example, dividing up the current Goal #1 into several parts: operations, management and financial. The group discussed how these priorities and the results of the general manager’s report and interviews would be combined and worked into the goals and objectives jointly by the consultant, staff and a Board committee and brought back to the entire Board. The updated goals and objectives are found near the end of this report.
- **Ensuring Communication. Board Monitoring and Oversight Review.** The Board Committee responsible for the strategic plan led a discussion on Board engagement with the strategic plan as wells as monitoring and oversight. It was agreed that the current Board report should be continued on a semi-annual basis, with more time and emphasis devoted to it during the Board meeting in which it is presented.
- **Mission, Vision, and Values Update.** Throughout the workshop, there was discussion about language in the original strategic plan that is aspirational, but not clear in terms of policy direction. Staff and the consultant drafted new language for some of the goals and objectives to clarify the policy direction discussed in the workshop. It was also decided during the workshop that the mission, vision and values should be refined to make them more succinct, memorable and inspirational. While it is not typical to update these core statements after a single year, it was agreed that it would be beneficial. The Strategic Planning and New Facilities Committee later reviewed and refined the mission, vision and values with support of staff and the consultant.
- **Staff Work Plan.** With the policy-level portions of the plan completed in draft form, the management team worked with the consultant to develop a detailed staff work plan designed to meet the mission of the District and strategic goals and objectives.
- **Board review and Approval.** The completed updated, draft strategic plan for 2013 was brought back to the Board and approved on **August 12 2013**.

Report on 2012 Progress on the Strategic Plan

Below is a summary of the status of the District and progress made in carrying out the strategic plan to-date. This summary incorporates information from interviews conducted by the Consultant, from the Manager's report at the strategic planning update workshop, and from comments made during the workshop.

MANAGEMENT/GOVERNANCE

STRONG:

Morale has clearly improved in recent years, with improved communication between staff and management, and a sense of **continuous improvement** in many areas.

The Board is working effectively together.

The District's 2012 **Safety and Wellness program** was a particular success with **no lost time accidents**. The Safety Incentive and Wellness program was refined for 2013 and is moving ahead. The District continues working toward improving its safety culture and is currently following the goals set in the CSRMA Shell Award program.

Veolia is making good progress toward implementing an EMS at the treatment plant. They have strong corporate commitment and have completed the scope of work for this task area.

District staff are working on records management and retention—reviewing records and evaluating vendors.

The District has been proactive in forming relationships and agreements with other agencies, with the goal of improving service, lowering costs or providing other benefits.

Current policies were compiled and provided to the Board. Appropriate committees have been systematically reviewing policies and bringing them to the Board for update and approval. Next priority is to update the reserve policy.

CHALLENGE:

Laboratory SOPs are completed, but the remaining SOPs are in various stages of development. A consultant has been hired to help with high priority emergency SOPs. **Getting ahead of the curve on SOPs is a challenge and will require a long-term commitment of energy and resources.**

There is a need to develop a plan for long-term staff sustainability, including the approach to salaries, benefits, recruiting, retention, and development.

Promoting a deeper engagement of the Board with the strategic plan would be beneficial.

Additional training resources may be needed in the coming year as new employees are trained and succession plans are implemented.

Employee development is a continuous process. **Staff will be working with consultants to update the performance review process, Personnel Manual, and job descriptions to provide better guidelines.**

FINANCES

STRONG:

Finance has been a strong point with low rates and improved financial reporting. Revenues are in place to fund a robust operations and maintenance program, as well as planned capital improvements.

The Finance Officer attended the GFOA training on budgets and incorporated some of the ideas into the final 2012-13 budget. Full implementation of the GFOA guidelines was determined to be not practical for NSD.

NSD has reduced retirement liability significantly in the past 5 years so that annual CalPERS retirement costs have been reduced by 32% from \$513,239 to \$344,718. The cost as a percent of salary has been reduced from 19.42% to 17.68%. Future increases will be shared with employees.

CHALLENGE:

There was a consensus that **setting clear, well understood reserve levels and settling the District's approach to benefits (pensions) is important**, with a first step being to complete the actuarial study. It would be beneficial to develop **more easy-to-understand financial reporting** for the Board & public.

A financial analysis of the connection charges is scheduled to be completed by Fall 2013. **Development of an updated reserve policy is also planned.**

TREATMENT PLANT

STRONG:

Veolia, the treatment plant itself, and the success of the recycled water project makes the entire treatment plant unit a source of strength.

The new recycled water plant is operating. NSD has taken a leadership role in NBWRA and the IRWMP, as well as building partnerships with the County and Coastal Conservancy that promise to **greatly increase the amount of recycled water that can be used by the community.** Meanwhile an **ongoing maintenance plan is being implemented to keep the reclamation field and related equipment in good condition.**

NSD is partnering with the Coastal Conservancy to evaluate the receiving water permitting issues for recycled water wetlands and discharge. This will be a long-term effort, but it is getting better than expected regulatory support.

There have been zero discharge violations since October 2011. Plant operation and maintenance is closely monitored by District staff and Board. **Equipment is well-maintained.**

CHALLENGE:

NSD's reputation is improving but more communication is needed. In the past year, the District has taken a number of steps to address odor, noise, and aesthetic issues including sound enclosures for blowers, screening fences, landscaping, and operational changes. The remaining challenge is the **odor affecting a few residents.** The next steps are to clearly identify the odor and develop a plan and determine the costs for any necessary modifications.

The Reclamation Master Plan is on hold pending the outcome of the Novato Creek Watershed study and the NBWRA scoping study, since both could impact the Reclamation Facility.

COLLECTION SYSTEM

STRONG:

Collection system maintenance has improved substantially, with notable improvements in sewer line cleaning efficiency.

The collection crew itself is good, with a stronger culture of being on top of management and maintenance.

There were very few overflows or spills.

Pump station upgrades are going well: the District has almost updated all of its pumps; there are far fewer pump station call outs.

The focus of collection system work this year has been on behind the scenes preparation for completing these tasks: preparing the documentation necessary to revise the local limits in the sewer use ordinance, developing the data to revise the collection system master plan, and improving televising procedures. The coming year should see the results of some of these efforts.

CHALLENGE:

Completing CCTV is a challenge. Collection crew may need another crew member or to contract out some of the CCTV work.

FACILITIES

STRONG:

The study on the potential outfall levee is considered promising and innovative.

CHALLENGE:

There is a desire to settle the odor control issue: identify problems and identify what to do.

There is question about whether enough priority is being given to lateral problems.

REGULATORY AND GRANTS

CHALLENGE:

The District is in a good position to respond to new regulations and emergencies and take advantage of opportunities.

MISCELLANEOUS

STRONG:

Environmental Services/Pretreatment had a good audit. It is where it wants to be and spending more time in-lab.

Novato Creek Watershed study will help the District to manage the reclamation field better.

Reclamation area is being updated area-by-area. The new recycled water plant makes it easier to manage the reclamation fields, since the fields have less water to absorb when treated effluent is being diverted for recycling.

Collaboration with other agencies is a source of strength, cost savings and improved services. Training is increasing and improving.

Excellent public outreach and transparency is clearly a priority of the Board and District, and a number of steps have been taken to achieve this.

CHALLENGE:

The laboratory team is not carrying out restaurant FOG inspections, but they have a plan to restart that program.

There were some **initial discussions with the City on property,** but this was put on hold pending developments in recycled water and HHW facility siting.

Further **improvements remain to be made in the use of social media and electronic communication.**

ENVIRONMENTAL

STRONG:

Staff is evaluating a plan for solar power at Reclamation. Cogeneration at the treatment plant is in the Capital Plan following completion of digester rehabilitation and maintenance building construction.

Priority Issues

Below are the Priority Issues for the coming years, identified by the strategic planning update process.

Staff Development. The top priority for the coming years is to complete initiatives to ensure a stable, well trained, and high performing work force. To accomplish these goals, the District needs to update: succession planning, pay and benefit policies, as well as hiring, training and management practices.

Continuous Improvement. Continuous improvement programs are a top priority. This includes completion of the SOPS, being aware of trends in new work practices and technology, and adopting them as appropriate.

Emergency Preparedness. Continued progress on Emergency Management Systems and emergency preparedness is a priority. This includes developing an explicit plan and approach to preparing for other challenges, including regulatory (nutrient removal and emerging contaminants, for example), fiscal constraints, climate change, and other significant potential future challenges.

Building New Field Support Facilities. There is a plan to build new facilities to replace temporary facilities used by field staff. This is needed to support continued progress on collection system productivity improvements and emergency response.

Public Outreach and Communication. It is important to maintain and even increase communication to the public so there is understanding of the District and its programs on behalf of the community. The District should develop and communicate new messages about the District's role as a resource agency and the value and specific benefits it provides to the community.

Openness to the Public and Ease of Interaction with the District. The District should review its processes to ensure that it is open to the public and its key documents and information are readily accessible. This might include simpler and clearer financial reporting, making policies more accessible, and taking other steps.

Attention to Aesthetics. Many District services are seemingly invisible: sewage or trash is taken away and appears to disappear. In other cases the district has a direct impact on customers through odors, the appearance of certain facilities, and in other ways. The District should be cognizant of the ways it impacts people and consider if actions should be taken to minimize impacts.

Resolving Odor Issues. Odor problems have been substantially solved following extensive effort and significant investment. The Board seeks to quantify any remaining problem, identify potential solutions and decided on a final course of action.

Developing a Policy on Laterals. The District has a lateral grant program, but needs to develop lateral inspection and repair policies and ordinances.

District Mission

A mission statement describes the reason an organization or program exists: services it exists to supply, who it serves, and how it measures excellence. The Board drafted and approved the following mission statement:

Mission

Novato Sanitary District provides responsible, environmental and economic wastewater and solid waste resource management for Novato.

Vision for the Future

A critical responsibility of the Board of Directors is to identify a vision for the District's future and then set goals and objectives to achieve it. This is the heart of the governance role and starts with creation of a vision statement. The following is a brief statement describing the long-term change the District wants to result from its work.

Vision

Creating worth from all of Novato's waste.

District Values

Values are what we consider important—what we believe is right. The Board is responsible for identifying and being the guardian of values. Effective organizations identify and develop clear, concise and shared values, beliefs, priorities, and direction so that every employee understands and can contribute by implementing their work in line with the organization's values. The following values emerged from the workshop discussion.

The values can be written as simple statements or posed as questions to help make difficult decisions.

Value Statements

- *Make best use of our resources.*
- *Provide safe, regulatory compliant and reliable service.*
- *Be cost effective.*
- *Protect and enhance the environment.*
- *Foster a strong, trusting and supportive relationship with customers.*
- *Be proactive and take advantage of opportunities.*
- *Seek to attain excellence.*
- *Promote local control and collaboration.*

Value Questions

- *Does it make best use of our resources?*
- *Does it provide safe, regulatory compliant and reliable service?*
- *Is it cost effective?*
- *Does it protect and enhance the environment?*
- *Does it foster a strong, trusting and supportive relationship with customers?*
- *Is it proactive and does it take advantage of opportunities?*
- *Does it enhance our efforts to attain excellence?*
- *Does it promote local control and collaboration?*

Goals, Objectives and Strategic Direction

The goals and objectives are presented on the following pages. They, along with the mission, vision and values represent the core strategic direction provided in this plan.

Strategic Direction for the Future: Raising the Bar. Cumulatively, the strategic direction found in the goals and objectives are meant to move the District towards a higher level of excellence, primarily through improved management, planning, and operational implementation, as well as through changes in workplace culture.

Some of the areas highlighted in this update for priority attention include:

Staff Development. This includes maximizing employee career quality, commitment and performance with up-to-date hiring and personnel practices that emphasize professional and leadership development. In addition, the District will develop and implement succession plans to ensure that employee institutional knowledge is retained and improved over time.

Become a high reliability organization by implementing an Environmental Management System (EMS).

Develop a clear approach to evaluating and preparing for future challenges and advance plans as appropriate. Potential challenges to consider include: climate change, nutrient removal, emerging pollutants, fiscal constraints, and emergencies, and others as appropriate.

Make progress toward the District goal of becoming increasingly a resource rather than a disposal agency. The District will be working toward achieving its new vision of *creating worth from all of Novato's waste*.

Goal 1. Operational Excellence. Provide timely, cost-effective, reliable and sustainable performance improvements in all aspects of operations.

- 1.1 Provide a safe work environment.
- 1.2 Become a high reliability organization by implementing an Environmental Management System (EMS). Take initial steps toward development of EMS to achieve some of the benefits without the cost of full implementation. Also, make progress toward a future evaluation of final steps needed to implement a full program.
- 1.3 Develop a process for evaluating operations.
- 1.4 Achieve an organization-wide commitment to “zero” goals and make progress toward: zero accidents, zero sanitary sewer overflows, zero waste, and zero permit violations.
- 1.5 NEW: Set a policy on laterals.
- 1.6 NEW: Be aware of trends, such as changes in technology, and take advantage as appropriate. Move with change.
- 1.7 NEW: Manage processes and expectations for cost effectiveness, environmental sustainability, and positive impact on people (triple bottom line).
- 1.8 NEW: Improve work practices through continuous improvement; including development of SOPs, emergency procedures and contingency plans.

Goal 2. Build and Maintain Facilities that are Reliable, Environmental and Efficient. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sound, and efficient District operations.

- 2.1 Identify cost-effective opportunities to increase the amount of internally generated energy.
- 2.2 Manage the collection system with the objective of zero spills and zero permit violations.
- 2.3 Actively pursue opportunities to expand recycled water production and use.
- 2.4 Coordinate discharge objectives and requirements with the Hamilton Wetlands expansion.
- 2.5 Manage the treatment facility with the objective of zero permit violations and long-term preservation of assets.
- 2.6 Develop a plan to meet real property needs into the future.
- 2.7 NEW: Develop a long-term plan for treatment operations options over twenty years that includes alternatives.
- 2.8 NEW: Support field operations by providing improved facilities.
- 2.9 NEW: Develop a plan for obtaining the maximum value from recycled water for the community.
- 2.10 NEW: Develop a clear approach to evaluating and preparing for future challenges and advance plans as appropriate.

Goal 3. Board District and Community, Alignment and

Communications. Proactively communicate with all stakeholders including customers, the Board, staff and others in a clear, factual, timely, two-way manner to foster greater understanding and alignment between the District and its stakeholders.

- 3.1 Take needed steps so that the community knows and respects the District and its decisions. This might include improved access to and understanding of agendas, the budget and the reality and impact of regulations on customer costs. Remain in full compliance with the Brown Act.
- 3.2 Update the internal staff communication program to ensure that staff are informed about key District issues in a timely manner and have opportunities to have questions answered.
- 3.3 Formalize interagency agreements and relationships to secure them against changeable personality and budget issues and preferences. Include: the city, North Bay Water Reuse Authority, water and flood control agencies, and others.
- 3.4 UPDATED: Identify areas in which the District impacts the public and ensure the District is acting as a reasonable and responsive good neighbor. Include issues like odor, aesthetics of facilities, and impacts of construction and maintenance.
- 3.5 NEW: Incorporate into the outreach program descriptions of the District's role as a resource agency and the value it provides to the community.
- 3.6 NEW: Ensure that outreach is effectively communicating important messages to the public, and that there are easily accessible and publicized channels available for the public to provide input and feedback.

Goal 4. Well Planned Finances With a Long-Range Outlook. Maintain a well-planned, proactive financial condition that minimizes rate shocks and impacts on customers while meeting all service needs.

- 4.1 NEW: Plan for and manage finances to achieve long-range financial stability, competitive and fair rates and charges, and strong bond ratings.
- 4.2 NEW: Ensure that the rate structure and rates are sustainable, defensible, understandable and fair.
- 4.3 NEW: Manage retirement liability both financially and through optimum policies that strike an explicit balance between benefit levels and types, as well as employee retention.
- 4.4 Resolve unfunded liabilities related to pensions and benefits. Obtain Board consensus that they are appropriately and prudently addressed.
- 4.5 Enable effective Board and public oversight.

Goal 5. Effective Governance and Administration. Develop and maintain an organizational structure and management policies that foster a high performing, stable and productive organization that learns and improves. Explicitly recognize the importance of our people as a critical asset to the organization and community.

1. NEW: Develop a succession plan.
2. NEW: Maximize employee career quality, commitment and performance with up-to-date hiring and personnel practices that emphasize professional and leadership development
3. NEW: Ensure that employee institutional knowledge is retained and improved upon over time.
4. NEW: Update all major documents and policies.
5. NEW: Update business practices to make more of them accessible online, including permits and other administrative activities and documents.
6. NEW: Effectively implement and monitor the strategic plan both at the Board and staff level. Develop initial performance indicators to help measure and assess progress toward achieving the goals and objectives.

Staff Work Plan

The appendix contains the staff work plan, a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors. The work plan is organized in a table format with the following features:

Priorities:

There are two kinds of priorities assumed in this work plan: 1) Importance; and 2) Time. It is possible for a priority to be critical in importance but not due for a long time. Conversely a priority may have low importance but be due promptly. The 1-3 numbering system incorporates a little bit of both. The timing column indicates due dates. The numbering system is as follows:

1. Critical project that must be accomplished on time.
2. Important project that can be delayed if needed to complete a #1 priority project.
3. Desirable project that can be delayed or cancelled to complete a #1 or #2 priority project.

Key to Abbreviations

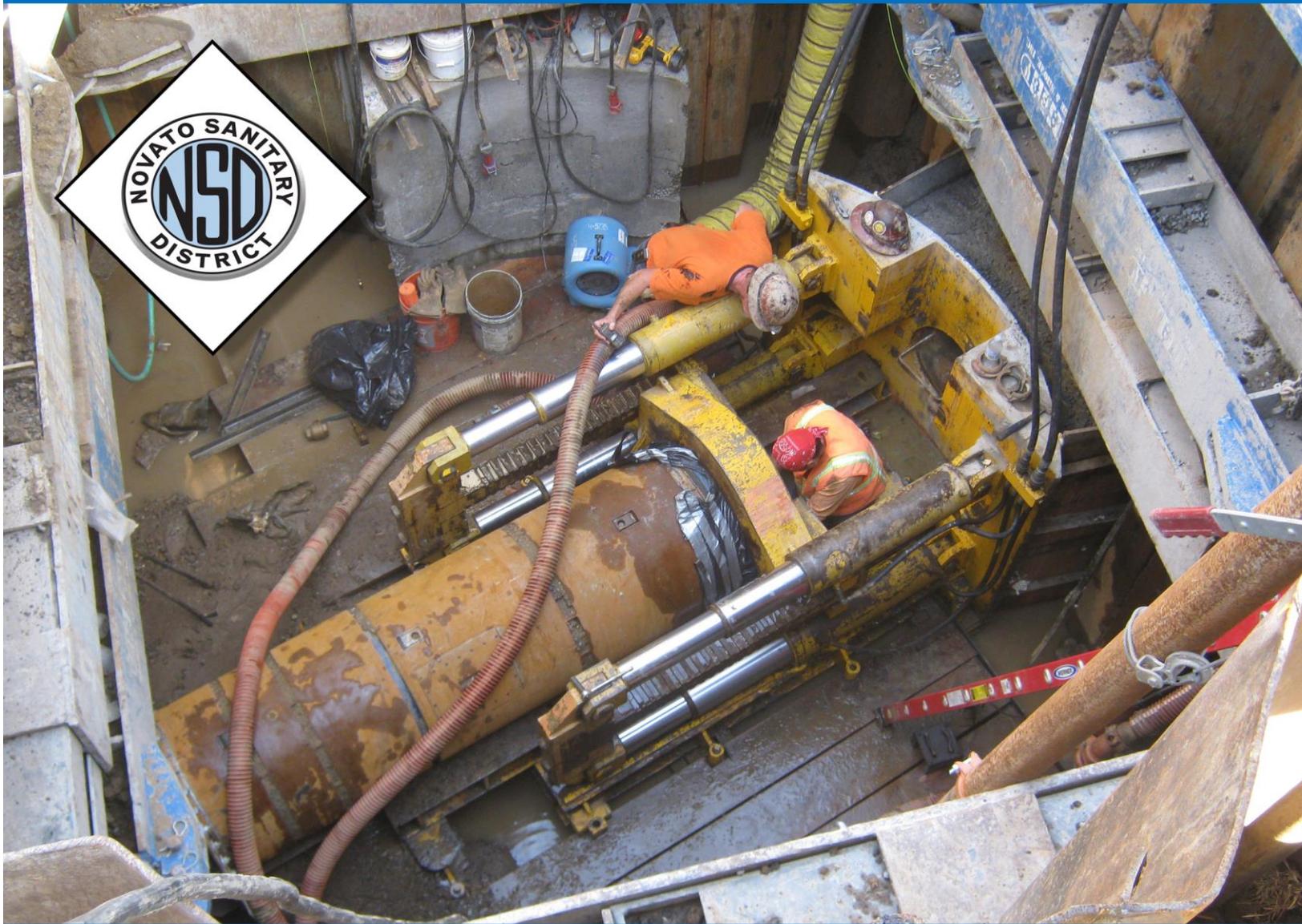
These abbreviations refer to who is named as responsible for a given action under the column titled LEAD:

AO —Andrew Oko	SRK —Steve Krautheim	DT —Dale Thrasher
BJ —Beverly James	HR —Human Resources	TOC —Tim O’Connor
SSK —Sandeep Karkal	JB —John Bailey	SM —Steve McCaffrey
CD —Craig Deasy	JS —Julie Swoboda	
DJ —Dee Johnson	LC —Laura Creamer	

Ensuring Results

In order to ensure that the plan is implemented and results are achieved, the District plans to take the following steps:

1. Publish the Mission, Vision, Values Goals and Objectives on posters and handouts, and display them around the District.
2. Incorporate the Mission, Vision, Values, Goals and Objectives into the employee handbook, as well as orientation and training materials for new employees.
3. Actively implement the Work Plan by the management team.
4. Develop initial performance indicators to help measure and assess progress toward achieving the goals and objectives.
5. Incorporate Strategic Plan monitoring by Board committees as appropriate and provide a semi-annual report to the entire Board on progress.
6. Review and update the Strategic Plan annually and roll it forward.



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No.	P.	Description	Lead	Timing	Status
1.0.0	1	Goal 1.0 Operational Excellence. Provide timely, cost effective, reliable and sustainable performance improvements in all aspects of operation	Goal		
1.1.0	1	Provide a safe work environment	Obj		
1.1.1	2	Implement an Employee Wellness Program	BJ	3/13	
1.1.2	1	Implement an Employee safety recognition program	BJ	3/13	
1.1.3	1	Specify and verify the physical requirements of each job description	BJ/Cons	7/31/14	
1.1.4	1	Develop a safety training program for each job	DT	6/14	
1.1.5	2	Schedule regular review and update for all safety documents	DT	7/13	
1.1.6	1	Complete Lockout/Tagout Procedures for all equipment	SK/TOC	12/13	
1.1.6	2	Identify low frequency/high risk tasks and implement controls to assure that they are performed correctly.	Supervisors	7/13	
1.2.0	2	Become a high reliability organization by implementing an Environmental Management System (EMS). Take initial steps toward development of EMS to achieve some of the benefits without cost of full implementation. Also make progress toward a future evaluation	Obj		
1.3.0	2	Develop a process for evaluating operations.	Obj		
1.3.1	2	Apply for CWEA treatment plant of the year	JB	9/13	
1.3.2	2	Apply for CWEA Collection System of the year	TOC	9/20/13	
1.3.3	2	Set benchmarking goals for Collection System O&M	SSK	6/14	
1.3.4	2	Set benchmarking goals for Treatment plant O&M	SSK	12/13	
1.3.5	2	Apply for CSRMA SHELL Award	BJ/DT	7/13	
1.4.0	1	Achieve an organization wide commitment and make progress toward that: zero accidents, zero sanitary sewer overflows, zero waste, and zero permit violations.	Obj		
1.4.1	1	Televise entire collection system on a five year cycle	TOC	6/30/15	
1.4.2	2	Optimize sewer cleaning program to group scheduled cleanings geographically	SSK/TOC/RM		
1.4.3	1	Develop a chemical root treatment program so that "root lines" are treated at least every 3 years	TOC/RM	12/31/15	Root treatment is currently scheduled annually
1.4.4	1	Review local limits and update sewer use ordinance	AO	2/15/14	
1.4.5	2	Document lab sampling and analysis schedule and procedures	AO	12/13/13	
1.5.0	2	Set a policy on laterals	Obj		
1.5.1	2	Update sewer use ordinance to include lateral repair/replacement requirements	BJ/SSK	2/15/14	
1.6.0	3	Be aware of trends, such as changes in technology, and take advantage as appropriate. Move with change.	Obj		
1.6.1	3	Schedule employees to attend appropriate technical training	Supervisors	9/1/13	update annually by 9/1
1.6.2	3	Maintain ties with other agencies and share knowledge	ALL	ongoing	
1.6.3	3	Participate actively in BACWA Committees	AO/SSK	ongoing	
1.7.0	2	Manage processes and expectations for cost effectiveness, environmental sustainability, and positive impact on people. (triple bottom line)	Obj		
1.7.1	2	Adopt Fats, Oils, and Grease (FOG) Ordinance	AO	9/1/14	
1.7.1	3	Implement treatment plant modified EMS.	SSK/JB	7/31/14	
1.7.2	2	Bring all dental facilities into compliance with Dental Amalgam Ordinance	AO	3/1/14	
1.7.2	3	Implement Electronic records management system	CD	5/31/14	
1.7.3	2	Update auto shop program	AO	3/1/14	
1.7.3	3	Develop records retention policy and plan	JB	9/1/13	
1.7.4	2	Document procedures and schedules for identifying potential new industrial waste dischargers.	AO	8/31/13	
1.7.5	2	Complete rollout of commercial food waste composting	DLJ/ND	8/31/14	
1.7.6	2	Prepare feasibility study of expanded recycling and HHW facility	BJ	3/15/14	
1.7.7	1	Implement Paint Care program in Novato	DLJ	9/17/13	
1.7.8	1	Continue support of sharps and pharmaceutical take back program	DLJ	9/17/13	
1.8.0	2	Improve work practices through continuous improvement; including development of SOPs, emergency procedures, and contingency plans.	Obj		
1.8.1	2	Review and update high priority collection system Standard Operating Procedures (SOPs), move forward in future years with additional SOPs	TOC	9/30/13	
1.8.2	2	Review and update high priority pump stations SOPs	TOC	12/31/13	
1.8.3	2	Review and update high priority reclamation SOPs	SRK	6/13/13	
1.8.4	2	Review and update high priority Environmental Service Dept. SOPs	AO	9/1/13	
1.8.5	2	Review and update pump station emergency SOPs	SRK/TOC	10/1/13	
1.8.6	2	Update collection system contingency plan	TOC	1/1/14	Annual review and update
1.8.7	2	Update treatment plant contingency plan	JB	1/1/14	Annual review and update

No.	P.	Description	Lead	Timing	Status
2.0.0	2	Goal 2. Build and Maintain Facilities that are Reliable, Environmental and Efficient. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sound, and efficient District operations.	Goal		
2.1.0	3	Identify cost-effective opportunities to increase the amount of internally generated energy.	Obj		
2.1.1	3	Develop onsite energy generation feasibility plan	SSK	12/1/14	
2.2.0	1	Manage the collection system with the objective of zero spills and zero permit violations.	Obj		
2.2.1	2	Televise all large diameter sewers	TOC	7/1/15	
2.2.2	2	Televise all sewers in the District at least once	TOC	7/1/15	
2.2.3	2	Identify sewers with structural issues that result in need for frequent cleaning to prevent overflows and prioritize their repair/replacement.	SRK/TOC/SSK	3/1/15	
2.2.4	1	Identify sewers with limited capacity and prioritize their replacement.	SSK	4/15/14	
2.2.5	1	Identify sewers with structural defects that are at risk of failure and prioritize their repair/replacement	SSK	12/31/15	In process but need to complete Tving of whole system to finish.
2.2.6	3	Update District Standard Specifications	SSK	12/01/13	Draft complete, needs review, and final
2.2.7	1	Identify pump station vulnerabilities to spills and schedule repair/replacement.	SSK	09/01/14	In process, consultant working on evaluations.
2.3.0	2	Actively pursue opportunities to expand recycled water production and use.	Obj		
2.3.1	2	Participate in NBWRA Phase 2	BJ	06/01/16	
2.3.2	3	Participate and support BACWA and IRWMP recycled water efforts.	BJ	ongoing	
2.3.3	2	Develop reclamation facility master plan incorporating needed: pond improvements, pasture improvements, responses to expected sea level rise, lease expiration, etc.	SSK/SRK	6/15/14	
2.3.4	2	Coordinate Reclamation Facility master plan with Novato Creek Watershed planning	SSK	6/30/15	
2.4.0	2	Coordinate discharge objectives and requirements with the Hamilton Wetlands expansion	Obj		
2.4.1	1	Prepare water quality analysis for discharge relocation.	BJ	7/1/14	
2.5.0	1	Manage treatment facility with objective of zero permit violations and long-term preservation of assets.	Obj		In Process
2.5.1	1	Weekly staff review of operation and maintenance	BJ/SSK	Ongoing	
2.5.2	1	Monthly Board review of operation and maintenance	BD	Monthly	ongoing
2.5.3	1	Annual audit of operation and maintenance	BJ/SSK	Annual	ongoing
2.5.3	1	Develop equipment upgrade/replacement plan.	SSK/JS	3/31/14	
2.6.0	3	Develop a plan to meet real property needs into the future	Obj		
2.6.1	3	Develop real property plan.	SSK	12/31/16	
2.7.0	2	Develop a long-term plan for treatment operations options over twenty years that includes alternatives.	Obj		
2.7.1	2	Engage consultant to evaluate alternatives and costs for long term options	BJ	4/15/14	
2.8.0	1	Support field operations by providing improved facilities	Obj		
2.8.1	1	Design/bid Maintenance Building	SSK	3/1/14	Design 75% complete
2.8.2	1	Construct Maintenance Building	SSK	9/1/15	
2.8.2	1	Evaluate sewer cleaning equipment needs.	TOC	6/30/13	complete
2.9.0	2	Develop a plan for obtaining the maximum value from recycled water for the community.	Obj		
2.9.1	2	Update Novato Recycled Water Master Plan	BJ	12/31/16	
2.9.2	2	Meet regularly with NMWD to discuss water reuse.	BJ	ongoing	
2.10.0		Develop a clear approach to evaluating and preparing for future challenges and advance plans as appropriate.	Obj		
2.10.1	3	Identify possible impacts of climate change on collection, treatment, & recycling	BJ	12/13	
2.10.2	2	Identify treatment improvements needed to address nutrient limits	BJ	6/14	
2.10.3	2	Identify treatment performance for emerging constituents of concern.	BJ	6/15	
3.0.0	2	Goal 3. Board District and Community, Alignment and Communications. Proactively communicate with stakeholders, including customers, Board, staff and others in a clear, factual, timely, two-way manner to foster greater understanding and alignment between the District and its stakeholders.	Goal		
3.1.0	1	Take needed steps so that the community knows and respects the District and its decisions. This might include improved access to and understanding of agendas, the budget and the reality and impact of regulations on customer costs. Remain in full compliance with the Brown Act.	Obj		
3.1.1	1	Post all agendas and minutes on web, and Novato Patch	Admin	ongoing	
3.1.10	3	Conduct treatment plant tours for public	JB/BJ	Ongoing	
3.1.2	1	Post Monthly Monitoring Reports on web	BJ	ongoing	
3.1.3	1	Post budget and audit on web	LC	ongoing	
3.1.4	1	Provide all agenda packets to Marin IJ and Novato Advance	JS	ongoing	

No.	P.	Description	Lead	Timing	Status
3.1.5	1	Regular articles and advertisements in Novato Patch, Advance and on website	BJ	Ongoing	
3.1.6	2	Launch and maintain on a weekly basis a Facebook page	MR	5/1	
3.1.7	3	Semi-Annual E-newsletter	BJ	7/13, 1/14	
3.1.8	2	Semi-annual printed newsletters	BJ	Spring & Fall	
3.1.9	1	Participate in community events for outreach.	DJ/BJ/A O/JS	Ongoing	
3.1.10	1	Apply for CSDA "Transparency Certificate of Excellence" certification	BJ/LC	12/31/13	
3.2.0	2	Update internal, staff communication program to ensure staff are updated on key District issues in a timely manner and have opportunities to have questions answered.	Obj		Underway
3.2.1	2	Quarterly all-staff meeting	BJ	Mar, Jun, Sep, Dec	
3.2.2	1	Monthly senior staff meeting	BJ	Monthly	
3.3.0	3	Formalize interagency agreements and relationships to secure them against changeable personality and budget issues and preferences with: the city, North Bay Water Reuse Authority, water and flood control agencies, and others.	Obj		
3.3.1	2	Review and update planning with Fire District, City of Novato and County of Marin for disaster response and rescue services, and communications	SSK/SRK	ongoing	
3.3.2	3	Review agreements for opportunities for cooperation with NMWD for mutual aid & recycled water.	BJ	10/15/13	
3.3.3	3	Hold joint board meeting with NMWD to review areas of cooperation, consider new areas and build relationships	BJ	9/15/14	
3.3.4	2	Continue to take leadership roles in NBWA and NBWRA	BJ	Ongoing	
3.3.5	2	Coordinate reclamation facility planning with Novato Creek watershed effort.	SSK	Ongoing	
3.4.0	2	Identify areas in which the District impacts the public and ensure the District is acting as a reasonable and responsive good neighbor. Include issues like odor, noise, aesthetics, and impacts of construction and maintenance.	Obj		
3.4.1	1	Conduct an odor evaluation of the treatment facility and develop a mitigation plan.	SSK	8/19/13	Consultant working on evaluation. First sampling completed
3.4.2	1	Identify alternatives for noise shielding for odor control blowers and implement best solution	BJ/SSK/ SRK	8/19/13	
3.4.3	3	Review construction specifications to clarify contractor responsibility for limiting and mitigating construction impacts.	SSK/SRK	12/31/13	
3.4.4	2	Budget for aesthetics in pump station construction.	SSK/SRK	7/1/13	
3.5.0	2	Incorporate into the outreach program descriptions of the District's role as a resource agency and the value it provides to the community.	Obj		In process
3.5.1	2	Emphasize resource role in newsletters, web, press, etc.	BJ	Ongoing	
3.5.2	2	Highlight resource role in brochure and handouts	BJ	Ongoing	
3.6.0	2	Ensure that outreach is effectively communicating important messages to the public, and that there are easily accessible and publicized channels available for public to provide input and feedback.	Obj		
3.6.1	2	Hold workshops on key issues or major projects.	BJ	ongoing	
4.0.0	1	Goal 4. Well Planned Finances with a Long-Range Outlook. Maintain a well-planned, proactive financial condition that minimizes rate shocks and impacts on customers while meeting all service needs.	Goal		In process
4.1.0	1	Plan for and manage finances to achieve long-range financial stability, competitive and fair rates and charges, and strong bond ratings.	Obj		
4.1.1	1	Update Dun & Bradstreet rating every year	LC	12/1/13	update annually after audit is available
4.1.2	1	Prepare a Comprehensive Annual Financial report by an independent auditor.	LC	12/13/13	update annually
4.1.3	1	Change auditors every five years.	LC	5/1/16	
4.1.4	2	Apply for GFOA certification on Annual Financial Report	LC	12/31/13	annually thereafter
4.1.5	2	Update Revenue Program every four years	BJ/BW	2/1/16	
4.1.6	1	Prepare a 2-year Budget	LC	6/14/13	update annually
4.1.7	1	Develop a training program for senior staff on public finance.	LC	5/1/13	
4.2.0	1	Ensure that the rate structure and rates are sustainable, defensible, understandable, and fair.	Obj		
4.2.1	1	Review connection charges and consider alternative structures.	BJ/BW	10/1/13	
4.2.2	2	Review sewer service charge high, medium, and low structure and consider alternatives.	BJ/BW	3/1/14	
4.3.0	2	Manage retirement liability both financially and through optimum policies that strike an explicit balance between benefit levels and types, as well as employee retention.	Obj		

No.	P.	Description	Lead	Timing	Status
4.3.1	2	Determine retirement liability using best practices for longevity and discount rate.	BJ	6/1/14	
4.3.2	2	Survey private and public employers in area to determine retirement policies	BJ	4/1/14	
4.4.0	2	Resolve unfunded liabilities related to pensions and benefits. Obtain Board consensus that they are appropriately and prudently addressed.	Obj		
4.4.1	2	Evaluate options for funding OPEB liability.	BJ	4/1/14	
4.4.2	2	Evaluate options for reserving funds for potential pension liability.	BD	9/1/14	
4.5.0	1	Enable effective Board and public oversight of finances.	Obj		
4.5.1	1	Continue to improve on clearly documenting and explaining budget	LC	8/13/13	
4.5.2	2	Complete public Finance training for Board members through CSDA seminars	BD	6/14/13	
4.5.3	1	Annual actuarial evaluation of pension liability	LC/CalPERS	6/14/13	
4.5.4	1	Carry out biannual actuarial evaluation of OPEB liability	LC	7/15/13	
4.5.5	3	Complete and distribute annual report for public that includes key financial information.	LC/BJ	3/1/14	
5.0.0	1	Goal 5. Effective Governance and Administration. Develop and maintain an organizational structure and management policies that foster a high performing, stable, and productive organization that learns and improves. Explicitly recognize the importance of our people as a critical asset to the organization and community.	Goal		In process
5.1.0	2	Develop a succession plan	Obj		
5.1.1	2	Develop a succession plan for each position.	BJ	4/1/14	
5.1.1	2	Improve resiliency through enhanced cross training and knowledge transfer programs.	BJ	12/31/14	
5.2.0	2	Maximise employee career quality, commitment and performance with up-to-date hiring and personnel practices that emphasize professional and leadership development	Obj		
5.2.1	2	Update job descriptions	BJ	4/1/14	
5.2.2	2	Set up a professional development plan for each employee	Supervisors	11/30/13	
5.2.3	2	Update employee performance review procedures and documentation	BJ/KA	4/1/14	
5.3.0	2	Ensure that employee institutional knowledge is retained and improved over time	Obj		
5.3.1	2	Document institutional knowledge in SOPs as noted above.	All	12/31/13	
5.3.2	2	Use Standard Operating Procedures to train employees	All	5/1/14	SOPs are used to train employees as they are developed.
5.3.4	3	Take advantage of opportunities to learn from others including CWEA, CASA, WEF, BACWA, and other local agencies.	All	ongoing	
5.4.0	3	Update all major documents and policies	Obj		
5.4.1	3	Create/Update Board Policies	BJ/BD	02/01/15	in process
5.4.2	2	Update Solid Waste Ordinance to include Zero Waste Goals	BJ/DLJ	12/31/13	Consultant working on draft
5.4.3	2	Update Personnel Rules and Regulations	BJ/KA	4/30/14	
5.5.0	3	Update business practices to make more of them accessible online, including permits and other administrative activities and documents	Obj		
5.5.1	3	Create online sewer application form	CD	6/14/13	
5.5.2	3	Make sewer permit records available online	CD	6/15/13	
5.5.4	3	Make sewer map available online	CD	8/14/13	
5.5.5	1	Provide NPDES permit data online	RM	ongoing	complete
5.5.6	2	Provide recycled water quality data online	RM	8/13	
5.5.7	1	Provide budget and audit reports online	RM	ongoing	complete
5.6.0	2	Effectively implement and monitor the Strategic Plan both at the Board and staff level. Develop initial performance indicators to help measure and assess progress toward achieving the goals and objectives.	Obj		
5.6.1	2	Monthly staff review and updating of workplan	All	ongoing	
5.6.2	2	Quarterly Committee and Board review of workplan progress	BD	ongoing	
5.6.3	2	Annual Board and Staff review of Strategic Plan.	All	ongoing	

MEMORANDUM

Date: July 10, 2013
 To: Board of Directors
 From: Finance Committee: Jean Mariani, William Long
 Subject: Reserve Policy Revision

The Finance Committee met on May 3rd, 30th and July 16th to discuss revisions to the District's Reserve Policy. They determined that a portion of what the District currently labels "Reserves" are more appropriately designated as "Funds" because their purpose is to provide for cash flow needs. They therefore directed staff to develop both a Reserve Policy and an Operating and Capital Funds Policy. Drafts of both of these policies are attached.

Purpose of Reserves:

The District reserves should serve two purposes:

- A. Comply with legal requirements.
- B. Provide for extraordinary expenses such as disaster response, litigation, or fines without having to implement an immediate rate adjustment.

Purpose of Funds

The District receives over 90% of its revenue from service charges and property taxes that are billed on the annual property tax bill. Payments are due on December 10th and April 10th so the District receives approximately 55% of its revenues in December and 45% in April. Expenditures are more evenly spread throughout the year with the exception of debt payments, which are in August, December, and February. The purpose of the Capital and Operating Funds is to provide for cash flow needs throughout the year.

Background

In 2001, the District adopted an Operating Reserve Fund Policy that created the following Operating Reserve Funds:

- Operating Cash Flow Reserve\$2,200,000*
- Service Charge Rate Stabilization Reserve\$600,000
- Emergency Repair Reserve.....\$600,000

- Self-insurance and Self Retention Reserve\$200,000
 - Vehicle Replacement Reserve\$85,700
- * equal to six months expenses in 2001.

The District later added the following reserves:

- Southgate Reserve\$679,989
- Wastewater Capital Reserve Fund 0.5% of SRF Loan/year
- COP Reserve\$1,500,000

The Southgate Reserve was funded from the settlement for acceptance of the Southgate subdivision. The Settlement Agreement stipulates “District shall have discretion to apply the Settlement Proceeds as it deems appropriate.”

Committee Recommendation

The Finance Committee reviewed the District’s existing Reserve Policy and made the following recommendations:

1. Eliminate the Emergency Reserve, Vehicle Replacement Reserve, and Southgate Reserve. Transfer the money currently in these reserves into the Capital Fund.
2. Eliminate the Self Insurance Reserve and transfer the money currently in the Self Insurance Reserve into the Operating Fund.
3. Increase the Rate Stabilization Reserve.
4. Maintain the Wastewater Capital Reserve Fund.
5. Maintain the Certificate of Participation Reserve.

The current Reserve Policy is included as Attachment 1. Since the changes are substantial, clean copies of the proposed Reserve Policy and Fund Policy are provided in Attachments 2 and 3 instead of an edited version of the existing policy.

The proposed Reserve Policy has three Reserve Funds: Rate Stabilization Reserve, Wastewater Capital Reserve Fund, and Certificates of Participation Reserve. These reserves are described below.

The proposed Fund Policy has two funds: Operating Fund and Capital Fund. These funds are described below

RESERVES

Rate Stabilization Reserve

The Rate Stabilization Reserve should be sufficient to fund unusual major expenses such as disaster response, legal fines or fees without having to enact a rate increase. The typical example is a pump station destroyed by flooding or other disaster. The District has five mid-size pump stations with an average replacement cost of \$2 million. The potential major fine risk is failure of the Ignacio force main. Similar occurrences at other agencies have resulted in fines between \$1 million and \$2 million.

The Committee recommends increasing the Rate Stabilization Reserve to \$1,5 million

Wastewater Capital Reserve Fund

The District borrowed \$81,307,947 from the State Revolving Fund (SRF Loan) between 2008 and 2011. The loan is being repaid in annual installments of \$5,378,956 due each December 31 through June 30, 2031. The loan agreement terms require that the District establish and maintain a “Wastewater Capital Reserve Fund” for expansion, major repair, or replacement of the wastewater facilities for the term of the loan agreement.

The District must deposit sufficient funds to build up the Wastewater Capital Reserve Fund at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten (10) years. The District’s unused bonding capacity of \$3,275,000 from the 1970 and 1986 GO Bonds may be used to offset, dollar for dollar, the required cash deposits to the Wastewater Capital Reserve Fund. The Reserve amount is set by the terms of the loan agreement and varies by year. as shown in the Table below, the District can apply unused bonding capacity for the required contributions until 2017-18. The maximum required Wastewater Capital Reserve Fund Balance is \$3,599,654 of which \$3,275,000 is satisfied by unused bonding capacity.

Fiscal Year	Loan Amt	Annual Required	Fund Balance Required	Deposit
2008/9	21,691,826.00	108,459.13	108,459.13	3,275,000.00 *
2009/10	47,989,587.00	239,947.94	348,407.07	
2010/11	72,720,776.00	363,603.88	712,010.95	
2011/12	81,329,083.00	406,645.42	1,118,656.36	
2012/13	81,307,946.00	406,539.73	1,525,196.09	
2013/14	79,875,979.00	399,379.90	1,924,575.99	
2014/15	74,366,047.00	371,830.24	2,296,406.22	
2015/16	70,771,876.00	353,859.38	2,650,265.60	
2016/17	67,091,444.00	335,457.22	2,985,722.82	
2017/18	63,322,683.00	316,613.42	3,302,336.24	27,336.24
2018/19	59,463,471.00	297,317.36	3,599,653.59	297,317.36

* Unused bonding capacity from 1970 and 1986 GO bonds.

Certificates of Participation (COP) (Debt Service) Reserve

The District issued \$21,750,000 of Certificates of Participation (COP) in October 2011 to fund Collection System, Pump Stations, Reclamation System, and Treatment Plant Capital Improvements. The COPs will be repaid over 20 years.

The Trust Agreement established a reserve fund as a reserve for the payment of the installment payments. The reserve fund was initially funded from the COP proceeds at \$1,500,000. It is held by the Trustee and maintained in the amount of the reserve requirement. The "Reserve Requirement" is defined in the Agreement to mean, as of the date of calculation, an amount equal to the lesser of (i) 10% of the original principal amount of the COPs; (ii) maximum amount of Installment Payments due in the current or any future Fiscal Year prior to the final maturity of the Certificates; or (iii) 125% of the total amount of then unpaid installment payments as of the date of calculation, and dividing that total by the number of fiscal years remaining to final maturity of the COPs. This amount will be used to make the final payment of the COP and the Reserve will be closed at that time.

The COP references the Rate Stabilization Reserve so the District must keep it at least until the COP is paid off. This amount would be kept in the Reserve year round unless Board action authorized its use for exceptional expenses. Any draw on this reserve would be replaced within four years.

The COP conditions require that the District maintain a Reserve of \$1.5 million until 2032. The minimum required Rate Stabilization Reserve amount is \$600,000 but the Committee recommends continuing the current basis of one medium pump station or currently \$1,500,000 and escalating it by the ENR construction cost index each year.

FUNDS

The Committee proposed two fund targets: one for an Operating Fund and one for a Capital Fund. These would not be reserves but instead would be a target amount that is needed as of July 1st of each year in order to provide for the District's cash flow needs.

Operating Fund Target

The District receives most of its operating revenue from the property tax bills in December and April. Operating expenses are generally evenly distributed throughout the year although there can be seasonal variation or unusual expenses.

A target equal to eight months (67%) of operating expenses as of July 1st, the beginning of each fiscal year, should be sufficient to adequately fund District operations and provide flexibility to meet seasonal variation and unusual expenses.

The recommended target is 67% of the Operating Expenses in the Operating Fund as of July 1st each year.

Capital Fund Target

The District receives most of its capital revenue from the property tax bills in December and April. Construction expenditures are typically highest in June through October. There is a COP interest payment (\$443,000) due in August, and SRF payment (\$5,379,000) due in December and a principal and interest COP payment (\$1,243,000) due in February. The debt payments currently consume 78% of capital revenues.

The District has a balance in the COP of \$9.2 million in the COP as of 7/1/13. These funds are reserved to pay for capital projects and are not included in the calculation of the target for the Capital Fund. The COP proceeds must be spent by October 2014. COP proceeds will fund the budgeted \$7.9 million of capital projects in 2013/14 and \$1.3 million of the capital projects in 2014/15. Once the COP proceeds have been spent, all new capital projects will be pay-as-you-go.

The Capital Fund target is recommended to be equal to one year of Capital Expenditures (including debt payments and pay-as-you go project costs) minus one half the anticipated Capital Receipts.

Reconciliation of Proposed Reserves and Fund Targets

Table 1 shows the relationship to the proposed Reserves and Fund Targets to the current Reserves and Funds.

**Table 1: Novato Sanitary District
 Current Operating and Capital Reserve Funds and Proposed Targets**

	June 30, 2013 Estimated	Notes	Proposed Target Reserve July 1, 2013
Operating Reserve	\$7,604,490	Transfer to Operating Fund	\$0
Self Insurance Reserve Fund	\$164,516	Transfer to Operating Fund	
Operating Fund		8 mos operating expenditures (1)	\$6,254,768
Current Capital Reserve (2)	\$1,006,212	Transfer to Capital Fund	
Emergency Reserve Fund	\$600,000	Transfer to Capital Fund	
Vehicle Replacement Fund	\$238,795	Transfer to Capital Fund	
Southgate Reserve Fund	\$679,989	Transfer to Capital Fund	
Rate Stabilization Reserve	\$600,000	Current cost to replace one medium pump station	\$1,500,000
Wastewater Capital Reserve Fund	\$1,525,196	Legally required	\$1,525,196⁴
COP Reserve	\$1,500,000	Legally required	\$1,500,000
Capital Fund	\$0	One year Cap. Expend (3). -1/2 Cap Receipts	\$2,750,274
Total	\$13,919,392		\$13,530,298

Note1: Calculations based on Operating Expenditures 2013/14 budget of \$9.38 million

Note 2: Capital Reserves not including COP balance which is restricted

Note 3: Annual Capital expenditures not including debt-financed projects.

Note 4: Unused 1970 and 1986 GO Bonds

Novato Sanitary District Operating Reserve Fund Policy September, 2001

Novato Sanitary District (District) provides wastewater collection, treatment, reclamation, and disposal for properties within the City of Novato and adjacent unincorporated areas in northern Marin County. The District maintains prudent financial practices to provide its function to protect public health and the environment.

Initially, all revenues are deposited in an Operating Fund and then distributed into other District funds and accounts. Most revenue is derived from service charges and property taxes. Other sources of revenue include connection charges, interest earnings, and property rental.

The District caused an investigation of the financial requirements for the Operating Fund especially relating to the prudent amount of reserves to maintain in the Operating Fund. An Operating Reserve Fund Review report dated August 2001 was prepared and accepted by the District's Board of Directors.

The Report identifies the basic requirements for the Operating Fund namely:

- Operating cash flow
- Service charge rate stabilization
- Emergency repairs

Each of these needs requires that the District allow reserves to accumulate in the Operating Fund to provide sufficient funding.

It should be noted that the District has two established funds to which a portion of the total operating reserve balance is dedicated. The Self-Insurance Reserve Fund was established by the District Board of Directors in 1986. That fund was established to provide cash reserves to fund liability claim losses that fall below the current \$100,000 deductible. The target fund balance was initially established at \$100,000, but was increased in 1987 to \$200,000. That balance is the current target Self Insurance Reserve Fund amount.

The District also has established a Vehicle Replacement Fund that is intended to fund replacement of District vehicles at planned intervals. The fund is based on a rolling projection of depreciation costs for existing vehicles. Each year funds are transferred to the Vehicle Replacement Fund to account for this depreciation. In theory, funds are then available to replace vehicles at the end of their useful life. The target fund balance is determined each budget year by updating the inventory of vehicles and depreciation schedule.

Novato Sanitary District Operating Reserve Fund Policy September, 2001

Operating Cash Flow

Operating cash flow necessitates an initial (July 1) fund balance equal to not less than 6 months of average monthly expenses (budgeted expenses less non-tax collection revenues divided by 12). A reserve is required because the District receives most revenues from the Marin County tax collector in two payments in May and January. This allows a financing safeguard because other District revenues such as fees, rents and interest earnings are generated on a more regular basis.

POLICY: During the annual budgeting process, insure that a minimum balance of six months of average budgeted expenses is available to fund expenses. If such funds are not available then provide for increased revenues to fund such a reserve balance.

Service Charge Rate Stabilization

Service charge rate stabilization requires additional reserves in the Operating Fund to allow the District to spread unexpected expenses over several years. The rate stabilization fund provides a reserve to pay for unanticipated costs until the District increases rates sufficiently.

An example of an unanticipated cost is the sharp rise in energy costs experienced during 2000 and 2001. Most of these cost increases are expected to be permanent, but they were not anticipated in the District's financial planning. An unlimited reserve fund is impractical and not prudent. A reserve fund in an amount of \$600,000 is recommended based on recent expense increase experience.

POLICY: Maintain a rate stabilization fund balance of \$600,000. Fund unexpected expense increases using the reserve. By Board action, use the reserve fund to spread such cost increases over more than one year. Replenish any reserves used over a three to four year period.

Emergency Repairs

Novato Sanitary District has invested millions of dollars in wastewater facilities. In the event of a breakdown or other emergency, the District is legally obligated to instigate immediate repairs. There is no time to plan for financing emergency expenses; such funds must be readily available.

A rule of thumb to determine the amount of an emergency repair fund is to use the average cost of a key facility possibly subject to breakdown and vital to operations. A pump station is an example for such a facility. Pump station equipment may cost

**Novato Sanitary District
Operating Reserve Fund Policy
September, 2001**

upwards of \$500,000 to \$700,000. This indicates an emergency repair reserve in the amount of \$600,000.

POLICY: Maintain an emergency repair reserve balance of \$600,000. Fund emergency repairs using the reserve. Replenish any reserves used over a two to three year period.

Total Operating Reserve

The Operating Fund receives all District revenues and then distributes the revenues to other District funds and accounts. The Operating Fund reserves are required to provide financial flexibility and to adequately fund District operations.

POLICY: Maintain a total Operating Fund Reserve balance equal to the sum of the following elements:

Operating cash flow (6 months of ave. monthly expenses)	\$2,200,000
Service charge rate stabilization	600,000
Emergency repairs	600,000
Self insurance retention	<u>200,000</u>
Total	\$3,600,000

Use the reserves for the intended purpose. Replenish operating cash funds as soon as practical. Replenish service charge rate stabilization reserves used over a five to six year period. Replenish emergency repairs reserves used over a two to three year period.

NOVATO SANITARY DISTRICT

POLICY HANDBOOK

POLICY TITLE: Reserves

POLICY NUMBER: 3500

3500.1 Need for Reserves.

Not all operating and capital expenses of the District can be precisely forecast, and factors such as weather, emergency repairs, energy cost fluctuations, third party liability claims, regulatory charges, fines, and regional or national calamities require that the District retain prudent amounts of reserves because of the time required to raise funds through rate increases. The District must accumulate and maintain sufficient fund balances in its operating and capital accounts to meet current and projected expenses, cover cash flow requirements, cover debt payments, and provide for both anticipated and unanticipated liabilities and expenses without adversely affecting the District's ability to provide both short and long term, high quality, uninterrupted service in compliance with applicable federal and state law, and regulatory permits.

3500.2 Rate Stabilization Reserve.

3500.21 Purpose: The Rate Stabilization Reserve enables the District to meet unusual or unexpected operating or capital expenses.

3500.22 Reserve Amount: The target amount for the Rate Stabilization Reserve shall be \$1,500,000 as of July 1, 2013. It shall be adjusted annually based on the ENR Construction Cost Index for the San Francisco Bay Area.

3500.23 Use: Expenditures from the Rate Stabilization Reserve must be approved by the Board of Directors except that the Manager-Engineer may authorize expenditures in the event of an emergency that threatens public health or environmental quality. The Manager-Engineer must then convene a noticed meeting of the Board of Directors as soon as it is feasible to obtain a quorum.

3500.24 Replenishment: In the event of drawdown, the Rate Stabilization Reserve shall be replenished within four years.

3500.3 Wastewater Capital Reserve Fund.

3500.31 State Revolving Fund Loan: The District borrowed \$81,307,947 from the State Revolving Fund (SRF Loan) between 2008 and 2011. The loan is being repaid in annual installments of \$5,378,956 due each December 31 through June 30, 2031. The loan agreement terms require that the District establish and maintain a "Wastewater Capital Reserve Fund" for expansion, major repair, or replacement of the wastewater facilities for the term of the loan agreement. The District established the Wastewater Capital Reserve Fund by Resolution No. 2933 adopted on April 24, 2006.

The District must deposit sufficient funds to build up the Wastewater Capital Reserve Fund at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten (10) years. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 GO Bonds may be used to offset, dollar for dollar, the required cash deposits to the Wastewater Capital Reserve Fund.

Money deposited in the Wastewater Capital Reserve Fund shall be available for the costs for planning, design, and construction of capital improvements to the wastewater treatment facilities. However, the District must replace any amounts expended from the Wastewater Capital Reserve Fund by depositing at a minimum annual rate of ten (10) percent of the expended amount.

All interest earned on deposits to the Wastewater Capital Reserve Fund shall remain in the Fund and restricted to the allowed uses.

3500.32 Purpose: The Wastewater Capital Reserve Fund is dedicated to the expansion, major repair, or replacement of the wastewater treatment facilities in accordance with the terms of the State Revolving Fund loan.

3500.33 Reserve Amount: The reserve amount is set by the terms of the loan as shown below:

Fiscal Year	Loan Amt	Annual Required	Fund Balance Required	Deposit
2008/9	21,691,826.00	108,459.13	108,459.13	3,275,000.00 *
2009/10	47,989,587.00	239,947.94	348,407.07	
2010/11	72,720,776.00	363,603.88	712,010.95	
2011/12	81,329,083.00	406,645.42	1,118,656.36	
2012/13	81,307,946.00	406,539.73	1,525,196.09	
2013/14	79,875,979.00	399,379.90	1,924,575.99	
2014/15	74,366,047.00	371,830.24	2,296,406.22	
2015/16	70,771,876.00	353,859.38	2,650,265.60	
2016/17	67,091,444.00	335,457.22	2,985,722.82	
2017/18	63,322,683.00	316,613.42	3,302,336.24	27,336.24
2018/19	59,463,471.00	297,317.36	3,599,653.59	297,317.36

* Unused bonding capacity from 1970 and 1986 GO bonds.

3500.34 Control: Expenditures from the Wastewater Capital Reserve Fund must be authorized by the Board of Directors and replaced as specified in the SRF loan terms at a minimum annual rate of 10% of the expended amount.

3500.4 Certificates of Participation Reserve.

3500.41 Certificates of Participation: The District issued \$21,750,000 of Certificates of Participation (COP) in October 2011 to fund Collection System, Pump Stations, Reclamation System, and Treatment Plant Capital Improvements. The COPs will be repaid over 20 years.

The Trust Agreement established a reserve fund as a reserve for the payment of the installment payments. The reserve fund was initially funded by the District at \$1,500,000. It is held by the Trustee and maintained in the amount of the reserve requirement. The "Reserve Requirement" is defined in the Agreement to mean, as of the date of calculation, an amount equal to the lesser of (i) 10% of the original

principal amount of the COPs;(ii) maximum amount of Installment Payments due in the current or any future Fiscal Year prior to the final maturity of the Certificates; or (iii) 125% of the total amount of then unpaid installment payments as of the date of calculation, and dividing that total by the number of fiscal years remaining to final maturity of the COPs.

The Official Statement for the COPs referenced the District's Rate Stabilization Fund that allows the District to spread unexpected expenses over several years. The minimum fund balance was identified as \$600,000 which will be replenished over a three to four year period should the fund be drawn down.

3500.42 Purpose: The COP Reserve fund serves as a reserve for the payment of the installment payments.

3500.43 Reserve Amount: The "COP Reserve Requirement" is defined in the Agreement to mean, as of the date of calculation, an amount equal to the lesser of (i) 10% of the original principal amount of the COPs;(ii) maximum amount of Installment Payments due in the current or any future Fiscal Year prior to the final maturity of the Certificates; or (iii) 125% of the total amount of then unpaid installment payments as of the date of calculation, and dividing that total by the number of fiscal years remaining to final maturity of the COPs. It was initially funded at \$1,500,000.

3500.44 Control: The COP Reserve fund is held by the COP Trustee. If the balance in the COP Reserve Fund exceeds the reserve requirement, the Trustee will transfer the excess to the installment payment fund at least semiannually on or prior to each installment payment date.

NOVATO SANITARY DISTRICT

POLICY HANDBOOK

POLICY TITLE: Operating and Capital Funds Minimum Beginning Balance for each Fiscal Year

POLICY NUMBER: 3510

3510.1 Operating Fund.

3510.11 Purpose: The District receives approximately 55% of its revenues in December and 45% in April. Operating expenditures are distributed relatively evenly throughout the year. The Operating Fund serves to provide cash flow during the months between the receipt of revenues. It is required to be sufficient to adequately fund District operations and to provide financial flexibility to meet seasonal variation and minor unanticipated expenses as outlined in Section 3510.2.

3510.12 Fund Target: The Operating Fund target is 67% (eight months) of the Operating Expenditures for the upcoming fiscal year as of July 1st of each year.

3510.2 Capital Fund.

3510.21 Purpose: Capital Revenues are made up primarily of Sewer Service Charges and Property Taxes that are received in April and December. The District has ongoing fixed capital costs for the principal and interest payments on the SRF loan and COPs of \$7,046,654. These payments are due in August, December, and February. Most of the Capital Budget is therefore not discretionary.

3510.22 Fund Target: The Capital Fund target as of July 1st each year is the debt payments plus the pay-as-you-go capital projects budget for the upcoming fiscal year minus the anticipated December capital receipts.

3510.3 The District is committed to clear and consistent financial policies so that constituents can readily verify that prudent practices are in place. The Capital and Operating Fund targets are set for July 1 of each year so that the Funds can be readily aligned with the Budget documents.

3510.4 Background.

3510.41 General: The Novato Sanitary District (hereinafter "District") was formed and lawfully operates under the Sanitary District Act of 1923. The District, pursuant to the statutory authority invested in it, is charged with protecting the health and safety of the citizens within the jurisdictional limits of the District with regard to sanitation, including collection, treatment and disposal of sewage, as well as solid waste collection and disposal. The District is charged with operating a collection and treatment system for sewage pursuant to the terms of its NPDES permit No. CA0037958, that sets forth stringent requirements for the District's

operations and protection of the water environment. The Sanitary District Act of 1923 and other statutory authority provides the District with the power to levy and collect fees, tolls, charges and assessments in order to meet its operating revenue requirements and capital funding needs.

3510.42 Fund Purpose: The District must accumulate and maintain sufficient fund balances in its operating and capital accounts to meet current and projected expenses, cover cash flow requirements, cover debt payments, and provide for both anticipated and unanticipated liabilities and expenses without adversely affecting the District's ability to provide both short and long term, high quality, uninterrupted service in compliance with applicable federal and state law, and regulatory permits.

3510.43 State Revolving Fund Loan: The District borrowed \$81,307,947 from the State Revolving Fund (SRF Loan) between 2008 and 2011. The loan is being repaid in annual installments of \$5,378,956 due each December 31 through June 30, 2031.

3510.44 Certificates of Participation: The District issued \$21,750,000 of Certificates of Participation (COP) in October 2011 to fund Collection System, Pump Stations, Reclamation System, and Treatment Plant Capital Improvements. The COPs will be repaid over 20 years. Interest is payable February 1 and August 1 of each year beginning February 1, 2012 through 2032. Principal payments are due on February 1 of each year.

MEMORANDUM

Date: August 8, 2013
To: Board of Directors
From: Finance Committee: Jean Mariani, William Long
Subject: Grand Jury Report Response: "Marin's Retirement Health Care Benefits: The Money Isn't There"

The 2012/2013 Marin County Civil Grand Jury released a report on June 3, 2013, "*Marin's Retirement Health Care Benefits: The Money Isn't There*" (Report). A copy of the report is attached. The report makes 10 Findings and 6 Recommendations and requires that Novato Sanitary District respond to all Findings and Recommendations within 90 days of the May 21, 2013 Report Date or August 19, 2013.

Comment or response from the District governing body must be conducted in accordance with Penal Code section 933 (c) and subject to the notice, agenda, and open meeting requirements of the Ralph M. Brown Act.

The Report noted that Novato Sanitary District has the highest number of current retirees relative to active employees. (Page 8) This is due to two factors. First, the wastewater requirements increased significantly in 1972 with the passage of the Clean Water Act, which resulted in a large influx of workers into the field who are now reaching retirement age. Second, the District significantly reduced staff through partnering with Veolia for treatment plant operation.

The Novato Sanitary District was listed as having an unfunded OPEB liability of \$6.1 million. This is based on the 2011 Actuarial study. The current unfunded OPEB liability is \$5,347,276. The reduction is due to a reduction in the number of retirees as well as some employees leaving the District without applying for retiree medical. The District has been steadily reducing its OPEB liability since first becoming aware of the issue in 2005. The current liability is less than half the liability identified in 2005.

Novato Sanitary District uses a very conservative 4.0% discount rate, which makes their liability look significantly higher than agencies using the 7.5% discount rate. It is not possible to

accurately compare the “unfunded liability” from different agencies without correcting for the different actuarial assumptions.

FINDINGS

F1. We find that many of Marin’s local governments and special districts are failing to pre-fund future costs for retired employees by making investments to cover promised benefits for active employees. This jeopardizes the certainty that retiree health care benefits promised to current employees will be paid.

Novato Sanitary District is pre-funding a portion of its retiree medical obligation through a Health & Welfare Trust Fund that was put into place in July 2008. All employees hired since July 1, 2008 are placed into the medical-after-retirement plan and the District contributes 1.5% of their salary to the plan. The District does have an unfunded liability for employees hired prior to July 1, 2008.

F2. The failure of the majority of entities studied in this investigation to begin an investment program to provide a portion of the needed funds to pay for retiree health care benefits leads to generation shifting of the payment responsibility. Thus it appears to be, at the least unethical, and even a breach of fiduciary responsibility.

There are two reasons to set up a trust to fund the OPEB liability: 1. To recognize the expense as it is incurred, and 2. To use the increases from the invested money to offset the cost. Investment returns for the very conservative investments suitable for the District have not even kept up with inflation negating reason number two. District Counsel has advised that setting up a trust would reduce the District’s flexibility to make any changes to the program such as trimming benefits or sharing costs with employees. The District is fully aware of its fiduciary responsibility and has been proactive in identifying and reducing its OPEB liability. The liability is clearly identified in its financial reports as required by GASB 45.

F3. The extreme 30-year amortization period used by most entities minimizes the annual cost of funding the liability gap and further defers to future generations the compensation owed to present employees who provide services to present taxpayers and customers. Shorter amortization periods should be required for reasons of equity and to ensure that the promised benefits will be provided.

GASB 45 requires that the cost of the OPEB be recognized in a systematic manner over the working careers of employees. Novato Sanitary District has elected to use the Entry Age Normal actuarial funding method with a closed 30-year level dollar amortization of the unfunded actuarial accrued liability to determine what the annual operating expense will be.

- F4. By capping retiree health care benefits, the City of San Rafael has reasonable certainty as to what those costs are. Other entities studied here that promise to pay for future retiree health care with uncertain and likely rapidly increasing costs are accepting an unknown and potentially very costly risk.

Novato Sanitary District recognized this risk earlier than most public agencies and took a number of steps to reduce the risk as early as 2008. The result was to halve the unfunded liability for OPEB and by reducing benefits for current employees and going to a defined contribution program for new hires.

- F5. Because a few Marin County cities and other entities studied provide very limited benefits yet still appear able to meet community service needs, and because providing such benefits is increasingly rare in the private sector, such benefits appear to be unnecessary for attracting and retaining employees. Accordingly, for active and newly hired employees, the benefits should be trimmed and costs should be shared between the employees and their employer.

Novato Sanitary District's total retirement benefits, including pension and OPEB, are lower than those of similar agencies in the area. Unlike many local agencies, Novato Sanitary District never implemented the higher pension formulas. The significantly lower pension costs balance the slightly higher than average OPEB costs. The high standards that must be maintained to protect the environment and public health require a well-trained and experienced workforce.

- F6. Marin entities using "Pay-Go" funding are paying only the current year health care benefits of those already retired. This ignores the reasonably known rising costs to cover future retirees who are already heading for retirement. Some actuarial valuation reports the Grand Jury studied provide those future "Pay-Go" estimates year-by-year, so they should be readily available from the actuary's valuations. Estimates of those annual costs for each of the next 10 years should be provided to the public so that those who will incur the costs can know those costs.

Novato Sanitary District currently provides a five-year projection of OPEB costs to the public.

- F7. Employers studied for this report should include an age-60, or even later, date for retiree health care benefits to commence in future negotiations with employees and their representatives.

Novato Sanitary District currently requires employees that potentially qualify for retiree health care to be at least 55 and have 25 years of service or 60 and 15 years at the District to qualify for employee and spouse retiree health care coverage.

- F8. The results of retiree health care actuarial cost analyses are summarized if at all only in obscure notes to annual financial statements. The public is entitled to more readily

accessible explanation of these costs because the public will bear those costs.

Novato Sanitary District posts biannual actuarial studies on its web site and the studies are discussed in open and noticed board meetings.

F9. There is a wide range of retiree health care benefits offered among the entities studied in this investigation. No clear explanation for the range from minimal to extremely generous is readily available. Those entities that are promising relatively generous benefits should provide clear justifications to their citizens and customers.

Novato Sanitary District supports full disclosure of all financial information.

F10. Most of the entities the Grand Jury investigated are using fairly reasonable discount rates of 4% - 5% per year to bring back to today in actuarial valuations the future annual costs of retiree health care benefits. However, some are using higher and highly questionable rate assumptions that are not justified by the investments (if any) that they have made to grow and fund the future benefits. The result is to understate the total funding needed today and in future years, to pay for those future benefits.

Novato Sanitary District uses the most conservative discount rate: 4%.

RECOMMENDATIONS

The Grand Jury recommends that each Marin County local government, special district and school district:

R1. Begin setting aside in separate investment accounts, if it is not already doing so, each year's funds for amortizing its retiree health care benefits' UAAL, in addition to its "Pay-Go" funding of those benefits for present retirees.

Novato Sanitary District has included funds to set up an OPEB account in the 2013-14 and 2014-15 budgets and will consult with legal and financial advisors as to the advisability of setting up a separate account.

R2. Begin a program to lower the amortization period for funding its retiree health care benefits UAAL from as much as 30 years presently, to approach (within 10 years), the commonly used 17-year amortization period for retiree pension funding.

Novato Sanitary District will consult with its financial advisors with regard to the amortization period.

R3. Negotiate caps on the amounts it commits to pay existing and new employees for retiree health care benefits.

Novato Sanitary District has already negotiated reduced OPEB benefits for employees hired before July 1, 2008. Employees hired since July 1, 2008 are in a defined benefit plan for OPEB.

- R4. Negotiate a higher retirement age than the currently applicable age for the commencement of retiree health care benefits.

Novato Sanitary District negotiated an increase from age 50 to 55 and 60 for commencement of retirement benefits in 2008.

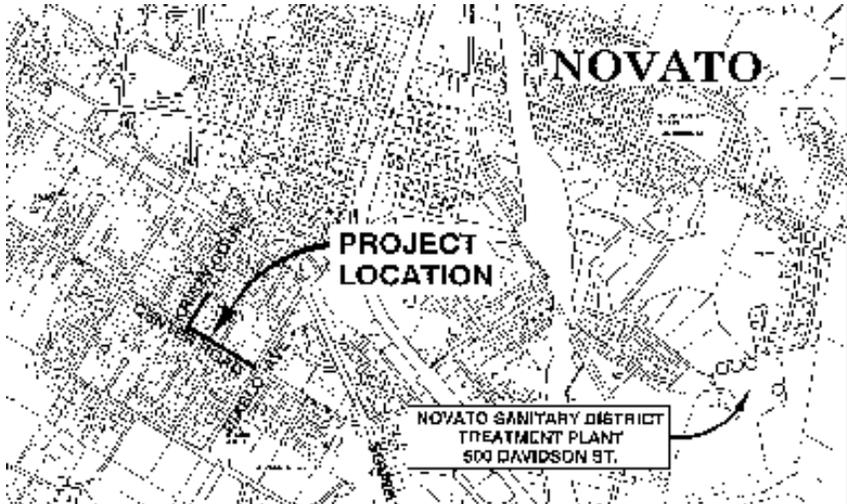
- R5. Require active employees to make a contribution towards the cost of their retiree health care benefit.

The District will take this under consideration in future negotiations.

- R6. Place a link on its website to provide the latest actuarial valuation of its AAL, its UAAL, its consequent percent funded, its discount rate (annual percentage) used to determine these values, and a projection of outlays ("Pay-Go") for retiree health care benefits for each of the current and subsequent 10 years.

Novato Sanitary District posts the current OPEB actuarial valuation prepared in May 2013 on our website.

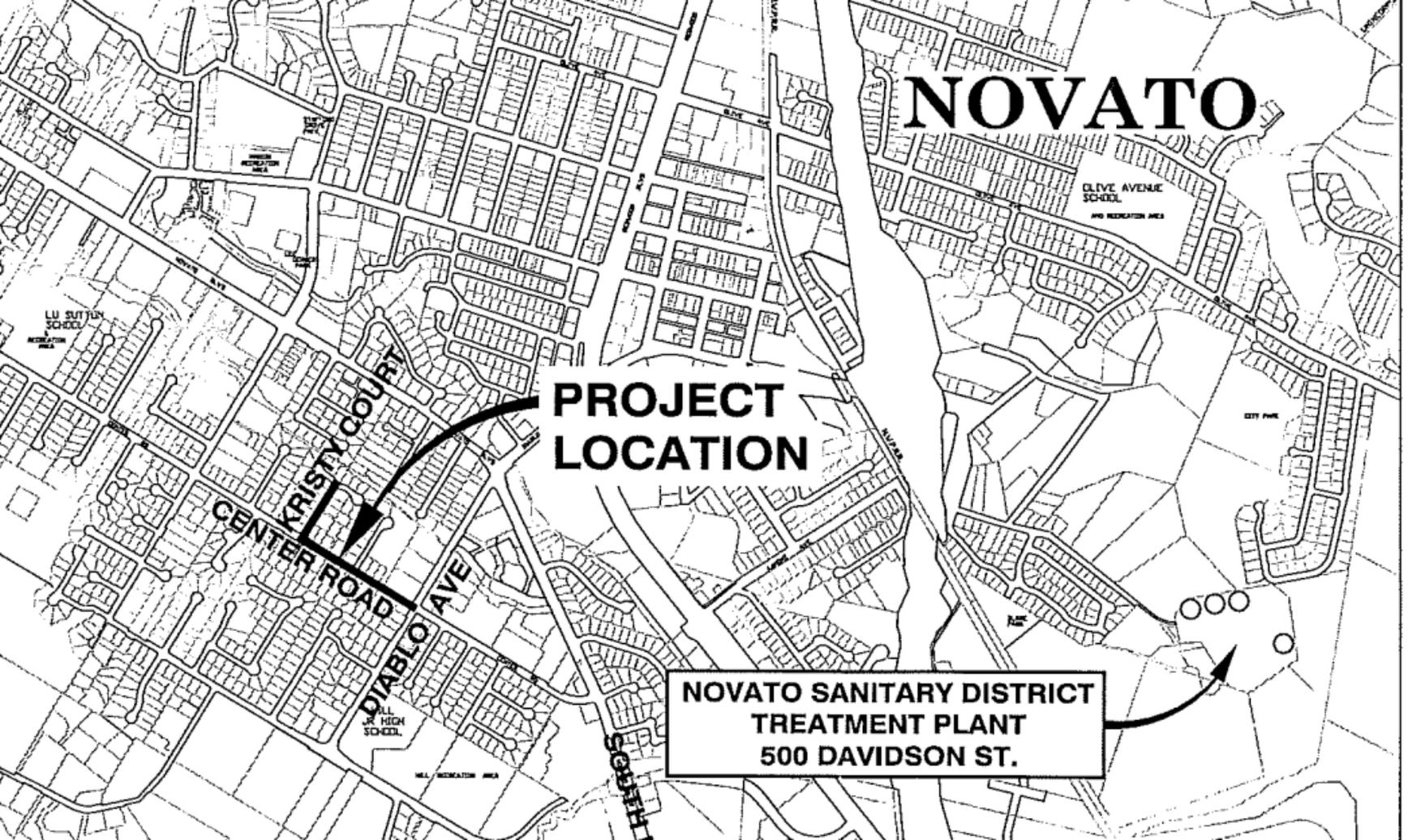
NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Collection System Improvements; Project 72706, Phase H, Center Road – Diablo Avenue to Kristy Court	MEETING DATE: August 12, 2013 AGENDA ITEM NO.: 12.a.
RECOMMENDED ACTION: Consider making CEQA findings, approving plans and specifications, and authorizing advertising for bids.	
SUMMARY AND DISCUSSION: <p>Nute Engineering has completed the plans and specifications for this project and the project is ready for bid. This project consists of installing 971 feet of 24" sewer in Center Road and replacing 538 feet of sewer in Kristy Court. The purpose of this project is to upgrade the sewage conveyance systems to better protect the environment by redirecting the sewer flow away from Warner Creek and Cypress Street Pump Station for the purpose of the eventual elimination of the pump station.</p> <p>The Engineer's Estimate for this work is \$650,000.00. Staff 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 an operation or minor alteration of existing public sewerage facilities or addition of safety or health protection features for relief provisions to existing sewerage facilities.</p> <p>Staff recommends that the Board approve the CEQA findings, approve the plans and specifications, and authorize the Manager-Engineer to advertise for bids. Bids are expected to be received on September 4, 2013 and will be presented to the Board at a subsequent meeting.</p>	
	
ALTERNATIVES: N/A.	
BUDGET INFORMATION: This work will be funded from the budget for Collection System Improvements, Project 72706, which has a FY13-14 preliminary budget of \$1,700,000.	
DEPT.MGR.:	MANAGER:

NOVATO

**PROJECT
LOCATION**

**NOVATO SANITARY DISTRICT
TREATMENT PLANT
500 DAVIDSON ST.**



NORTH BAY WATERSHED ASSOCIATION

Minutes for the meeting of the North Bay Watershed Association (NBWA) Board of Directors.

Date: Friday, July 12, 2013
Time: 9:30 a.m.
Location: Marin Community Foundation
5 Hamilton Landing, Suite 200
Redwood Room
Novato, CA 94949

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Wendy Atkins	City of Sonoma and Sonoma Valley County Sanitation District	Ann DuBay	Sonoma County and Sonoma County Water Agency
Jack Baker	North Marin Water District	Kathy Hartzell	Central Marin Sanitation Agency
Keith Caldwell	Napa County Flood Control and Water Conservation District	Judy Schriebman	Las Gallinas Valley Sanitary District
Chris Choo	County of Marin	Pamela Tuft	City of Petaluma
Mike DiGiorgio	Novato Sanitary District	Harry Seraydarian	Proxy for Jack Gibson, Marin Municipal Water District

Directors/Proxy present represented 12 out of the 16 agencies signatory to the Association MOU and Jeanne MacLeamy represented the City of Novato, Associate Member.

Board Actions

1. Call to Order. Mike DiGiorgio, Chair Pro Tem, called the meeting to order at 9:35 a.m.
2. Public Comment. There was no public comment.
3. Approval of the Agenda. (See Handout) The Board unanimously approved the agenda.
4. Approval of Minutes of the Board Meeting held June 7, 2013. (See Handout) The Minutes of the Board Meeting held on June 7, 2013 were unanimously approved.
5. Treasurer's Report. (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. Water Bond Coalition. (See Handout) and <http://www.waterbondcoalition.com/> Ann DuBay, SCWA provided background on the Coalition which consists of cities, counties, and districts in the North Coast not connected to the Bay Delta. She highlighted the emphasis on continuation of funding for Prop 84 and 1-E. She noted timing was important for signing the resolution since the Assembly is starting to work on language for the November 2014 Water Bond. The Board had a number of questions. Entities signing on to the Coalition are all northern – any effort to recruit entities in the south? (Reaching out to entities in the south who are not tied to the State Water Project.) Will the Coalition address historic water rights of agriculture in the Central Valley? (Focus on funding, Senate Bill 7X requires conservation by agriculture water suppliers.) Any discussion of “fracking” (hydraulic fracturing) by the Coalition? (No, but separate legislation is under consideration.) What is the North Bay Assembly Members’ degree of involvement in the water bond? (Chesbro is on the working group, Levine not as involved.) What about concern over the peripheral canal? (Coalition is not supporting Bay Delta tunnels- focus on funding for local water resource projects.) What happens if we become part of the Coalition and don’t like the outcome of the language in the water bond? (We are only asking entities to sign on to support the Coalition’s principles, not the Water Bond. We need the Coalition in order to support continued IRWM funding.) Board Members noted that MMWD has already endorsed the Coalition and City of Petaluma and Las Gallinas Valley Sanitary District will take the resolution to their Boards. The NBWA Board unanimously approved supporting the Water Coalition; Harry will draft the resolution for Jack Gibson’s signature and distribute to Board Members after signature.
7. Ross Valley Update. Jack Curley began his PowerPoint presentation with some background on events that led up to the current flood control project and provided a timeline starting with the December 2005 flood event. He highlighted the development of a watershed based program with local funding and the 2007 Prop 218 fee election. Jack then presented the 10 Year Work Plan and the key elements including detention basins, bridge replacements and other creek measures and also the shift from a 5-year to a 25-year flood protection. He also showed a record of annual peak flows from a streamflow gage in Ross with an overlay of existing protection and the projected 25-year projection and then illustrations of reduced flooding levels. Jack also presented maps illustrating the projected reduction in flooding for

Fairfax, San Anselmo, Ross, Kentfield, Greenbrae, and Larkspur and noted some of the proposed changes in each area. He also provided a bar chart showing the reduction in number of parcels in the 100 year floodplain for each area and a summary of expected reductions in flood insurance premiums. Jack then moved on to funding and provided a summary of total funds needed for the 10 year implementation (\$95 m) and a breakdown of the funding sources: local, federal and state grants, and remaining funds needed. He identified specific grants received or applied for in 2011-2013 (~\$34 m) and provided a summary of the grant opportunities he tracks. Jack ended with a summary of what is needed looking forward: the District will implement projects with the funding available and will identify future grants to meet the funding shortfall, while also working with local partners. The NBWA Board Members had a number of questions: Do you identify assessed values of properties in a floodplain? (No, but do identify change in premiums for flood insurance and number of houses.) Do you have long term maintenance funded? (No, reluctant to pursue new fees until we deliver benefits.) Are retention properties on public land? (Yes, major hurdles on private property.) What about private detention basins? (Mostly too small scale, we need large scale, i.e., 680 acre ft. of detention.) Will you need to fence during storm events? (Yes, will need security.) What is entailed in Phoenix Lake collaborative project? (Retractable dam to increase the height of the dam during storm events and draining the lake down lower in the winter.) What is the critical path on funding? (Not fully funded, implement what we can with existing funding and apply for grant funding opportunities.) Do you have neighborhood outreach? (Yes, San Anselmo is holding public meetings on the project and an annual progress meeting on July 13 will focus on how detention basins function.)

8. BAIRWMP Update. Harry Seraydarian provided a PowerPoint to present the BAIRWMP update focused on the 2013 Plan Update and funding opportunities. Harry first noted the changes in the Plan Update: adding Climate Change; adding a sub-regional emphasis to functional area approach; and ranking 315 projects. Harry highlighted the changes in goals and objectives, and the project ranking process and then presented the tentative schedule for plan approval and adoption. Harry then moved on to the Round 2 proposal and noted the 19 projects submitted and highlighted the seven North Bay projects. Harry indicated we should hear from DWR in August about the Round 2 submittal and summarized NBWA's contribution to the consultant cost overrun. He also presented the recent draft DWR recommendations on Prop 1-E funding and identified Bay Area projects including the two North Bay projects (San Anselmo and SCWA-City of Sonoma). Harry described the draft Round 3 approach which will consist of three phases: regional needs and priorities; project review and selection; and project application. The NBWA Board raised one question. Will Round 2 project submittals have to be resubmitted for Round 3? (Yes, we will require more information in submittal.)

9. 2013 Project Approvals. Harry Seraydarian presented a PowerPoint proposing two projects: Pine Point – STRAW (now with Point Blue) for \$20k at Bon Tempe Lake (MMWD) in the Mt. Tamalpais Watershed and Land Smart for Kids-Napa RCD for \$20k. Harry described the major components and budget for each proposal and noted the endorsement of the Joint Technical Committee. He also presented the total budget for projects for this fiscal year and noted other potential proposals. The Board unanimously approved both projects.

10. Items of Interest.

- * North Coast Zebra and Quagga Mussel Consortium – Meeting in Eureka at Eel Russian River Commission – updates on website: <http://dontmoveamussel.com/consortium/>
- * Las Gallinas Valley Sanitary District Project – with County of Marin and Flood Control District – McInnis Marsh and restoration of lower Miller Creek, San Rafael – State Coastal Conservancy moving forward with feasibility study.
- * City of Mill Valley applying for grant – Litter Committee and City of Mill Valley to retrofit water fountains so the public can refill water bottles.

11. Items for Next Agenda.

- * Bay Delta Update, Leo Winternitz, The Nature Conservancy
- * Napa River TMDL Monitoring Efforts, Jonathan Koehler, Napa RCD

Mike DiGiorgio, Chair Pro Tem, adjourned the meeting at 11:23 a.m.

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla
Assistant to the Executive Director

NEXT MEETING INFORMATION

NO AUGUST MEETING

September 6 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

October 4 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954-Conf. Rm. 2



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

July 3, 2013

Michael D. Giorgio
Board President
Novato Sanitary District
500 Davidson Street
Novato CA 94945

Dear Mr. Giorgio:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended **June 30, 2012** qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Certificate of Achievement plaque will be shipped to:

Beverly James
Manager-Engineer

under separate cover in about eight weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed to assist with this effort. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, www.gfoa.org.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,
Government Finance Officers Association

Stephen J. Gauthier, Director

Technical Services Center

SJG/ds



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

07/03/2013

NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Novato Sanitary District** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Laura Creamer, Finance Officer

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.