

NOVATO SANITARY DISTRICT

Meeting Date: September 11, 2017

The Board of Directors of Novato Sanitary District will hold a regular meeting at 5:30 p.m., Monday, September 11, 2017, at the District Offices, 500 Davidson Street, Novato.

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

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

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

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

4. REVIEW OF MINUTES:

- a. Consider approval of minutes of the August 14, 2017 regular meeting.

5. CONSENT CALENDAR:

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

- a. Approve regular disbursements, August 14 – September 11, 2017.
- b. Ratify payroll and payroll related disbursements, August 2017.
- c. Receive deposit summary, August 2017.
- d. Approve promotion of Peter Siragusa from Collection System Worker I to Collection System Worker II.

6. SOLID WASTE - INFORMATIONAL ITEMS:

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

- a. Letter from the North Bay Corporation and Recology Inc. – Request for Consent to Assignment.
- b. Letter from Recology Inc. – Assignments Requirements Letter.

7. FINANCE COMMITTEE:

- a. Receive report and recommendations, Committee meeting of September 6, 2017.
- b. Receive presentation from Mr. Steven Gortler, registered Municipal Financial Advisor, on refinancing the District's 2011 Certificates of Participation (COPs).

- c. Approve Finance Committee recommendations to:
 - i. Direct staff to refinance the 2011 COPs.
 - ii. Provide direction to staff on retaining Mr. Steven Gortler as the District's Financial Advisor (FA) for the refinancing process.
 - iii. Direct staff to return to the Board for formal approval of the refinancing, when all of the necessary financing documents have been drafted, and
 - iv. Direct staff and the financing team to provide periodic updates to the Board.
- d. Authorize the General Manager-Chief Engineer (GM-CE) to engage financing team members in consultation with the Financial Advisor, and authorize the Board President, District Counsel, and GM-CE to execute the required engagement documents.

8. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Reports, August 2017:
 - Collection Systems
 - Treatment Facilities
 - Reclamation Facilities

9. NOVATO WATERSHED PROGRAM:

- a. Consider adopting Statement On Benefits To Novato Sanitary District From Proposed Flood Control Parcel Tax For Novato.

10. CAPITAL PROJECTS:

- a. *Recycled Water Facility Expansion, Account No. 73005:* Approve plans and specifications; authorize General Manager-Chief Engineer to advertise for bids; approve a contract with Woodard & Curran, Inc.* for engineering services during construction, and authorize General Manager-Chief Engineer to execute it in an amount not-to-exceed \$213,276. (*formerly RMC Water Environment).
- b. *Collection System Improvements, Account No. 72706:* Bel Marin Keys Sewer Rehabilitation Project - Approve a Contract with GHD, Inc. for design engineering and construction management services, and authorize General Manager-Chief Engineer to execute it in an amount not-to-exceed \$53,607.

11. ADMINISTRATION:

- a. Adopt Resolution No. 3110 for Paying and Reporting the Value of Employer-Paid Member Contributions to CalPERS.

12. BOARD MEMBER REPORTS AND REQUESTS:

- a. North Bay Water Reuse Authority (NBWRA) meeting, August 21, 2017 (Long).
- b. North Bay Watershed Association (NBWA) meeting, September 8, 2017 (Miller).

13. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

14. ADJOURNMENT:

Next Resolution No. 3110.

Next regular meeting date: Monday, September 25, 2017, 5:30 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.

NOVATO SANITARY DISTRICT
Board Meeting Minutes
Meeting Date: August 14, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, August 14, 2017, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Members Carole Dillon-Knutson, William C. Long, Jean Mariani, and Brant Miller.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal and Administrative Services Specialist June Brown.

ALSO PRESENT: John Bailey, Plant Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
Steve Krauthem, Field Services Manager, Novato Sanitary District
Joe Moreno, Collection System Worker, Novato Sanitary District
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Jim Salyers, Novato Disposal Service
Liz Lewis, Marin County Flood Control & Water Conservation District
Laurie Williams, Marin County Flood Control & Water Conservation District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: Jim Salyers addressed the Board to express thanks on behalf of Novato Disposal Service for the excellent working relationship enjoyed for many years between the District and Novato Disposal Service. He informed the Board that Novato Disposal Service is to be sold to Recology in the near future.

Mr. Salyers left the meeting at 5:40pm.

REVIEW OF MINUTES:

Consider approval of minutes of the July 10, 2017 meeting.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the meeting minutes of July 10, 2017 were approved.

CONSENT CALENDAR:

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

- a. Approve regular disbursements, July 10 – August 14, 2017.
- b. Ratify payroll and payroll related disbursements, July 2017.

- c. Receive deposit summary, July 2017.
- d. Receive 4th Quarter Investment Report, Fiscal Year (FY) 2016-17.
- e. Receive 4th Quarter Financial Report, FY 2016-17.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2017.
- g. Approve transfer of \$95,868.78 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY 16-17.
- h. Approve an application from Pacific Gas and Electric Company (PG&E) and authorize the General Manager-Chief Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, 7600 Redwood Boulevard location.

It was moved by Director Mariani, seconded by Director Dillon-Knutson, to approve the above listed Consent Calendar items, with a comment by Director Dillon-Knutson that she was very impressed that the 4th Quarter Financial Report indicates that almost every item is below budget. Director Long questioned a payment on the Operating Check Register of \$21,778 to San Francisco Estuary Institute. The General Manager explained that this is an annual fee for monitoring San Francisco Bay receiving waters paid by all dischargers in lieu of individual agencies performing the monitoring themselves. After discussion, President Peters called for the vote. The motion carried unanimously.

NOVATO WATERSHED PROGRAM:

- Receive presentation on Novato Watershed Program from Marin County Public Works/Flood Control District staff. Liz Lewis and Laurie Williams of the Marin County Flood Control and Water Conservation District gave a Power Point presentation on a proposed flood control parcel tax for Novato (Flood Zone 1). The Flood Control Zone 1 Advisory Board and the Marin County Board of Supervisors recommend placing the parcel tax on the November 2017 ballot. They explained that existing flood control revenue is insufficient to maintain the existing level of flood protection with aging pumps and sea level rise. Novato's flood infrastructure experienced almost \$1.7 million in damages last winter and the current \$2 million budget is not enough to repair storm damage and construct new projects to reduce flooding. The proposed tax measure would provide an additional \$1.1 million in annual revenue, raising an estimated \$19.8 million over the 18-year life of the tax measure. The baseline tax would be \$47 per single-family home, with an exemption for low-income seniors. Rates would vary by land use and parcel size for commercial and multi-family units. There would be a flat rate of \$30 for farm, agricultural, and unimproved land. Ms. Lewis described some of the project types that could be funded with tax measure revenue which include reduction of community and roadway flooding in the City of Novato; reduction of flooding and restoration of habitat; and repair of storm damaged flood protection facilities.

In response to comments by Board members, Ms. Lewis indicated that although Novato didn't flood last year, there is erosion if levees are not adequately maintained, and it will likely result in future flooding. If levees can be brought up to standard, it's possible they can be widened and more paths provided but right now there are risks with erosion. Director Long commented that when the cost of a very serious flood is considered, the flood control tax is a very modest amount. Only residents who live within the flood zone area will vote on the parcel tax.

President Peters thanked Ms. Lewis and Ms. Williams and they left the meeting at 6:10 p.m.

ANNUAL BUDGET: FINAL FISCAL YEAR (FY) 2017-18 BUDGET:

- Receive and adopt the Final FY2017-18 District Annual Budget. The General Manager stated that the Final Budget for fiscal year 2017-18, including the preliminary budget for fiscal year 2018-19, was being presented for final approval. He noted there are a few changes from the Preliminary Budget, mainly brought about by several retirement announcements. The salary schedule has therefore been revised to reflect staffing changes. The budget for Outside Services has been increased because consultant services may be required until recruitments are completed and the regular positions are filled.

Director Miller asked about the 55/45 sewer service charge revenue split between Operating and Capital budgets. The General Manager responded that the sewer service charge allocation has historically been close to that percentage and staff has tried to maintain it.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board adopted the Novato Sanitary District's Final Budget for Fiscal Years 2017-18, Including Preliminary Budget for Fiscal Year 2018-19.

- Adopt Resolution No. 3109 establishing appropriations limit for FY17-18. The General Manager stated that under the Gann Spending-Limitation Initiative adopted as Proposition 4 in June 1979, the District is required to annually adopt a resolution setting an appropriations limit for the upcoming year. He stated that for 2017-18, staff projects that the District's appropriations subject to limitation will be \$6,310,643.

On motion of Director Long, seconded by Director Miller, and carried unanimously, the Board adopted Resolution No. 3109, A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2017-18 Appropriation Limit.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, July 2017.

The Field Services Manager presented the Collection Systems Report for July 2017. He stated that the Collections department cleaned 50,788 lineal feet of sewer pipelines and completed all of the 265 maintenance work orders that were generated. He stated that 35 line segments were televised, totaling 6,808 feet, and that staff conducted 15 sewer main inspections, totaling 2,320 feet, using the push camera. He further stated that an outside vendor foam-treated 80 line segments totaling 16,488 feet. The Field Services Manager stated that there were no lost time accidents in July for a total of 2,332 accident-free days. He stated that there were two (2) sanitary sewer overflows (SSOs) in July, one of 776 gallons caused by grease accumulation, and one of 4,050 gallons possibly caused by vandalism.

Veolia Project Manager John Bailey then provided an overview of the Treatment Facilities Monthly Operations Report for July. The Project Manager reviewed the treatment plant performance summary. He outlined the safety training that was completed in July, and stated that safety performance was excellent with a total of 2,624 accident-free days. He reviewed the period's key events, and monthly safety and training topics. He noted that on July 25th the

District received the National Association of Clean Water Agencies (NACWA) Peak Performance Award in recognition of five years of NPDES permit compliance.

Director Miller noted that on July 11th total coliform was 1,600. The Project Manager explained that annual service was being conducted but the Laboratory was not notified before they did sampling. However, staff is aware of why it happened and will work to avoid future recurrence.

The Field Services Manager then summarized the Reclamation Facilities report for July 2017. He stated that livestock was delivered to Site 2 to feed on pasture grass that was not harvested this year. Three proposals were received to cut up and remove fallen eucalyptus trees on Site 2. The low bid was for \$47,725 and staff expects the contractor to begin work in late August after the contract is executed. A temporary irrigation system was installed to dispose of rainwater in the Dedicated Land Disposal (DLD) site to enable sludge application. The Wildlife Pond level was raised to inhibit cattail growth. The Field Services Manager also noted that there were no sludge handling activities in July.

RECLAMATION: SLUDGE DISPOSAL, ACCOUNT NO. 63115:

- Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoon cleaning in a not-to-exceed amount of \$188,500, and authorize the General Manager-Chief Engineer to execute it: The Field Services Manager described the work proposed to be performed by CTS for disposal of biosolids generated from the treatment facilities at its dedicated land disposal site off Highway 37. The contract will also include excavation of biosolids accumulated and compacted in the bottom of the lagoons.

On motion of Director Mariani, seconded by Director Miller and carried unanimously, the Board approved the contract with Custom Tractor Services for biosolids disposal and sludge lagoon cleaning, as described, in a not-to-exceed amount of \$188,500, and authorized the General Manager-Chief Engineer to execute it.

NORTH BAY WATER REUSE AUTHORITY (NBWRA): (INFORMATION ONLY)

- Receive report on payment to Sonoma County Water Agency (SCWA) in the amount of \$76,799 as the District's FY17-18 share of the cost of the NBWRA Phase 2 Feasibility Study – information only. The General Manager stated that the payment of \$76,799 is to cover the District's portion of costs of the NBWRA FY17-18 Phase 2 Feasibility Study. As discussed at the prior Board meeting of July 10th and described in the Board Agenda summary, because of an intermediate truing-up due to new agencies joining the NBWRA Phase 2 program, the District received a refund of \$179,458 from SCWA in its role as the NBWRA administrative entity. At the May 22, 2017 meeting of the NBWRA Board of Directors the FY17-18 NBWRA budget was adopted and SCWA calculated the District's FY17-18 contribution as \$76,799.

BOARD MEMBER REPORTS AND REQUESTS:

Director Miller reported on the July meeting of the North Bay Watershed Association (NBWA). There was an overview of the Marin County Stormwater Resource Plan developed to satisfy requirements for grant funding from several programs. The NBWA meeting was held at

Central Marin Sanitation Agency and General Manager Jason Dow presented an overview of the agency, and its processing of food waste into biogas. A physical tour of the plant followed.

Director Dillon-Knutson reported that she had attended the California Special Districts Association (CSDA) workshop on Financial Management for Special Districts and considered it a very good presentation.

Director Long indicated that with the potential ownership change of the garbage company from Novato Disposal Service to Recology, this might be an opportune time to consider any potential improvements or additions to service. President Peters agreed with Director Long's suggestion that a meeting of the Solid Waste Committee could be scheduled if there is anything in particular to be considered.

INFORMATIONAL ITEMS:

- Copy of Platinum5 Peak Performance Award Certificate and program from 2017 Awards Ceremony of the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony in St. Louis, Missouri, July 23 – 26, 2017. The General Manager presented the award to President Peters, and announced that it was awarded to the District in recognition of five years of complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- The CASA Conference will be held next week.
- Dasse delongh, Collections System Superintendent, had announced his intention to retire from the District effective November 17, 2017.
- A meeting of the Finance Committee for Wednesday, September 6th at 3:00 p.m. Directors Long and Mariani confirmed their availability.
- A meeting of the Solid Waste Committee for either Wednesday, September 13th, or Wednesday, September 20th, at 3:00 p.m. Directors Mariani and Peters confirmed their availability for 3:00 p.m. on Wednesday, September 20th.
- The next Board meeting would be Monday, September 11th, with no second meeting in August. Director Long indicated that he will be absent for the September 11th meeting.
- Veolia employee Brian Exberger, Assistant Plant Manager, has left Veolia employment and is now working for Las Gallinas Valley Sanitary District.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:02 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

June Brown, Recording

Novato Sanitary District Board Fees

Item 5.a.
(Pages 8 to 12)

August 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
Sep 1 - 8, 17			
09/08/2017	5107	Long, William C	521.57
09/08/2017	5108	Mariani, Jean M	304.79
09/08/2017	5106	Dillon-Knutson-, Carole	207.79
09/08/2017	5110	Peters, Arthur Gerald	204.78
09/08/2017	5109	Miller, Brant	
Sep 1 - 8, 17			<u>1,238.93</u>

Novato Sanitary District Operating Check Register

August 28, 2017

Date	Num	Name	Credit
Aug 28, 17			
08/28/2017	60990	U.S. Bank Corporate	143,551.25
08/28/2017	60982	Pacific, Gas & Electric	77,972.48
08/28/2017	60964	Central Marin Sanitation District	21,767.88
08/28/2017	60959	Bay Area Air Quality	16,559.00
08/28/2017	60980	North Marin Water District	10,659.92
08/28/2017	60957	American Express-21007	9,602.10
08/28/2017	60975	Leonardi Automotive & Electric, Inc.	5,217.95
08/28/2017	60976	Lightning Services, Inc.	5,054.19
08/28/2017	60963	Caltest Analytical Lab Inc.	2,299.00
08/28/2017	60977	Marin/Sonoma Mosquito Dist	1,948.39
08/28/2017	60956	Able Tire & Brake Inc.	1,833.69
08/28/2017	60989	Steven Engineering Inc.	1,829.41
08/28/2017	60970	Frontier Communications of CA	1,479.15
08/28/2017	60981	North Marin Water District Payroll	1,261.00
08/28/2017	60974	IEDA, INC	1,184.00
08/28/2017	60962	CalPers Health2	1,050.00
08/28/2017	60983	Pape Material Handling	989.33
08/28/2017	60991	Veolia Water North America, Inc.	986.08
08/28/2017	60988	RP Equipment previously MBE	590.59
08/28/2017	60969	Frontier California Inc EQ	566.30
08/28/2017	60992	Vision Communications, Inc	511.10
08/28/2017	60966	CWEAmembers	455.00
08/28/2017	60960	BoundTree Medical, LLC	448.11
08/28/2017	60961	Cagwin & Dorward Inc.	448.00
08/28/2017	60986	Red Wing Shoe Store	400.00
08/28/2017	60967	Evoqua Water Technologies - Lab	371.10
08/28/2017	60985	Ray Morgan, formerly Ricoh	360.30
08/28/2017	60987	Rice Lake, formerly Heusser Newe...	340.00
08/28/2017	60971	Golden Gate Petroleum, Corp	319.46
08/28/2017	60965	Claremont EAP, Inc.	250.00
08/28/2017	60973	Graybar Electric Co. Inc.	205.70
08/28/2017	60984	Randall Bros. Auto Inc.	180.00
08/28/2017	60972	Grainger	138.66
08/28/2017	60968	Fishman Supply Company	135.94
08/28/2017	60978	Medical Center of Marin	100.00
08/28/2017	60958	Batteries Plus Inc	40.09
08/28/2017	60979	NAPA Auto Parts	34.49
Aug 28, 17			<u>311,139.66</u>

Novato Sanitary District Operating Check Register for September 11, 2017

Date	Num	Name	Credit
Sep 11, 17			
09/11/2017	61026	Veolia Water North America, Inc.	51,606.00
09/11/2017	61003	Central Marin Sanitation District	10,299.92
09/11/2017	61018	PARS-PSRP-Post Employment Be...	9,298.00
09/11/2017	60998	Bay Area Clean Water Agencies	7,765.00
09/11/2017	61010	Johnson, Dee	7,740.00
09/11/2017	61017	PARS-OPEB-Post Employment Be...	6,782.75
09/11/2017	61023	SWRCB-ELAP Fees	5,294.00
09/11/2017	61025	Unicorn Group	4,500.00
09/11/2017	61021	Rauch Communication Consultant...	2,685.50
09/11/2017	61002	California Diesel & Power	2,031.28
09/11/2017	61022	Shape Incorporated	1,560.23
09/11/2017	61004	Cintas Corporation	1,262.21
09/11/2017	61001	Calcon Systems, Inc.	1,124.00
09/11/2017	61009	Jan-Pro Cleaning Systems	1,005.00
09/11/2017	61024	U.S. Bank Card (3)Craig	999.41
09/11/2017	60993	Alpha Analytical Lab, Inc.	975.00
09/11/2017	61000	Buckles-Smith1	785.00
09/11/2017	61027	Vision Service Plan	611.79
09/11/2017	61005	Drive Line Service	526.41
09/11/2017	61007	Fisher-Scientific	386.57
09/11/2017	61015	O'Sullivan, Liam 1	341.60
09/11/2017	61014	Novato Disposal-	308.96
09/11/2017	61008	Irvine Consulting Services Inc.	270.00
09/11/2017	60999	BoundTree Medical, LLC	259.98
09/11/2017	DD	Mariani, Jean	232.03
09/11/2017	60996	Barnett Medical LLC	160.00
09/11/2017	61011	Moreno, Joe	160.00
09/11/2017	61016	Orkin Pest Control, Inc.	150.34
09/11/2017	61020	Pini Hardware	124.97
09/11/2017	60997	Batteries Plus Inc	119.24
09/11/2017	60994	American Messaging	71.11
09/11/2017	60995	AT&T Mobility	63.28
09/11/2017	61013	North Marin Water District	55.92
09/11/2017	61006	First Alarm	39.91
09/11/2017	61012	NAPA Auto Parts	33.65
09/11/2017	61019	Petty Cash	25.46
09/11/2017	DD	Miller, Brant-	18.66
Sep 11, 17			<u>119,673.18</u>

Novato Sanitary District Capital Projects Check Register

August 28, 2017

Date	Num	Name	Credit
Aug 28, 17			
08/28/2017	3200	Wildcat Engineering	12,450.00
08/28/2017	3199	RMC Water & Environment, Inc.	10,517.75
Aug 28, 17			<u>22,967.75</u>

Novato Sanitary District Capital Projects Check Register

September 11, 2017

Date	Num	Name	Credit
Sep 11, 17			
09/11/2017	3206	RedHawk Glass, Inc.	6,200.00
09/11/2017	3205	Nute Engineering Inc.	4,843.00
09/11/2017	3204	Beecher Engineering, Inc	1,110.00
Sep 11, 17			<u>12,153.00</u>

**Novato Sanitary District
Payroll and Payroll Related Disbursements
August - 2017**

Item 5.b.

Date	Description	Amount
08/31/2017	August Payroll	115,122.11
08/25/2017	August - Retirees Health Benefits	13,755.69
08/25/2017	PARS-OPEB Contribution	6,782.75
08/25/2017	PARS-Pension Contribution	9,898.00
08/25/2017	CALPERS Retirement	10,941.82
08/31/2017	United States Treasury	23,500.55
08/25/2017	CalPers Supplemental Income Plan	4,000.00
08/31/2017	EDD	7,164.41
08/25/2017	Lincoln Financial Group 457	9,064.50
08/25/2017	Lincoln Financial Group 457 Roth	50.00
08/25/2017	Lincoln Financial Group-401a Plan	8,844.61
08/25/2017	CALPERS Retirement	10,581.45
08/25/2017	CalPERS Health	31,084.39
08/25/2017	Dearborne National	1,842.91
08/25/2017	Local Union 315	440.00
08/25/2017	Delta Dental	3,029.10
		256,102.29

Novato Sanitary District
Deposit Detail
 September 2017

Item 5.c.

Type	Date	Name	Account	Amount
Deposit	08/01/2017		11113 - Westamerica - Operations	
		North Marin Water District-	(1) 11200 - Accounts Receivable	10,434.93
		County of Marin	(2) 11200 - Accounts Receivable	<u>130,884.92</u>
TOTAL				141,319.85
Deposit	08/09/2017		11113 - Westamerica - Operations	
		CSRMA	(3) 66020 - Employee Benefits	8,682.00
		Brown, Todd	41040 - Permit & Inspection Fee	40.00
		North Marin Water District-	(1) 11200 - Accounts Receivable	<u>17,708.90</u>
TOTAL				26,430.90
Deposit	08/10/2017		11113 - Westamerica - Operations	
		USCG	11200 - Accounts Receivable	15,145.35
		USCG-Finance Center	11200 - Accounts Receivable	<u>197.35</u>
TOTAL				15,342.70
Deposit	08/22/2017		11113 - Westamerica - Operations	
		Ben Franklin Plumbing	41040 - Permit & Inspection Fee	40.00
		Sewer Connection	41040 - Permit & Inspection Fee	15.00
		County of Marin	51015 - Property Taxes	5.74
		City of Novato - Used Oil/Beverage	(4) 11200 - Accounts Receivable	13,930.00
		Veolia Water	(5) 11200 - Accounts Receivable	<u>8,968.32</u>
TOTAL				22,959.06
Deposit	08/24/2017		11113 - Westamerica - Operations	
		Ben Franklin Plumbing	41040 - Permit & Inspection Fee	40.00
		Brown, Robert	41040 - Permit & Inspection Fee	40.00
		Brown, Robert	51020 - Connection Charges	10,990.00
		Kelley, James	41040 - Permit & Inspection Fee	40.00
		County of Marin	51015 - Property Taxes	7.44
		Marin County Department of Public Works	(6) 11200 - Accounts Receivable	<u>32,575.00</u>
TOTAL				43,692.44
Total Deposits for August 2017				249,744.95

- (1) Collection of Recycled Water Facility billing for May and June of 2017 from North Marin Water District.
- (2) Received final teeter from County of Marin for sewer service charges and property taxes for FY2016-17.
- (3) Received refund of workers comp premium based on final payroll for FY2015-16.
- (4) Received payment for Used Oil Grant through City of Novato for FY2016-17 fiscal year
- (5) Collection of Veolia Water fourth quarter invoice for reimburseable expenses.
- (6) Collection of annual billing for agreement with Marin County Solid and Hazardous Waste JPA.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Promotion of Peter Siragusa from Collection System Worker I to Collection System Worker II.	MEETING DATE: September 11, 2017 AGENDA ITEM NO.: 5.d.
RECOMMENDED ACTION: Approve promotion of Peter Siragusa from Collection System Worker I to Collection System Worker II.	
SUMMARY AND DISCUSSION: <p>Mr. Peter Siragusa was initially hired by the District in February 2012, as a Collection System Worker I (CSW I). He has demonstrated both his capabilities as a CSW I, and his functional readiness to be promoted to the next level in the CSW series, which is Collection System Worker II (CSW II). Currently, he is at Salary Range 38.5, Step E, \$6,057/month. The proposed new range will be Salary Range 40.5, Step D, \$6,360/month.</p> <p>If this promotion is approved, Mr. Siragusa will serve a minimum six-month probationary period in the CSW II position. All provisions of the District's Rules and Regulations, and the Memorandum of Understanding (MOU) with the represented group apply to this position. If approved, the effective date of Mr. Siragusa's promotion will be August 22, 2017.</p> <p>It is recommended that Mr. Siragusa be promoted to Collection System Worker II (CSW II), at Salary Range 40.5, Step D.</p>	
BUDGET INFORMATION: The FY17-18 Budget includes an allowance for the increase, which will result in a total salary adjustment of \$3,030 for the remainder of FY17-18.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
DEPT.MGR.: lc, dt,	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste – Informational items.	MEETING DATE: September 11, 2017 AGENDA ITEM NO.: 6.a.&b.
RECOMMENDED ACTION: Receive the following informational items: <ul style="list-style-type: none"> a. Letter from the North Bay Corporation and Recology Inc. – Request for Consent to Assignment. b. Letter from Recology Inc. – Assignments Requirements Letter. 	
SUMMARY AND DISCUSSION: <p>The District currently has an Agreement with Novato Disposal Service, Inc. for solid waste collection, processing, diversion and disposal. The District has received the attached letters relating to a potential assignment of this Agreement by Novato Disposal Service, Inc. to Recology Inc. The letters are being provided for informational purposes only at this time.</p> <p>The Agreement requires that the District consent to any assignment and provides for Novato Disposal Service to reimburse the District for reasonable costs of reviewing any proposed assignment. Unless otherwise directed by the Board, District Counsel, staff, and the District’s solid waste consultant (R3 Consultants, Sacramento) will review the submitted materials, and report back to the Board’s Solid Waste Committee, and thence the Board at future meetings.</p>	
ATTACHMENTS: 1. Referenced letters.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: ssk, ka, dlj	GENERAL MANAGER: SSK



August 18, 2017

Novato Sanitary District
500 Davidson Street
Novato, CA 94945
Attn: Sandeep Karkal

Re: Request for Consent to Assignment
A&R Solid Waste Collection, Processing, Diversion and Disposal Agreement between
Novato Disposal Service, Inc. (“**Contractor**”) and Novato Sanitary District (the
“**Agreement**”)

Dear Sandeep,

We wish to inform you that North Bay Corporation (“**NBC**”), Contractor’s parent corporation, and their affiliated companies have entered into an agreement to sell substantially all of their assets to Recology Inc. and its designated affiliates, who will continue NBC’s operations (the “**Transaction**”).

The purpose of this letter is to request that the Novato Sanitary District provide its consent for NBC to assign the Agreement to Recology Sonoma Marin, a subsidiary of Recology Inc. Upon the assignment of the Agreement, Recology Sonoma Marin will be subject to the applicable terms and conditions of the Agreement and will continue to perform the obligations thereunder.

Time is of the essence in obtaining a response to this request, accordingly, please do not hesitate to contact Ed Farewell, Recology Sonoma Marin’s Vice President & Group Manager, at 707-695-2726, or Rick Powell, NBC’s General Manager, at 707-775-9707 regarding this matter. NBC and Recology look forward to working with the Novato Sanitary District on assigning the Agreement in accordance with the terms of the Agreement.

Your consent will become effective as of the closing of the Transaction and will have no effect unless the closing of the Transaction occurs. We expect the Transaction to close in October 2017.

We appreciate your prompt consideration of this request.

Sincerely,



Michael J. Sangiacomo
President & Chief Executive Officer
Recology Inc.



Rick Powell
President
North Bay Corporation



8/25/2017

Novato Sanitary District
500 Davidson Street
Novato, CA 94945
Attn: Sandeep Karkal

Re: Assignment of A&R Solid Waste Collection, Processing, Diversion and Disposal Agreement between Novato Disposal Service, Inc. (“Contractor”) and Novato Sanitary District (the “Agreement”) to Recology Sonoma Marin

Dear Sandeep:

Thank you for your consideration of The Ratto Group’s request to assign the the Novato Sanitary District’s Solid Waste Collection, Processing, Diversion and Disposal Agreement to Recology Sonoma Marin (Recology), submitted last Friday August 18th.

As stated in the request letter, Recology is acquiring substantially all of the assets of The Ratto Group (the Transaction). The following sections provide responses to the assignment requirements described in Section 11.6 of the Agreement.

If you need more information regarding this Transaction or Recology, please feel free to contact Meghan Butler, Corporate Development Manager, at (415) 572-6116 or mbutler@recology.com.

Attorney’s Fees and Investigation Costs

As the seller of the assets under this Transaction, The Ratto Group will cover the District’s attorney’s fees and investigation costs, pending further determination between The Ratto Group and the District’s representative.

Audited Financial Statements

During its Fiscal Year 2016, Recology Inc. (the parent company of Recology Sonoma Marin) recorded over \$960 million in revenue.

Recology Inc.’s financial statements are audited annually by KPMG. Further financial information can be provided upon request. Please be advised that any financial information provided herein and in the future may contain competitively sensitive information and information that constitutes a trade secret under California law. Accordingly, they are exempt from disclosure under the California Public Records Act. Attached to this letter are Recology’s audited financial statements for the preceding three (3) operating years.

Recology's Solid Waste Experience

Recology Inc.'s predecessors have been serving Bay Area communities since the 1920s. Over the years, Recology Inc. has grown to become the largest 100% employee-owned company in the solid waste collection and processing industries, with over 3,000 employees.

Recology Inc. is the parent to over 40 subsidiaries – including Recology Sonoma Marin. These subsidiaries provide integrated service to over 700,000 households and 100,000 commercial businesses in California, Oregon, and Washington. The company also owns and operates a number of facilities, including:

- 13 Transfer Stations
- 11 Material Recovery Facilities (MRFs)
- 10 Organic Processing Facilities
- 3 Landfills

A few of the municipalities that currently receive collection and/or processing service from Recology Inc. operating companies include:

- The City and County of San Francisco (since 1932)
- The 12 jurisdictions of the South Bayside Waste Management Authority (SBWMA), which includes Cities of Burlingame, San Mateo, Foster City, San Carlos, Belmont, Redwood City, Menlo Park, and East Palo Alto, the Towns of Hillsborough and Atherton, the West Bay Sanitary District, and the County of San Mateo (since 2011)
- The City of Seattle (since 2009)
- The City of San Bruno (since 1958)
- The City of Mountain View (since the 1930s)
- The City of Pacifica (since 1976)

In 1996, Recology pioneered the nation's first comprehensive, curbside organics collection program in the City of San Francisco. The program comingles food scraps with yard trimmings, and has become a model for organics collection throughout the nation. Recology has since launched organics collection programs in numerous cities, including the cities that comprise the 12 jurisdictions of the SBWMA, Cupertino, Pacifica, and San Bruno. Whenever Recology launches a new organics program, the rollout is tailored to the unique needs of the customer.

In 2001, Recology transitioned over 150,000 single- and multi-family households in San Francisco to a cart-based, single-stream recycling program. The program, called the "Fantastic Three" after the color-coded carts, has since been replicated by many California communities, and is widely recognized as a model for the nation. The cart-based single-stream system maximizes voluntary source-separation and diversion efforts.

Recology partners closely with the municipalities it serves to meet diversion goals. This entails developing tailored outreach and education programs, coupled with the proper technical assistance to help customers participate in diversion programs.

Performance

Recology Sonoma Marin is a newly-created operating company of Recology Inc.; therefore, Recology Sonoma Marin has not received any citation, fine, penalty, censure or other sanction from any local, state, federal, or local government agency.

Recology Inc. is the parent company to numerous subsidiaries providing resource recovery services in California, Oregon, and Washington. Across all California subsidiaries, Recology Inc. has 41 facilities that are subject to environmental inspections. The company utilizes a comprehensive environmental management system to support compliance with permits, laws, codes, and regulations. From time to time, in the normal course of business, Recology and its subsidiaries are subject to various regulatory inspections and actions which can result in violations or citations. Recology’s policy and business practice is to respond to and resolve these matters in a timely manner.

Instances where significant citations have been issued over the last 5 years are provided in the table below. In each case, Recology has worked, or is working, closely with the regulatory agency to address all concerns to the satisfaction of the agency.

Subsidiary	Regulatory Agency or Entity	Violation Type	Date	Description	Corrective Action	Fines or Penalties
Recology Yuba Sutter	Regional Water Quality Control Board	Administrative Civil Liability Complaint	Jan-20-15	Non-discharge violation for overtopping of stormwater tanks.	New aboveground storage system installed.	\$440,000
Recology Yuba Sutter	Regional Water Quality Control Board	Cleanup and Abatement Order	Dec-22-14	Required site improvements, including repaving and repair of drainage lines.	Site improvements completed.	None
Recology Blossom Valley Organics - NorthGro	Regional Water Quality Control Board	Notice of Non-Compliance	Nov-25-14	Site not covered under stormwater industrial permit.	Notice of Intent filed for coverage under general industrial permit.	None
Recology Hay Road	Regional Water Quality Control Board	Section 13301 Order	Oct-16-14	Required submittal of technical reports for both the landfill and compost operations.	Submitted required technical reports (ongoing).	None
Recology Yuba Sutter	Regional Water Quality Control Board	Cleanup and Abatement Order	Aug-29-13	Release of contaminants to vadose zone and ground water and impacts to closed landfill from current operations.	Expanded landfill gas collection system, improved grading and storm water conveyance system and installed compost area leachate collection system.	None
Cummings Road Burn Dump	Regional Water Quality Control Board	Cleanup and Abatement Order	Apr-26-13	Required remediation of historical burn ash dump.	Remediation completed.	None

Environmental Compliance

Recology seeks to offer safe collection services to all of its communities in a way that minimizes impact on the environment. All operating companies follow Recology's comprehensive Environmental Compliance Program.

The goal of the Program is to ensure the Recology Sonoma Marin Material Recovery Facility and all collection operations comply with applicable environmental permits, laws, codes, and regulations. Under the Program, the Environmental Compliance Manager monitors operations using a combination of checklists and audits, and works directly with local and state regulators on environmental compliance activities.

The Environmental Compliance Manager directly reports to Recology's Corporate Environmental Manager, and works closely with Recology's well-established and dedicated network of trained environmental health and safety personnel.

Recology tracks regulations, permits, and environmental activities using a custom-made, proprietary software system called the Recology Online Compliance Tracker (ROCT). ROCT enables Recology to systematically monitor and report data on environmental trends at its facilities.

ROCT also records regulatory agency inspections. Any inspection violation or area of concern is documented in the system, with a description of how the issue will be addressed. The Environmental Compliance Manager can assign due dates to staff for each activity, helping Recology make progress towards its "zero violations" goal.

To support the Environmental Compliance Program, Recology provides trainings to help employees comply with the program (as applicable to their job functions).

The Environmental Compliance Manager and key operations positions (including managers, supervisors, and maintenance staff) receive training on the following topics, as applicable to their job functions.

Please note this is not a comprehensive list of all environmental trainings provided:

- Asbestos Awareness, including an annual refresher training
- Hazardous Waste Operations and Emergency Response (HAZWOPER), as set by the guidelines of the Occupational Safety and Health Administration
- Load Check Policy, identifying any contamination of hazardous materials in a given load
- Spill Prevention Control & Countermeasures (SPCC) training
- Stormwater Sampling
- Use of the Recology Online Compliance Tracker (ROCT) system
- Underground Storage Tank training, including tank monitoring system training and spill/overflow response

To conduct these trainings, Recology uses corporate-sponsored training courses, as well as attendance at professional environmental conferences and other external training courses.

Compliance with Local Law

Recology's solid waste management operations comply with all applicable federal, state, and local laws and regulations governing the collection, transportation, processing, and disposal of solid waste, recyclable materials, and compostable materials. Recology does not dispose or process any hazardous substances, other than for household hazardous waste (HHW) at our permitted HHW facilities.

Net Worth, Liquidity, and Debt Structure

As can be seen from the provided financial statements, Recology has a net worth, liquidity, and debt structure at least as favorable as Company's. If you have any further questions regarding this matter, please do not hesitate to reach out.

Management Team

Recology Sonoma Marin's day to day operations will be overseen by Fred Stemmler, General Manager.

Fred will work directly with Ed Farewell, the Vice President and Group Manager for Recology's Coast Group, to ensure the operations are performed in accordance to the Agreement.

Fred and Ed's experience is described below.

Ed Farewell

Vice President and Group Manager, Recology's Coast Group

Ed joined Recology in 1983. Since 2012, he has served as Group Manager at Recology's Northern California Group. Ed directs the operation of a variety of recycling, organics, and solid waste management services. He is responsible for ensuring efficiency and quality service in materials recovery, recycling, residential, commercial & industrial waste collection, and compactor service for the residents, businesses and public entities within Recology's Northern California collection companies

Ed possesses over 34 years of experience in the refuse business, including positions as general manager, operations manager, and materials recovery facility manager. At Recology, he has served as Assistant Group Manager at Recology Vacaville Solano from 2011 to 2012, General Manager at Recology Vallejo from 2010 to 2011, and General Manager at Recology Vacaville Solano from 2004 through 2010.

In addition, Ed has served on the board of a number of community organizations, including the Vallejo Chamber of Commerce (2010 to 2011) and the Vacaville Museum (2008 through 2011). Ed holds a Bachelor's of Science from California State University at Sacramento.

Fred Stemmler

General Manager, Recology Sonoma Marin

As the General Manager of Recology Sonoma Marin operations, Fred will plan, direct, and evaluate all aspects of Recology's organics, recyclables, and solid waste collection programs to ensure safe, efficient, and high-quality service is provided to all customers.

Fred is currently the General Manager of Recology Western Oregon, and is experienced in running top-notch collection, processing and diversion based operations, while creating effective and collaborative public education programs and services, including the start-up of an Artist in Residence Program.

Prior to becoming General Manager in 2012, Fred held several key positions with Recology, including Operations Manager at Recology Vacaville Solano and Recology Sunset Scavenger, and Financial Compliance Manager for the Recology Corporate Finance and Accounting Department. Since joining Recology in 2008, Fred graduated from two internal leadership programs and participated in long term strategic planning and development committees that focused on business process improvement and excellence in service.

Prior to Recology, Fred worked as a certified public accountant and finance professional serving a variety of Fortune 500 businesses and began his professional career with Deloitte. Fred sits on the board for multiple non-profit organizations, is an active Chamber of Commerce member, and has served on civic and state advisory boards relating to Oregon's long term diversion planning, community leadership, and municipal budget and audit reviews. Fred graduated from the University of Southern California with a BA in Accounting

We hope the above sections have provided sufficient and satisfactory information to meet the requirements identified in the Request for Assignment section of the Agreement. If you have any further requests, please do not hesitate to reach out, we see our relationship with the Novato Sanitary District as an opportunity to work together to achieve a sustainable future.

We look forward to serving the District, its residents, and its business. Please let us know if you have additional questions.

Sincerely,



Michael J. Sangiacomo
President and Chief Executive Officer
Recology Inc. and Recology Sonoma Marin

Cc: Rick Powell, President, The Ratto Group of Companies Inc.

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Finance Committee meeting, September 6, 2017.	MEETING DATE: September 11, 2017. AGENDA ITEM NO.: 7.a.,b.,c., & d.
RECOMMENDED ACTIONS: a) Receive report and recommendations, Committee meeting of September 6, 2017. b) Receive presentation from Mr. Steven Gortler, registered Municipal Financial Advisor, on refinancing the District's 2011 Certificates of Participation (COPs). c) Approve Finance Committee recommendations to: <ul style="list-style-type: none"> i) Direct staff to refinance the 2011 COPs. ii) Provide direction to staff on retaining Mr. Steven Gortler as the District's Financial Advisor (FA) for the refinancing process. iii) Direct staff to return to the Board for formal approval of the refinancing, when all of the necessary financing documents have been drafted, and iv) Direct staff and the financing team to provide periodic updates to the Board. d) Authorize the General Manager-Chief Engineer (GM-CE) to engage financing team members in consultation with the Financial Advisor, and Authorize the Board President, District Counsel, and GM-CE to execute the required engagement documents.	
SUMMARY AND DISCUSSION: <p>The Board's Finance Committee (Committee) met Wednesday, September 6, 2017 and reviewed a potential refinancing of the District's 2011 Certificates of Participation (COPs). The Committee received a staff report titled "Refinancing of the District's 2011 Certificates of Participation (COPs)". The Committee also received a presentation from Mr. Steven Gortler, registered Municipal Advisor, on refinancing the District's 2011 COPs. A copy of the Finance Committee Agenda packet, including the staff report (see Item 4.a. of the Finance Committee agenda packet), is attached.</p> <p>At this Board meeting, the Board will also receive a presentation from Mr. Gortler on the potential refinancing. A copy of his presentation to the Finance Committee is provided as Attachment 2.</p> <p>It is requested that the Board approve the following recommendations from the Finance Committee:</p> <ul style="list-style-type: none"> i) Direct staff to refinance the 2011 COPs. ii) Provide direction to staff on retaining Mr. Steven Gortler as the District's Financial Advisor (FA) for the refinancing process. iii) Direct staff to return to the Board for formal approval of the refinancing, when all of the necessary financing documents have been drafted, and iv) Direct staff and the financing team to provide periodic updates to the Board. <p>In addition, staff requests that the Board authorize the GM-CE to engage financing team members in consultation with the Financial Advisor, and authorize the Board President, District Counsel, and the GM-CE to execute the required engagement documents.</p>	
ATTACHMENTS: 1. Agenda Packet for Finance Committee meeting, September 6, 2017. 2. Copy of presentation by Mr. Steven Gortler.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook), Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications), of the latest Strategic Plan Update.	
DEPT. MGR.: lc, ka, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

Meeting Date: September 6, 2017

The **Finance Committee** of the Novato Sanitary District will hold a meeting at 3:30 PM, Wednesday, September 6, 2017, at the District offices, 500 Davidson Street, Novato.

AGENDA

1. AGENDA APPROVAL

2. 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 Committee at this time as a result of any public comments made.

3. APPROVAL OF MINUTES:

- a. Receive and consider approval of minutes of December 5, 2016 meeting.

4. 2011 CERTIFICATES OF PARTICIPATION (COPS):

- a. Receive staff report - Refinancing of the District's 2011 Certificates of Participation (COPs).
- b. Receive presentation from Mr. Steven Gortler, registered Municipal Advisor, on refinancing the District's 2011 COPs.
- c. Recommend the following action items for consideration by the District Board at its September 11, 2017 meeting:
 - i) Direct staff to proceed with refinancing the 2011 COPs.
 - ii) Provide direction to staff on retaining Mr. Steven Gortler as the District's Financial Advisor (FA) for the refinancing process.
 - iii) Direct staff to return to the Board for formal approval of the refinancing, when the required financing documents have been drafted, and
 - iv) Direct staff and the financing team to provide periodic updates to the Board.

5. ADJOURNMENT

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.

Materials that are public records and that relate to an open session agenda item will be made available for public inspection at the District office, 500 Davidson Street, Novato, during normal business hours.

NOVATO SANITARY DISTRICT

Finance Committee Meeting Minutes

Meeting Date: December 5, 2016

A regular meeting of the Finance Committee of Novato Sanitary District was held at 3:00 p.m., Monday, December 5, 2016, at the District office, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members Jerry Peters and William C. Long.

STAFF PRESENT: General Manager-Chief Engineer Sandeep Karkal, Finance Officer Laura Creamer, and Administrative Secretary Julie Hoover.

ALSO PRESENT: Erik Brown, Technical Services Manager
Vikki Rodriguez, CPA, Vice President, Maze and Associates

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES: The April 18, 2016 meeting minutes were approved as presented.

FISCAL YEAR (FY) 2015-16 DRAFT ANNUAL AUDIT:

- Receive report from independent auditor, Maze and Associates and review draft Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2016, and 2015, including draft audited financial statements. The General Manager introduced Ms. Vikki Rodriguez of Maze and Associates and stated that she would present the Comprehensive Annual Financial Report for the fiscal years ended June 30, 2016 and June 30, 2015.

Ms. Rodriguez presented an overview of the District's Annual Audit and stated that Maze and Associates had concluded, based on their audit, that there was a reasonable basis for rendering an unmodified (unqualified) opinion. She stated that the District's financial statements for the fiscal year ended June 30, 2016 are fairly presented, and conform to Generally Accepted Accounting Principles (GAAP). Ms. Rodriguez noted that the unmodified opinion is the highest rating given (cleanest possible opinion). She stated that there were no major reporting changes, no new pronouncements, and no material weaknesses when internal controls were reviewed.

Discussion followed between Committee Members Peters and Long, and Ms. Rodriguez. Minor edits were noted and the General Manager stated that these edits would be reflected in the final CAFR. Committee Members Peters and Long thanked Ms. Rodriguez for her presentation.

- Consider making a recommendation to the District Board to accept the audit and CAFR, subject to minor edits. Committee Member Long made a recommendation that the District Board accept the audit and CAFR, subject to minor edits, and Committee Member Peters concurred.

- Receive draft "Memorandum on Internal Control and Required Communications for Year ended June 30, 2016" from the District's independent outside auditor, Maze and Associates. Committee Member Long made a recommendation to receive the draft "Memorandum on Internal Control and Required Communications for Year ended June 30, 2016" from the District's independent outside auditor, Maze and Associates and Committee Member Peters concurred.

The General Manager stated that Ms. Rodriguez would return to the December 12th regular Board meeting to review the CAFR with the full Board.

UPDATE ON POST-EMPLOYMENT BENEFITS TRUST:

- Receive update on implementation of the combined Post-Employment Benefits Trust to address the District's liabilities related to Governmental Accounting Standards Board Statement No. 45 ("GASB 45") for Post Employment Benefits Other than Pensions, and GASB 68 for Net Pension Liability (NPL). The General Manager stated that at its November 14, 2016 meeting, the District Board approved implementing a combined Post-Employment Benefits Trust with Public Agency Retirement Services (PARS) to address the District's GASB 45 and 68 liabilities. He stated that subsequently, PARS has provided the District with the necessary agreements and legal documents to implement the Trust Program. He stated that District Counsel Kent Alm has reviewed these documents and that they are now ready to be executed by the District. He anticipates that the trust program will be in place by the end of the current year or early in 2017. The General Manager continued, and provided details of how the District intends to fund the GASB 45 and GASB 68 programs, as authorized by the District Board at their November 14, 2016 meeting.

ADJOURNMENT: There being no new business to come before the Committee, the meeting was adjourned at 3:23 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

NOVATO SANITARY DISTRICT**MEMORANDUM**

MEETING DATE: September 6, 2017

TO: Finance Committee of the Board of Directors, Novato Sanitary District

FROM: Sandeep Karkal, General Manager-Chief Engineer
Laura Creamer, Finance Officer
Kenton Alm, District Counsel

SUBJECT: Refinancing of 2011 Certificates of Participation (COPs)

A. Background

The District issued \$21,750,000 of Wastewater Revenue Certificates of Participation (hereinafter "COPs" or "2011 COPs") in October 2011 to finance wastewater system and recycled water system capital projects. The COPs are secured by and payable from wastewater system net revenues.

The annual 2011 COPs Payment Schedule is provided as Table 1 of Attachment A to this memo for informational purposes. As seen from this table, currently \$17,475,000 of the 2011 COPs remains as outstanding debt.

B. Potential Benefits of Refinancing

Currently, interest rates on municipal debt are significantly lower than in 2011. For example, when the 2011 COPs were sold on September 27, 2011 the Bond Buyer Revenue Bond Index* was 4.96%, as compared to 3.72% today. Additionally, the 2011 COPs now have only 15 years remaining until final maturity, as compared to 21 years originally. Hence, the 2011 COPs can potentially be refinanced today at a rate of approximately 2.50%, as compared to an effective rate of approximately 4.35% on the outstanding 2011 COPs.

It is estimated that refinancing the outstanding 2011 COPs at 2.50% will save approximately \$152,000 per year from 2018-2031, for total savings of about \$2 million, as illustrated in Table 2 of Attachment A.

** The Bond Buyer Revenue Bond Index is a widely-used index that measures the 'yield' on a national sample of 25 highly-rated long-term municipal revenue bonds.*

C. Potential Considerations to Refinancing

If the District decides to pursue a refinancing effort, some potential considerations to keep in mind include:

1. Schedule and interest rate risk: While a typical index interest rate relevant to the COPs refinancing is not directly tied to US Treasury rates (such as the 10-year Treasury bond), it is influenced by economic conditions, financial market conditions, public policy, and/or national or

world events. Although current interest rates are relatively low, it is possible that rates may rise before the refinancing is complete due to changes in these factors. Thus, if the District decides to move forward with a refinancing effort, it would be prudent to move as quickly and efficiently as possible. For informational purposes only, according to a recent research paper by Bank of New York/Mellon: "Using history as a guide, a 100-basis-point rise in 10-year Treasury yields, reflecting a 100-basis-point rise in interest rates would likely be accompanied by a 60-basis-point rise in municipal bond yields".

2. Implementation considerations: While it is expected that a refinancing will be fairly straightforward, it is anticipated that it will still require significant management and staff time.

The District has traditionally operated with a lean staffing structure. Also, with the imminent retirements of the Field Services Manager, the Collection System Superintendent, the Senior Engineer, and the Construction Inspector (and efforts to replace them), a refinancing effort at this time will affect the workload of (among others), the General Manager, the Technical Services Manager, the Finance and Administrative/Risk Services Officers, and the Administrative Secretary. Thus, it is possible that portions of the budgeted Fiscal Year FY17-18 capital and operating work may have to be reprioritized or deferred to accommodate a refinancing effort.

D. Optional Prepayment of the 2011 COPs

The 2011 COPs include Optional Prepayment language (Page 2 of the Official Statement), which states that "The Certificates maturing on or before February 1, 2020 are not subject to optional prepayment prior to maturity". Staff's understanding is that this does not preclude "advance" refunding of the COPs to the first optional prepayment date on February 1, 2020. An advance refunding of the 2011 COPs would be accomplished by depositing the proceeds from the potential refunding into an Escrow Fund held by the Trustee. Scheduled annual principal and semi-annual interest payments on the 2011 COPs would be made until February 1, 2020, at which time all of the remaining unpaid principal will be repaid, together with a prepayment premium of 0.50%.

E. Refinancing Options: COPs, Revenue Bonds, etc.

Although COPs are perceived to be one of the more straightforward debt financing avenues for entities such as the District, staff also reviewed the possibility of issuing revenue bonds with District Counsel, as an alternative to refinancing the 2011 COPs.

Upon discussion, it appears at this time, that while the District may have the ability to issue revenue bonds, the logistical aspects of conducting a new sale of revenue bonds would significantly affect potential cost savings vis-à-vis refinancing the 2011 COPs.

For example, District Counsel noted that special districts typically have to obtain voter approval for a revenue bond issuance. Alternatively, the District could form or join a Joint Powers Authority (JPA) and then use its legal authority to issue revenue bonds. It is a legal anomaly, but JPA's may issue revenue bonds without voter approval. Either undertaking voter approval or use of the JPA method could result in additional cost or administrative burdens (e.g. election costs or procedural maintenance of a JPA for the term of the bonds), In addition, either of these alternatives could impose schedule delays and resulting interest rate changes while meeting procedural requirements.

Therefore, staff is of the opinion that if the District were to consider refinancing the 2011 COPs, it should do so through a straightforward or plain vanilla COPs refinancing rather than consider revenue bonds or more procedurally involved modes such as general obligation bonds, etc.

F. Method of Sale

If the District were to proceed with a potential refinancing of the 2011 COPs, the District would have to consider a refinancing method. The two most common refinancing methods for issuers such as the District are: (a) competitive sales, and (b) negotiated sales. In a competitive sale, the issuer (District) acting through its Financial Advisor (FA) solicits 'bids' from all qualified underwriters and awards the Bonds to the underwriter who submits the bid with the lowest interest rate. By contrast, in a negotiated sale the issuer selects a prequalified underwriter in advance, and then negotiates the interest rate with the chosen underwriter.

All else being equal, the District is likely to obtain a lower interest rate and realize greater savings by utilizing a competitive sale. The District sold the 2011 COPs through a competitive process, and staff is of the opinion that any refinancing should follow this process as well.

G. Municipal Advisor/Financial Advisor (MA/FA, or FA)

1. Selecting a MA/FA: A refinancing effort by an entity such as the District typically requires a financing team including (among others): the issuer (District), its Legal Counsel, its MA/FA, its Bond Counsel, etc. The Municipal Securities Rule Making Board (MSRB) provides a white paper on its website on the roles and responsibilities of the various team members. This white paper is provided as Attachment B for informational purposes.

The MSRB also provides perspective on the significance of the MA/FA with regard to the financing team, as illustrated in the chart provided as Attachment C. In addition to assisting the issuer (District) in developing the plan of finance and related transaction timetable, the MA/FA also develops the requests for qualifications/proposals (RFPs/RFQs) for the bond and disclosure counsel, the underwriters, and other elements of the financing team.

The District has historically utilized Bartle Wells Associates (Berkeley, CA) and one of its then Principals (Tom Gaffney) as its MA/FA, and BWA and Mr. Gaffney served as the FA for the District's 2011 COP issuance. Mr. Gaffney is now retired, although he has said that he will assist select prior clients such as the District with specific projects, for instance, when he helped prepare the District's 2016 Wastewater Capacity Fee Study, and the 2016 Sewer Rate Study.

Separately, the City of Petaluma issued Refunding Bonds via a competitive sale in June 2017 to refinance \$22,465,000 of outstanding wastewater debt, utilizing the services of an independent registered Municipal Advisor, Mr. Steven Gortler. Mr. Gortler is a registered Municipal Advisor with both the Securities and Exchange Commission (SEC) and the MSRB. With Mr. Gortler's help, Petaluma received nine competitive bids from underwriters offering to buy the Petaluma wastewater bonds, with total savings of more than \$5.25 million over 19 years. Information on Mr. Gortler's background and experience (including his resume) is provided as Attachment D.

Staff discussed with District Counsel the possibility of retaining Mr. Gortler as a potential MA/FA for a potential refinancing of the 2011 COPs. Based on these discussions, the Finance Committee has the option to recommend that the District Board retain Mr. Gortler as its MA/FA for a potential refinancing effort of the 2011 COPs.

2. Compensating the MA/FA: Regardless of the FA selection process, the District can opt to compensate the FA similar to how it typically compensates other providers of professional services, i.e. on a not-to-exceed basis under a professional services agreement.

Alternately, the FA can be compensated from the proceeds of the refinancing, and the FA's compensation can be rolled into the refinanced amount. If the refinancing does not occur for any reason, the FA does not receive any compensation. Note that regardless of how the FA is compensated, this method is the typical mode of compensation for the remaining members of the financing team (i.e. bond counsel, disclosure counsel, auditor, trustee, etc.)

For the 2011 COPs issuance, the District adopted the former method i.e. not-to-exceed amount through a professional services agreement. This method has the advantage of providing a degree of independence to the MA/FA, and potentially removes the pressure of "getting the deal done" to be compensated. Accordingly, District Counsel prefers this method as it is often viewed as the best method to insure the financial advice is truly independent as markets change and is often recommended as the best practice for municipal financing.

Regardless of the mode of compensation, based on a review of similar recent municipal refinancing efforts, staff estimated that the typical fee for an effort of this nature would be less than the General Manager's signing authority of \$45,000 for professional services contracts. Staff also asked Mr. Gortler to provide a preliminary fee estimate if he were to provide MA/FA services. Mr. Gortler has presented a preliminary scope of services and fee estimate of \$35,000. For informational purposes, a sampling of MA/FA fees on comparable recent municipal financings is provided as Attachment E.

H. Recommendations

Staff suggests that upon reviewing the material presented herein, and any presentations received during the Finance Committee meeting, that the Committee recommend the following action items for consideration by the full District Board:

1. Direct staff to proceed with refinancing the 2011 COPs.
2. Provide direction to staff on retaining Mr. Steven Gortler as the District's Financial Advisor (FA) for the refinancing process.
3. Direct staff to return to the Board for formal approval of the refinancing, when all of the necessary financing documents have been drafted, and
4. Direct staff and the financing team to provide periodic updates to the Board.

Attachment A: Table 1 – Installment Debt Payment Schedule, 2011 COPs
Table 2 – Estimated Annual Debt Service Savings

Attachment B: MSRB – Roles and Responsibilities: The Financing Team.

Attachment C: MSRB – Professionals Involved In A Competitive Municipal Bond Financing Transaction.

Attachment D: Background Information – Mr. Steven Gortler, independent financial advisor

Attachment E: Comparative Financial Advisory Fees

Table 1 - Installment Debt Schedule**NSD Wastewater Certificates of Participation (2011) - Original Amount, \$21,750,000**

Payment Date	Principal Amount	Interest Rate	Interest Amount	Period Debt Svc	Fiscal Year Debt Svc	Remaining Debt
8/1/2012			442,848.75	442,848.75		
2/1/2013	800,000	3.00%	442,848.75	1,242,848.75	1,685,697.50	20,950,000
8/1/2013			430,848.75	430,848.75		
2/1/2014	830,000	3.00%	430,848.75	1,260,848.75	1,691,697.50	20,120,000
8/1/2014			418,398.75	418,398.75		
2/1/2015	855,000	3.00%	418,398.75	1,273,398.75	1,691,797.50	19,265,000
8/1/2015			405,573.75	405,573.75		
2/1/2016	885,000	4.00%	405,573.75	1,290,573.75	1,696,147.50	18,380,000
8/1/2016			387,873.75	387,873.75		
2/1/2017	905,000	4.00%	387,873.75	1,292,873.75	1,680,747.50	17,475,000
8/1/2017			369,773.75	369,773.75		
2/1/2018	925,000	4.00%	369,773.75	1,294,773.75	1,664,547.50	16,550,000
8/1/2018			351,273.75	351,273.75		
2/1/2019	945,000	4.00%	351,273.75	1,296,273.75	1,647,547.50	15,605,000
8/1/2019			332,373.75	332,373.75		
2/1/2020	970,000	4.00%	332,373.75	1,302,373.75	1,634,747.50	14,635,000
8/1/2020			312,973.75	312,973.75		
2/1/2021	1,000,000	4.00%	312,973.75	1,312,973.75	1,625,947.50	13,635,000
8/1/2021			292,973.75	292,973.75		
2/1/2022	1,035,000	4.00%	292,973.75	1,327,973.75	1,620,947.50	12,600,000
8/1/2022			272,273.75	272,273.75		
2/1/2023	1,065,000	4.00%	272,273.75	1,337,273.75	1,609,547.50	11,535,000
8/1/2023			250,973.75	250,973.75		
2/1/2024	1,105,000	4.00%	250,973.75	1,355,973.75	1,606,947.50	10,430,000
8/1/2024			228,873.75	228,873.75		
2/1/2025	1,145,000	4.00%	228,873.75	1,373,873.75	1,602,747.50	9,285,000
8/1/2025			205,973.75	205,973.75		
2/1/2026	1,190,000	4.00%	205,973.75	1,395,973.75	1,601,947.50	8,095,000
8/1/2026			182,173.75	182,173.75		
2/1/2027	1,235,000	4.25%	182,173.75	1,417,173.75	1,599,347.50	6,860,000
8/1/2027			155,930.00	155,930.00		
2/1/2028	1,285,000	4.25%	155,930.00	1,440,930.00	1,596,860.00	5,575,000
8/1/2028			128,623.75	128,623.75		
2/1/2029	1,340,000	4.50%	128,623.75	1,468,623.75	1,597,247.50	4,235,000
8/1/2029			98,473.75	98,473.75		
2/1/2030	1,395,000	4.50%	98,473.75	1,493,473.75	1,591,947.50	2,840,000
8/1/2030			67,086.25	67,086.25		
2/1/2031	1,455,000	4.70%	67,086.25	1,522,086.25	1,589,172.50	1,385,000
8/1/2031			32,893.75	32,893.75		
2/1/2032	1,385,000	4.75%	32,893.75	1,417,893.75	1,450,787.50	0
Totals	21,750,000		10,736,377.50	32,486,377.50	32,486,377.50	

**Table 2 - Estimated Annual Debt Service Savings
NSD Wastewater Certificates of Participation (2011) - Original Amount, \$21,750,000**

FYE 6/30	2011 Certificates of Participation				Proposed Refunding Bonds			Annual Savings	Cumulative Savings
	Principal	Interest	Reserve	Total	Principal	Interest	Total		
2018	925,000	369,774		1,294,774	780,000	361,625	1,141,625	153,149	153,149
2019	945,000	702,548		1,647,548	810,000	684,250	1,494,250	153,298	306,447
2020	970,000	664,748		1,634,748	835,000	643,750	1,478,750	155,998	462,445
2021	1,000,000	625,948		1,625,948	870,000	602,000	1,472,000	153,948	616,393
2022	1,035,000	585,948		1,620,948	905,000	558,500	1,463,500	157,448	773,841
2023	1,065,000	544,548		1,609,548	940,000	513,250	1,453,250	156,298	930,139
2024	1,105,000	501,948		1,606,948	985,000	466,250	1,451,250	155,698	1,085,837
2025	1,145,000	457,748		1,602,748	1,030,000	417,000	1,447,000	155,748	1,241,585
2026	1,190,000	411,948		1,601,948	1,080,000	365,500	1,445,500	156,448	1,398,033
2027	1,235,000	364,348		1,599,348	1,130,000	311,500	1,441,500	157,848	1,555,881
2028	1,285,000	311,860		1,596,860	1,185,000	255,000	1,440,000	156,860	1,712,741
2029	1,340,000	257,248		1,597,248	1,245,000	195,750	1,440,750	156,498	1,869,239
2030	1,395,000	196,948		1,591,948	1,305,000	133,500	1,438,500	153,448	2,022,687
2031	1,455,000	134,173		1,589,173	1,365,000	68,250	1,433,250	155,923	2,178,610
2032	1,385,000	65,788	(1,696,148)	(245,361)				(245,361)	1,933,249
TOTALS	17,475,000	6,195,523	(1,696,148)	21,974,374	14,465,000	5,576,125	20,041,125	1,933,249	



Roles and Responsibilities: The Financing Team in an Initial Municipal Bond Offering

A key part of issuing new debt is to assemble a team that works for the state or local government. Generally, the bond offering process is a coordinated effort among various professionals to finance a state or local government's capital projects. A municipal government can benefit from an understanding of the roles and responsibilities of its deal team.

Once a state or local government decides to finance a capital project by issuing bonds, it would hire a financing team to finalize the financing plan, develop offering documents, prepare for any rating agency and investor presentations, market the bond offering to investors, price the bonds and close the transaction.

The roles and responsibilities of an issuer's team may vary depending upon the bond offering method of sale — competitive bid, negotiated sale or private placement.

In a negotiated sale, an initial bond offering by an issuer is directly sold to an underwriter or underwriting syndicate selected by the issuer.¹ In addition to the underwriter or underwriting syndicate, the professionals involved in a negotiated municipal bond financing transaction may include municipal advisors, underwriter's counsel, bond counsel, feasibility consultants, credit enhancers, selling group members, auditors, rating agencies, trustees, disclosure counsel and other counsel.



[View a chart of the professionals involved in a negotiated transaction.](#)

Among the primary points of negotiation for an issuer are the interest rate, call features and purchase price of the issue,

as well as covenants or other key terms of the bond documents viewed as important in marketing the new issue.

A competitive bid is a transaction in which potential underwriters submit proposals for the purchase of a new issue of municipal securities and the securities are awarded to the underwriter or underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale. The underwriting of securities in this manner may also be referred to as a "public sale" or "competitive sale." The professionals that may be involved in competitive transactions include underwriters, municipal advisors, underwriter's counsel, bond counsel, feasibility consultants, credit enhancers, auditors, rating agencies and trustees.



[View a chart of the professionals involved in a competitive transaction.](#)

The following provides general descriptions of the role, activities and responsibilities of members of a bond financing team in an initial bond offering. Other activities conducted by these professionals will depend on the particular type of transaction, the presence of additional financing team members and any restricted role they perform as the issuer may determine.

The bond offering process is a coordinated effort among various professionals to finance a state or local government's capital projects.



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The state or local government selects and manages the financing team.

The State or Local Government

- Defines the financing requirements
- Determines the method of sale
- Sets and implements debt management policies and procedures of the municipality
- Determines available resources for payment of principal and interest of new debt issue
- Selects and manages the financing team
- Prepares offering documents in consultation with the financing team
- Works with the senior manager to determine how orders are filled or allotted² to investors from the bond pricing order period
- Determines participation³ of the senior manager's and syndicate members' liability in a negotiated bond issuance
- Determines the compensation of financing team
- Negotiates with the underwriter the final purchase price of the bonds
- Executes the bond purchase agreement⁴ with the senior manager
- Adopts bond resolution and/or executes any trust indenture, loan agreement or other bond financing documents
- Pays principal and interest on the bonds as they become due
- Complies with tax and other covenants included in the bond financing documents
- Submits continuing disclosures to the MSRB's [Electronic Municipal Market Access \(EMMA®\)](#) system under the issuer's continuing disclosure agreement

Municipal Advisor

- Acts in a fiduciary capacity for the state or local government⁵
- Develops requests for proposals and qualifications for underwriters, bond or disclosure counsel, credit enhancement facilities and investment products
- Assists in developing the plan of finance and related transaction timetable
- Identifies and analyzes financing solutions and alternatives for funding capital improvement plan
- Advises on the method of sale, taking into account market conditions and near-term activity in the municipal market
- Assists in preparation of any rating agency strategies and presentations
- Coordinates internal/external accountants, feasibility consultants and escrow agents
- Assists with the selection of underwriters, underwriter compensation issues, syndicate structure and bond allocations
- Assists with negotiated sales, including advice regarding retail order periods and institutional marketing, analysis of comparable bonds and secondary market data
- assists with competitive bond sales, including preparation of notice of sale and preliminary official statement, bid verification, true interest cost (TIC) calculations and reconciliations/verifications of bidding platform calculations, preparation of notice of sale, obtaining CUSIP numbers
- Prepares preliminary cash flows/ preliminary refunding analysis



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- Analyzes whether to use SLGS,⁶ open markets and/or agency securities for purposes of investment of bond proceeds
- Manages the escrow bids or reviewing SLGS applications for structuring advance refunding escrow
- Assists in procuring printers, verification agents, etc.
- Verifies cash flow calculations
- Plans and coordinates bond closings
- Prepares any required post-sale reports of bond sales
- Evaluates market conditions and pricing performance of senior manager and co-managers' distribution of bonds

The underwriter has an "arm's-length" relationship with the municipal government.

Bond Counsel

- Drafts bond resolution, indenture, loan agreement and/or other bond financing documents
- Reviews applicable law to confirm the issuer's authority to issue the bonds and its conformity with other legal requirements
- Affirms issuer's authorization of the bond offering
- Discloses and examines litigation that may jeopardize the validity of the bond issue
- Interprets arbitrage regulations and tax law
- Attests to the validity and enforceability of the bonds
- Provides guidance in structuring issues related to tax law
- Confirms tax-exempt status
- Drafts tax certificate

Underwriter (also known as Senior Manager, Lead Manager or Bookrunner)

- Has an "arm's-length" relationship with the municipal government⁷
- Provides proceeds at closing and obtains funds from investors
- Manages the affairs of any underwriting syndicate formed in connection with a new issue
- In a negotiated offering:
 - Works with state or local government and municipal advisor to design the plan of finance
 - Develops the bond structure
 - Assists in determining timing to sell bonds based on market conditions
 - Assists in the development of the bond documents
 - Assists in preparing any rating agency strategy and presentation
 - "Runs numbers" providing quantitative analysis of financing structure
 - Manages the pricing process
 - Executes pre-sale marketing
 - Solicits price views from syndicate members, which provides preliminary pricing indications among underwriters and customers about the offering range of a new issue
- Prepares distribution analysis
 - Works with the state or local government to determine how orders are filled from the bond pricing order period
 - Executes the bond purchase agreement with the municipal government on behalf of the syndicate



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- Submits bid in a competitive sale following evaluation of pricing of comparable issues, discussions with potential investors, accessing supply of bonds in the market or bonds scheduled to come to market, weighing possible competition from other firms

Underwriting Syndicate (also known as Co-Manager(s))

- Has an “arm’s-length” relationship with the state or local government
- Under the direction of the senior manager, purchases an initial bond issue from state or local government and offers it for resale to investors
- Provides sufficient capital to purchase an issue
- Shares the risks of underwriting the issue with the senior manager
- Distributes the bonds to investors

Underwriter’s Counsel

- Drafts bond purchase agreement, blue sky memorandum⁸ and agreement among underwriters⁹
- Advises underwriters regarding their legal positions with respect to the issue
- Advises underwriters on state and federal securities laws
- Assists underwriters in undertaking due diligence review and provides legal opinion that, based on such review, official statement does not contain misleading information or omit materials information

Rating Agencies

- Assess the credit quality of the bonds
- Assigns rating to the bond issue
- Updates ratings periodically while debt is outstanding

Trustee (also known as Paying Agent, or Registrar)

- Acts in a fiduciary role for the benefit of bondholders in enforcing the terms of the trust indenture
- Transmits principal and interest payments from an issuer of municipal securities to the bondholders
- Holds and invests moneys held in a construction fund, reserve fund or other funds that serve as security for payment of debt service on the bonds
- Maintains records on behalf of the issuer that identify the registered owners of the bonds and related matters
- Represents the interests of bondholders in the event of a default

Depending upon the type of transaction, other deal participants may be retained as required including:

Other Counsel

Other counsel in the bond issuance process may include disclosure counsel, special tax counsel, bank counsel, and borrower’s counsel. Such special counsel may be necessary for specific issues that are more complex or have particular characteristics.

Feasibility Consultant

- Writes the feasibility report prepared for revenue bond sales (such as in airport and water and sewer revenue bond offerings) and included in the official statements.

The trustee acts in a fiduciary role for the benefit of bondholders and represents the interests of bondholders in the event of a default.



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The report may evaluate the economic viability, or the adequacy of revenues generated by a capital project or program to repay debt. The report generally describes historic and projected demand for the services, economic trends, user base, user fees and rates that generate revenues pledged to cover debt service.

Credit Enhancers

- Support an issuer's credit in exchange for a fee or a premium, in the form of enhancement such as bond insurance or a letter of credit

Selling Group Members

- Assist in the distribution of a new issue of municipal securities
- Acquire new issue securities from the underwriting syndicate but do not participate in residual syndicate profits nor share any liability for unsold bonds

Verification Agent

- Verifies cash flow sufficiency to the call date of the escrow securities to pay principal and interest on refunded bonds

Escrow Agent

- Serves as custodian of funds and holds securities to pay debt service on refunded bonds

Printer

- Prints, or creates the electronic version of, the preliminary and final official statements for distribution to the marketplace

Auditor

- Compiles and examines the municipal government's financial statements upon which the auditor has expressed or disclaimed an opinion
- Reports, audits or investigates a municipal government's financial position and results of operations for a set period of time

Generally, the audit includes: (a) a statement of the scope of the audit; (b) explanatory comments concerning exceptions from generally accepted accounting principles and auditing standards; (c) expression or disclaimer of opinions; (d) explanatory comments concerning verification procedures; (e) financial statements and schedules; and (f) statistical tables, supplementary comments and recommendations.



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¹ Private placements also are sold by negotiation and involve the sale by a placement agent directly to institutional or private investors rather than through an offering to the general investing public. Investors purchasing privately placed securities often must meet certain standards of sophistication and also are often required to agree to restrictions as to resale and are sometimes required to provide a private placement letter to that effect.

² Allotments are the number of bonds that are actually sold by an underwriter to an investor.

³ Participation is the portion of a new municipal bond issue, expressed as a percentage of the number of bonds, for which the senior manager and syndicate members have a legal liability, regardless of whether they sell that many bonds. There are two major types of syndication agreements:

Undivided or Eastern Account — A method for determining liability stated in the agreement among underwriters in which each member of the underwriting syndicate is liable for any unsold portion of the issue according to each member's percentage participation in the syndicate. Syndicates most frequently are structured as undivided accounts.

Divided or Western Account — A method for determining liability stated in the agreement among underwriters in which each member of an underwriting syndicate is liable only for the amount of its participation in the issue, and not for any unsold portion of the participation amounts allocated to the other underwriters.

⁴ Bond purchase agreement is the contract between an underwriter and issuer setting forth final terms, prices and any other relevant conditions upon which underwriter purchases a new municipal bond issue.

⁵ MSRB Rule G-42 sets forth the core elements of the fiduciary duty standard as consistent with the mandates of the Dodd-Frank Act and the federal fiduciary duty imposed on municipal advisors in their relationship with municipal entity clients under Section 15B(c)(1) of the Securities Exchange Act of 1934.

⁶ SLGS are U.S. Treasury securities issued under its State and Local Government Series program for purposes of complying with arbitrage rules under the federal tax code.

⁷ MSRB Rule G-17 requires dealers to deal fairly with issuers in connection with the underwriting of municipal securities and to disclose to the issuer that its primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction.

⁸ Blue sky memorandum specifies the way a specific issue will be treated under state securities laws, usually including all 50 states and U.S. Territories, as well as the steps that must be undertaken to qualify the issue for sale in those jurisdictions.

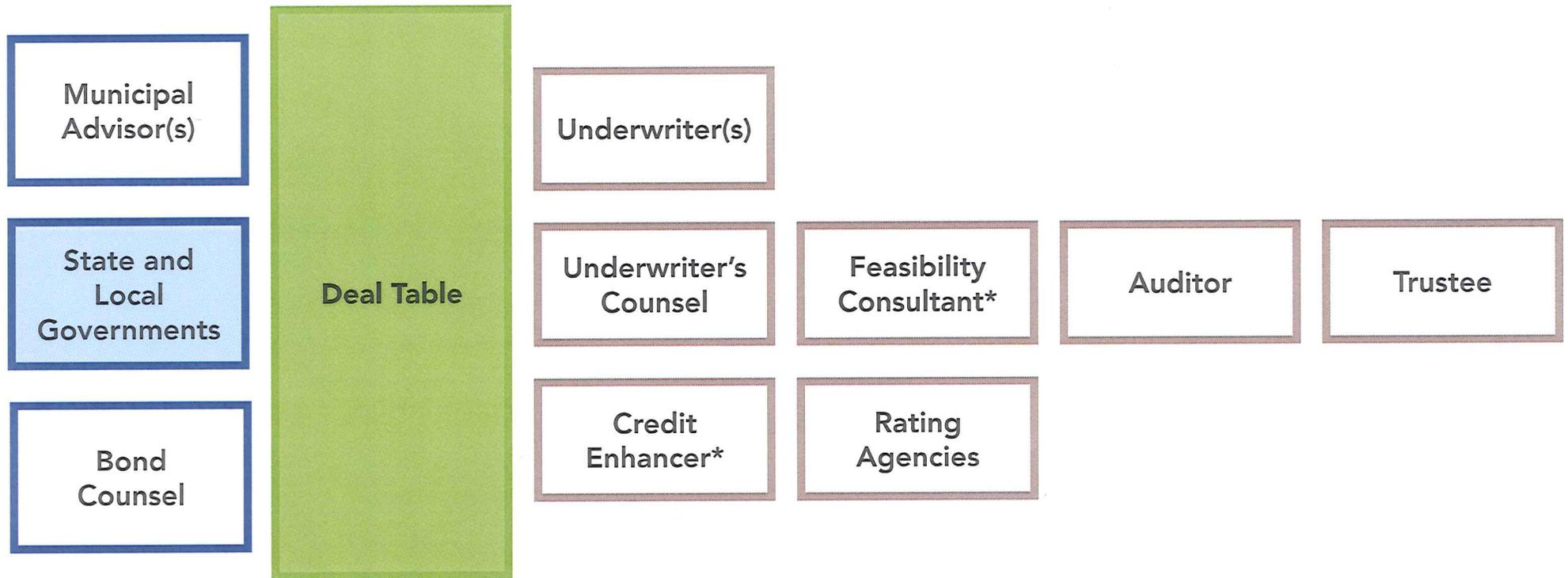
⁹ Agreement among underwriters is a contract among syndicate group members setting forth their rights, duties and underwriter's commitments to each other with respect to a new issue of securities.



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Professionals Involved in a Competitive Municipal Bond Financing Transaction



This chart illustrates the various professionals involved in a competitive municipal bond financing transaction.

* The type and feature of the bond transaction will determine the participation of these professionals.

Background Information

Mr. Steven Gortler
Registered Municipal Advisor

Background Information

Steven Gortler is a self-employed Municipal Advisor organized as a sole proprietorship. As required, the firm is registered with the Securities & Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) as follows:

- SEC Municipal Advisor Registration No. 867-01128
- Municipal Securities Rulemaking Board ID No. K0871

Steven primarily works from his home office at 212 McDonnell Road, Alameda CA 94502. Since starting his firm in April 2013, Steven has completed 17 bond financings with a total par value of \$352.5 million, including successor agency refunding bonds, assessment bonds, lease revenue bonds, general obligation bonds and wastewater revenue bonds. Included among those 17 bond financings were six negotiated sales, three competitive sales, and eight private placements. Additionally, Steven is currently in the process of completing an \$11.8 million lease revenue bond for the City of San Pablo to finance the construction of a new City Hall complex, and a \$4.7 million refinancing for the Sand City Successor Agency. Since starting his firm, Steven has completed the following financings:

Sale Date	Client Name	Par Amount	Transaction	Method of Sale
08/30/2017	San Pablo JPA	11,815,000	Lease Revenue Bonds	Negotiated Sale (Stifel Nicolaus)
07/27/2017	Sand City Successor Agency	4,685,000	Tax Allocation Refunding Bonds	Private Placement (BBVA Compass)
06/01/2017	City of Petaluma	23,365,000	Wastewater Revenue Rfdg. Bonds	Competitive Sale (BofA Merrill Lynch)
05/31/2017	Petaluma Successor Agency	35,945,000	Tax Allocation Refunding Bonds	Negotiated Sale (Morgan Stanley)
10/18/2016	San Pablo Successor Agency	3,700,000	Tax Allocation Refunding Bonds	Private Placement (Retail)
09/15/2016	City of Albany	14,750,000	General Obligation Rfdg Bonds	Competitive Sale (Fidelity Capital Mkts)
04/26/2016	Watsonville Successor Agency	14,210,000	Tax Allocation Refunding Bonds	Negotiated Sale (Hilltop Securities)
03/22/2016	Petaluma JPA	4,530,000	Lease Revenue Refunding Bonds	Private Placement (BBVA Compass)
01/28/2016	City of Albany	4,810,000	Sewer Revenue Refunding Bonds	Private Placement (JP Morgan Chase)
01/21/2016	Tracy Successor Agency	33,720,000	Tax Allocation Refunding Bonds	Negotiated Sale (Stifel Nicolaus)
12/04/2015	City of Morgan Hill	5,605,000	Assessment District Rfdg Bonds	Private Placement (Umpqua Bank)
12/02/2015	Morgan Hill JPA	9,025,000	Lease Revenue Refunding Bonds	Competitive Sale (Raymond James)
11/05/2015	City of Morgan Hill	4,415,000	Assessment District Rfdg Bonds	Private Placement (Umpqua Bank)
03/27/2015	Petaluma Successor Agency	19,545,000	Tax Allocation Refunding Bonds	Private Placement (Western Alliance)
03/27/2015	Petaluma Successor Agency	16,060,000	Tax Allocation Refunding Bonds	Private Placement (JP Morgan Chase)
02/18/2015	San Pablo JPA	15,810,000	Lease Revenue Bonds	Negotiated Sale (Stifel Nicolaus)
06/25/2014	Clayton Successor Agency	3,790,000	Tax Allocation Refunding Bonds	Private Placement (JP Morgan Chase)
06/03/2014	San Pablo Successor Agency	54,565,000	Tax Allocation Refunding Bonds	Negotiated Sale (Morgan Stanley)
11/19/2013	Morgan Hill Successor Agency	88,657,000	Tax Allocation Refunding Bonds	Negotiated Sale (Morgan Stanley)

Overall, Steven has more than 30-years of public finance experience, including:

- Twelve years as a financial advisor serving California cities, counties, school districts and special districts;
- Seven years as a public finance investment banker and municipal bond underwriter serving California cities and redevelopment agencies;
- Eight years as a municipal bond credit rating analyst;
- Four years as a tax analyst with the New York City Office of Management & Budget.

Steven has managed the issuance of more than \$2.50 billion of bonds for California cities, counties, school districts and special districts, including many large/complex financings. Experience as a financial advisor, investment banker, underwriter and rating analyst have enabled Steven to acquire a broad range of skills. Additionally, Steven has many personal qualities that enhance his qualifications including intelligence, dedication and judgment.

Investment Banking and Bond Underwriting Experience

Steven was an investment banker and bond underwriter with Piper Jaffray in San Francisco from 2005-2011, where he structured, marketed and priced bonds for California cities and redevelopment agencies. At Piper Jaffray Steven acquired superior analytical, quantitative and structuring skills, enhancing his qualifications to serve as the District's financial advisor.

Rating Agency Experience

Steven was a credit rating analyst with Standard & Poor's in New York City from 1991-1998, where he analyzed and rated a wide-variety of bonds for state and local governments including many California cities, counties, school districts and special districts. Steven's intimate understanding of rating criteria enables him to more accurately explain each client's credit strengths and weaknesses, and their ability to mitigate credit risk. Moreover, Steven's knowledge of credit helps him structure bonds more efficiently, which is especially important for revenue bonds, where structure is central to credit quality. Overall, Steven's knowledge of credit and his expertise in structuring bonds has helped achieve rating upgrades for many of his clients.

Financial Advisory Experience

Overall, Steven has twelve years of experience as a financial advisor serving California cities, counties, school districts and special districts. Prior to starting his own firm in 2013, Steven had **7+** years of experience with other Bay Area financial advisory firms.

Resources

Resources

Steven subscribes to Thomson Municipal Market Monitor (TM3) which is an on-line, municipal bond data and document retrieval service offered by Thomson Reuters <https://www.tm3.com/homepage/homepage.jsf?ur=y> TM3 delivers real-time municipal market news and commentary; primary market calendars; new issue sale results and pricing information including coupon rates, re-offering yields, prices and credit spreads; MMD proprietary yield curves; and, official statements for all public sales. TM3 is an essential tool for serious public finance professionals with powerful search features that allow for easy pricing comparisons among deals.

Steven also has a single-user license for Munex – a commercial software package developed by the Ferrand Consulting Group. Munex is widely used by public finance investment bankers and financial advisors to structure and price municipal bonds. Steven has used Munex since 2005 to structure all of the bonds for his clients when he was at Piper Jaffray, and ever since. Steven is an accomplished expert in the use of Munex.

Additionally, Steven has an account with Ipreo, which owns and operates the leading on-line bidding platform used by public agencies to issue municipal bonds via competitive sale.

References

References

Listed below are three Bay Area clients who have each worked with Steven on multiple bond financings over many years. Steve Rymer, Matt Rodriguez and John Brown can provide a very well-informed assessment of Steven's personal and professional capabilities.

City of Morgan Hill

Steve Rymer, City Manager

Tel. (408) 310-4625

Email: steve.rymer@morganhill.ca.gov

City of San Pablo

Matt Rodriguez, City Manager

Tel. (510) 215-3016

Email: mattr@sanpabloca.gov

City of Petaluma

John Brown, City Manager

Tel. (707) 778-4345

Email: jbrown@ci.petaluma.ca.us

Resume

STEVEN GORTLER
212 McDonnell Road, Alameda, CA 94502
Tel. (415) 298-3319
Email: steven.gortler@att.net

EXPERIENCE

**April 2013
to present**

Independent Registered Municipal Advisor (self-employed)

Municipal advisor specializing in the structuring, marketing and pricing of municipal debt obligations for California cities. Bay Area clients include the cities of Albany, Clayton, Morgan Hill, Petaluma, San Pablo, Tracy and Watsonville. Responsible for managing all aspects of the bond issuance process including originating transactions; recommending an appropriate plan of finance, bond structure and method of sale; assembling and coordinating the financing team; overseeing the preparation of all financing and disclosure documents; obtaining bond ratings and credit enhancements;

**January 2012
to April 2013**

**Caldwell Flores Winters, Inc.
Vice President, Public Finance**

Financial advisor serving California K-12 school districts, responsible for managing all aspects of the bond issuance process including originating transactions; recommending an appropriate plan of finance, bond structure and method of sale; assembling and coordinating the financing team; overseeing the preparation of all financing and disclosure documents; obtaining bond ratings and credit enhancements; and overseeing bond pricing, closing and post-closing activities.

**July 2005 to
Dec. 2011**

**Piper Jaffray & Co.
Vice President, Public Finance**

Investment banker serving California cities, responsible for structuring, marketing and pricing a wide variety of municipal debt types, including fixed and variable-rate debt, public offerings and private placements, new-money and refunding bonds, special tax and assessment district bonds, tax allocation bonds and water/sewer revenue bonds. Responsible for managing all aspects of the bond issuance process including originating transactions; recommending an appropriate plan of finance and bond structure; coordinating the financing team; overseeing the preparation of all financing and disclosure documents; obtaining bond ratings and credit enhancements; and overseeing bond pricing, closing and post-closing activities.

**Sept. 2004 to
June 2005**

**Deutsche Bank
Underwriter, Commercial Real Estate**

Underwriter of Fannie Mae and Freddie Mac-backed multi-family housing project debt.

**Sept. 1998 to
Sept. 2004**

**Leifer Capital and Kelling, Northcross & Nobriga (KNN)
Vice President, Public Finance**

Financial advisor serving California counties, responsible for structuring, marketing and pricing a wide variety of municipal debt types, including long and short-term debt, fixed-rate and variable-rate debt, tax-backed bonds, appropriation-backed debt, enterprise fund bonds and asset-backed bonds. Responsible for managing all aspects of the bond issuance process including originating transactions, recommending financing strategies and bond structuring options, assembling and coordinating the financing team, overseeing the preparation of financing documents, obtaining bond ratings and credit enhancements, and overseeing bond pricing, closing and post-closing activities.

**Jan. 1991 to
Aug. 1998**

**Standard & Poor's
Associate Director, Public Finance**

Rated municipal bonds for State and local government agencies including GO bonds, COPs, TRANS, water, sewer, solid-waste and waste-to-energy bonds, parking bonds, pension obligation bonds, tax increment bonds, port revenue bonds, CCRC bonds, higher education bonds, multi-family housing revenue bonds and sales tax bonds. Published articles and reports on credit trends, economic trends, regulatory issues, judicial decisions, and the impact of current events on municipal credit quality.

1989 to 1990

Economic Data Service

Self-employed. Created a database of national, state and local economic statistics. Produced monthly reports analyzing economic and demographic trends.

1988

Round-the-World Bicycle Trip

1983 to 1987

**New York City Office of Management & Budget
Senior Analyst, Tax Policy, Revenue Forecasting and Economic Analysis**

Assisted in the preparation of New York City's general fund tax revenue budget. Responsible for forecasting personal income tax revenue and sales tax revenue. Analyzed the impact of State and local fiscal policy on New York City tax revenues.

EDUCATION

MS Public Policy, Carnegie-Mellon University (candidate)

Concentration: Public Finance

BA Economics, State University of New York at Albany

Concentration: Public Finance

LICENSES

Series 7 and Series 63 (inactive)

Steven Gortler Completed Financings

Client	Dated Date	Par Amount	Type of Debt	Role
City of Petaluma	6/15/2017	23,365,000	Wastewater Bonds	Financial Advisor
Petaluma Successor Agency	6/15/2017	35,945,000	Tax Allocation Bonds	Financial Advisor
San Pablo Successor Agency	11/1/2016	3,700,000	Tax Allocation Bonds	Financial Advisor
City of Albany	9/28/2016	14,750,000	General Obligation Bonds	Financial Advisor
Watsonville Successor Agency	5/10/2016	14,210,000	Tax Allocation Bonds	Financial Advisor
Petaluma Public Financing Authority	3/22/2016	4,530,000	Lease Revenue Bonds	Financial Advisor
Tracy Successor Agency	2/9/2016	33,720,000	Tax Allocation Bonds	Financial Advisor
City of Albany	1/28/2016	4,810,000	Sewer Revenue Bonds	Financial Advisor
Morgan Hill Financing Authority	12/16/2015	9,025,000	Lease Revenue Bonds	Financial Advisor
City of Morgan Hill	12/4/2015	5,605,000	Assessment Dist Bonds	Financial Advisor
City of Morgan Hill	11/5/2015	4,415,000	Assessment Dist Bonds	Financial Advisor
Petaluma Successor Agency	3/27/2015	35,635,000	Tax Allocation Bonds	Financial Advisor
City of San Pablo	3/4/2015	15,810,000	Lease Revenue Bonds	Financial Advisor
Clayton Successor Agency	6/25/2014	3,790,000	Tax Allocation Bonds	Financial Advisor
San Pablo Successor Agency	6/12/2014	54,565,000	Tax Allocation Bonds	Financial Advisor
Morgan Hill Successor Agency	12/4/2013	88,675,000	Tax Allocation Bonds	Financial Advisor
Mojave Unified School District	1/24/2013	2,730,000	General Obligation Bonds	Financial Advisor
Oxnard School District	12/27/2012	18,390,000	General Obligation Bonds	Financial Advisor
Konocti Unified School District	12/27/2012	9,745,000	General Obligation Bonds	Financial Advisor
Mojave Unified School District	12/4/2012	9,300,000	QZAB Lease	Financial Advisor
Mammoth Unified School District	11/28/2012	2,360,000	General Obligation Bonds	Financial Advisor
Southern Mono Heath Care District	11/20/2012	11,295,000	General Obligation Bonds	Financial Advisor
Selma Unified School District	9/19/2012	4,055,000	Certificates of Participation	Financial Advisor
Escalon Unified School District	8/1/2012	5,890,000	General Obligation Bonds	Financial Advisor
El Rancho Unified School District	7/10/2012	21,580,000	General Obligation Bonds	Financial Advisor
Rialto Unified School District	6/5/2012	29,865,000	General Obligation Bonds	Financial Advisor
Antelope Valley Joint Union HSD	5/24/2012	37,685,000	General Obligation Bonds	Financial Advisor
Ripon Unified School District	5/23/2012	5,145,000	General Obligation Bonds	Financial Advisor
Centralia School District	3/13/2012	8,660,000	General Obligation Bonds	Financial Advisor
City of Yucaipa	12/21/2011	26,125,000	Special Tax Bonds	Underwriter
City of Lincoln	11/3/2011	41,800,000	Assessment Dist Bonds	Underwriter
City of Pittsburg	8/25/2011	17,840,000	Assessment Dist Bonds	Underwriter
City of Folsom	8/2/2011	10,855,000	Special Tax Bonds	Underwriter
King City Community Dev Agency	6/20/2011	5,240,000	Tax Allocation Bonds	Underwriter
Petaluma Community Dev Commission	3/17/2011	11,369,000	Tax Allocation Bonds	Underwriter
City of Petaluma	3/8/2011	22,465,000	Sewer Revenue Bonds	Underwriter
Davis Redevelopment Agency	3/1/2011	18,000,000	Tax Allocation Bonds	Underwriter
City of Millbrae	12/23/2009	15,810,000	Sewer Revenue Bonds	Underwriter
City of Half Moon Bay	7/22/2009	16,680,000	Judgment Obligation Bonds	Underwriter

Steven Gortler Completed Financings

Client	Dated Date	Par Amount	Type of Debt	Role
Government of Guam	6/18/2009	202,425,000	Limited Tax Bonds	Underwriter
Pittsburg Redevelopment Agency	11/19/2008	61,660,856	Tax Allocation Bonds	Underwriter
San Pablo Redevelopment Agency	6/17/2008	36,000,000	Tax Allocation Bonds	Underwriter
Pittsburg Redevelopment Agency	5/14/2008	117,615,000	Tax Allocation Bonds	Underwriter
Menlo Park Community Dev Agency	4/23/2008	70,820,000	Tax Allocation Bonds	Underwriter
Hawaiian Paradise Park Owners Assoc	6/21/2007	12,085,000	HOA Revenue Bonds	Underwriter
City of Clayton	6/7/2007	5,060,000	Special Tax Bonds	Underwriter
Rosemead Comnty Dev Commission	12/21/2006	24,230,000	Tax Allocation Bonds	Underwriter
San Pablo Redevelopment Agency	10/5/2006	36,000,000	Tax Allocation Bonds	Underwriter
Menlo Park Community Dev Agency	5/25/2006	72,430,000	Tax Allocation Bonds	Underwriter
Manteca Redevelopment Agency	12/13/2005	50,760,000	Tax Allocation Bonds	Underwriter
Sunnyvale School District	7/1/2003	5,000,000	Tax Revenue Anticipation Note	Financial Advisor
Fairfield-Suisun Unified School District	7/1/2003	5,000,000	Tax Revenue Anticipation Note	Financial Advisor
Stanislaus County	10/31/2002	30,000,000	Tax Revenue Anticipation Note	Financial Advisor
Fresno County	7/25/2002	92,955,000	Tobacco Bonds	Financial Advisor
Sunnyvale School District	7/2/2002	5,000,000	Tax Revenue Anticipation Note	Financial Advisor
Merced County	7/1/2002	15,705,000	Certificates of Participation	Financial Advisor
Kern County	5/30/2002	105,245,000	Tobacco Bonds	Financial Advisor
Sonoma County	4/30/2002	67,410,000	Tobacco Bonds	Financial Advisor
Stanislaus County	4/4/2002	67,305,000	Tobacco Bonds	Financial Advisor
Merced County	4/4/2002	30,515,000	Tobacco Bonds	Financial Advisor
Fresno County	3/21/2002	117,055,000	Pension Obligation Bonds	Financial Advisor
Kern County	1/1/2002	14,165,000	Solid Waste Bonds	Financial Advisor
Sonoma County	11/1/2001	43,000,000	Tax Revenue Anticipation Note	Financial Advisor
Stanislaus County Redev Agency	7/24/2001	4,525,000	Loan Anticipation Note	Financial Advisor
Kern County	7/2/2001	60,000,000	Tax Revenue Anticipation Note	Financial Advisor
Fresno County	7/2/2001	72,000,000	Tax Revenue Anticipation Note	Financial Advisor
Stanislaus County	11/15/2000	27,000,000	Tax Revenue Anticipation Note	Financial Advisor
Sonoma County	11/2/2000	48,000,000	Tax Revenue Anticipation Note	Financial Advisor
Kern County	7/5/2000	46,000,000	Tax Revenue Anticipation Note	Financial Advisor
Fresno County	7/5/2000	75,000,000	Tax Revenue Anticipation Note	Financial Advisor
Stanislaus County	2/1/2000	58,780,000	Resource Recovery Bonds	Financial Advisor
Sonoma County	11/2/1999	54,250,000	Tax Revenue Anticipation Note	Financial Advisor
Napa County	7/1/1999	43,650,000	Sales Tax Bonds	Financial Advisor
Kern County	7/1/1999	46,000,000	Tax Revenue Anticipation Note	Financial Advisor
Fresno County	7/1/1999	75,000,000	Tax Revenue Anticipation Note	Financial Advisor
Merced County	7/1/1999	13,000,000	Tax Revenue Anticipation Note	Financial Advisor
Merced County	2/11/1999	63,070,000	Pension Obligation Bonds	Financial Advisor
Kern County Water Agency	2/1/1999	7,155,000	Water Revenue Bonds	Financial Advisor

Attachment E - Comparative Financial Advisory Fees

Illustrative examples of financial advisory fees on a sampling of recent financings:

Sale Date	Issuer	Par Amount	Financial Advisor	FA Fee	Security	Method of Sale
Jun 1, 2017	City of Petaluma	23,365,000	Steven Gortler	\$42,500	Wastewater Rev	Competitive
Jun 1, 2017	San Juan Water District	26,125,000	Urban Futures	\$40,000	Water Rev	Negotiated
Apr 26, 2017	Yorba Linda Water District Fin. Auth.	29,335,000	Fieldman Rolapp	\$49,045	Water Rev	Negotiated
Apr 26, 2017	LA Dept Wtr & Pwr	530,270,000	PRAG	\$68,000	Water Rev	Negotiated
Apr 11, 2017	Marin PFA	38,365,000	Bartle Wells	\$43,500	Wastewater Rev	Competitive
Apr 11, 2017	Santa Clara Valley Water District	54,710,000	PRAG	\$70,000	Water Rev	Competitive
Mar 21, 2017	Marin PFA	33,630,000	Bartle Wells	\$43,500	Wastewater Rev	Competitive
Mar 8, 2017	Garden Grove Sanitation District	15,970,000	Urban Futures	\$47,500	Wastewater Rev	Negotiated
Feb 14, 2017	Santa Clara Valley Water District	59,390,000	PRAG	\$70,000	Water Rev	Negotiated
Jan 19, 2017	Chino Basin Regional Fin. Auth.	67,615,000	PFM	\$65,000	Wastewater Rev	Negotiated
Jan 17, 2017	Orange County Sanitary District	66,370,000	PRAG	\$100,500	Wastewater Rev	Competitive
Oct 12, 2016	LA County San. Dist. Fin. Auth.	170,265,000	Montague DeRose	\$52,000	Wastewater Rev	Negotiated
Jun 22, 2016	City of Tulare	58,265,000	Bartle Wells	\$75,500	Wastewater Rev	Negotiated

Novato Sanitary District
2011 Wastewater Revenue Certificates of Participation
Proposed Refinancing
September 6, 2017

Prepared by Steven Gortler
Telephone (415) 298-3319
Email: steven.gortler@att.net

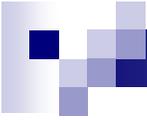


Outstanding Debt of the Novato Sanitary District

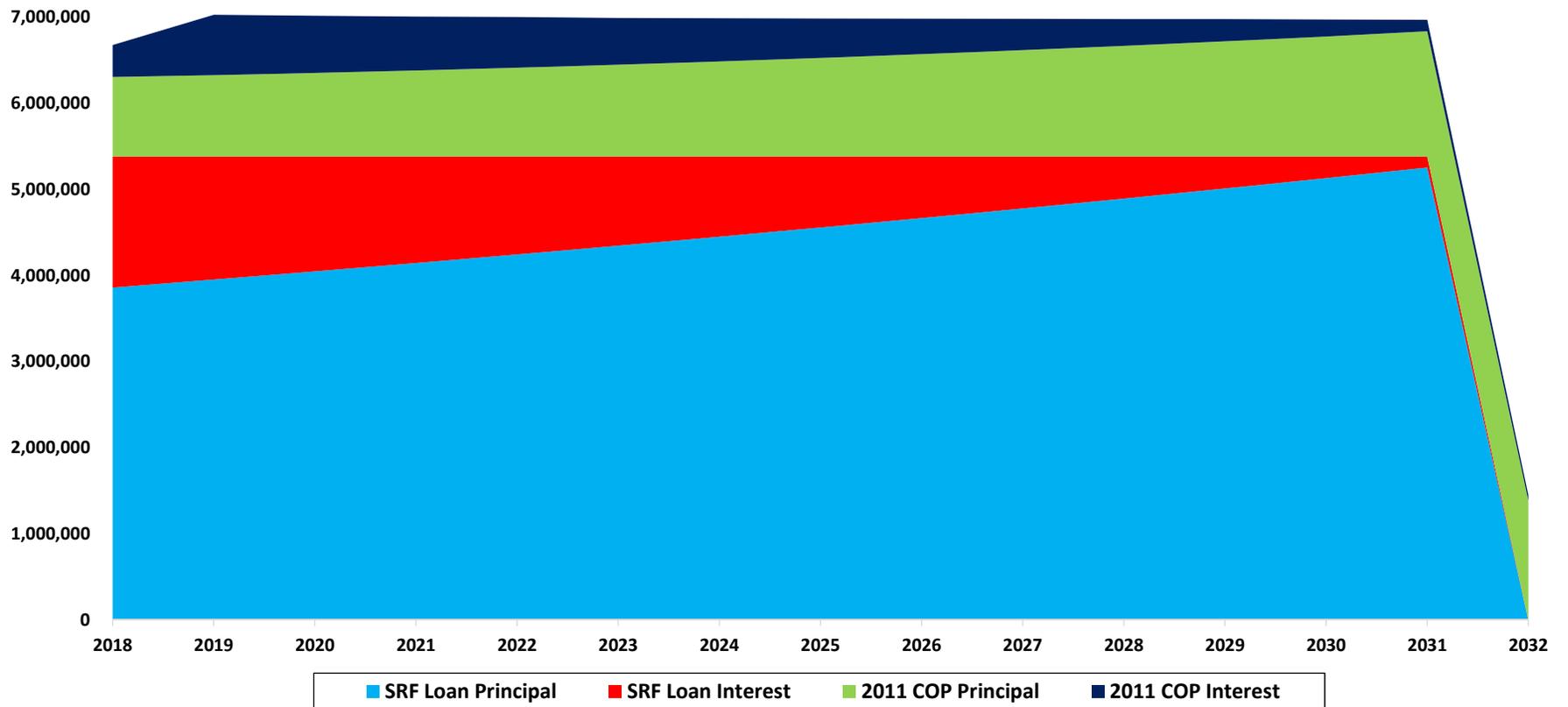
	SRF Loan	2011 COPS
Date of Issuance	Nov 16, 2007	Oct 12, 2011
Original Par Amount	81,329,083	21,750,000
Outstanding Par Amount	63,322,683	17,475,000
Final Maturity	Dec 31, 2030	Feb 1, 2032
Optional Redemption	any date @ par	Feb 1, 2020 @ 100.5%

Outstanding Debt of the Novato Sanitary District

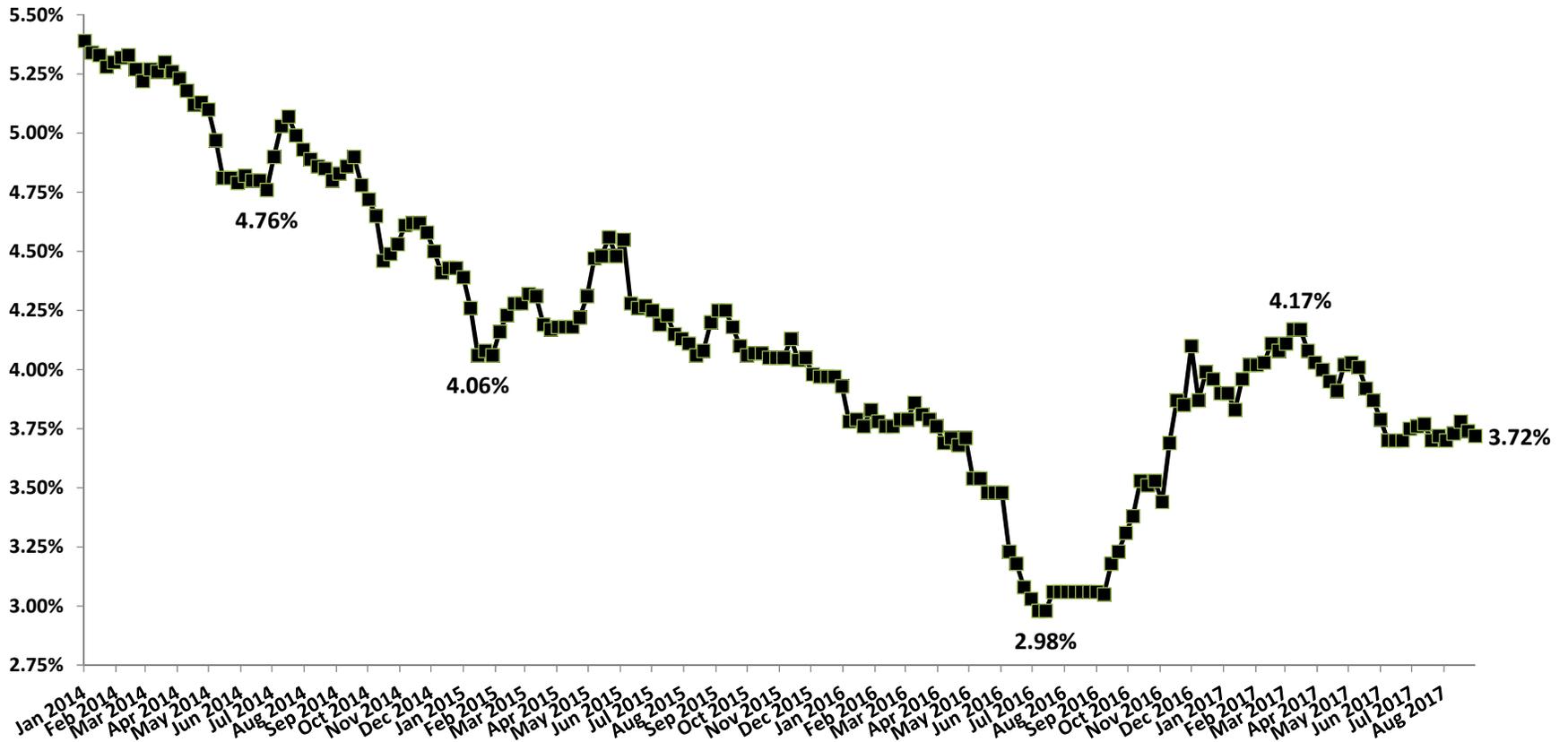
FYE 6/30	SRF Loan			2011 Certificates of Participation				Total			
	Principal	Interest	Total	Principal	Interest	Reserve	Total	Principal	Interest	Reserve	Total
2018	3,859,212	1,519,744	5,378,956	925,000	369,774		1,294,774	4,784,212	1,889,518		6,673,730
2019	3,951,833	1,427,123	5,378,956	945,000	702,548		1,647,548	4,896,833	2,129,671		7,026,504
2020	4,046,677	1,332,279	5,378,956	970,000	664,748		1,634,748	5,016,677	1,997,027		7,013,704
2021	4,143,797	1,235,159	5,378,956	1,000,000	625,948		1,625,948	5,143,797	1,861,107		7,004,904
2022	4,243,248	1,135,708	5,378,956	1,035,000	585,948		1,620,948	5,278,248	1,721,655		6,999,904
2023	4,345,086	1,033,870	5,378,956	1,065,000	544,548		1,609,548	5,410,086	1,578,417		6,988,504
2024	4,449,368	929,588	5,378,956	1,105,000	501,948		1,606,948	5,554,368	1,431,535		6,985,904
2025	4,556,153	822,803	5,378,956	1,145,000	457,748		1,602,748	5,701,153	1,280,551		6,981,704
2026	4,665,501	713,455	5,378,956	1,190,000	411,948		1,601,948	5,855,501	1,125,403		6,980,904
2027	4,777,473	601,483	5,378,956	1,235,000	364,348		1,599,348	6,012,473	965,831		6,978,304
2028	4,892,132	486,824	5,378,956	1,285,000	311,860		1,596,860	6,177,132	798,684		6,975,816
2029	5,009,543	369,413	5,378,956	1,340,000	257,248		1,597,248	6,349,543	626,660		6,976,204
2030	5,129,772	249,184	5,378,956	1,395,000	196,948		1,591,948	6,524,772	446,131		6,970,904
2031	5,252,887	126,069	5,378,956	1,455,000	134,173		1,589,173	6,707,887	260,242		6,968,129
2032				1,385,000	65,788	(1,696,148)	(245,361)	1,385,000	65,788	(1,696,148)	(245,361)
	63,322,683	11,982,704	75,305,387	17,475,000	6,195,516	(1,696,148)	21,974,368	80,797,683	18,178,220	(1,696,148)	97,279,755



Outstanding Debt of the Novato Sanitary District



Recent Trends in Municipal Bond Yields (Bond Buyer Revenue Bond Index)

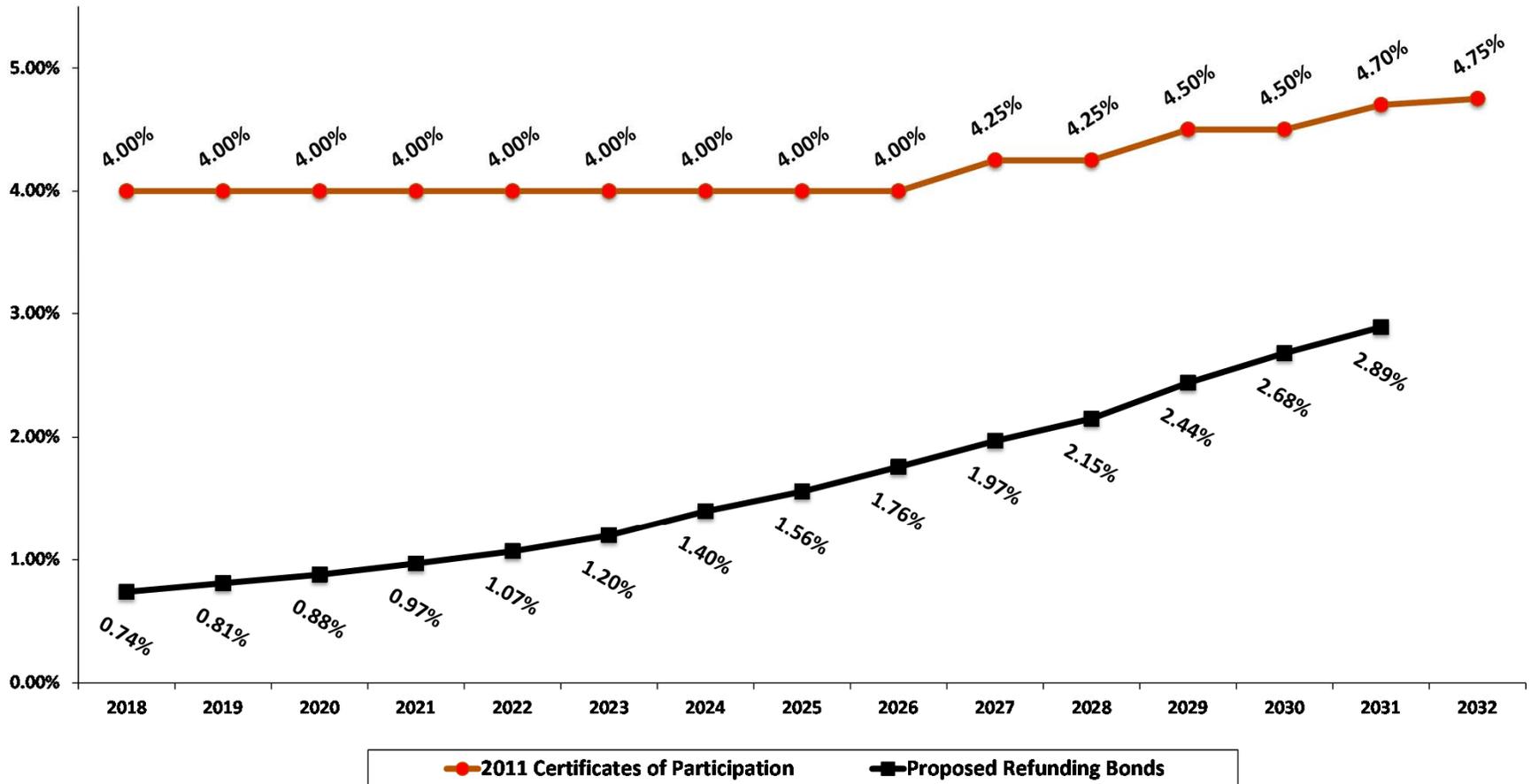




Potential Bidders

- 1.** Bank of America Merrill Lynch
- 2.** BOSCO
- 3.** Citigroup Global Markets
- 4.** D.A. Davidson
- 5.** Fidelity Capital Markets
- 6.** GK Baum
- 7.** Hilltop Securities
- 8.** Hutchinson, Shockey, Erley
- 9.** J.P. Morgan Securities
- 10.** Janney Montgomery Scott
- 11.** Jefferies
- 12.** Loop Capital
- 13.** Mesirow Financial
- 14.** Morgan Stanley
- 15.** Piper Jaffray
- 16.** Raymond James
- 17.** RBC
- 18.** Robert W. Baird
- 19.** Stifel Nicolaus
- 20.** U.S. Bancorp Investments
- 21.** UBS
- 22.** Wells Fargo

Interest Rate Comparison: 2011 COPS vs. Proposed Refunding Bonds



Estimated Annual Debt Service Savings

FYE 6/30	2011 Certificates of Participation				Proposed Refunding Bonds			Annual Savings	Cumulative Savings
	Principal	Interest	Reserve	Total	Principal	Interest	Total		
2018	925,000	369,774		1,294,774	870,000	256,628	1,126,628	168,146	168,146
2019	945,000	702,548		1,647,548	830,000	648,250	1,478,250	169,298	337,444
2020	970,000	664,748		1,634,748	855,000	615,050	1,470,050	164,698	502,141
2021	1,000,000	625,948		1,625,948	880,000	580,850	1,460,850	165,098	667,239
2022	1,035,000	585,948		1,620,948	910,000	545,650	1,455,650	165,298	832,536
2023	1,065,000	544,548		1,609,548	935,000	509,250	1,444,250	165,298	997,834
2024	1,105,000	501,948		1,606,948	975,000	462,500	1,437,500	169,448	1,167,281
2025	1,145,000	457,748		1,602,748	1,020,000	413,750	1,433,750	168,998	1,336,279
2026	1,190,000	411,948		1,601,948	1,070,000	362,750	1,432,750	169,198	1,505,476
2027	1,235,000	364,348		1,599,348	1,125,000	309,250	1,434,250	165,098	1,670,574
2028	1,285,000	311,860		1,596,860	1,175,000	253,000	1,428,000	168,860	1,839,434
2029	1,340,000	257,248		1,597,248	1,235,000	194,250	1,429,250	167,998	2,007,431
2030	1,395,000	196,948		1,591,948	1,295,000	132,500	1,427,500	164,448	2,171,879
2031	1,455,000	134,173		1,589,173	1,355,000	67,750	1,422,750	166,423	2,338,301
2032	1,385,000	65,788	(1,696,148)	(245,361)				(245,361)	2,092,941
	17,475,000	6,195,516	(1,696,148)	21,974,368	14,530,000	5,351,428	19,881,428	2,092,941	



Estimated Net Present Value (NPV) Savings

Gross PV Debt Service Savings	3,162,466
Effect of Liquidating 2011 Reserve	(1,289,174)
Net Present Value (NPV) Savings	1,873,292
Par Amount of Refunded Bonds	17,475,000
NPV Savings / Refunded Par Amount	10.7%



Estimated Sources & Uses of Funds

Sources of Funds:

Par Amount of Refunding Bonds	14,530,000
Reoffering Premium	2,762,315
Transfer from Prior Reserves	1,696,148
Total Sources	18,988,463

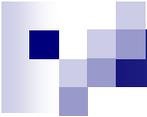
Uses of Funds:

Deposit to Redemption Fund	18,733,734
Estimated Costs of Issuance	254,729
Total Uses	18,988,463



Estimated Costs of Issuance

Service	Estimated Fee
Underwriter	72,650
Bond Counsel	50,000
Financial Advisor	35,000
Disclosure Counsel	35,000
Rating Agency	20,000
Rate Consultant	7,500
Escrow Verification & Bidding Agent	5,500
Trustee & Counsel	5,000
Continuing Disclosure	3,000
Financial Printer	2,000
Advertising	1,500
Bidding Platform	1,500
Contingency	16,079
	<hr/> 254,729



Transaction Summary

Issuer	Novato Sanitary District or Marin Public Financing Authority
Issue	Wastewater Revenue Refunding Bonds, Series 2017
Estimated Par Amount	14,530,000
Purpose	Advance refunding of all outstanding 2011 COPs
2011 COPs	\$17,475,000 outstanding, callable at 100.5% on 2-1-2020
Outstanding Senior Debt	none
Outstanding Parity Debt	SRF Loan (\$63,322,683.18 outstanding @ 12-31-2016)
Term Structure	Serial and/or Term Bonds
IPD's	Feb 1 and Aug 1, commencing Feb 1, 2018
PPD's	Feb 1, commencing Feb 1, 2018
Method of Sale	Competitive
Current Rating	'AA-' from S&P
Expected Rating	'AA' from S&P
Credit Enhancement	none
Reserve Fund	none
Security	Net Revenues
Additional Bonds Test	1.25x historical coverage of future MADS from Net Revenues (adjusted for approved rate increases) but excluding transfers-in from RSF, connection fees and interest earnings
Rate Covenant	1.20x coverage of Annual Debt Service from Net Revenues (adjusted for approved rate increases) including transfers-in from RSF but excluding connection fees and interest earnings
Optional Redemption	Feb 1, 2028
Escrow Fund Securities	OMS

Proposed Financing Schedule

Fri, Sep 15	1 st draft of Legal Documents distributed by Bond Counsel
Fri, Sep 22	1 st draft of Preliminary Official Statement distributed by Disclosure Counsel 2 nd draft of Legal Documents distributed by Bond Counsel Submit rating request
Week of Sep 25	All-hands meeting in Novato to review Financing Documents
Fri, Sep 29	Agenda deadline for Oct 9 Board Meeting
Week of Oct 2	Rating presentation (and site tour)
Mon, Oct 9	District Board Meeting to approve issuance of Refunding Bonds
Thu, Oct 12	Receive rating
Fri, Oct 13	Print/post Preliminary Official Statement and Official Notice of Sale
Week of Oct 16	Pre-sale marketing
Week of Oct 23	Bond pricing, subject to market conditions
Thu, Nov 9	Closing

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, August 2017.

MEETING DATE: September 11, 2017

AGENDA ITEM NO.: 8.a.

RECOMMENDED ACTION: Receive Wastewater Operations Reports for August 2017:

- Collection Systems
- Treatment Facilities Operations
- Reclamation Facilities

SUMMARY AND DISCUSSION:

The August 2017 Wastewater Operations Report incorporating operations reports for collections systems, wastewater treatment operations, and the reclamation facilities is attached.

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

ATTACHMENTS: 1. Wastewater Operations Reports for the month of August 2017.

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

DEPT. MGR.: JB (Veolia), SRK, DD, EB

GENERAL MANAGER: SSK

Novato Sanitary District
Wastewater Operations - Collection System Operations Report
August 2017

Item 8.a.
Attachment 1
(Pages 69 to 117)

1.0 General:

The equivalent of about seven (7) full time employees (FTE) worked in the Collection System Department during the month. The breakdown of staff time for the month in terms of equivalent full-time employee hours utilized, works out approximately as follows:

- 1.5 FTE field workers for Sewer Maintenance (main line cleaning)
- 1.1 FTE field workers for Pump Station Maintenance
- 0.1 FTE field workers for Closed Circuit Television (CCTV) work
- 1.6 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, or special activities (for e.g. smoke testing of mainlines), and
- An equivalent of 2.7 FTE field workers for vacation, holiday or sick leave.

2.0 Collection System Maintenance:

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

Line Cleaning Performance

The sewer system ICOM3 Computerized Maintenance Management System (CMMS) generated 303 work orders for the month. Collections staff completed 303 work orders, leaving zero work orders outstanding. The 303 maintenance work orders completed resulted in 52,653 feet of sewer pipelines cleaned by staff.

CCTV Performance:

The District's CCTV van was in the field for one working day and televised 2 line segments, totaling 541 feet of sewer main inspected. Staff also conducted 31 sewer main inspections, totaling 5,123 feet, using the push camera.

CCTV Findings:

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

3.0 Pump Station Maintenance:

The Collection System Department conducted 214 lift station inspections this month. 90 of the inspection visits were generated through the District's JobsCal Plus CMMS system. There are zero (0) outstanding work orders for the month. A Collection Systems (Pump Stations) Work Order Statistics summary is attached.

Also, District staff completed the annual cleaning ("pigging") of the Ignacio Conveyance Force Main by launching a cleaning "pig" from the launcher at the pump station site, to the discharge and retrieval point just south of Novato Community Hospital.

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on eight (8) air relief/vacuum valves.

**Novato Sanitary District
Wastewater Operations - Collection System Operations Report
August 2017**



Placing pig in launcher



Retrieving pig from catcher manhole

5.0 Safety and Training:

General:

Collection System staff attended five (5) safety tailgate meetings in August.

Specialized training:

Two Collections Department staff members attended SSO Reporting and Hands on Volume Estimation Training at the Sonoma Valley Treatment Plant.

Electrical /Instrumentation Technician I Russell Farmery conducted an Auto Dialer Alarm System Training exercise to familiarize Collections Department staff with a portable alarm system that was fabricated in-house. The alarm system is designed to call a staff member when a level float is triggered.

Safety performance:

There were no lost time accidents this month for a total of 2,363 accident free days since the last lost time accident.

6.0 Miscellaneous Projects:

In August, Collections Department staff performed locating and marking of District sewer lines in the vicinity of planned excavations (Underground Service Alert or USA marking), and completed the annual Creek Crossing and Siphon Inspections.

Collections Staff assisted California Diesel and Power Inc. with the annual preventive maintenance of all emergency standby generators (stationary and portable) was completed in August. Recommended repairs will be scheduled as soon as possible.

7.0 Sanitary Sewer Overflows (SSOs):

There were zero (0) sanitary sewer overflows in August.

Novato Sanitary District
Collection System Monthly Report For August 2017 (as of August 31, 2017)

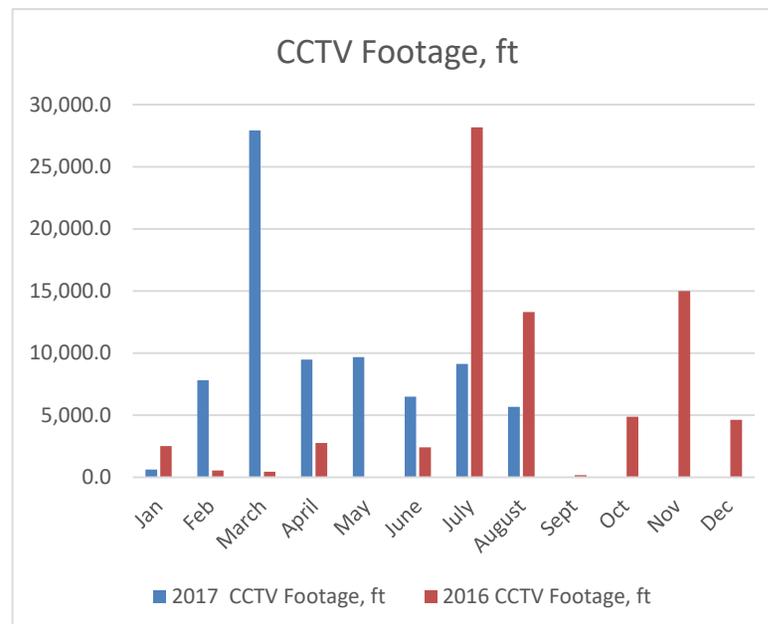
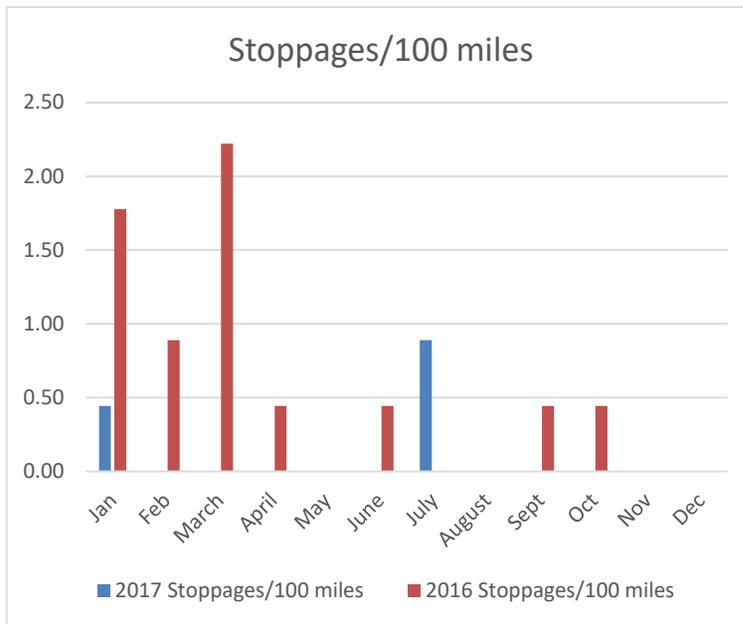
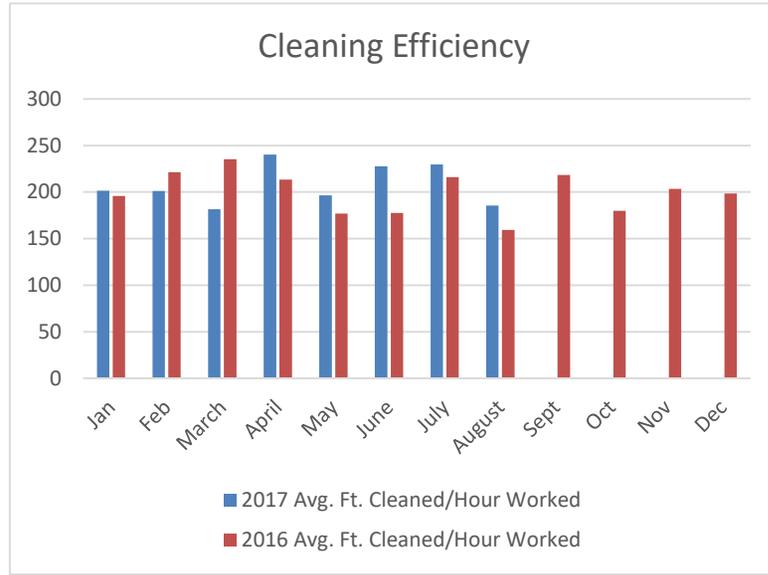
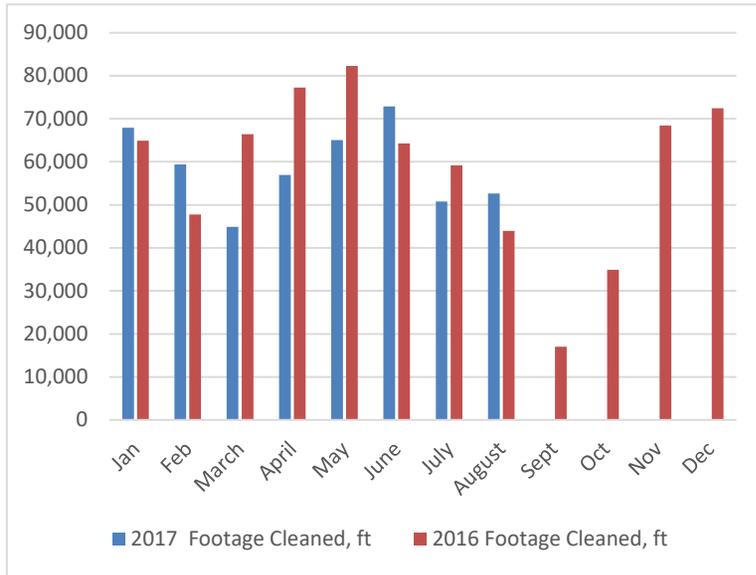
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.9	1.8	1.4	1.5	1.8	1.9	1.3	1.5	0.0	0.0	0.0	0.0	NA	1.1
Number of FTEs (other)	2.0	1.7	2.0	1.5	2.2	1.9	1.8	1.6	0.0	0.0	0.0	0.0	NA	1.2
Number of FTEs (CCTV)	0.0	0.4	1.0	0.5	0.3	0.2	0.3	0.1	0.0	0.0	0.0	0.0	NA	0.2
Total, FTEs	3.9	3.9	4.3	3.5	4.3	4.0	3.4	3.2	0.0	0.0	0.0	0.0	NA	2.5
Regular Time Worked, (main line cleaning), hrs	337	295	247	237	331	320	221	284						
Regular Time Worked on Other, hrs (1)	360	270	362	247	415	331	301	297						
Regular Time Worked on CCTV (2)	2	57	182	75	58	41	46	4						
Total Regular time, worked, hrs	699	622	791	559	804	692	568	585	0	0	0	0	5,320	443
Total Vacation/Sick Leave/Holiday, hrs	359	295	254	391	300	310	442	511					2,862	358
Vacation/Sick Leave/Holiday, FTEs	2.0	1.8	1.4	2.4	1.6	1.8	2.4	2.7	0.0	0.0	0.0	0.0	16.2	1.4
Overtime Worked on Coll. Sys., hrs	0	0	0	0	0	0	0	0					0	0
Overtime Worked on Other, hrs (1)	74	11	4	4	20	20	30	19					182	23
Overtime Worked on CCTV (2)	0	5	0	0	0	0	0	0					5	1
Total Overtime, hrs	74	16	4	4	20	20	30	19	NA	NA	NA	NA	187	23
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	39	28	6	15	66	34	22	63					273	34
Rodder 3208 ft. cleaned	8,884	5,385	1,145	3,310	11,176	6,466	4,356	10,492					51,214	6,402
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0					0	0
Flusher Work Orders generated	277	278	214	266	280	346	243	240					2,144	268
Truck 3205V ft. cleaned	8,395	12,037	512	776	4,349	7,096	1,304	2,340					36,809	4,601
Truck 3206V ft. cleaned	50,644	41,951	43,188	52,869	49,549	59,020	45,128	39,821					382,170	47,771
Flusher - outside services, ft. cleaned	0	0	0	0	0	0	284	0					284	
Total Footage cleaned(3)	67,923	59,373	44,845	56,955	65,074	72,866	50,788	52,653	NA	NA	NA	NA	470,477	58,810
Work Orders completed	316	306	220	281	346	380	265	303					2,417	302
Work Orders backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	0	0	0	0	0	0					0	
CCTV Truck 3126T, ft. videoed	0	7,055	27,927	8,727	9,682	5,414	6,808	541					66,154	8,269
CCTV (hand cam), ft. videoed	612	757	0	749	0	822	2,320	5,123					10,383	
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	250	0	0					250	
Total CCTV footage(3)	612	7,812	27,927	9,476	9,682	6,486	9,128	5,664	NA	NA	NA	NA	76,787	
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	1	0	0	0	0	0	2	0					3	NA
Major (Category II)	1	0	0	0	0	0	1	0					2	NA
Major (Category I)	0	0	0	0	0	0	0	0					0	NA
Major (Category I)	0	0	0	0	0	0	1	0					1	NA
Overflow Gallons	90	0	0	0	0	0	4,826	0					4,916	NA
Volume Recovered	0	0	0	0	0	0	600	0					600	NA
Percent Recovered	0%	NA	NA	NA	NA	NA	12%	NA	NA	NA	NA	NA	12%	NA
D. Service Calls (non-SSO related)														
Service calls, normal hours, #	9	9	6	3	2	3	6	1					33	5
Normal hours S.C. response time, mins (avg.)	10	12	18	15	23	10	25	40					153	19
Service Callouts, after hours, #	0	1	0	0	0	0	1	0					2	0
After Hours S.C. response time, mins (avg.)	NA	30	NA	NA	NA	NA	30	NA					60	30
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	202	201	182	240	197	228	230	185	NA	NA	NA	NA	NA	208
Total Stoppages/100 Miles	0.4	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	1.3	NA
Average spill response time (mins)	0	NA	NA	NA	NA	NA	15	NA					NA	8
Callouts/100 Miles	0.0	0.4	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.9	0.1
Overtime hours/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0
Overflow Gallons/100 Miles	39	0	0	0	0	0	2,098	0	0	0	0	-	2,137	178

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

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

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

Collection System: 2017 & 2016 Graphs



Novato Sanitary District

Pump Station Monthly Report For August 2017 (as of August 31, 2017)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
Employee Hours Worked	218	239	276	205	246	239	212	251	0	0	0	0	1,886	
Number of Employees (FTEs)	1.2	1.3	1.3	1.1	1.1	1.2	1.0	1.1	0.0	0.0	0.0	0.0		0.8
Regular Time Worked on Pump Sta	190	203	235	172	206	205	174	211					1,596	
Overtime Worked on Pump Sta	28	36	41	33	40	34	38	40					290	
After Hours Callouts	3	3	6	4	5	2	4	4					31	
Average Callout response time (mins)	23	28	30	13	24	17	26	24					185	23
Work Orders														
Number generated in month	99	95	87	91	117	98	106	90					783	98
Number closed in month	99	95	87	91	115	98	106	90					781	98
Backlog	0	0	0	0	2	0	0	0	0	0	0	0	2	0

**PUMP STATIONS
WORK ORDER STATISTICS
August 1, 2017-August 31, 2017**

	Open Work Orders Due Prior to 8/1/2017	Open Work Orders 8/1/2017-8/31/2017	Total Open Work Orders
Preventive	0	90	90
Corrective	0	0	0
Total	0	90	90

	Closed Work Orders 8/1/2017 - 8/31/2017
Preventive	90
Corrective	0
Total	90

Total Outstanding Work Orders as of 8/31/2017	0
------------------------------------------------------------------	----------



September 6, 2017

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

Subject: Veolia Water Operations Report – August 2017

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for August 2017.

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

Best regards,

A handwritten signature in blue ink, appearing to read "John Bailey", written over a circular stamp or mark.

John Bailey
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
August 2017

Prepared for

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

Prepared by

Veolia Water West Operating Services, Inc. (VWWOS)

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

ATTACHMENTS

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

A: TREATMENT PLANT PERFORMANCE SUMMARY: August 2017:

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	3.66	4.04	N/A	N/A
Influent				
*BOD ₅ , lb/day (month ave/max)	9,423	11,541	N/A	N/A
TSS, lb/day (monthly ave/max)	8,964	11,666	N/A	N/A
Effluent				
*BOD ₅ , mg/L (monthly ave/max weekly ave)	<5	6	40	N/A
TSS, mg/L (monthly ave/max weekly ave)	<5	8	N/A	N/A
*BOD ₅ - % Removal, Average	98	N/A	N/A	N/A
TSS - % Removal, Average	98	N/A	N/A	N/A
Ammonia, mg/L – (monthly ave/daily max)			N/A	N/A
pH, su (min / max)	6.9	7.1	6.0	9.0
Enterococcus, MPN/100 ml (30 day geo mean)	N/A	N/A	N/A	N/A
Total Coliform, MPN/100 ml (5 sample median)	49	N/A	240	N/A
Total Coliform, MPN/100 ml (maximum)	N/A	79	N/A	N/A
Total Permit Exceedances (NPDES)	0			

*BOD values are preliminary based on outstanding samples (one influent / three effluent)

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	14,554	N/A
Average Turbidity	NTU	1.0	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	0	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Minimum Dissolved Oxygen (DO)	mg/L	7.3	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<2	240
Maximum Total Coliform 2 Samples 30 d	MPN/100 ml	<2	23
Total Coliform 7 Sample Median	MPN/100 ml	<2	2.2

Discussion of Violations / Excursions

- Reclamation / Storage (WDR Limits) – None
- Recycled Water – None



B: SAFETY AND TRAINING:

- Monthly plant safety inspections for Novato WWTP and Ignacio Transfer Pump Station completed
- Five Minute Tailgate training is held daily with all staff.
- No safety incidents for the month of August
- Accident Free: 6/1/10 – 8/31/17: 2,655 days
- Monthly Safety Topics and Training:
 - Crane & Hoist Safety
 - Annual Hearing Testing

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

- Routine rounds, readings and maintenance
- Starting up Digester #2
- Hypochlorite Pump #1 pressure gauge diaphragm replacement
- Digester #2 Ring Stack - Modify ring base to allow for ring stack alignment
- Replaced Gravity Belt Thickener (GBT) Operator Interface Screen

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

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

Ignacio Transfer Pump Station

- Routine rounds, readings and maintenance
- Replace 2 SCADA communications radios
- Assisted Collections with Pigging (cleaning) force main
- Repaired leak in Hypochlorite piping
- Installed level indicator on Hypochlorite Tank

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

- None

Recycled Water Plant (RWP)

- Routine rounds, readings and maintenance

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

- None



Sludge Lagoons (and Reclamation Area)

- Performed routine rounds and inspection
- Impounded water at DLD (from last winter) used for irrigation of Site 2, Parcels 5, 7, & 8.
- Removed Decant Pump #5 – for cleaning and maintenance
- Installed Decant Pump #6

D: LABORATORY ACTIVITIES SUMMARY:**Discharge to Reclamation****Wildlife Pond and Reclamation Activities****Wildlife Pond**

Samples and weekly/monthly observations at the Wildlife pond were taken according to the WDR (Order No. 92-065).

Irrigation Wetwell Sampling

Monthly sampling of the irrigation wetwell in August occurred (started in June) and will continue as long as irrigation is occurring. The data collected will be compiled and reported in the 2018 triennial Irrigated Pasture Report. The same sampling and analysis of the DLD water used for irrigation was performed and this data will also be included in the 2018 Triennial Report.

Sludge Sampling

Annual sludge sampling was initiated in August and will be completed in September. A total of four sampling events is required. The information is used for pretreatment analysis and reporting, and also for the required EPA Annual Biosolids Report.

Total Coliforms

When effluent is discharged to Reclamation, the bacteriological requirement is for Total Coliform. Three samples were analyzed each week in August and all were well under the regulatory limits.

Enterococcus

Not required during reclamation (Bay Discharge only).

Fecal Coliforms

Not required during reclamation (Bay Discharge only).

Recycled Water Facility

The Recycled Water Facility Total Coliforms are now being analyzed by the IDEXX Colilert™ method which is completed in 24 hours. This method was recently approved by SWRCB for use with recycled water. It is preferable to the multiple tube method which can take up to 96 hours for the test to be completed. This quick turnaround time helps to find and address a potential problem much sooner. In addition it is more accurate than the prior method.



Training

Liz Falejczyk attended the CWEA Redwood Empire Section Pollution Prevention Pretreatment Committee meeting in Santa Rosa.

Liz was trained by Brian Exberger on HACH WIMS / Lab CAL data entry.

Public Education

Liz worked with the collections crew to observe and photograph a clogged pump. The rags that caused the clog were then cleaned and sterilized for use as a public education display.

Pretreatment

Permits

- One new Temporary Discharge Permit

Inspections and Sampling

- Inspected 8 food service establishments (FSEs), 4 with a representative from Marin County EHS
- Received support documentation from 4 FSEs
- Inspected 1 non-permitted industry

E: ADMINISTRATION:

- July Electronic Self-Monitoring Report (SMR) submitted on August 17, 2017
- July Electronic Discharge Monitoring Report (DMT) submitted on August 17, 2017

F: ODORS & LANDSCAPING:

- Seven Odor Contacts
- Jerome meter (H2S) readings performed in neighborhood and within treatment plant.
- All readings in neighborhood were at the minimum detection threshold of the Jerome meter.

G: MISCELLANEOUS

- Process Control Management Plan (PCMP) meetings held weekly.
- PG&E Peak Demand Event / Load Shedding – 8/1, 8/2, 8/29 & 8/31

Veolia Support Staff On/Off Site (Various Times)

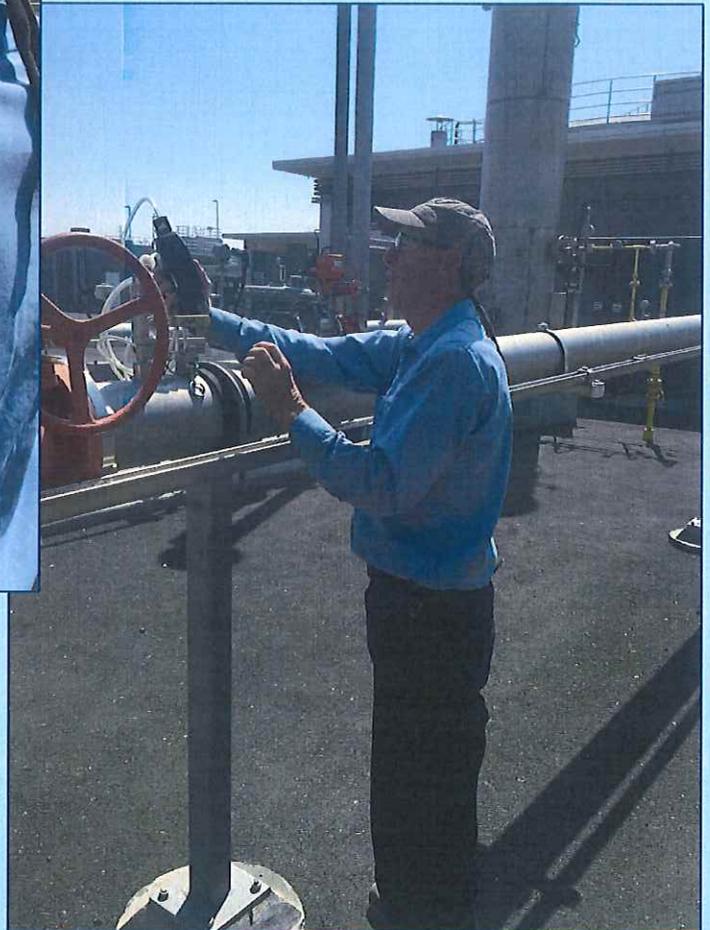
John O'Hare (Veolia Corporate)

Technical Support, Pretreatment & Laboratory



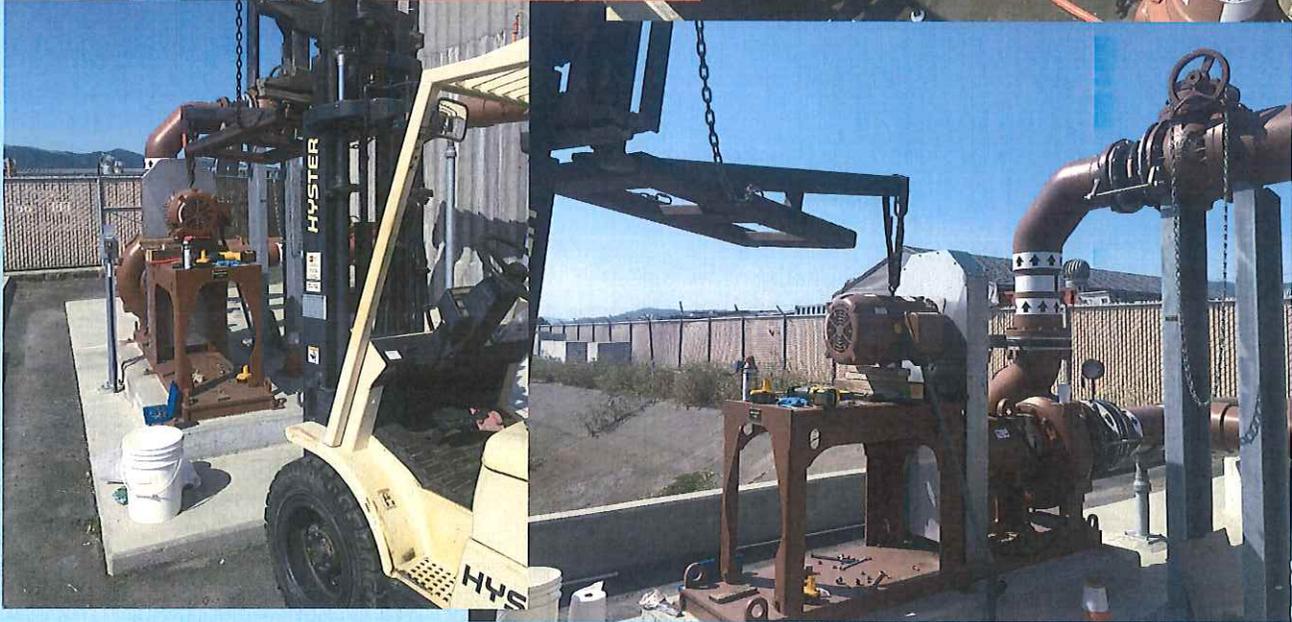
1) PHOTOS

DIGESTER No. 2 STARTUP
AUGUST 2017



Top Right and Bottom Left – Preston Ingram tests biogas quality prior to opening isolation valve between Digester #1 and Digester #2.

MAINTENANCE
AUGUST 2017



Top – Alejo Cuntapay troubleshoots Primary Clarifier #2 Sludge Flow meter.
Bottom – Alejo modifies base of Digester #2 Mixing Pump prior to startup of Digester #2.

NACWA AWARD PRESENTATION
TO NSD BOARD OF DIRECTORS
AUGUST 2017



RAG BALL RETRIEVED FROM LIFT STATION
AUGUST 2017



Top Left & Center – Rags and flushables (?) collect on retrieval chain in wet well
Top Right – Rags caught between impeller and pump case
Bottom Left – Kurt Hawkyard and Liz Falejczyk cleaning rag ball
Bottom Right – Liz does final prep on rag ball to be used as a prop for public ed.

2) LABORATORY DATA

Novato Sanitary District
BOD/TSS Report



August, 2017

Date	Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal PERCENT
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
08/01/17	3.87										
08/02/17	3.60	260	7,806	309	9,277	<5	<126	4	101	98.1	98.7
08/03/17	3.57					7	180	5	129		
08/04/17	3.44					<5	<123	6	148		
08/05/17	3.72										
08/06/17	3.70										
08/07/17	3.88	280	9,061	228	7,378	6	168	8	224	97.9	96.5
08/08/17	3.50					8	185	8	197		
08/09/17	3.58					<5	<127	7	177		
08/10/17	3.66										
08/11/17	3.56										
08/12/17	3.45										
08/13/17	3.68										
08/14/17	3.86										
08/15/17	3.71	300	9,282	225	6,962	<5	<136	5	136	98.3	97.8
08/16/17	3.66					<5	<134	4	107		
08/17/17	3.59					<5	<134	3	80		
08/18/17	3.83										
08/19/17	3.47										
08/20/17	3.75										
08/21/17	3.62										
08/22/17	3.94					<5	<153	4	122		
08/23/17	3.71					<5	<143	3	86		
08/24/17	3.74	370	11,541	374	11,666	<5	<153	<3	<92	98.6	99.2
08/25/17	3.44										
08/26/17	3.50										
08/27/17	3.58										
08/28/17	3.51					<5	<132	<3	<79		
08/29/17	4.04	310	10,445	283	9,535	<5	<157	<3	<94	98.4	98.9
08/30/17	3.48							<3	<81		
08/31/17	3.97										
Weekly Averages											
08/05/17	Week 1	260	7,806	309	9,277	6	143	5	126		
08/12/17	Week 2	280	9,061	228	7,378	6	160	8	199		
08/19/17	Week 3	300	9,282	225	6,962	5	135	4	108		
08/26/17	Week 4	370	11,541	374	11,666	5	150	3	100		
	Week 5										
Monthly											
Minimum	3.44	260	7,806	225	6,962	<5	<123	<3	<79	98	96
Maximum	4.04	370	11,541	374	11,666	8	185	8	224	99	99
Total	113.61										
Average	3.66	304	9,627	284	8,964	<5	<146	<5	<124	98	98

Novato Sanitary District
Conventional Pollutants Report



August, 2017

Date	INFLUENT - A001			Effluent - E002							
	Flow Total	pH	Ammonia	Coliform / Bacteria			pH	Ammonia	Oil & Grease	Temp	Rainfall
				Fecal	Entero	Total					
	MGD	su	mg/L	MPN/100 mL			su	mg/L	mg/L	Deg C	Inches
08/01/17	3.87						6.9			24.0	
08/02/17	3.60					33	6.9			24.8	
08/03/17	3.57	7.2				23	6.9			24.9	
08/04/17	3.44					33	6.9			24.6	
08/05/17	3.72										
08/06/17	3.70										
08/07/17	3.88					46	7.0			24.4	
08/08/17	3.50					33	7.0			24.2	
08/09/17	3.58					70	7.0			24.1	
08/10/17	3.66						7.0			24.5	
08/11/17	3.56						7.0			24.4	
08/12/17	3.45										
08/13/17	3.68										
08/14/17	3.86						7.1			23.9	
08/15/17	3.71					27	7.0			24.1	
08/16/17	3.66					33	7.0			24.5	
08/17/17	3.59					13	7.0			22.6	
08/18/17	3.83	7.3					7.0			24.9	
08/19/17	3.47										
08/20/17	3.75										
08/21/17	3.62						7.1			24.3	
08/22/17	3.94					79	7.1			24.3	
08/23/17	3.71					46	7.1			24.3	
08/24/17	3.74					70	7.0			24.2	
08/25/17	3.44	7.4					7.1			24.5	
08/26/17	3.50										
08/27/17	3.58										
08/28/17	3.51					49	7.1			23.4	
08/29/17	4.04					23	7.0			23.4	
08/30/17	3.48					33	7.0			24.1	
08/31/17	3.97						7.0			24.0	
Monthly											
Minimum	3.44	7.2				13	6.9			22.6	
Maximum	4.04	7.4				79	7.1			24.9	
Total	113.61										
Average	3.66	7.3					7.0			24.2	

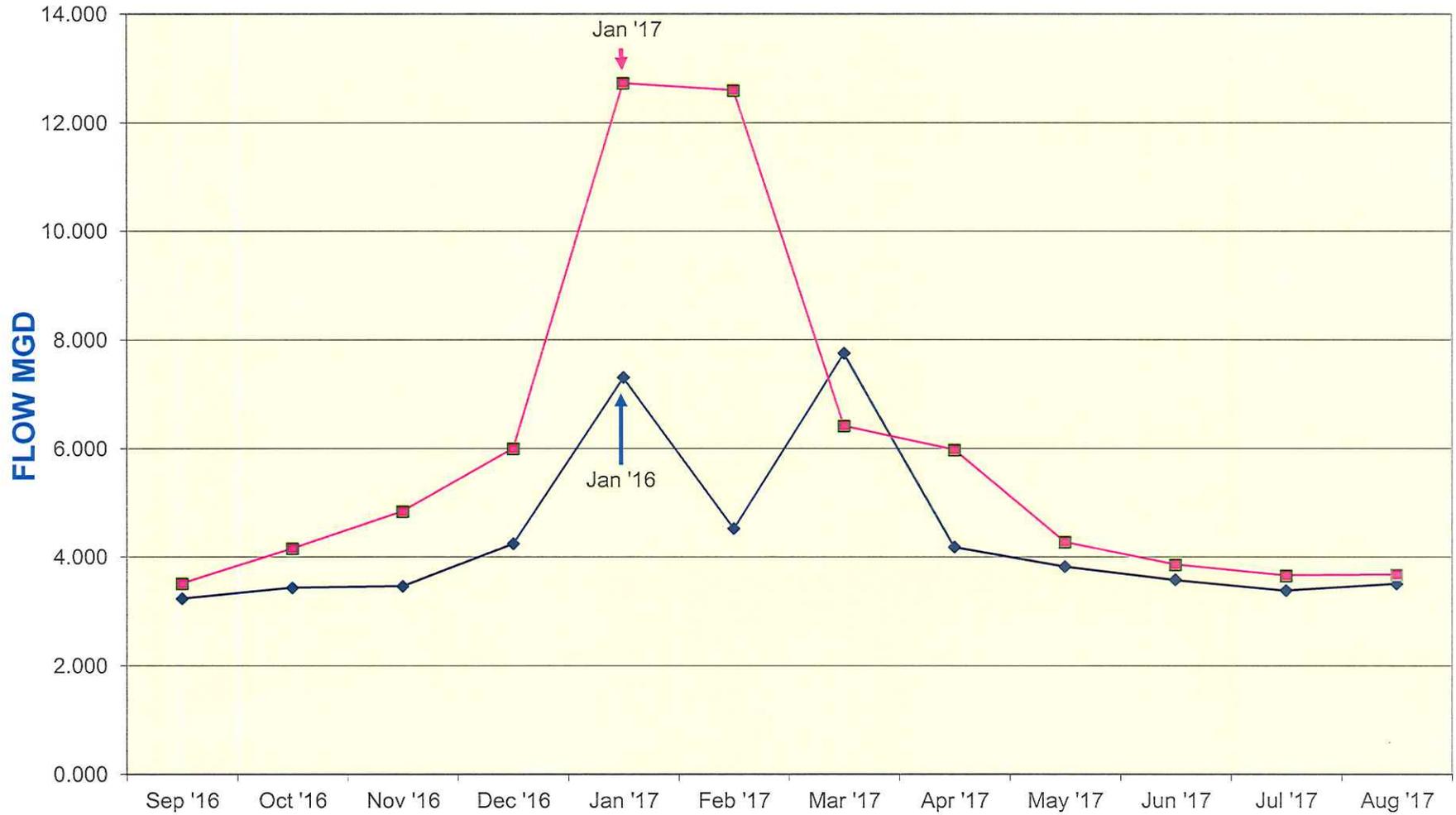
3) *RECYCLED WATER REPORT*

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

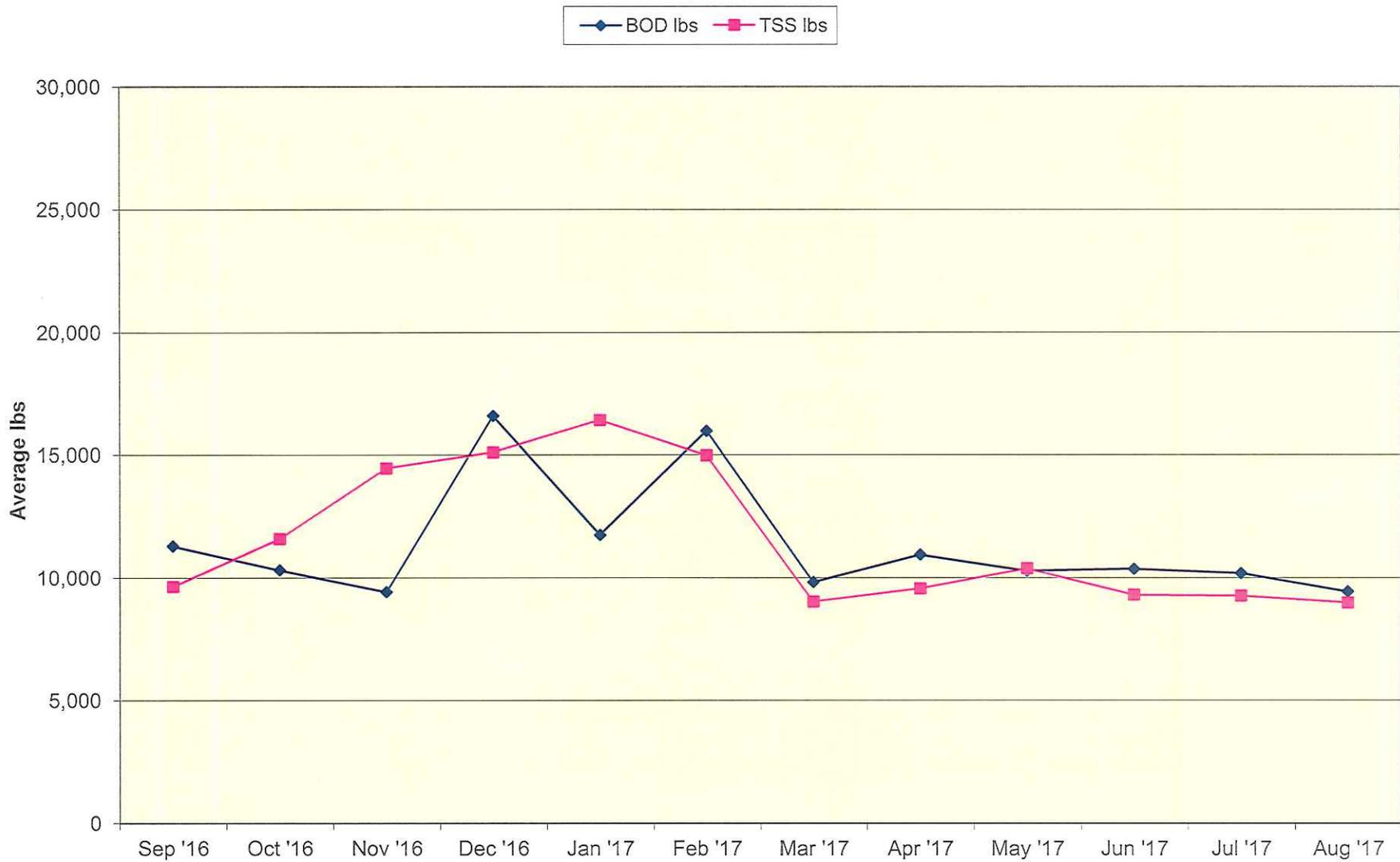
Date	Filter Influent Flow	Recycled Water Flow to Plum St.	Recycled Water Banked	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Max	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Recycled Water Inf Chlorine Dose	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Chlorint Contact Time
	MGD	MGD	MG	MGD	NTU	NTU	(m)	NTU	(mg/l)	(mg/l)	MPN/100m	Minutes	
8/1/2017	0.650	0.421				1.6	0	0.7		7.8	<2	>450.000	
8/2/2017	0.670	0.569				1.8	0	1.4			<2	>450.000	
8/3/2017	0.630	0.482				3.0	0	1.4			<2	>450.000	
8/4/2017	0.630	0.489				3.6	0	1.4			<2	>450.000	
8/5/2017	0.640	0.551				3.4	0	1.4			<2	>450.000	
8/6/2017	0.670	0.574				3.5	0	1.2		7.7	<2	>450.000	
8/7/2017	0.670	0.529				3.8	0	1.1		8.4	<2	>450.000	
8/8/2017	0.630	0.546				3.7	0	1.6		8.2	<2	>450.000	
8/9/2017	0.640	0.541				2.6	0	1.1			<2	>450.000	
8/10/2017	0.760	0.598				2.8	0	1.2			<2	>450.000	
8/11/2017	0.660	0.508				2.1	0	1.2			<2	>450.000	
8/12/2017	0.620	0.489				3.2	0	1.3			<2	>450.000	
8/13/2017	0.670	0.569				2.1	0	1.1		7.6	<2	>450.000	
8/14/2017	1.230	0.910				2.0	0	1.1		7.5	<2	>450.000	
8/15/2017	0.710	0.460				2.3	0	1.1		8.0	<2	>450.000	
8/16/2017	0.650	0.450				2.1	0	1.0			<2	>450.000	
8/17/2017	0.650	0.373				2.0	0	1.1			<2	>450.000	
8/18/2017	0.650	0.504				1.7	0	0.9			<2	>450.000	
8/19/2017	0.640	0.448				1.5	0	0.8			<2	>450.000	
8/20/2017	0.640	0.445				1.5	0	0.9		7.5	<2	>450.000	
8/21/2017	0.670	0.251				1.7	0	0.9		7.3	<2	>450.000	
8/22/2017	0.640	0.271				2.2	0	0.9		7.3	<2	>450.000	
8/23/2017	0.610	0.283				2.3	0	0.8			<2	>450.000	
8/24/2017	0.120	0.068				3.1	0	0.9			<2	>450.000	
8/25/2017	0.670	0.442				2.4	0	0.8			<2	>450.000	
8/26/2017	1.250	1.006				2.3	0	0.7			<2	>450.000	
8/27/2017	0.880	0.696				2.2	0	0.8		7.4	<2	>450.000	
8/28/2017	0.770	0.344				2.1	0	0.8		7.9	<2	>450.000	
8/29/2017	0.650	0.280				1.8	0	0.8		7.4	<2	>450.000	
8/30/2017	0.650	0.224				2.3	0	0.8			<2	>450.000	
8/31/2017	0.650	0.233				3.3	0	0.9			<2	>450.000	
Total	21.270	14.554											
Minimum	0.120	0.068				1.5	0	0.7		7.3	<2	>450.0	
Maximum	1.250	1.006				3.8	0	1.6		8.4	<2	>450.0	
Average	0.686	0.469				2.5	0	1.0		7.7	<2	>450.0	

4) ANNUAL PERFORMANCE SUMMARY

WASTEWATER INFLUENT FLOW COMPARISON



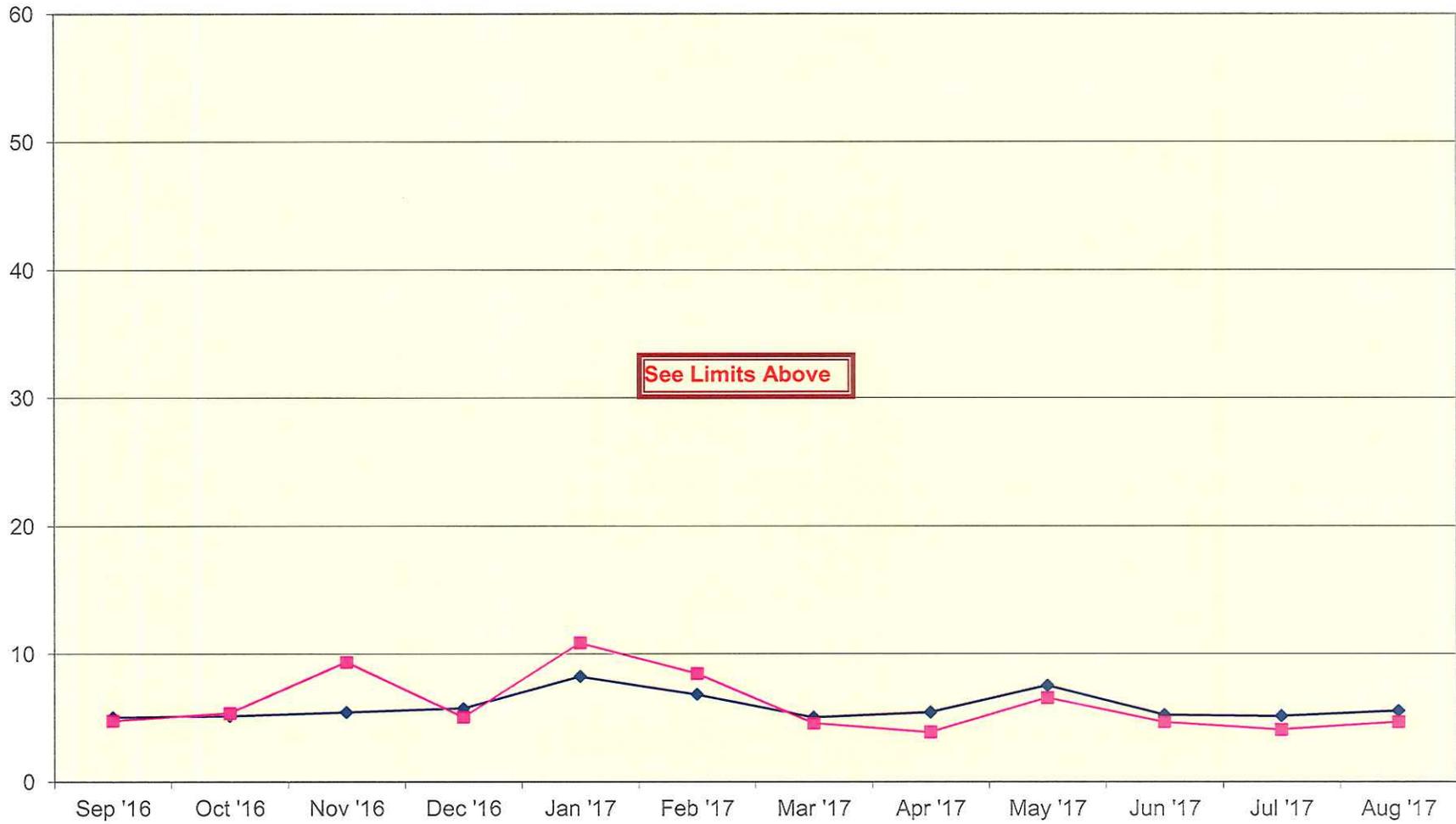
Influent Load BOD / TSS lbs



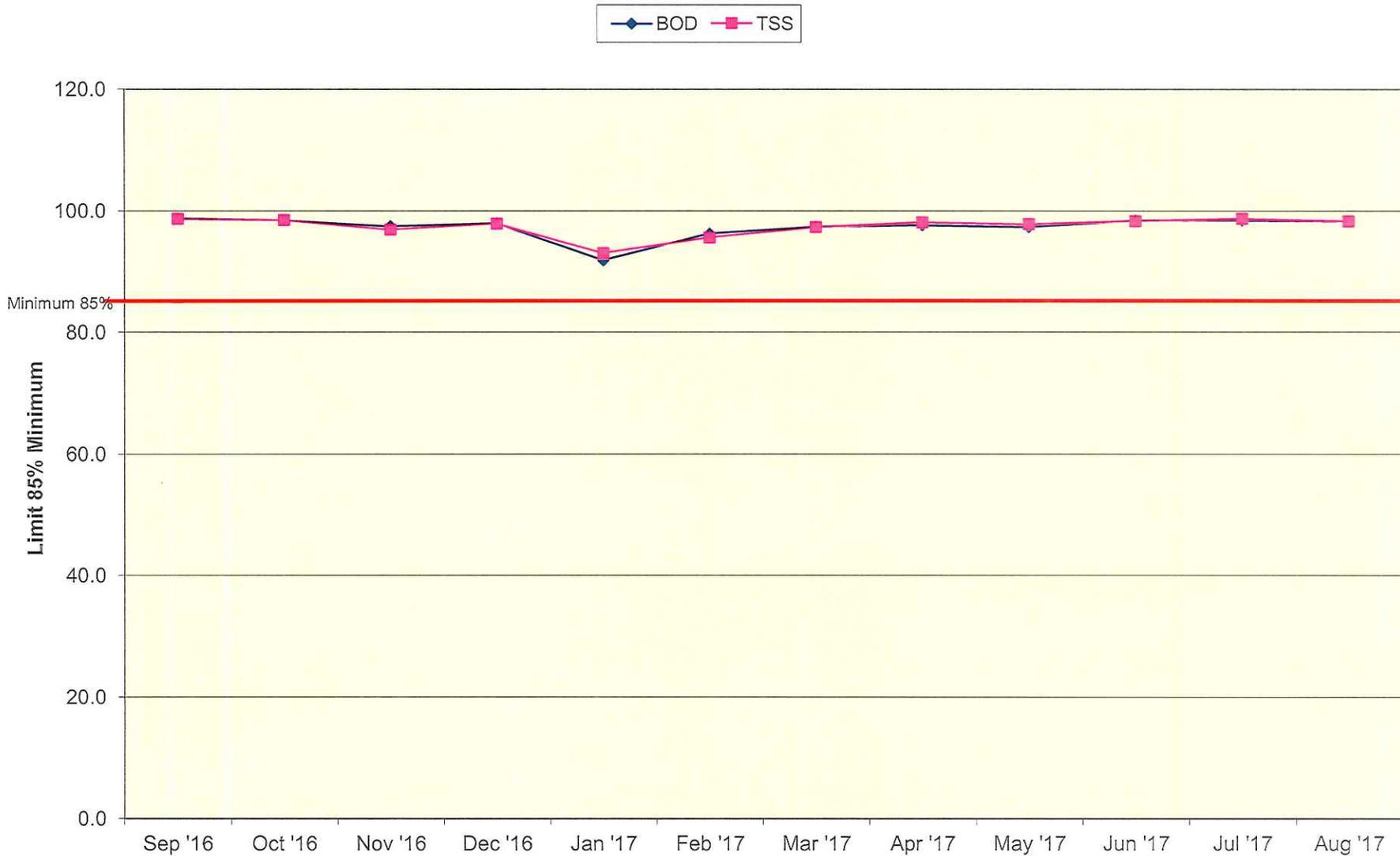
Effluent BOD / TSS Concentration

—◆— BOD —■— TSS

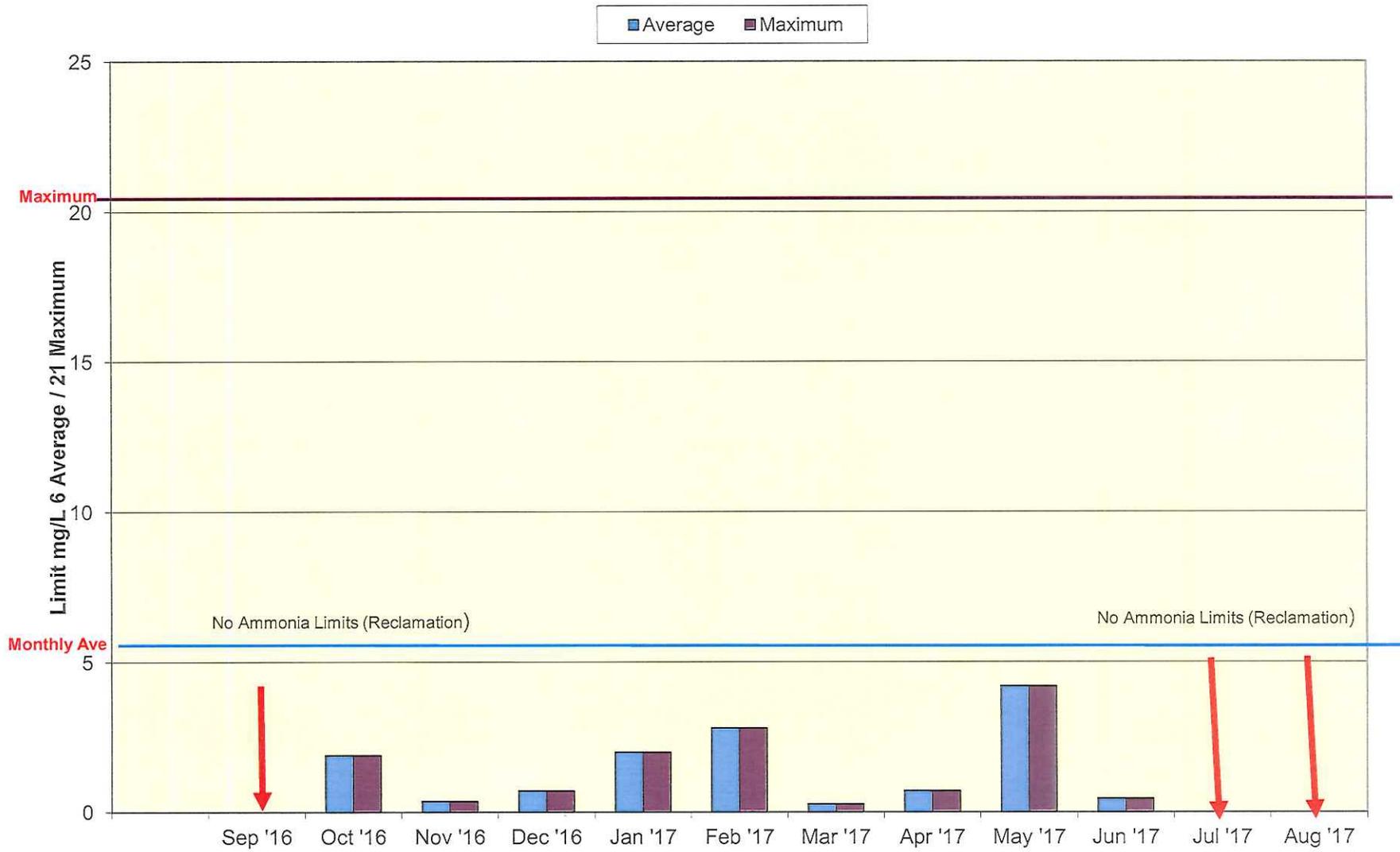
WDR (Waste Discharge Requirements) RECLAMATION
BOD - 40 mg/L



BOD / TSS Percent Removal



Effluent Ammonia

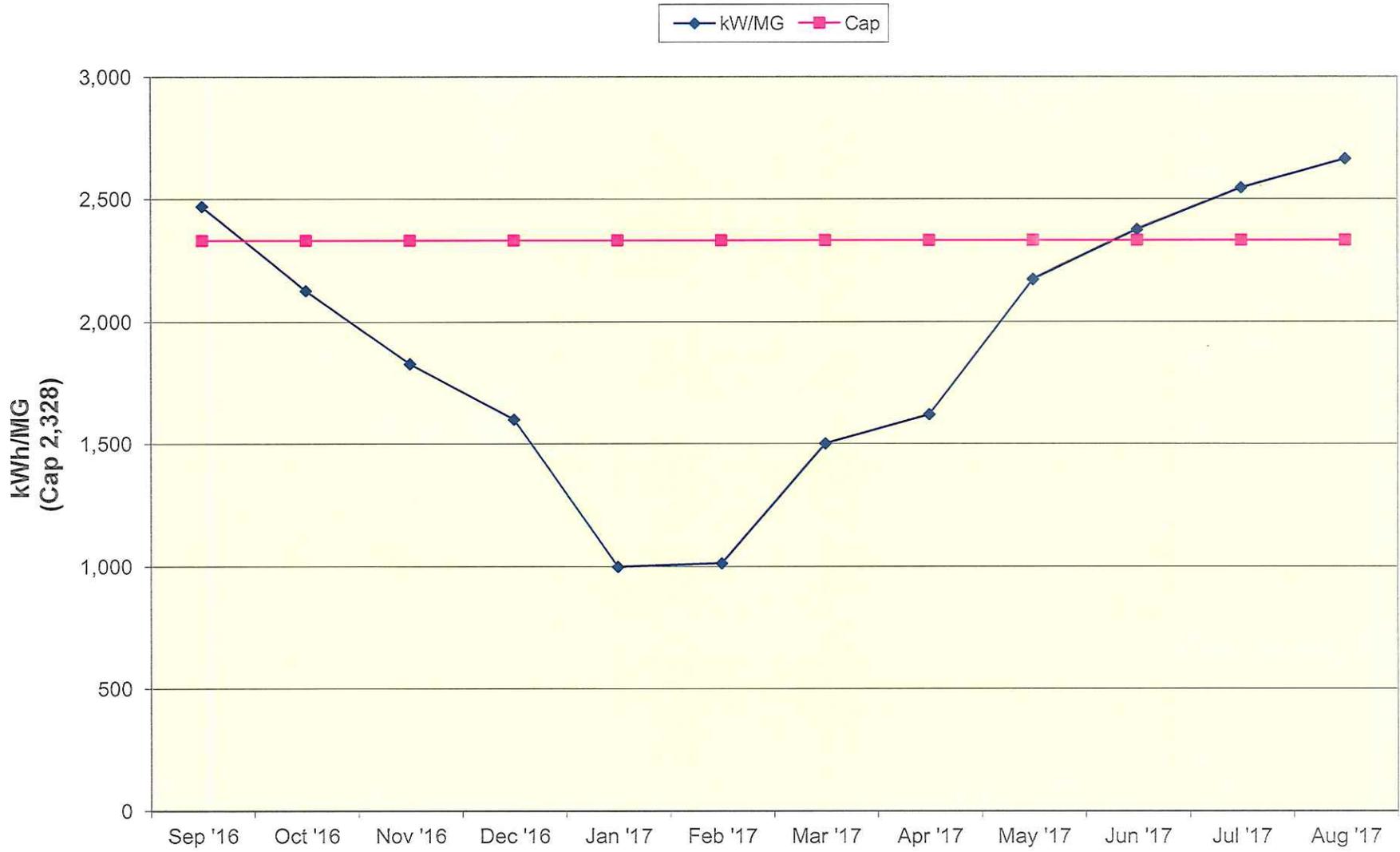


Disinfection - Total Coliform

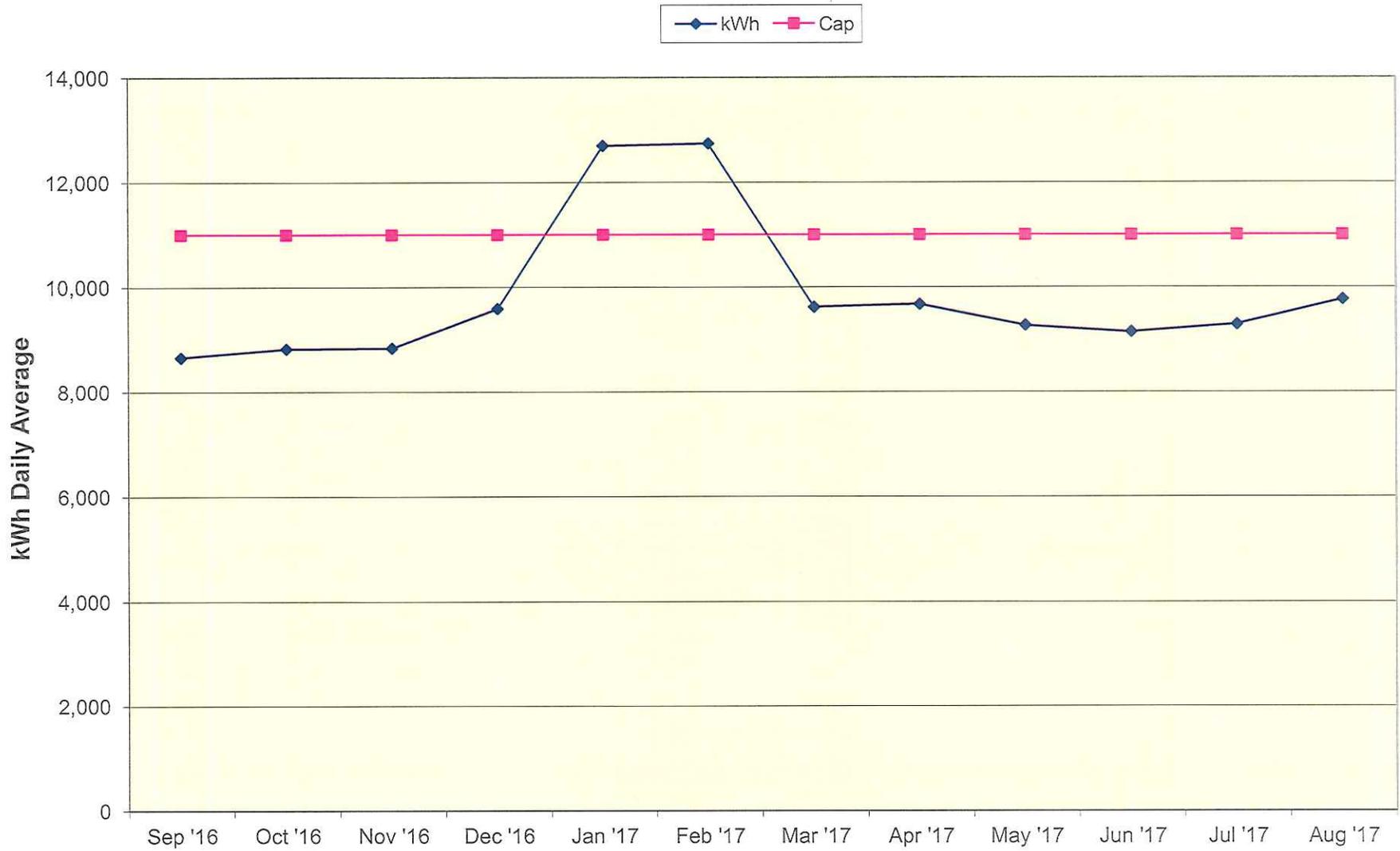
TOTAL COLIFORM LIMITS - WDR
 5 Sample Median - 240 mpn /100 ml
 Maximum - 10,000 mpn/100 ml



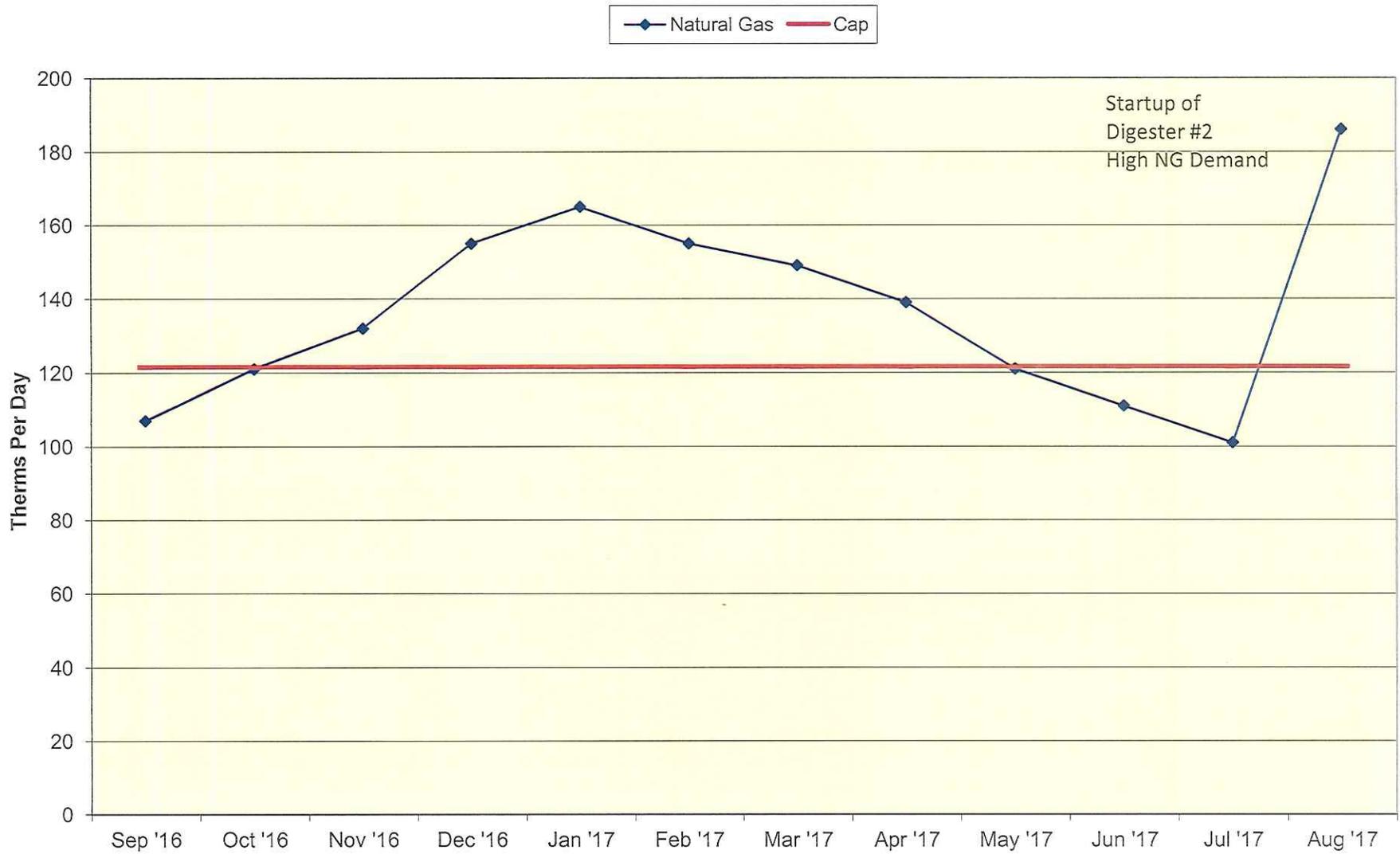
Energy kWh/MG



Energy kWh

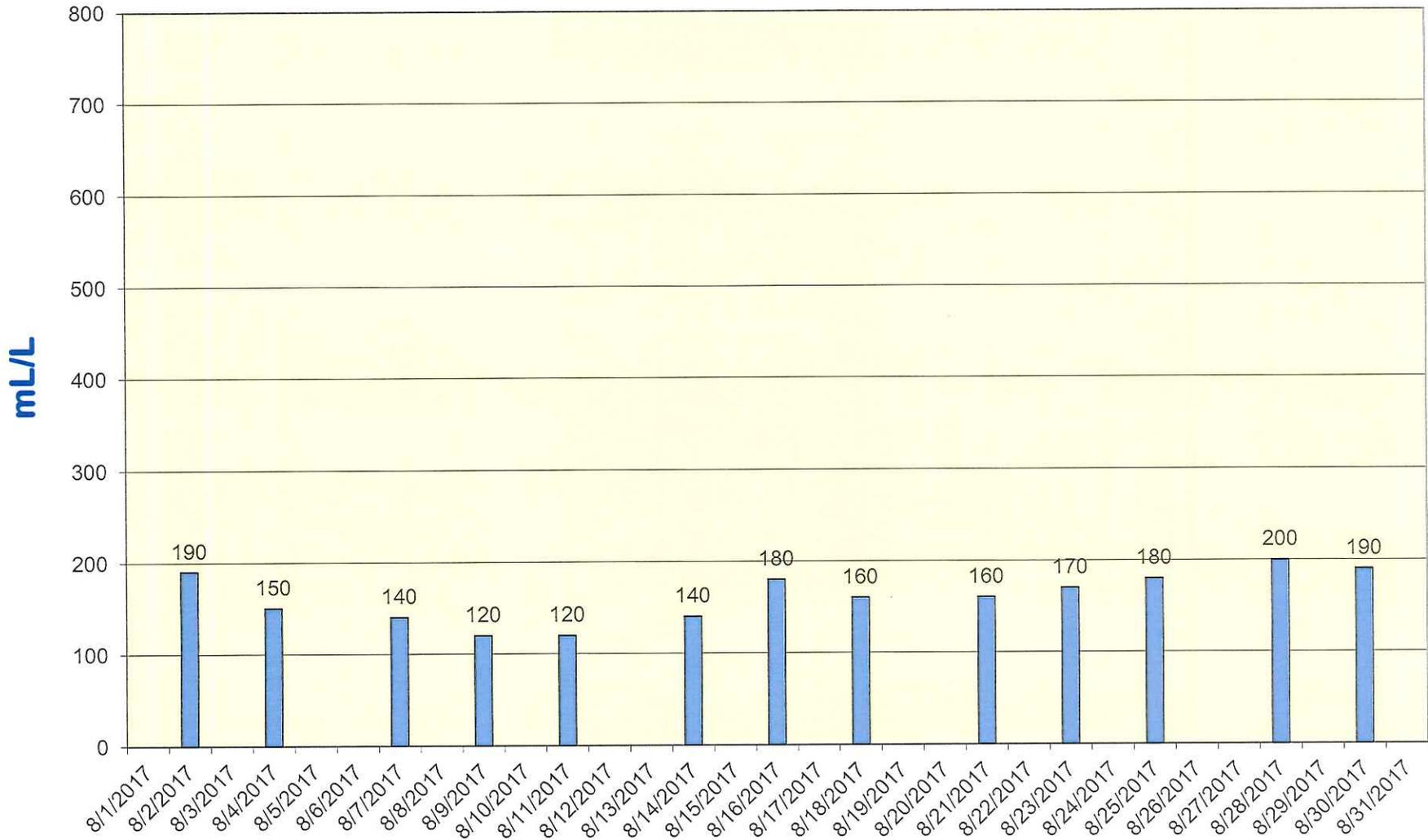


Natural Gas Use

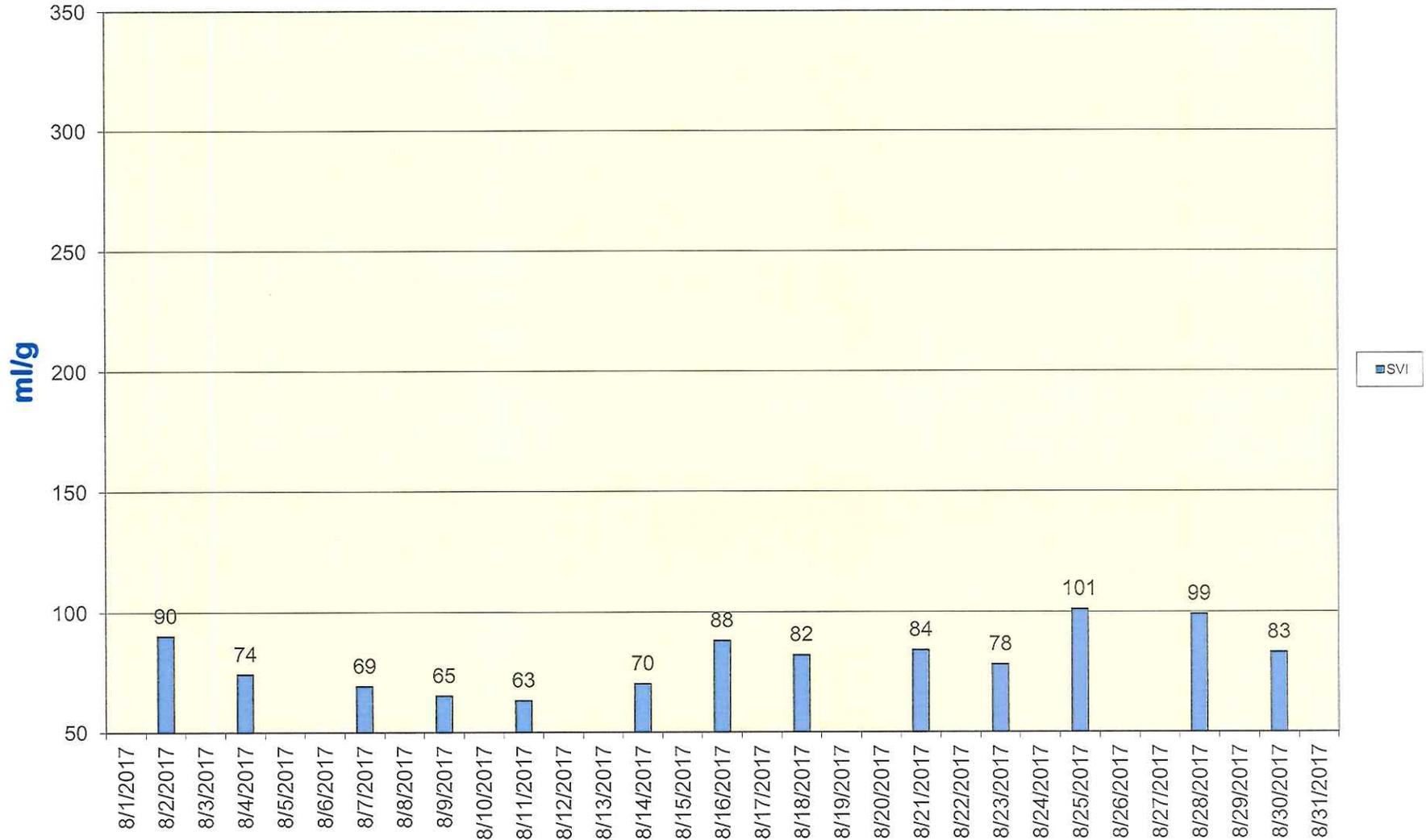


5) PROCESS CONTROL DATA / GRAPHS

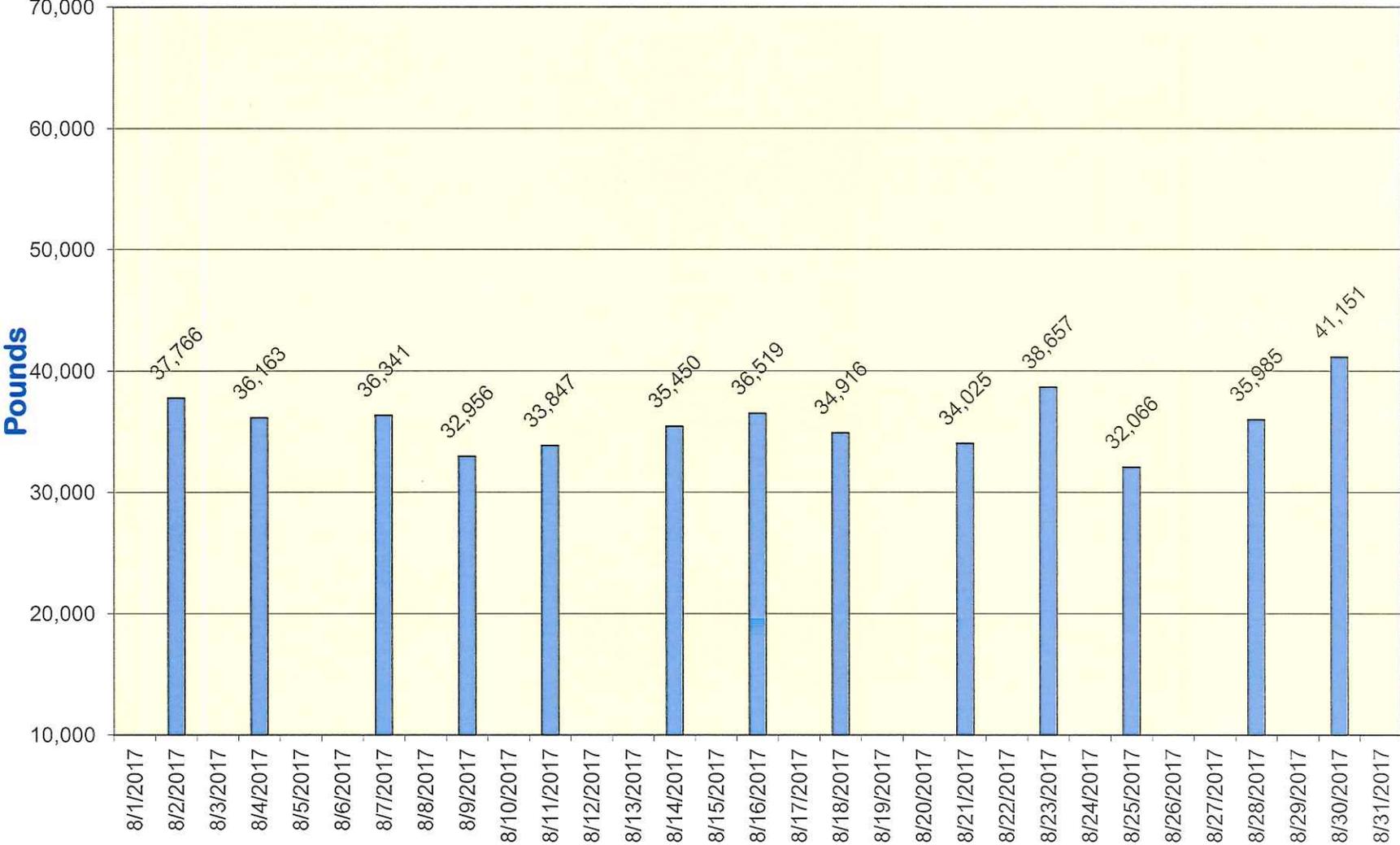
Settleability



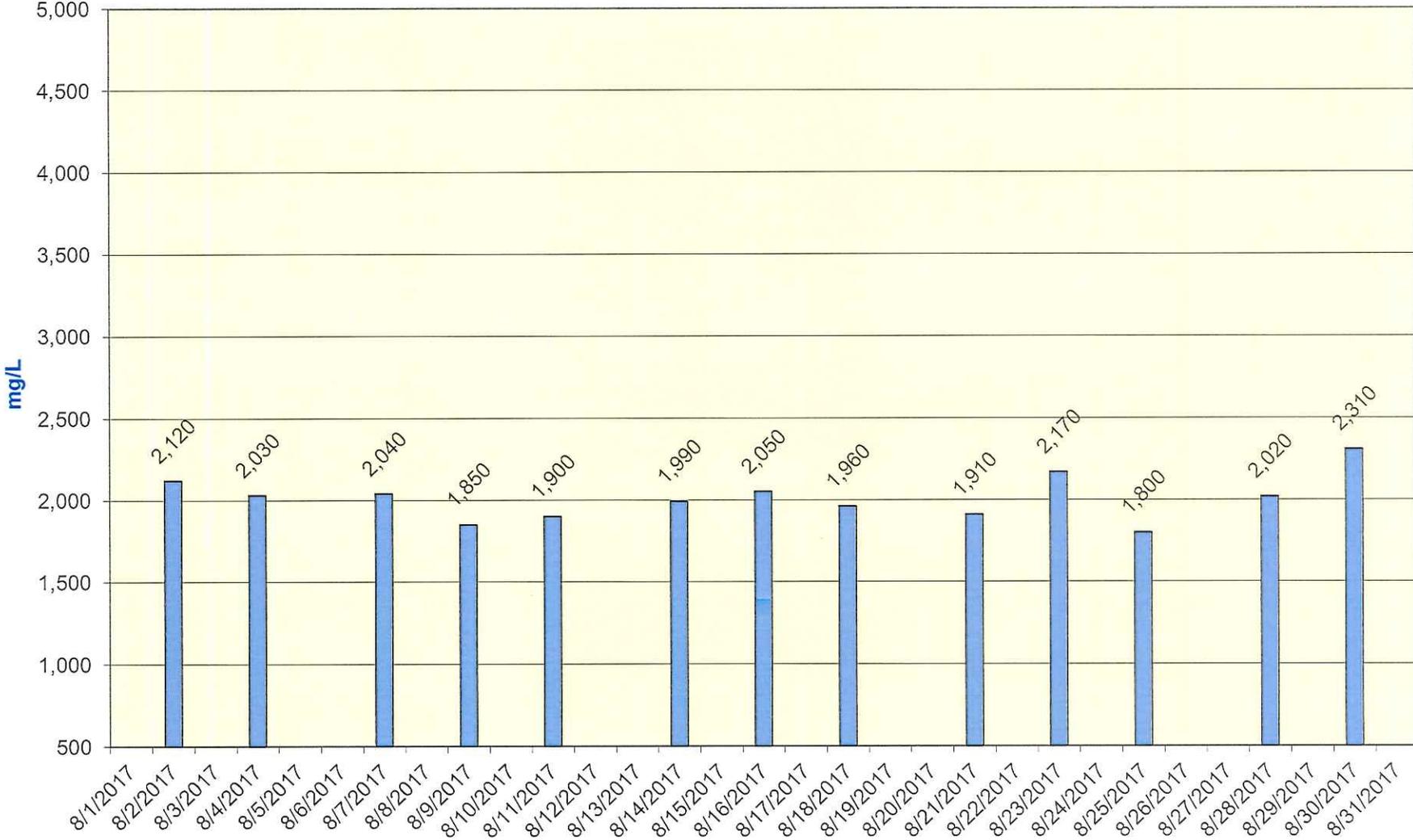
Sludge Volume Index



MLSS Inventory



MLSS Concentration

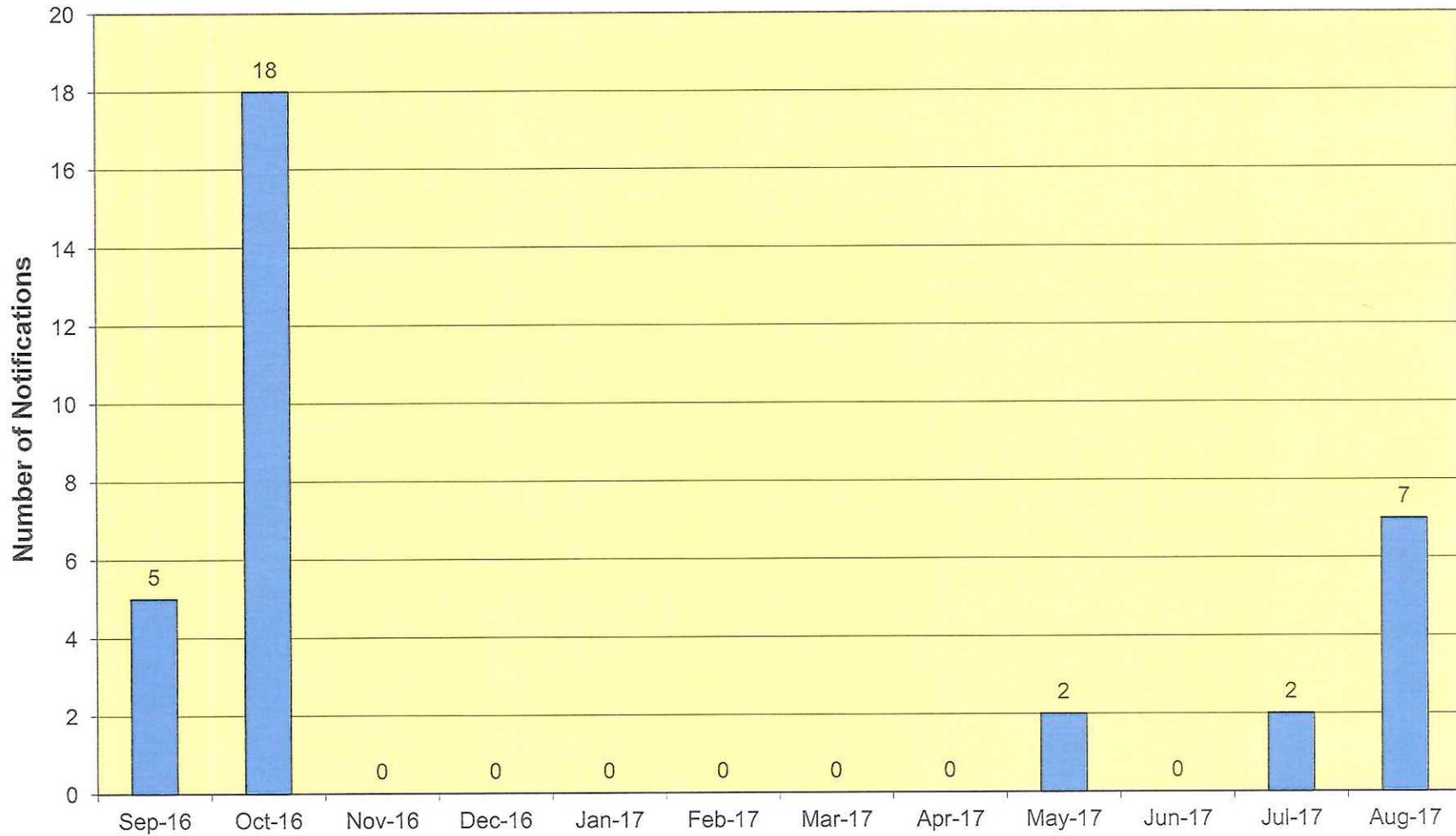


Process Control Data

	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	F:M Ratio	MCRT	SVI
8/1/2017	3.87						
8/2/2017	3.60	190	2,120	37,766			90
8/3/2017	3.57						
8/4/2017	3.44	150	2,030	36,163			74
8/5/2017	3.72						
8/6/2017	3.70						
8/7/2017	3.88	140	2,040	36,341			69
8/8/2017	3.50						
8/9/2017	3.58	120	1,850	32,956			65
8/10/2017	3.66						
8/11/2017	3.56	120	1,900	33,847			63
8/12/2017	3.45						
8/13/2017	3.68						
8/14/2017	3.86	140	1,990	35,450			70
8/15/2017	3.71						
8/16/2017	3.66	180	2,050	36,519			88
8/17/2017	3.59						
8/18/2017	3.83	160	1,960	34,916			82
8/19/2017	3.47						
8/20/2017	3.75						
8/21/2017	3.62	160	1,910	34,025			84
8/22/2017	3.94						
8/23/2017	3.71	170	2,170	38,657			78
8/24/2017	3.74						
8/25/2017	3.44	180	1,800	32,066			101
8/26/2017	3.50						
8/27/2017	3.58						
8/28/2017	3.51	200	2,020	35,985			99
8/29/2017	4.04						
8/30/2017	3.48	190	2,310	41,151			83
8/31/2017	3.97						
Minimum	3.44	120	1,800	32,066	0.00	0.0	63
Maximum	4.04	200	2,310	41,151	0.00	0.0	101
Total	113.61						
Average	3.66	162	2,012	35,834	#DIV/0!	#DIV/0!	80

6) NEIGHBORHOOD CONTACTS

Neighborhood Contacts Received



July 31, 2017		WEEKLY NEIGHBOR CONTACT LOG												Notes		
		July 31, 2017 - August 6, 2017														
		Mon 31-Jul	Tue 1-Aug	Wed 2-Aug	Thu 3-Aug	Fri 4-Aug	Sat 5-Aug	Sun 6-Aug	Mon 31-Jul	Tue 1-Aug	Wed 2-Aug	Thu 3-Aug	Fri 4-Aug		Sat 5-Aug	Sun 6-Aug
NEIGHBOR	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	
Neighbor #1																
Neighbor #2																
Neighbor #3			6 4	12:14	6 4	12:12										Increased sodium hypochlorite feed to influent
Neighbor #4																
Total																

Legend

Description	
Aeration Basins	1
Raw Sewage	2
H2S	3
Aeration + Sewage	4
Aeration, Sewage, H2S	5
Sewage + H2S	6
Other (see notes)	7
Not Specified / Unknown	8
Intensity	
Mild Intermittent	1
Mild Persistent	2
Moderate Intermittent	3
Moderate Persistent	4
Strong Intermittent	5
Strong Persistent	6
Other (see notes)	7
Not Specified / Unknown	8

WEEKLY NEIGHBOR CONTACT LOG															
August 7, 2017	August 7, 2017 - August 13, 2017														
NEIGHBOR	Mon	7-Aug	Tue	8-Aug	Wed	9-Aug	Thu	10-Aug	Fri	11-Aug	Sat	12-Aug	Sun	13-Aug	Notes
		Time		Time		Time		Time		Time		Time		Time	
Neighbor #1															
Neighbor #2															
Neighbor #3	6	3 13:22			6	6 12:10									8/9 - Grit Bin pickup
Neighbor #4															
Total															

Legend

Description	
Aeration Basins	1
Raw Sewage	2
H2S	3
Aeration + Sewage	4
Aeration, Sewage, H2S	5
Sewage + H2S	6
Other (see notes)	7
Not Specified / Unknown	8
Intensity	
Mild Intermittent	1
Mild Persistent	2
Moderate Intermittent	3
Moderate Persistent	4
Strong Intermittent	5
Strong Persistent	6
Other (see notes)	7
Not Specified / Unknown	8

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August 21, 2017		WEEKLY NEIGHBOR CONTACT LOG										Notes
		August 21, 2017 - August 27, 2017										
NEIGHBOR	Mon 21-Aug	Tue 22-Aug	Wed 23-Aug	Thu 24-Aug	Fri 25-Aug	Sat 26-Aug	Sun 27-Aug					
	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time		
Neighbor #1												
Neighbor #2												
Neighbor #3					6 4 9:46	6 4 8:00						Described as "Headworks & Biofilter Odors" Check Biofilter for proper moisture. Turned on #2 Fan
Neighbor #4												
Total												

Legend

Description	
Aeration Basins	1
Raw Sewage	2
H2S	3
Aeration + Sewage	4
Aeration, Sewage, H2S	5
Sewage + H2S	6
Other (see notes)	7
Not Specified / Unknown	8
Intensity	
Mild Intermittent	1
Mild Persistent	2
Moderate Intermittent	3
Moderate Persistent	4
Strong Intermittent	5
Strong Persistent	6
Other (see notes)	7
Not Specified / Unknown	8

August 28, 2017		WEEKLY NEIGHBOR CONTACT LOG												Notes
		August 28, 2017 - September 3, 2017												
NEIGHBOR	Mon 28-Aug	Tue 29-Aug	Wed 30-Aug	Thu 31-Aug	Fri 1-Sep	Sat 2-Sep	Sun 3-Sep							
	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time		
Neighbor #1														
Neighbor #2														
Neighbor #3		6 4	8:59											Increased sodium hypochlorite feed to influent
Neighbor #4														
Total														

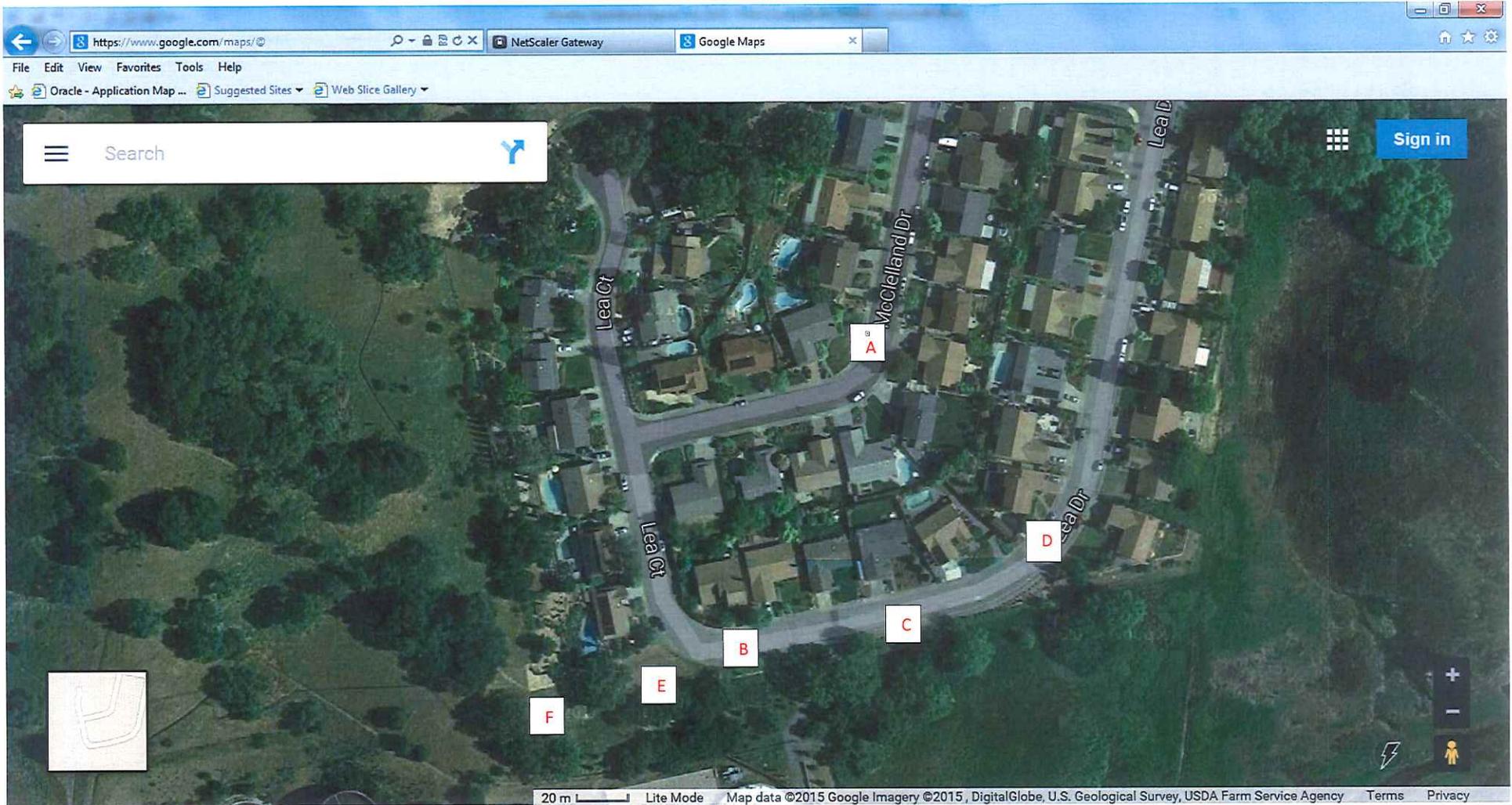
Legend

Description	
Aeration Basins	1
Raw Sewage	2
H2S	3
Aeration + Sewage	4
Aeration, Sewage, H2S	5
Sewage + H2S	6
Other (see notes)	7
Not Specified / Unknown	8
Intensity	
Mild Intermittent	1
Mild Persistent	2
Moderate Intermittent	3
Moderate Persistent	4
Strong Intermittent	5
Strong Persistent	6
Other (see notes)	7
Not Specified / Unknown	8

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7) JEROME METER READINGS & LOCATIONS

NEIGHBORHOOD JEROME METER LOCATIONS – LEA AND McCLELLAND



JEROME METER READINGS - AUGUST 2017

Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.000	0.0000	Neighborhood
B: Lea 1	0.000	0.000	0.0000	Neighborhood
C: Lea 2	0.000	0.000	0.0000	Neighborhood
D: Lea 3	0.000	0.000	0.0000	Neighborhood
E: Lea 4	0.000	0.000	0.0000	Neighborhood
F: Lea 5	0.000	0.000	0.0000	Neighborhood

NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
August 2017

1.0 Summary:

The District entered into an Agreement to remove the fallen eucalyptus trees on Site 2. Rainwater in the Dedicated Land Disposal (DLD) site was disposed of through a temporary irrigation system on to three Parcels on Site 2. The District entered into an Agreement for sludge disposal.

2.0 Ranch Operations:

The rancher continued to cull the yearlings out of the herd for market. The rancher also checked the pregnancy of the cows inseminated earlier this year.

The District entered into a Contract with Fahy Tree Service of San Rafael to cut up and remove/chip up the fallen eucalyptus trees on Site 2. Staff expects the contractor to start work sometime in September.

3.0 Irrigation Parcels:

As previously reported, the DLD is full of rainwater from the above average rainfall this past winter and needs to be emptied before sludge can be applied. With RWQCB approval, the District installed a temporary pump, pipework, and water cannons to dispose of the water over three parcels. This work was completed and the DLD is empty and ready for sludge disposal.

31.45 MG of irrigation water was applied to the pastures in July.

Work to construct a driving range for the Stone Tree Golf Course began on Parcel 4 at Site 7. Approximately 27 acres of leased area of the Reclamation Facility was returned to the Marin County Flood Control and Water Conservation District to accommodate the construction of the driving range, as previously approved by the Board at its December 14, 2015 meeting.

4.0 Irrigation Pump Station:

The Irrigation Storage Ponds were holding 80.3 MG of stored irrigation water at the end of the month. 45 MG of water was recirculated through the Wildlife Pond.

5.0 Sludge Handling & Disposal:

There were no sludge handling activities this month. Staff entered into an Agreement with Custom Tractor Service (CTS) of Petaluma to empty the sludge ponds later this summer/fall.

NOVATO SANITARY DISTRICT
Reclamation Facility - Monthly Statistics for Calendar Year 2017, as of August 2017

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
Irrigation Pump Station														
Plant flow to ponds (MG)		0	0	0	0	0	93.41	96.18					189.6	15.80
Irrigation (MG)		0	0	0.0	0	0	88.62	31.45	83.42				203.5	16.96
Irrigation Pump 1 Hours							131.2	46.6	123.7				301.5	25.13
Irrigation Pump 2 Hours							124.9	54.7	133.6				313.2	26.10
Irrigation Pump 3 Hours							122.2	44.3	119.1				285.6	23.80
Washdown Water Pump Hours													-	0.00
Wildlife Feed Pump Hours		0	0	0	734	601.1	746.1	720.2					2,801.4	233.45
Water Circulated through Wildlife Pond (MG)		0	0	0	46	38	47	45	0	0	0	0	176.5	14.71
Strainer No. 1 Hours						46.7	18.1	46.2					111.0	9.25
Strainer No. 2 Hours						47.5	18.2	46.6					112.3	9.36
Pond 1 Gauge @ Beginning of Month	8.1	9.5	9.4	9	9	8.6	3.2	7.6						
Pond 1 Gauge @ End of Month	9.5	9.4	9	9	8.6	3.2	7.6	4.8						
Pond 1 Gallons Stored @ End of Month(MG)	74	73	70	70	65	21.6	57.8	34.4						
Pond 2 Gauge @ Beginning of Month	8.1	9.5	9.4	9	9	8.6	3.2	3.6						
Pond 2 Gauge @ End of Month	9.5	9.4	9	9	8.6	3.2	3.6	4.9						
Pond 2 Gallons Stored @ End of Month(MG)	95	94	90	90	85	27.4	32	45.9						
Total Irrigation Water Stored	169	167	160	160	150	49	89.8	80.3	0	0	0	0		
Drainage Pump Station No. 3														
Drainage Pump No. 1 Hours	427.9	315.2	312.9	0	0.1	0	0	0						
Drainage Pump No. 2 Hours	69.3	123.5	0	0	9.8	0	0	0						
Drainage Pump No. 3 Hours	226.5	0	70.8	192.7	0	0	0	0						
Total Gallons Stormwater Pumped (MG)	217.11	131.61	115.11	57.81	2.97	0	0	0	0	0	0	0	524.61	43.72
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	50.6	230.1	117.8	0	0	0	0	0						
Drainage Pump No. 2 Hours	380.8	532.8	0	0	17.7	0	0	0						
Drainage Pump No. 3 Hours	345.9	0	0	143.3	0.1	0	0	0						
Total Gallons Stormwater Pumped (MG)	349.79	343	53	64.49	8.01	0	0	0	0	0	0	0	818.60	68.22

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Novato Watershed Program.	MEETING DATE: September 11, 2017 AGENDA ITEM NO.: 9.a.
RECOMMENDED ACTION: Consider adopting Statement On Benefits To Novato Sanitary District From Proposed Flood Control Parcel Tax For Novato.	
SUMMARY AND DISCUSSION: The District participates in the Novato Watershed Program (Program) along with the North Marin Water District (NMWD) and the City of Novato. At its August 14, 2017 meeting, the Board received a presentation from Marin County Flood Control District staff, who provided information on a proposed Flood Control Parcel Tax measure benefitting Flood Control Zone 1 (Novato), placed on the November ballot by the County Board of Supervisors. From Board feedback, staff has prepared the attached draft statement on potential benefits to the District from the proposed measure, for the Board's consideration.	
ATTACHMENTS: 1. Draft Statement On Benefits To Novato Sanitary District From Proposed Flood Control Parcel Tax For Novato.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: ssk, ka	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

STATEMENT ON BENEFITS TO NOVATO SANITARY DISTRICT
FROM
PROPOSED FLOOD CONTROL PARCEL TAX FOR NOVATO

The Marin County Flood Control and Water Conservation District (MCFC&WCD) works to ensure that local creeks and channels can safely carry floodwaters; that water in local creeks and bays is clean and safe; and that natural resources in local creeks and watersheds are preserved and enhanced; and that additional open space and trails are provided. The Flood Control Zone 1 (Novato) Advisory Board and the Marin County Board of Supervisors have recommended placing a parcel tax on the November 2017 ballot to support this work, and to address community and roadway flooding, restore creek and marsh habitat, and begin adapting to sea level rise.

The proposed parcel tax for Novato Flood Zone 1 recommends reduction of roadway flooding in the greater Novato area; reduction of flooding and restoration of habitat; and repair of storm damaged flood protection facilities.

The Novato Sanitary District (District) has extensive facilities within the Novato Flood Zone 1 that will directly benefit from potential flood control measures provided by funds from the proposed measure, including (but not limited to): About 800 acres of irrigated pasture fields, about 200 million gallons of treated wastewater storage capacity, 53 acres of open space and wildlife habitat, and 16 miles of drainage ditches.

In addition, the District has about 230 miles of sewer collection pipes, forty pump stations, and other mission critical facilities that could potentially be subject to flooding from extreme events. The District also has an approximately 2.5 mile, 54-inch diameter treated effluent discharge pipeline from its treatment plant to San Pablo Bay, which runs through lands subject to flooding.

In summary, the District relies extensively on MCFC&WCD's flood control structures, measures and facilities as a cornerstone in protecting the District's facilities from flood hazards.

Therefore, the Board of Directors of the Novato Sanitary District fully commends the efforts of the Marin County Flood Control and Water Conservation District and the Marin County Board of Supervisors in placing the proposed flood control parcel tax measure on the November 2017 ballot.

I hereby certify that the foregoing statement was duly and regularly adopted and passed by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof held on the 11th day of September, 2017, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Members:

ABSENT, Members:

APPROVED:

President, Board of Directors

ATTEST:

Secretary

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Recycled Water Facility Expansion, Account No. 73005	MEETING DATE: September 11, 2017 AGENDA ITEMS NO.: 10.a.
<p>RECOMMENDED ACTION: Approve plans and specifications; authorize General Manager-Chief Engineer to advertise for bids; approve a contract with Woodard & Curran, Inc.* for engineering services during construction, and authorize General Manager-Chief Engineer to execute it in an amount not-to-exceed \$213,276. (<i>*formerly RMC Water Environment</i>).</p>	
<p>SUMMARY AND DISCUSSION:</p> <p>The District’s consultant Woodard and Curran (W&C) and their sub-consultants, TJC Associates, and Arc-Sine Engineering, have completed the plans and specifications for the subject project and the project is ready for bid. This project consists of expanding the existing facility from 0.85 MGD to 1.7 MGD firm capacity including filter feed pump, backwash pump, filter, distribution pump, piping, valves, fittings and appurtenances; operational improvements including a clearwell cover, intermittent filter backwash system, and filter piping modifications. The Engineer’s Estimate for this work is \$1,880,000.</p> <p>In terms of environmental documentation, the project is covered under the North Bay Recycled Water Authority (NBWRA) Final Environmental Impact Statement (SCH No. 2008072096), and the District’s Environmental Impact Report (EIR) for the Novato Sanitary District Wastewater Facility Plan Project (SCH No. 2004072033) (“2005 EIR” or Final EIR).</p> <p>The District will require the services of the design consultant, W&C to perform Engineering Services During Construction (ESDC). The scope of work will include Project Management, Bidding Services, ESDC (including RFIs, submittal review, change orders and record drawings), and an optional task for PLC and SCADA Programming for a not-to-exceed maximum contract total of \$213,276.</p> <p>Staff recommends that the Board approve the plans and specifications, and authorize the General Manager-Chief Engineer to advertise for bids. Bids are expected to be received on October 12, 2017 and will be presented to the Board at a subsequent meeting. Staff also recommends that the Board approve the contract with W&C, and authorize the General Manager-Chief Engineer to execute the agreement on a time and expense reimbursement basis in the not-to-exceed amount of \$213,276.</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.</p>	
<p>BUDGET INFORMATION: This work will be funded from the budget for Account No. 73005: RWF Expansion, which has a FY 17-18 budget amount of \$1,460,000. Additional funding is anticipated through the US Bureau of Reclamation Title XVI (WaterSMART) program for 25% of the total Project cost up to \$500,000. The FY17-18 budget is adequate to meet project expenditures through the remainder of FY17-18.</p>	
DEPT. MGR.: esb, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Collection System Improvements; Bel Marin Keys Sewer Rehabilitation Project, Account No. 72706	MEETING DATE: September 11, 2017 AGENDA ITEMS NO.: 10.b.
RECOMMENDED ACTION: Approve a Contract with GHD, Inc. for design engineering and construction management services, and authorize General Manager-Chief Engineer to execute it in an amount not-to-exceed \$53,607.	
SUMMARY AND DISCUSSION: <p>In April 2016, the District entered into an Agreement with GHD of Santa Rosa to provide design engineering and construction management services for the rehabilitation of the Bel Marin Keys Trunk Sewer. The purpose of this project was to rehabilitate an 18” asbestos cement pipe (ACP) trunk sewer between Bel Marin Keys Blvd and the Ignacio Transfer Pump Station. A portion of this trunk sewer previously failed and further investigation showed that the entire trunk sewer and associated manholes were failing due to attack from hydrogen sulfide gas.</p> <p>During the course of the project, the smaller ACP sewer main upstream of the project was inspected and it too was showing signs of deterioration, but not at the advanced level of the sewer under repair. Staff determined that the smaller sewer main was still structurally sound and decided to complete the rehabilitation of the upstream sewer the following fiscal year.</p> <p>Staff contacted GHD and requested a Proposal to provide professional engineering services for design and construction management. Staff selected GHD for this project due to is similar nature of the previous project and the fact that GHD brought the previous project to completion under budget and with no contractor generated change orders.</p> <p>The District has received the Proposal and GHD proposes to provide professional engineering services for design and construction management for a cost not to exceed \$53,607.00. This work includes the rehabilitation of 950 feet of 10” sewer and 1350 feet of 8” sewer and the rehabilitation of 8 manholes. Staff has reviewed the proposal and believes it is reasonable and accurate, and recommends the Board approve the Contract and authorize the General Manager-Chief Engineer to execute it.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: This work will be funded from the budget for Account No. 72706: Collection System Improvements, which has a FY17-18 budget amount of \$1,700,000.	
DEPT. MGR.: srk, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Resolution to CalPERS regarding Member Contributions.	MEETING DATE: September 11, 2017 AGENDA ITEM NO. : 11.a.
RECOMMENDED ACTION: Adopt Resolution No. 3110 for Paying and Reporting the Value of Employer-Paid Member Contributions to CalPERS.	
SUMMARY AND DISCUSSION: <p>At their meeting of October 13, 2014, the Board of Directors adopted a Memorandum of Understanding (MOU) between Novato Sanitary District and Teamsters Local 315 for the period July 1, 2014 through June 30, 2018. One of the provisions of the MOU is a change in the formula for payment and reporting of Employer Paid Member Contributions (EPMC), from 2.5% to 1.5% effective July 1, 2015, from 1.5% to 0.5% effective July 1, 2016, and from 0.5% to 0% effective July 1, 2017. Each modification requires adoption of a resolution by the District Board for submission to CalPERS. The most recent modification to 0.5% was implemented by adoption of Resolution No. 3099 on June 27, 2016. Resolution No. 3110 is being presented for Board adoption to modify the District's EPMC from 0.5% to 0%. As in prior years, the language and format of the Resolution are as mandated by CalPERS. A summary of the revised formula, effective July 1, 2017, follows:</p> <p style="margin-left: 40px;"><i>Effective July 1, 2017, for all employees hired before January 1, 2012, the District will contribute 0% of base pay as Employer Paid Member Contributions, reported as Special Compensation. Employees in this group will pay the full employee contribution to the CalPERS retirement system.</i></p> <p style="margin-left: 40px;"><i>For employees hired on or after January 1, 2012, the District will contribute 0% towards employee (Normal) contributions. Employees in this group will pay the full employee contribution to the CalPERS retirement system.</i></p> <p>Although the MOU applies to the District's represented employees, this Board action will also include all non-represented employees for conformity with CalPERS law.</p>	
ATTACHMENTS: 1. Resolution No. 3110 – Resolution for Paying and Reporting the Value of Employer Paid Member Contributions.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: This action will result in a savings of approximately \$6,700 in CalPERS contributions for Fiscal Year 2017-18.	
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK

RESOLUTION NO. 3110
RESOLUTION FOR PAYING AND REPORTING THE VALUE OF
EMPLOYER PAID MEMBER CONTRIBUTIONS

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

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

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

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

- 1. This benefit shall apply to all employees of Novato Sanitary District hired prior to January 1, 2012.**
- 2. This benefit shall consist of paying Zero Percent (0%) of the normal contributions as EPMC, and reporting the same Zero Percent (0%) of compensation earnable {excluding Government Code Section 20636(c) (4)} as additional compensation.**

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

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

The effective date of this Resolution shall be July 1, 2017.

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

BY

A. Gerald Peters, President
Board of Directors

Sandeep Karkal
General Manager-Chief Engineer

Adopted and approved on September 11, 2017