

NOVATO SANITARY DISTRICT

Meeting Date: November 13, 2017

The Board of Directors of Novato Sanitary District will hold a regular meeting at 5:30 p.m., Monday, November 13, 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 October 23, 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, October 23 - November 13, 2017.
 - b. Receive deposit summary, October 2017.
 - c. Receive 1st Quarter Investment Report, Fiscal Year (FY) 2017-18.
 - d. Receive 1st Quarter Financial Report, FY2017-18 (unaudited).
 - e. Approve an Agreement with the Marin County Flood Control and Water Conservation District authorizing their use of the District's stormwater pump stations to convey flows from Simmons Slough, and authorize the Board President and General Manager-Chief Engineer to execute it.
 - f. Authorize the General Manager-Chief Engineer to approve an application from Pacific Gas & Electric Company (PG&E) and issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, for PG&E Pipeline In-Line Inspection Upgrade Projects I-446 and I-451.
6. **REFINANCING OF 2011 CERTIFICATES OF PARTICIPATION (COPS) AND ISSUANCE OF 2017 WASTEWATER REVENUE REFUNDING BONDS:**
 - a. Receive final results on refinancing of the 2011 COPs and closing of 2017 refunding bonds, from the District's Financial Advisor, Mr. Steven Gortler.

7. SOLID WASTE – ASSIGN “AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL” TO RECOLOGY SONOMA MARIN:

- a. Receive presentation on Public Education and Outreach Plan from Ms. Celia Furber, Waste Zero Coordinator, Recology Sonoma Marin.
- b. Receive Solid Waste Committee report and recommendation, meeting of November 1, 2017.
- c. Consent to Assign to Recology Sonoma Marin, approve the “Assignment and Assumption Agreement - AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL”, and authorize the Board President, the General Manager-Chief Engineer, and District Counsel to execute it.

8. WASTEWATER OPERATIONS:

- a. Receive Wastewater Operations Reports, October 2017:
 - Collection System
 - Treatment Facilities
 - Reclamation Facilities

9. CAPITAL PROJECTS:

- a. *Admin Building Upgrade/Maint. Building, Account No. 73003:* Make CEQA findings that the project is categorically exempt; authorize the General Manager-Chief Engineer to accept plans and specifications developed by staff, and advertise for bids – Maintenance Building Phase 3 - Modular Building; Project No. 73003-2016-1.

10. COLLECTION SYSTEM OPERATIONS:

- a. Authorize purchase of a closed circuit television (CCTV) van, and authorize the General Manager-Chief Engineer to execute a purchase order with National Auto Fleet Group in the amount of \$172,934.34 (including estimated sales tax and fees).

11. ADMINISTRATION:

- a. Establish Construction Inspector I-II job classification, approve the job description and salary ranges, and authorize the General Manager-Chief Engineer to recruit for a position in this classification.

12. BOARD MEMBER REPORTS AND REQUESTS:

13. GENERAL MANAGER’S REPORT AND ANNOUNCEMENTS:

14. ADJOURNMENT:

Next Resolution No. 3113.

Next regular meeting date: Monday, December 11, 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: October 23, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, October 23, 2017, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: John Bailey, Project Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Dale Thrasher, Admin. Services/Safety Officer, Novato Sanitary District
Dee Johnson, Solid & Household Hazardous Waste Program Coordinator
William Shoen, Principal, R3 Consulting Group
Jim Salyers, Vice President, Novato Disposal Service
Jim O'Toole, Environmental Science Associates

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the October 9, 2017 meeting.

On motion of Director Miller, seconded by Director Dillon-Knutson, and carried unanimously, the October 9, 2017 Board meeting minutes were approved.

CONSENT CALENDAR:

Director Mariani requested Consent Calendar item f. be removed for further discussion.

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

- a. Approve capital project disbursements in the amount of \$61,284.80, and regular disbursements in the amount of \$171,600.15.
- b. Approve payroll and payroll related disbursements in the amount of \$247,544.10.
- c. Receive Accounts Receivable Report as of October 20, 2017.
- d. Cancel Board meetings of November 27th and December 25th, 2017.
- e. Receive "Progress report on Refinancing of 2011 Certificates of Participation" (COPs) from the District's Financial Advisor (FA) Mr. Steven Gortler.

- g. Authorize the General Manager-Chief Engineer to approve an application from Pacific Gas and Electric Company (PG&E) and issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, for PG&E Pipeline Digs Project D-674A at intersection of Redwood Boulevard and Grant Avenue.

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

President Peters stated that the Board would now consider the remainder of the consent calendar.

- f. Receive Standard & Poor's Global Ratings report assigning an "AA+" rating to the District's proposed 2017 Refunding Bonds, and an upgrade to "AA" from "AA-" for the District's 2011 COPs.

Director Mariani commented that the Standard & Poor's rating raise from a "AA-" to a "AA+" was quite an accomplishment and praised management for their efforts. Directors Long and Dillon-Knutson echoed her sentiments.

The General Manager stated it was a team effort, and that the improved rating reflects well on staff and the Board.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the above listed Consent Calendar item was approved.

SOLID WASTE: PUBLIC HEARING – SET CALENDAR YEAR (CY) 2018 MAXIMUM ALLOWABLE SOLID WASTE RATES.

- Receive Solid Waste Committee recommendation for a Calendar Year (CY) 2018 maximum solid waste rate adjustment of +5.04 percent. The General Manager stated that at its September 20, 2017 meeting, the District Board reviewed a CY2018 rate adjustment request by Novato Disposal Service (NDS) for +5.20%; and a report by the District's consultant (R3 Consulting Group), that analyzed the NDS request and recommended a +5.04 percent rate adjustment. He stated that, upon review, the Committee concurred with the R3 report and recommendation, and made a recommendation to the full Board at the Board's September 25, 2017 meeting, that the Board approve a CY2018 solid waste rate adjustment of +5.04 percent. He noted that, separately, NDS had also reviewed the R3 report and agreed to a potential +5.04 percent rate adjustment.

The General Manager stated that he recommends the Board receive the Committee's recommendation of a maximum rate increase of +5.04 percent for CY2018, and subsequent to the public hearing, approve the Committee's recommendation and adopt Resolution No. 3112, setting CY2018 maximum allowable rates for refuse collection and disposal services.

- Open public hearing. President Peters opened the public hearing at 5:42 p.m.

- Receive Public comments. None.

- Receive Board comments. Director Dillon-Knutson stated that the 5.04 percent increase was prudent, and within a modest guideline.

- Close public hearing. President Peters closed the public hearing at 5:43 p.m.

Upon close of the public hearing, the General Manager-Chief Engineer requested that the Board adopt Resolution 3112 setting CY2018 maximum allowable rates for refuse collection and disposal services.

- Adopt Resolution No. 3112 setting CY2018 maximum allowable rates for refuse collection and disposal services.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board adopted Resolution No. 3112: A Resolution Setting Maximum Solid Waste Service Charges for Novato Disposal Company in Novato Sanitary District.

At 5:44 p.m., Jim Salyers, William Schoen, and Dee Johnson, left the meeting.

CAPITAL PROJECTS:

- Recycled Water Facility (RWF) Expansion, Account No. 73005: Review Bids received, and authorize the General Manager-Chief Engineer to award the construction contract to Pacific Infrastructure Corporation and to execute it in the bid amount of \$1,940,122. The General Manager introduced Technical Services Manager Erik Brown, who provided an overview of the Recycled Water Facility Expansion Project.

The Technical Services Manager stated that at its September 11, 2017 meeting, the District Board authorized staff to advertise for bids for the Recycled Water Facility Expansion Project. He stated that three bids were received, with the apparent low bid from Pacific Infrastructure Corporation in an amount of \$1,940,122. He stated that the bid documents had been reviewed and appear to be in order based on staff review. The Technical Services Manager requested that the Board authorize the General Manager-Chief Engineer to award the construction contract to Pacific Infrastructure Corporation and execute the contract in the bid amount of \$1,940,122.

Director Long discussed the language used in the bid approval process, specifically the terms “bid documents **appear to be in order**”. The Technical Services Manager stated that this bid document language is used customarily for the bid approval process, and that he had reviewed all the bid documents and found them to be in order.

Director Miller questioned the language “**apparent** lowest bid”. Discussion followed and it was noted that the language in question is useful in the case that there may be undiscoverable mathematical errors in the bid documents that may materially affect the bid amount. After further discussion, Director Mariani requested staff to review the above noted bid document language with District Counsel Kent Alm.

Director Miller stated that the board report for item 7.a. incorrectly stated that “At its September 11, 2017 meeting the **District Board made CEQA findings...**”. He stated that the discussion item from the September 11th meeting represented that CEQA findings had

been made, but not that the Board had made them at that meeting. Discussion followed regarding the language used in the Board report.

Jim O'Toole, Environmental Science Associates, addressed the Board. He stated that he was the Project Manager for both the 2004 Environmental Impact Report (EIR), and the 2009 North Bay Water Reuse Authority EIR and Environmental Impact Study (EIS). He suggested that the Board strike the language "the Board made CEQA findings on September 11th" and instead state that "the District Board relied on its 2009 CEQA findings and related documents...".

The General Manager suggested that Board report 7.a. be modified as follows: "At its September 11, 2017 meeting the District Board relied on its 2009 CEQA findings and related documents, and authorized staff to advertise for bids for the Recycled Water Facility Expansion Project", and to adopt the motion as presented.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the General Manager-Chief Engineer to award the Recycled Water Facility Expansion Project contract to Pacific Infrastructure Corporation, to execute it in the bid amount of \$1,940,122, and to reference the modified Board report of the October 23rd meeting, item 7.a.

- Recycled Water Facility (RWF) Expansion, Account No. 73005: Authorize the General Manager-Chief Engineer to approve a contract with The Covello Group to provide construction management services through completion of the Project, and to execute it in an amount not-to-exceed \$179,300. The General Manager stated that the Recycled Water Facility Expansion Project (Project) will require the services of the construction management firm, The Covello Group (Covello). He requested the Board authorize the General Manager-Chief Engineer to approve a contract with Covello to perform construction management and inspection services through the completion of the Project for a not-to-exceed contract total of \$179,300.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the General Manager-Chief Engineer to approve a contract with the Covello Group to provide construction management services through completion of the Project and to execute it in an amount not-to-exceed \$179,300.

BOARD MEMBER REPORTS AND REQUESTS:

Director Dillon-Knutson stated that Saturday, October 28th, North Bay Discovery Day is being held at the Sonoma County Fairgrounds. She stated that Veolia will have an outreach station and requested that the Novato Sanitary District be represented with Veolia. She noted the importance of disseminating more information about the Novato Sanitary District to attendees at this event.

INFORMATIONAL ITEMS:

-CNNMoney (London) news report published October 11, 2017: "Scientists have struck gold in an unlikely place: Swiss sewage and waste water treatment plants". The General Manager stated that this item was for informational purposes only.

GENERAL MANAGER'S ANNOUNCEMENTS:

A Solid Waste Committee Meeting is potentially scheduled for Wednesday, November 1st at 2:30 p.m. with Directors Mariani and Peters.

The next Regular Board meeting is scheduled for Monday, November 13, 2017 at 5:30 p.m.

The General Manager provided a brief Disaster Relief update, noting that no District employees lost their homes during the recent wild fires.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 6:19 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording

Novato Sanitary District Board Check Register

For October 2017

Date	Num	Name	Credit
Nov 1 - 9, 17			
11/08/2017	5192	Dillon-Knutson-, Carole	415.58
11/08/2017	5193	Long, William C	521.57
11/08/2017	5194	Mariani, Jean M	489.57
11/08/2017	5195	Miller, Brant	
11/08/2017	5196	Peters, Arthur Gerald	389.57
Nov 1 - 9, 17			1,816.29

Novato Sanitary District Operating Check Register

November 1 - 13, 2017

Date	Num	Name	Credit
Nov 1 - 13, 17			
11/13/2017	61200	Custom Tractor Service	188,500.00
11/01/2017	61187	Rain For Rent, Inc.	27,158.41
11/13/2017	61235	Shape Incorporated	26,756.44
11/13/2017	61238	Stericycle	25,114.68
11/13/2017	61196	CASA	16,068.00
11/13/2017	61218	Johnson, Dee	12,291.68
11/13/2017	61232	PARS-PSRP-Post Employment Be...	9,298.00
11/13/2017	61223	Meyers, Nave, Riback, Silver & Wil...	6,953.00
11/13/2017	61231	PARS-OPEB-Post Employment Be...	6,782.75
11/13/2017	61197	CDW Government, Inc.	5,449.88
11/13/2017	61228	Novato, City	4,328.25
11/13/2017	61220	Lightning Services, Inc.	3,983.24
11/13/2017	61195	Caltest Analytical Lab Inc.	3,517.85
11/13/2017	61203	Delta Dental	2,405.89
11/13/2017	61202	Dearborn National	2,107.64
11/13/2017	61194	Cagwin & Dorward Inc.	2,040.00
11/13/2017	61240	Unica Communications	2,030.50
11/13/2017	61216	Interstate Batteries	1,727.45
11/13/2017	61225	North Marin Water District	1,312.98
11/13/2017	61215	IEDA, INC	1,184.00
11/13/2017	61219	Koffler Electrical Mech, Inc.	1,062.00
11/13/2017	61198	Cintas Corporation	1,059.18
11/13/2017	61217	Jan-Pro Cleaning Systems	1,005.00
11/13/2017	61213	Grainger	887.89
11/13/2017	61212	Frontier Analytical Laboratory, Inc.	800.00
11/13/2017	61188	Alpha Analytical Lab, Inc.	794.00
11/13/2017	61207	ECS Refining, Inc	793.28
11/13/2017	61239	Steven Engineering Inc.	704.45
11/13/2017	61221	Marin/Sonoma Mosquito Dist	653.43
11/13/2017	61214	Herc Corporation	643.23
11/13/2017	61204	Diesel Emissions Service, Inc.	548.12
11/13/2017	61189	AppRiver, LLC	540.00
11/13/2017	61241	Vision Service Plan	524.62
11/13/2017	61222	MarinScope Inc.	514.00
11/13/2017	61209	Evoqua Water Technologies - Lab	464.45
11/13/2017	61208	Environmental Resource Assoc	455.41
11/13/2017	61201	CWEA-Redwood Empire Section	405.00
11/13/2017	61192	Beecher Engineering, Inc	390.00
11/13/2017	61226	Novato Builders Supply	335.99
11/13/2017	61233	Pini Hardware	328.15
11/13/2017	61227	Novato Disposal-	305.84
11/13/2017	61205	Dillon-Knutson, Carole.	281.74
11/13/2017	61193	BoundTree Medical, LLC	259.98
11/13/2017	61199	Claremont EAP, Inc.	250.00
11/13/2017	61234	Retiree-Welsh	172.23
11/13/2017	61229	O'Reilly Auto Parts	164.39
11/13/2017	61230	Orkin Pest Control, Inc.	150.34
11/13/2017	61206	Don Johnsons Pool Service	130.18
11/13/2017	61236	SRS Private Investigations, Inc	120.00
11/13/2017	61191	B.W.S. Distributors, Inc.	119.38
11/13/2017	61190	AT&T Mobility	63.44
11/13/2017	61211	First Alarm	39.91
11/13/2017	61224	NAPA Auto Parts	39.04
11/13/2017	61237	Staples Advantage	37.99
11/13/2017	61210	Federal Express	24.35
Nov 1 - 13, 17			<u>364,077.65</u>

Novato Sanitary District Capital Projects Check Register

November 13, 2017

Date	Num	Name	Credit
Nov 13, 17			
11/13/2017	3225	Woodard & Curran formerly RMC	17,685.64
11/13/2017	3224	Nute Engineering Inc.	9,123.00
11/13/2017	3221	GHD Inc.	4,739.50
11/13/2017	3222	Lateral-Kuniholm	2,000.00
11/13/2017	3223	Lateral - Tsuruta	2,000.00
Nov 13, 17			<u>35,548.14</u>

Novato Sanitary District
Deposit Detail
 October 2017

Item 5.b.

Type	Date	Name	Account	Amount
Deposit	10/05/2017		11113 · Westamerica - Operations	
		Beirstein, Debbie and Depaoli, Michael	(1) 21045 · Novato Heights Debt Service	5,091.25
TOTAL				5,091.25
Deposit	10/16/2017		11113 · Westamerica - Operations	
		USCG	11200 - Accounts Receivable	15,342.70
TOTAL				15,342.70
Deposit	10/30/2017		11113 · Westamerica - Operations	
		Zaragoza Plumbing	41040 · Permit & Inspection Fee	40.00
		Anvil Builders	73005 · RWF Expansion	75.00
		Zaragoza Plumbing	41040 · Permit & Inspection Fee	40.00
		ERA Construction Inc.	41040 · Permit & Inspection Fee	40.00
		Taylor, William	41040 · Permit & Inspection Fee	40.00
		Taylor, William	51020 · Connection Charges	11,190.00
		Foged, Larry -	11200 - Accounts Receivable	180.00
		Marin County Department of Public Works	(2) 11200 - Accounts Receivable	33,739.00
TOTAL				45,344.00
			Total Deposits for October	65,777.95
(1)	Received pay off on one of the Novato Heights Assessment properties.			
(2)	Collection of annual billing for agreement with Marin County Solid and Hazardous Waste JPA for FY17-18.			

Novato Sanitary District

QUARTERLY INVESTMENT REPORT -- For Quarter Ended September 30, 2017

INVESTMENT	ACTIVITY	July	August	September	QTR TOTAL
STATE TREASURER'S INVESTMENT FUND	Total deposits/transfers in	47,614	0	0	47,614
	Total transfers out	1,211,000	852,000	689,000	2,752,000
	Minimum daily balance	20,425,856	19,573,856	18,884,856	18,884,856
Current Yield 1.111%	Maximum daily balance	21,589,242	20,425,856	19,573,856	21,589,242
	Interest earned			54,792	54,792
TRUST ACCOUNT					
BANK OF NEW YORK MELLON For COP Bond Funds	Total deposits/transfers in	369,774	0	0	369,774
	Total transfers out	369,774	0	0	369,774
	Minimum daily balance	1,694,033	1,694,122	1,694,279	1,694,033
	Maximum daily balance	1,694,122	1,694,279	1,694,414	1,694,414
	Interest earned	90	157	135	382
The LAIF Pooled Money Investment Account Report is attached as specified in California Government Code Section 53646(e)					
CHECKING ACCOUNTS					
Interest Rate	Regular Warrants Account				
0.02%	Total deposits & transfers in	1,441,963	1,101,745	967,017	3,510,725
	Total checks & transfers out	1,410,466	865,425	739,149	3,015,040
	Minimum daily balance	47,401	80,664	21,502	21,502
	Maximum daily balance	626,917	548,034	650,255	650,255
	Interest earned	4	4	3	11
	Payroll Account				
	Total transfers in	130,800	126,400	124,200	381,400
	Total checks & transfers out	130,555	125,981	124,149	380,685
	Minimum daily balance	636	654	337	337
	Maximum daily balance	119,948	104,840	108,403	119,948
	Project Account				
	Total transfers in	29,200	117,300	407,000	553,500
	Total checks & transfers out	41,620	94,423	408,758	544,801
	Minimum daily balance	2,720	4,687	2,566	2,566
	Maximum daily balance	21,320	97,110	386,566	386,566
	Interest earned		1	2	3

NOTES: (1) The above investments are consistent with the annual Statement of Investment Policy approved by the District Board, most recently May 2017.

The District has the ability to meet six months cash needs.

(2) LAIF interest rate is currently 1.111% which is an increase from .978% in June of 2017, .821% in March of 2017, .719% in December, and .634% in September 2016.



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193
10/19/17	1.15	1.14	192
10/20/17	1.15	1.14	192
10/21/17	1.15	1.14	192
10/22/17	1.15	1.14	192
10/23/17	1.15	1.14	189
10/24/17	1.15	1.14	187
10/25/17	1.15	1.14	186
10/26/17	1.16	1.14	187
10/27/17	1.16	1.14	195
10/28/17	1.16	1.14	195
10/29/17	1.16	1.14	195
10/30/17	1.16	1.14	190

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

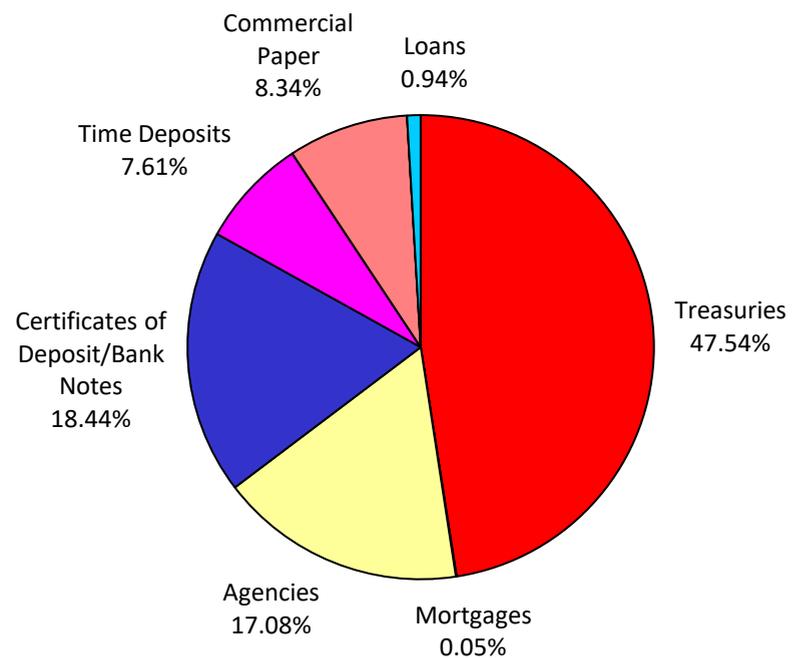
Quarter Ending 09/30/17

Apportionment Rate: 1.07%
 Earnings Ratio: .00002942867511750
 Fair Value Factor: .999042071
 Daily: 1.11%
 Quarter to Date: 1.08%
 Average Life: 190

PMIA Average Monthly Effective Yields

Sept 2017 1.111
 Aug 2017 1.084
 July 2017 1.051

**Pooled Money Investment Account
Portfolio Composition
09/30/17
\$74.1 billion**



Based on data available as of 11/1/2017



**State of California
Pooled Money Investment Account
Market Valuation
9/30/2017**

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch. Amortized Cost		
1* United States Treasury:				
Bills	\$ 14,674,811,264.34	\$ 14,728,634,539.67	\$ 14,723,448,000.00	NA
Notes	\$ 18,827,121,137.72	\$ 18,825,793,811.24	\$ 18,779,355,000.00	\$ 35,404,702.50
1* Federal Agency:				
SBA	\$ 882,001,016.40	\$ 882,001,016.40	\$ 872,264,699.96	\$ 1,109,845.38
MBS-REMICs	\$ 36,639,144.19	\$ 36,639,144.19	\$ 38,144,662.40	\$ 171,758.71
Debentures	\$ 1,328,997,141.66	\$ 1,328,621,620.83	\$ 1,324,530,000.00	\$ 2,307,558.75
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 250,000,000.00	\$ 250,000,000.00	\$ 249,152,500.00	\$ 732,860.50
Discount Notes	\$ 9,694,389,458.06	\$ 9,721,523,694.20	\$ 9,720,621,000.00	NA
GNMA	\$ -	\$ -	\$ -	\$ -
1* Supranational Debentures	\$ 450,315,184.02	\$ 450,217,961.80	\$ 448,745,000.00	\$ 1,053,298.00
1* Supranational Debentures FR	\$ 50,000,000.00	\$ 50,000,000.00	\$ 50,075,500.00	\$ 155,944.44
2* CDs and YCDs FR	\$ 625,000,000.00	\$ 625,000,000.00	\$ 625,000,000.00	\$ 1,539,891.61
2* Bank Notes	\$ 700,000,000.00	\$ 700,000,000.00	\$ 699,891,966.88	\$ 3,317,666.66
2* CDs and YCDs	\$ 12,325,000,000.00	\$ 12,325,000,000.00	\$ 12,323,151,274.56	\$ 32,191,583.30
2* Commercial Paper	\$ 6,177,895,486.11	\$ 6,189,905,611.10	\$ 6,189,559,750.03	NA
1* Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
1* Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
1* Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 5,636,740,000.00	\$ 5,636,740,000.00	\$ 5,636,740,000.00	NA
AB 55 & GF Loans	\$ 695,865,000.00	\$ 695,865,000.00	\$ 695,865,000.00	NA
TOTAL	\$ 72,354,774,832.50	\$ 72,445,942,399.43	\$ 72,376,544,353.83	\$ 77,985,109.85

Fair Value Including Accrued Interest

\$ 72,454,529,463.68

* Governmental Accounting Standards Board (GASB) Statement #72

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

The value of each participating dollar equals the fair value divided by the amortized cost (**0.999042071**). As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$19,980,841.43 or \$20,000,000.00 x **0.999042071**.



PAR VALUES MATURING BY DATE AND TYPE

Maturities in Millions of Dollars

ITEM	1 day to 30 days	31 days to 60 days	61 days to 90 days	91 days to 120 days	121 days to 150 days	151 days to 180 days	181 days to 210 days	211 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 year/out
TREASURY	\$ 900	\$ 1,300	\$ 900	\$ 1,900	\$ 2,300	\$ 8,000	\$ 1,000	\$ 2,500	\$ 5,750	\$ 7,300	\$ 1,800		
REPO													
TDs	\$ 1,615	\$ 1,286	\$ 1,297	\$ 837	\$ 291	\$ 312							
AGENCY	\$ 4,582	\$ 1,350	\$ 1,200	\$ 650	\$ 100	\$ 330	\$ 700	\$ 1,300	\$ 1,075	\$ 1,760	\$ 623	\$ 150	
CP	\$ 3,650	\$ 800	\$ 650	\$ 250	\$ 450	\$ 300		\$ 100					
CDs + BNs	\$ 5,850	\$ 1,850	\$ 2,750	\$ 1,000	\$ 400	\$ 200	\$ 900	\$ 275	\$ 100	\$ 325			
CORP BND													
TOTAL													
\$ 72,957	\$ 16,597	\$ 6,586	\$ 6,797	\$ 4,637	\$ 3,541	\$ 9,142	\$ 2,600	\$ 4,175	\$ 6,925	\$ 9,385	\$ 2,423	\$ 150	\$ -
PERCENT	22.7%	9.0%	9.3%	6.4%	4.9%	12.5%	3.6%	5.7%	9.5%	12.9%	3.3%	0.2%	0.0%

Notes:

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

NOVATO SANITARY DISTRICT

MEMORANDUM

BOARD

MEETING DATE: November 13, 2017

TO: District Board of Directors

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

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

INTRODUCTION

This memorandum presents a summary unaudited year-to-date financial report for the District as of the FY17-18 First Quarter ended September 30, 2017. The following items are presented as three sections herein:

1. Revenue and Expenditure Report (for the quarter ended September 30, 2017).
2. Debt Service Schedule as of September 30, 2017.
3. Operating and Capital Cash Flow for July 1, 2017 – September 30, 2017

1.0 REVENUE AND EXPENDITURES REPORT

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

OPERATING FUND

Table 1: OPERATING REVENUE

	YTD Balance Received	Annual Budget	Budget Overage	Pct. Received
Total Operating Revenues	\$190,326	\$10,654,033	\$10,463,707	1.8%

Discussion

Overall, operating revenues are approximately 1.8% of the total budget amount with 25% of the year complete. The operating revenue accounts are within the normal range for this time of year, since the District receives its primary revenues in December and April.

Table 2: OPERATING EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Total Operating Expenditures	\$ 2,025,775	\$10,329,235	\$8,303,460	19.6%

Discussion

Overall, operating expenditures are at approximately 19.6% of budget, with 25% of the year complete. Variances in individual expenditure accounts are discussed below:

Collection System (15.9%)

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

Safety Expenses 33.8%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Treatment Facilities - Contract Operations: (21.3%)

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

Reclamation/Disposal Facilities: (16.6%)

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

Salaries & Wages: 32.8%. Expenditures are within expected parameters for this time of year. Once the Reclamation area irrigation season is over, the personnel expense will decrease and the expenditure will follow. Account expected to stay within budget over remainder of the fiscal year.

Gas & Electricity: 31.1%. Expenditures are within expected parameters for this time of year. Once the Reclamation area irrigation season is over, the electrical usage will decrease and the expenditure will follow. Account expected to stay within budget over remainder of the fiscal year.

Water: 244.3%. Water is a reimbursable expenditure billed and paid by the rancher at the end of the fiscal year. Account expected to stay within budget over remainder of fiscal year, after accounting for cost reimbursement from rancher.

Permits & Fees: 65.1%. Significant variance due to the annual permit for Bay Area Air Quality Management District being paid in the first quarter of the fiscal year. Account expected to stay within budget over remainder of the fiscal year.

Laboratory/Monitoring: (22.0%)

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

Operating Supplies: 30.2%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Pollution Prevention/Public Ed. 29.5%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Permits & Fees: 132.4%. Significant variance on a small budgeted base amount of \$4,000, for a total increase of about \$1,300 from the prior fiscal year. The increase is from a combination of: (a) An annual permit fee increase for the California Environmental Laboratory Accreditation Program (ELAP), and (b) Addition of another FOT (Field of Testing) for a new approved method for total coliform testing for recycled water, which provides results faster than the prior approved method.

Pump Stations: (18.5%)

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

Safety Expenses 33.5%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Administration and Engineering: (21.9%)

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

Employee Benefits: 27.8%. Per review of account, no significant items noted for the current fiscal year. Account expected to stay within budget over remainder of the fiscal year.

Insurance: 27.7% Insurance expense is within expected parameter for this time of year, typically paid as billed in the first and second quarter of the fiscal year. Account expected to stay within budget over remainder of the fiscal year.

Agency Dues: 57.7%. Significant variance as a large portion of agency dues are paid in the first quarter. Account expected to stay within budget over remainder of the fiscal year.

Accounting & Auditing: 28.1%. Significant variance due to annual audit field-work being completed earlier in the year (in the first quarter), for the FY 2016/17 audit. The account is expected to stay within budget over remainder of the fiscal year.

Printing & Publications: 35.6%. Expenditures are within expected parameters for this time of year. The District completes semi-annual newsletters, in the Fall and in the Spring. These expenditures are representative of the District's Fall newsletter. The account is expected to stay within budget over remainder of the fiscal year.

Repairs & Maintenance: 26.8%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

Telephone: 27.4%. Per review of account, no significant items noted. The account is expected to stay within budget over remainder of the fiscal year.

AB 939 Solid Waste Programs: (9.5%)

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

Recycled Water: (2.8%)

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

CAPITAL FUND

Table 3: CAPITAL REVENUE

Capital Revenue	YTD Balance Received	Annual Budget	Over/(Under) Budget	Pct. Received
Sewer Service Charges	\$13,808	\$ 7,753,152	(\$7,739,344)	.2%
Property Taxes	46,008	2,188,693	(2,142,685)	2.1%
Connection Charges	127,366	447,600	(320,234)	28.5%
Collector Sewer/Special Equalization Charges	4,230	2,000	2,230	423.0%
Interest	25,040	40,000	(14,960)	62.6%
Other Revenue	0	20,000	(20,000)	0.0%
Grant Revenue	0	475,000	(475,000)	0.0%
Total Revenue	\$216,452	\$10,926,445	(\$10,709,993)	2.0%

Discussion

Overall capital revenues are 2.0% of budget at the close of the first quarter, consistent with the District receiving the bulk of its revenue in December and April.

Table 4: CAPITAL EXPENDITURES

	YTD Balance	Annual Budget	Budget Unused	Pct. Used
Capital Expenditures	\$529,971	\$12,423,504	(\$11,893,533)	4.3%

Discussion

The list of capital project accounts is shown in the attached tables. Overall expenses are 4.3% of budget.

Attachments:

1. Draft Revenue and Expenditure Reports:
 - a. Operating, July 2017-September 2017.
 - b. Capital, July 2017-September 2017.
2. Debt Service Schedule as of September 30, 2017
3. Operating and Capital Cash Flow, July 2017-September 2017.

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

	Jul - Sep 17	Budget	\$ Over Budget	% of Budget
Income				
41000 · OPERATING INCOME				
41010 · Sewer Service Charges	17,146.39	9,691,440.00	(9,674,293.61)	0.18%
41030 · Plan Check & Inspection Fee	5,882.00	500.00	5,382.00	1,176.4%
41040 · Permit & Inspection Fee	2,150.00	6,000.00	(3,850.00)	35.83%
41060 · Interest Income	30,146.72	43,000.00	(12,853.28)	70.11%
41080 · Engineering & Admin Charges	1,145.39	165,000.00	(163,854.61)	0.69%
41090 · Non-domestic Permit Fees	2,358.69	20,000.00	(17,641.31)	11.79%
41100 · Garbage Franchise Fees	0.00	53,438.00	(53,438.00)	0.0%
41105 · AB 939 Collector Fees	94,106.50	376,426.00	(282,319.50)	25.0%
41107 · Oil/Bev/Tire Grants	34,820.00	62,729.00	(27,909.00)	55.51%
41130 · Ranch Income	0.00	70,000.00	(70,000.00)	0.0%
41135 · Recycle Water Facility Revenue	0.00	135,500.00	(135,500.00)	0.0%
41140 · Other Revenue	2,570.68	20,000.00	(17,429.32)	12.85%
41142 · Loss on disposal of assets	0.00	10,000.00	(10,000.00)	0.0%
Total 41000 · OPERATING INCOME	190,326.37	10,654,033.00	(10,463,706.63)	1.79%
Expense				
60000 · COLLECTION SYSTEM				
60010 · Salaries & Wages	145,676.59	650,120.00	(504,443.41)	22.41%
60020 · Employee Benefits	47,108.98	299,148.00	(252,039.02)	15.75%
60060 · Gas, Oil & Fuel	3,488.58	15,000.00	(11,511.42)	23.26%
60085 · Safety	1,181.90	3,500.00	(2,318.10)	33.77%
60091 · Software Maint	2,185.00	20,000.00	(17,815.00)	10.93%
60100 · Operating Supplies	3,418.55	28,000.00	(24,581.45)	12.21%
60150 · Repairs & Maintenance	8,987.36	80,000.00	(71,012.64)	11.23%
60152 · Small Tools	33.67	2,000.00	(1,966.33)	1.68%
60153 · Outside Services	1,200.00	175,000.00	(173,800.00)	0.69%
60192 · Water	1,808.23	12,000.00	(10,191.77)	15.07%
60193 · Telephone	505.21	4,000.00	(3,494.79)	12.63%
60200 · Other(Garbage Coll)	54.52	1,000.00	(945.48)	5.45%
60201 · Permits & Fees	0.00	70,000.00	(70,000.00)	0.0%
Total 60000 · COLLECTION SYSTEM	215,648.59	1,359,768.00	(1,144,119.41)	15.86%
61000 · TREATMENT FACILITIES				
61000-0 · Contract Operations				
61000-1 · Fixed Fee	520,724.53	2,173,976.00	(1,653,251.47)	23.95%
61000-2 · Insurance & Bonds	986.08	14,000.00	(13,013.92)	7.04%
61000-3 · Major Repair/Replacement	0.00	150,000.00	(150,000.00)	0.0%
61000-4 · Water/Permits/Telephone	16,430.20	90,000.00	(73,569.80)	18.26%
61000-5 · Gas & Electricity	135,611.25	732,499.00	(596,887.75)	18.51%
Total 61000-0 · Contract Operations	673,752.06	3,160,475.00	(2,486,722.94)	21.32%
63000 · RECLAMATION/DISPOSAL				
63010 · Salaries & Wages	23,519.69	71,693.00	(48,173.31)	32.81%
63020 · Employee Benefits	3,107.84	24,860.00	(21,752.16)	12.5%
63060 · Gasoline & Oil	465.14	2,000.00	(1,534.86)	23.26%

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

	Jul - Sep 17	Budget	\$ Over Budget	% of Budget
63085 · Safety	0.00	500.00	(500.00)	0.0%
63091 · Software Maintenance	0.00	2,000.00	(2,000.00)	0.0%
63100 · Operating Supplies	267.36	2,000.00	(1,732.64)	13.37%
63115 · Sludge Disposal	0.00	240,000.00	(240,000.00)	0.0%
63150 · Repairs & Maintenance	16,932.47	65,000.00	(48,067.53)	26.05%
63152 · Small Tools	0.00	500.00	(500.00)	0.0%
63157 · Ditch/Dike Maintenance	2,400.00	10,000.00	(7,600.00)	24.0%
63191 · Gas & Electricity	29,525.19	95,000.00	(65,474.81)	31.08%
63192 · Water - Reclamation	7,328.16	3,000.00	4,328.16	244.27%
63201 · Permits & Fees	3,257.00	5,000.00	(1,743.00)	65.14%
Total 63000 · RECLAMATION/DISPOSAL	86,802.85	521,553.00	(434,750.15)	16.64%
64000 · LABORATORY/MONITORING				
64010 · Contract Lab Services	87,363.15	363,761.00	(276,397.85)	24.02%
64060 · Gasoline & Oil	348.86	1,500.00	(1,151.14)	23.26%
64085 · Safety	0.00	1,000.00	(1,000.00)	0.0%
64091 · Software Maintenance	0.00	1,000.00	(1,000.00)	0.0%
64100 · Operating Supplies	6,032.72	20,000.00	(13,967.28)	30.16%
64150 · Repairs & Maintenance	745.54	19,200.00	(18,454.46)	3.88%
64160 · Research & Monitoring	19,832.60	147,500.00	(127,667.40)	13.45%
64170 · Pollution Prevention/Public Ed	12,240.05	41,500.00	(29,259.95)	29.49%
64201 · Permits & Fees	5,294.00	4,000.00	1,294.00	132.35%
Total 64000 · LABORATORY/MONITORING	131,856.92	599,461.00	(467,604.08)	22.0%
65000 · PUMP STATIONS				
65010 · Salaries & Wages	78,714.63	358,335.00	(279,620.37)	21.97%
65020 · Employee Benefits	21,030.71	153,974.00	(132,943.29)	13.66%
65060 · Gasoline & Oil	1,162.86	5,000.00	(3,837.14)	23.26%
65085 · Safety Expenses	670.80	2,000.00	(1,329.20)	33.54%
65091 · Software Maintenance	0.00	8,000.00	(8,000.00)	0.0%
65100 · Operating Supplies	973.38	10,000.00	(9,026.62)	9.73%
65101 · Operating Chemicals	0.00	2,000.00	(2,000.00)	0.0%
65150 · Repairs & Maintenance	23,484.10	115,000.00	(91,515.90)	20.42%
65152 · Small Tools	0.00	2,000.00	(2,000.00)	0.0%
65153 · Outside Services, Electrical	2,638.00	30,000.00	(27,362.00)	8.79%
65191 · Gas & Electricity	20,752.51	115,000.00	(94,247.49)	18.05%
65192 · Water	695.78	7,000.00	(6,304.22)	9.94%
65193 · Telephone	4,886.31	24,000.00	(19,113.69)	20.36%
65201 · Permits & Fees	0.00	4,000.00	(4,000.00)	0.0%
Total 65000 · PUMP STATIONS	155,009.08	836,309.00	(681,299.92)	18.54%
66000 · ADMIN/ENGINEERING				
66010 · Salaries & Wages	272,112.07	1,235,744.00	(963,631.93)	22.02%
66020 · Employee Benefits	140,528.58	504,955.00	(364,426.42)	27.83%
66021-1 · Retiree Health Benefits (Trust)	40,696.50	162,786.00	(122,089.50)	25.0%
66021 · Retiree Health Benefits	31,420.60	224,377.00	(192,956.40)	14.0%
66022 · Pension Expense (Trust)	55,788.00	223,152.00	(167,364.00)	25.0%

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

	Jul - Sep 17	Budget	\$ Over Budget	% of Budget
66030 · Director's Fees	6,300.00	40,000.00	(33,700.00)	15.75%
66060 · Gasoline & Oil	1,194.41	5,000.00	(3,805.59)	23.89%
66070 · Insurance	41,589.44	150,000.00	(108,410.56)	27.73%
66071 · Insurance Claim Expense	0.00	45,000.00	(45,000.00)	0.0%
66075 · Agency Dues	31,139.63	54,000.00	(22,860.37)	57.67%
66080 · Memberships	2,380.00	10,000.00	(7,620.00)	23.8%
66085 · Safety	19.50	2,000.00	(1,980.50)	0.98%
66090 · Office Expense	4,883.94	26,000.00	(21,116.06)	18.78%
66100 · Engineering Supplies	1,319.86	10,000.00	(8,680.14)	13.2%
66121 · Accounting & Auditing	7,314.00	26,000.00	(18,686.00)	28.13%
66122 · Attorney Fees	1,700.00	65,000.00	(63,300.00)	2.62%
66123 · O/S Contractual	33,456.97	223,000.00	(189,543.03)	15.0%
66124 · IT/Misc Electrical	4,064.00	40,000.00	(35,936.00)	10.16%
66125 · Safety & Wellness Incentive Pro	0.00	10,000.00	(10,000.00)	0.0%
66130 · Printing & Publications	7,819.95	22,000.00	(14,180.05)	35.55%
66150 · Repairs & Maintenance	13,399.29	50,000.00	(36,600.71)	26.8%
66170 · Travel, Meetings & Training	16,785.52	65,000.00	(48,214.48)	25.82%
66193 · Telephone	3,293.08	12,000.00	(8,706.92)	27.44%
66202 · County Fees - Property Taxes	0.00	26,000.00	(26,000.00)	0.0%
66203 · County Fees - Sewer Service Chg	0.00	40,000.00	(40,000.00)	0.0%
66250 · Service Charge Sys Exp	0.00	5,000.00	(5,000.00)	0.0%
Total 66000 · ADMIN/ENGINEERING	717,205.34	3,277,014.00	(2,559,808.66)	21.89%
67000 · AB 939 SOLID WASTE PROGRAMS				
67400 · Consulting Services	19,710.00	138,118.00	(118,408.00)	14.27%
67500 · Household Hazardous Waste	20,517.45	242,500.00	(221,982.55)	8.46%
67520 · Permanent HHW Facility	0.00	11,269.00	(11,269.00)	0.0%
67530 · Used Oil/Beverage Cont Grant	1,350.00	11,268.00	(9,918.00)	11.98%
67540 · Outreach/Publicity/Education	76.15	21,000.00	(20,923.85)	0.36%
67600 · Other	0.00	5,000.00	(5,000.00)	0.0%
67610 · City AB 939 Admin Services	0.00	10,000.00	(10,000.00)	0.0%
Total 67000 · AB 939 SOLID WASTE PROGRAM	41,653.60	439,155.00	(397,501.40)	9.49%
68000 · Recycled Water				
68010 · O & M Services	403.25	50,000.00	(49,596.75)	0.81%
68100 · Operating Supplies	0.00	2,000.00	(2,000.00)	0.0%
68101 · Operating Chemicals	0.00	27,300.00	(27,300.00)	0.0%
68150 · Repairs & Maintenance	0.00	24,200.00	(24,200.00)	0.0%
68160 · Research & Monitoring	3,443.00	14,000.00	(10,557.00)	24.59%
68191 · Gas & Electricity	0.00	17,000.00	(17,000.00)	0.0%
68201 · Permits & Fees	0.00	1,000.00	(1,000.00)	0.0%
Total 68000 · Recycled Water	3,846.25	135,500.00	(131,653.75)	2.84%
Total Expense	2,025,774.69	10,329,235.00	(8,303,460.31)	19.61%
Net Income(Loss)	(1,835,448.32)	324,798.00	(2,160,246.32)	(565.11%)

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

	Jul - Sep 17	Budget	\$ Over Budget	% of Budget
Income				
51000 · CAPITAL IMPROVEMENT INCOME				
51010 · Sewer Service Charges	13,808.44	7,753,152.00	(7,739,343.56)	0.18%
51015 · Property Taxes	46,007.34	2,188,693.00	(2,142,685.66)	2.1%
51020 · Connection Charges	127,366.00	447,600.00	(320,234.00)	28.46%
51030 · Collector Sewer Charges	0.00	1,000.00	(1,000.00)	0.0%
51040 · Special Equalization Charge	4,230.00	1,000.00	3,230.00	423.0%
51060 · Interest	25,040.24	40,000.00	(14,959.76)	62.6%
51070 · Other Revenue	0.00	20,000.00	(20,000.00)	0.0%
51072 · Grant Revenue	0.00	475,000.00	(475,000.00)	0.0%
Total 51000 · CAPITAL IMPROVEMENT INCOME	216,452.02	10,926,445.00	(10,709,992.98)	1.98%
Expense				
72000 · CAPITAL IMPROVEMENT PROJECTS				
72403 · Pump Station Rehabilitation	0.00	150,000.00	(150,000.00)	0.0%
72508 · N. Bay Water Recycling Auth	80,485.00	100,000.00	(19,515.00)	80.49%
72706 · Collection System Improv				
72706-1 · Lateral Replacement Program	4,000.00	80,000.00	(76,000.00)	5.0%
72706 · Collection System Improv - Other	32,165.00	1,700,000.00	(1,667,835.00)	1.89%
72707 · Hamilton Wetlands/Outfall Monit	0.00	10,000.00	(10,000.00)	0.0%
72708 · Cogeneration	0.00	350,000.00	(350,000.00)	0.0%
72802 · Annual Sewer Adj. for City Proj	0.00	40,000.00	(40,000.00)	0.0%
72803 · Annual Collection Sys Repairs	9,877.20	200,000.00	(190,122.80)	4.94%
72804 · Annual Reclamation Fac Imp	0.00	175,000.00	(175,000.00)	0.0%
72805 · Annual Treatment Plnt Improv	9,099.62	300,000.00	(290,900.38)	3.03%
72806 · Annual Pump Station Improv	12,450.00	100,000.00	(87,550.00)	12.45%
72808 · Strategic Plan Update	0.00	20,000.00	(20,000.00)	0.0%
72809 · Novato Creek Watershed	0.00	5,000.00	(5,000.00)	0.0%
73003 · Admin Bldg/Maint.Bldg Upgrades	8,503.75	350,000.00	(341,496.25)	2.43%
73004 · Odor Control & NTP Landscaping	0.00	50,000.00	(50,000.00)	0.0%
73005 · RWF Expansion	3,616.98	1,460,000.00	(1,456,383.02)	0.25%
73006 · NTP Corrosion Control	0.00	150,000.00	(150,000.00)	0.0%
73090 · Vehicle Replacement	0.00	390,000.00	(390,000.00)	0.0%
Total 72000 · CAPITAL IMPROVEMENT PROJECTS	160,197.55	5,380,000.00	(5,219,802.45)	2.98%
78400 · Principal and Interest				
78500 · Interest - Capital Projects	369,773.75	2,259,292.00	(1,889,518.25)	16.37%
78501 · Principal - Capital Projects	0.00	4,784,212.00	(4,784,212.00)	0.0%
Total 78400 · Principal and Interest	369,773.75	7,043,504.00	(6,673,730.25)	5.25%
Total Expense	529,971.30	12,423,504.00	(11,893,532.70)	4.27%
Net Income(Loss)	(313,519.28)	(1,497,059.00)	1,183,539.72	20.94%

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

2.0 Debt Service Schedule as of September 30, 2017

	<u>State Revolving Fund Loan</u>		
		Principal	Interest
	SRF Loan Payable 6/30/17.....	63,322,683	
	Principal Payment 2017-18		
	Interest payments 2017-18		-
	SRF Loan Balance/Interest Paid 9/30/17.....	63,322,683	0
	<u>COP Bond Financing Issued October 2011</u>		
	COP Payable Balance 6/30/17.....	17,475,000	
	Principal Payment 2017-18		
	Interest payments 2017-18		(369,774)
	COP Payable Balance/Interest Paid 9/30/17.....	17,475,000	(369,774)
	Note: Principal and Interest payment for SRF Loan payable in December 2017. Interest payment for COP Bond Payable paid in August 2017.		

3.0 OPERATING AND CAPITAL CASH FLOW

Operating:

Cash Flow For Novato Sanitary District

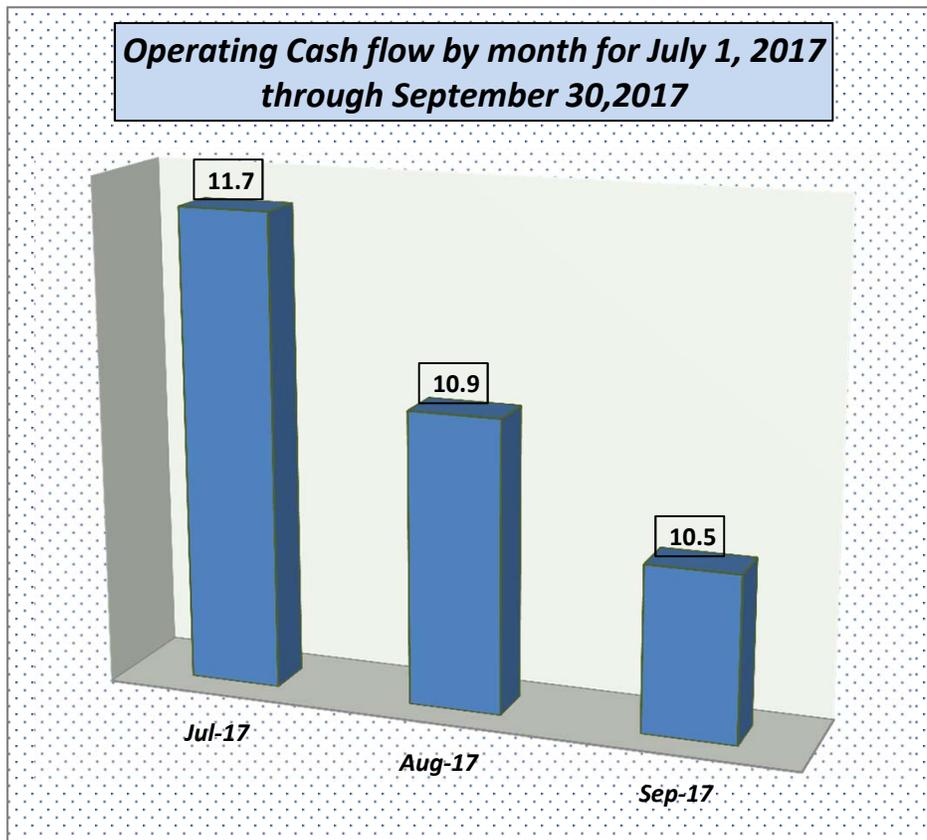
July 1, 2017 - September 30, 2017

Dated: November 3, 2017

Month Earned	Operating Revenue	Monthly Operating Expenditures	Cash Balance
Jul-17	\$ 104,289	\$ 850,715	* \$ 12,421,004
Aug-17	58,005	774,028	11,674,578
Sep-17	132,567	631,540	10,958,555
			10,459,582

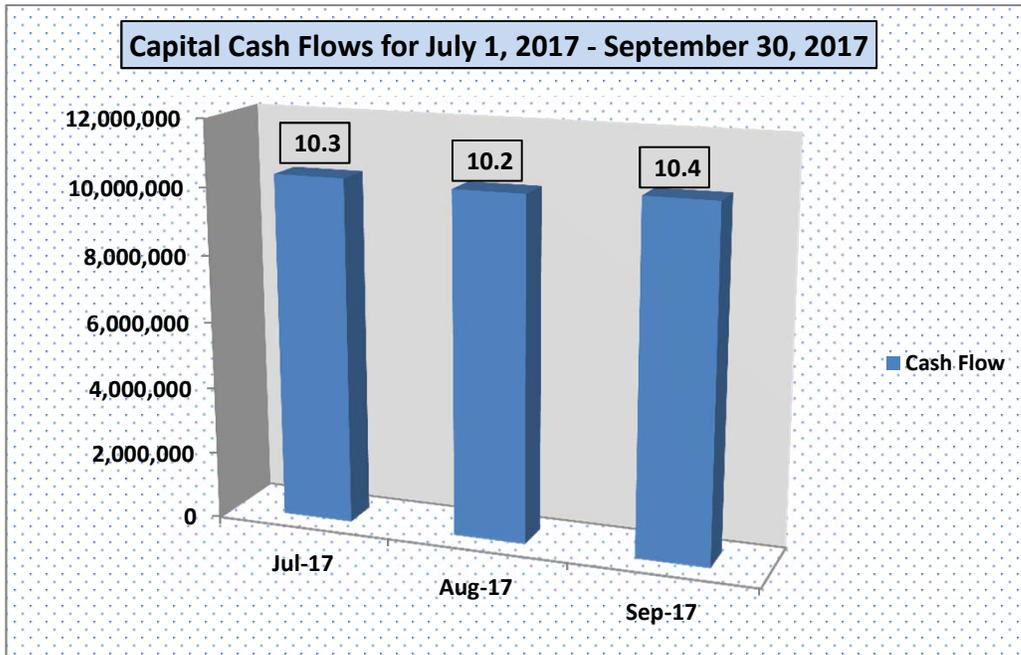
Note: Cash balances at year end split 55/45 - Operating/Capital based on split sewer service charges.

* Beginning balance adjusted for accrual vs cash basis differences.



Capital:
Cash Flow For Novato Sanitary District
July 1, 2017 - September 30, 2017
Dated: November 3, 2017

Month Earned	Monthly Operating Expenditures	Debt Service	Capital Revenue	Cash Balance
Jul-17	\$ 36,984	\$ 369,774	\$ 263,651	\$ 10,485,020
Aug-17	117,390		18,065	10,341,913
Sep-17	29,985		187,106	10,242,588
				10,399,709



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Memorandum of Agreement with Marin County Flood Control and Water Conservation District.	MEETING DATE: November 13, 2017 AGENDA ITEM NO.: 5.e.
RECOMMENDED ACTION: Consider approval of a Memorandum of Agreement (MOA) with the Marin County Flood Control and Water Conservation District authorizing their use of the District's stormwater pump stations to convey flows from Simmons Slough, and authorize the Board President and General Manager-Chief Engineer to execute it.	
SUMMARY AND DISCUSSION: <p>The Novato Sanitary District (District or Sanitary District) and the Marin County Flood Control and Water Conservation District (Flood Control District) entered into a Joint Exercise of Powers Agreement (JEPA) in June 1983. The JEPA outlines the desire to operate compatible sanitary and flood control facilities as necessary in the area covered by the JEPA and generally referred to as the District's Reclamation Facility within the Novato Creek Bay Plain. Currently, the Flood Control District operates the Simmons Slough stormwater pump station and associated flood control appurtenances, and the Sanitary District operates stormwater pump stations and associated appurtenances at Sites 3 and 7 of the Reclamation Facility.</p> <p>In January 2017, the Flood Control District's Simmons Slough stormwater pump station suffered damage from severe storms, and the Flood Control District deployed temporary pumps for several months to convey stormwater from Simmons Slough to Novato Creek. The Flood Control District is making repairs to their Simmons Slough stormwater pump station so that it can provide emergency or auxiliary pumping service but even after such repairs, it will not be sufficient to be relied upon for normal operation. The Simmons Slough stormwater pump station is unable to convey stormwater effectively in Simmons Slough, and the Flood Control District desires to convey such water to Novato Creek with either of Sanitary District's stormwater pump stations at Site 3 or Site 7.</p> <p>The attached Draft Memorandum of Agreement (MOA) authorizes the Flood Control District to use the Sanitary District's stormwater pump stations at Site 3 and Site 7 to convey stormwater and flood water from Simmons Slough to Novato Creek. The MOA outlines the Flood Control and the Sanitary Districts' responsibilities to accommodate the conveyance of the stormwater flows from Simmons Slough while ensuring the ability of the Sanitary District to convey stormwater and floodwater from Site 3 and 7 is not impacted. The term of the MOA will be on an annual basis, to be reinstated each year until July 1, 2023, or earlier if terminated by either party.</p> <p>District Counsel and staff have reviewed the MOA, and recommend that the Board approve the MOA (subject to minor changes and revisions), and authorize the Board President and General Manager-Chief Engineer to execute it on behalf of the District.</p>	
ATTACHMENTS: 1. Draft Memorandum of Agreement between the Marin County Flood Control and Water Conservation District and Novato Sanitary District.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 3 (Board District and Community, Alignment and Communications) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The MOA is intended to be budget neutral to the District. The Flood Control District will reimburse the District for the electricity needed to convey flows from Simmons Slough, with an escalator to cover potential increased maintenance due to higher frequency use.	
DEPT. MGR.: eb, ssk	GENERAL MANAGER: SSK

**MEMORANDUM OF AGREEMENT
BETWEEN THE MARIN COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT AND NOVATO SANITARY DISTRICT**

This Memorandum of Agreement (“MOA”) made and entered into this ____ day of _____, 201_, by and between the MARIN COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter referred to as “FLOOD CONTROL DISTRICT”) and the NOVATO SANITARY DISTRICT, hereinafter referred to as “SANITARY DISTRICT”), collectively the “PARTIES”.

WHEREAS, the FLOOD CONTROL DISTRICT and SANITARY DISTRICT entered into a Joint Exercise of Powers Agreement (JEPA) in June 1983 that outlines the desire to operate compatible sanitary and flood control facilities as necessary in an area known as described in the JEPA; and

WHEREAS, the FLOOD CONTROL DISTRICT currently operates the Simmons Slough Stormwater pump station and associated flood control appurtenances, and SANITARY DISTRICT operates stormwater pump stations and associated appurtenances at locations known as Site 3 and Site 7, within the Novato Creek Bay Plain as shown in Exhibit A attached hereto; and

WHEREAS, in January 2017, the FLOOD CONTROL DISTRICT’S Simmons Slough Stormwater pump station suffered damage from severe storms, and the FLOOD CONTROL DISTRICT deployed temporary pumps for several months to convey stormwater from Simmons Slough to Novato Creek; and

WHEREAS, the FLOOD CONTROL DISTRICT is making repairs to the Simmons Slough stormwater pump station so that it can provide emergency or auxiliary pumping service but even after such repairs will not be sufficient to be relied upon for normal operation; and

WHEREAS, the Simmons Slough stormwater pump station is unable to convey stormwater effectively in Simmons Slough and the FLOOD CONTROL DISTRICT desires to convey such water to Novato Creek with either of SANITARY DISTRICT’S stormwater pump stations at Site 3 or Site 7, and

NOW THEREFORE, it is mutually agreed and understood as follows:

- A. The SANITARY DISTRICT authorizes the FLOOD CONTROL DISTRICT to use stormwater pump stations at Site 3 and Site 7 to convey stormwater and flood waters from Simmons Slough to Novato Creek.
- B. The FLOOD CONTROL DISTRICT is responsible for the operation and maintenance of the existing Simmons Slough channel from Highway 37 south to the Novato Creek levee where the FLOOD CONTROL DISTRICT’S existing Simmons Slough pump is located. This MOA does not alter the responsibility of the SANITARY DISTRICT for any other conveyance channel, ditch or culvert that currently exists between the southern terminus of Simmons Slough and the inlets to the SANITARY DISTRICT’S

stormwater pump stations at Site 3 or Site 7. The FLOOD CONTROL DISTRICT may perform emergency maintenance or make operational changes as needed to its conveyance system during the times when the FLOOD CONTROL DISTRICT deems it necessary to convey stormwater or flood water to the SANITARY DISTRICT's stormwater pump stations at Site 3 or Site 7. The FLOOD CONTROL DISTRICT may modify or change the operations of its conveyance system to convey storm or flood waters at any time, but shall immediately notify the SANITARY DISTRICT of such modifications or changes, and shall notify the SANITARY DISTRICT if and when normal conveyance system operations are returned. The FLOOD CONTROL DISTRICT assumes all liability for any modifications or changes it may make or cause to be made, and that the SANITARY DISTRICT shall be held harmless from any and all liability arising from such modifications or changes by the FLOOD CONTROL DISTRICT.

- C. The FLOOD CONTROL DISTRICT will maintain an operation log for the existing culvert gate that allows stormwater and flood waters from Simmons Slough to flow to the Site 3 stormwater pump station site.
- D. Currently there is no conveyance that connects the Simmons Slough channel to the Site 7 stormwater pump station. The FLOOD CONTROL DISTRICT may construct such a connection by means of culverts, channels, ditches or other means as necessary. This new connection, if constructed, will include a gate to control flow to Site 7. Before any new conveyance construction commences, the FLOOD CONTROL DISTRICT will provide a fifteen (15) calendar day notice to the SANITARY DISTRICT of its intent to construct such conveyance. The FLOOD CONTROL DISTRICT assumes all liability for any connections it may make or cause to be made, and that the FLOOD CONTROL DISTRICT shall hold the SANITARY DISTRICT harmless from any liability arising from construction or use of any new connection.
- E. Operation of the Site 3 and/or Site 7 stormwater pump station(s) may need to be modified to accommodate any additional flow conveyed from Simmons Slough. Should operational modifications be necessary, the FLOOD CONTROL DISTRICT shall request that the SANITARY DISTRICT make said modifications. Additionally, the SANITARY DISTRICT will provide operational control information and previous pump maintenance records as available regarding the Site 3 and Site 7 stormwater pump stations to the FLOOD CONTROL DISTRICT. Should the SANITARY DISTRICT be unavailable to perform the requested modifications, the FLOOD CONTROL DISTRICT may modify the operations of the stormwater pump stations to allow for conveyance of Simmons Slough stormwater or flood waters, provided that any such modifications do not adversely impact or reduce the pumping needs of the SANITARY DISTRICT. The SANITARY DISTRICT and the FLOOD CONTROL DISTRICT will coordinate the joint pumping needs and requirements for Site 3 and Site 7. The FLOOD CONTROL DISTRICT may modify the operations on an

emergency basis to prevent flooding at any time, but shall immediately notify the SANITARY DISTRICT of such modifications, and shall notify the SANITARY DISTRICT once normal operations are returned. The FLOOD CONTROL DISTRICT assumes all liability for any modifications it may make or cause to be made, and the FLOOD CONTROL DISTRICT shall hold the SANITARY DISTRICT harmless from any such liability. Any modifications to the operations of the pump stations made by the FLOOD CONTROL DISTRICT shall be documented in a manner satisfactory to the SANITARY DISTRICT. Notifications from the FLOOD CONTROL DISTRICT to the SANITARY DISTRICT regarding modification of operations of the stormwater pump stations shall be in writing and by phone to the SANITARY DISTRICT's previously designated point of contact.

- F. The FLOOD CONTROL DISTRICT may mobilize a portable generator and use the electrical connection at Site 3 to provide back-up power to continue pumping operations at Site 3 in the event of a power outage. The FLOOD CONTROL DISTRICT may mobilize and run additional portable pumps as needed which would be staged in the vicinity of Site 3.
- G. The SANITARY DISTRICT will provide the FLOOD CONTROL DISTRICT the actual electrical power usage records for the Site 3 and Site 7 stormwater pump stations for the past 5 years. The FLOOD CONTROL DISTRICT will pay the SANITARY DISTRICT the electrical power usage that exceeds the monthly average usage of the five-year historical usage for that month, if and when, either Site 3 or Site 7 stormwater pump station is utilized by the FLOOD CONTROL DISTRICT to convey stormwater or flood waters from the Simmons Slough into Novato Creek. The utilization will be based on the operation of the existing culvert gate and any future gates at the terminus of Simons Slough channel.
- H. The SANITARY DISTRICT will continue to be responsible for ordinary and routine stormwater pump station operation and maintenance for the Site 3 and Site 7 stormwater pump stations and the FLOOD CONTROL DISTRICT will be responsible for extraordinary or major pump repairs throughout the period this MOA remains in effect. Ordinary operations and maintenance includes, but is not limited to, regular and periodic inspections, lubrication, electrical and control systems adjustments, repair or replacement of pump station system components. Extraordinary or major pump repairs consist of repairs to the pump impellers, shafts, motors, and motor control centers.
- I. The SANITARY DISTRICT will invoice the FLOOD CONTROL DISTRICT the Site 3 and Site 7 electrical cost exceedance as outlined in Section G. This cost will include the actual electrical charges multiplied by an administrative and operations factor of 1.15. The factor compensates the SANITARY DISTRICT for the additional cost of operations, maintenance and administration, which are otherwise difficult to

determine, and are related to any actual use of the Site 3 and Site 7 pumps by the FLOOD CONTROL DISTRICT.

- J. The FLOOD CONTROL DISTRICT shall defend, indemnify, save and hold harmless SANITARY DISTRICT, its officers, agents and employees from any and all claims, demands, suits, costs, liability, and expenses, including reasonable attorneys' fees, for any damages, injury, sickness or death to the extent arising out of FLOOD CONTROL DISTRICT'S performance and/or obligations under this MOA whether or not due to its negligence, except for liability arising through active negligence or willful misconduct of SANITARY DISTRICT, its officers, agents, or employees.
- K. The SANITARY DISTRICT shall defend, indemnify, save and hold harmless FLOOD CONTROL DISTRICT, its officers, agents and employees from any and all claims, demands, suits, costs, liability, and expenses, including reasonable attorneys' fees, for any damages, injury, sickness or death to the extent arising out of SANITARY DISTRICT'S performance and/or obligations under this Agreement; except (i) as otherwise set forth above in paragraphs B, D and E, and (ii) for liability arising through active negligence or willful misconduct of FLOOD CONTROL DISTRICT, its officers, agents, or employees.
- L. CONTACTS AND NOTICES: All notices under this MOA shall be in writing (unless otherwise specified), delivered to the parties by hand, by commercial courier service, or by United States mail, postage prepaid, addressed to the parties at the addresses set forth below or such other addresses as the parties may designate by notice.

For FLOOD CONTROL DISTRICT:

Anthony Williams
Principal Civil Engineer
Marin County Flood Control & Water Conservation District
3501 Civic Center Drive, Room 304
San Rafael, California 94903
Phone: (415) 473-6432
Facsimile: (415) 473-3799
twilliams@marincounty.org

For SANITARY DISTRICT:

Sandeep Karkal
General Manager-Chief Engineer
Novato Sanitary District
500 Davidson Street
Novato, California 94945
Phone: (415) 892-1694
Facsimile: (415) 898-2279
SandeepK@novatosan.com

- M. DURATION AND TERMINATION: The terms of this MOA shall remain in full force and effect on annual basis beginning with the date of execution of this agreement

and reinstated each year until July 1, 2023 or earlier if terminated by one of the parties. The terms and provisions of this MOA shall extend to and be binding upon and insure to the benefit of the heirs, executors, and administrators or to any approved successor, as well as to any assignee or legal successor to any party to this MOA. Any party may terminate this MOA by notifying the other party in writing.

Marin County Flood Control and Water Conservation District

By: Judy Arnold
President, Board of Supervisors, Marin County Flood Control & Water Conservation District

Attest:

Clerk of the Board

Approved as to Form:
DEPUTY COUNTY COUNSEL

By: _____

Novato Sanitary District

By: A. Gerald Peters
President, Board of Directors, Novato Sanitary District

Novato Sanitary District

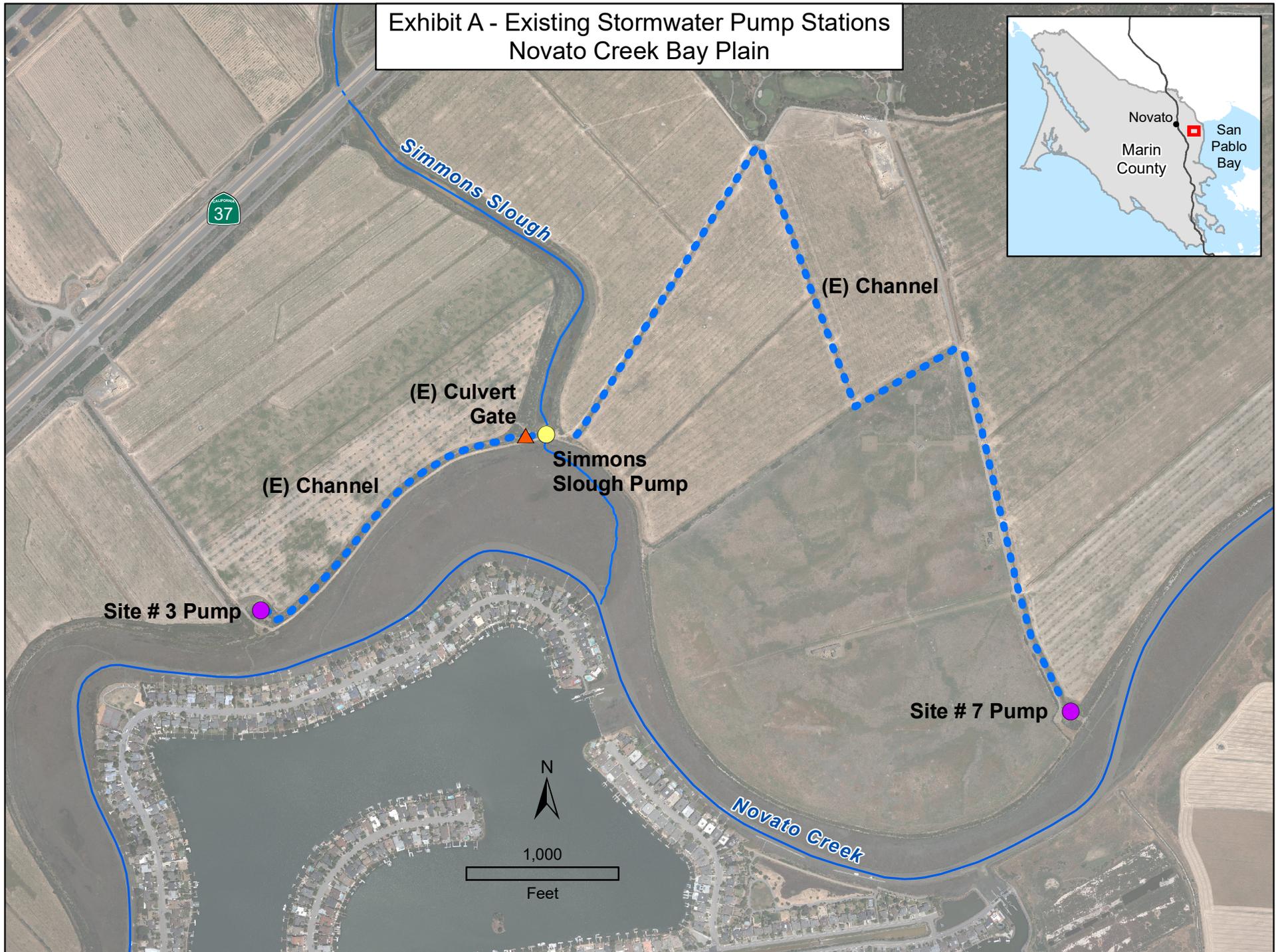
By: Sandeep Karkal
General Manager-Chief Engineer, Novato Sanitary District

Novato Sanitary District

Approved as to Form:
DISTRICT COUNSEL

By: _____
Kenton Alm, Esq.

Exhibit A - Existing Stormwater Pump Stations
Novato Creek Bay Plain



NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Temporary Discharge Permit- PG&E Groundwater, at locations along Redwood Blvd. and Novato Blvd.	MEETING DATE: November 13 , 2017 AGENDA ITEM NO.: 5.f.
RECOMMENDED ACTION: Authorize the General Manager-Chief Engineer to approve an application from Pacific Gas & Electric Company (PG&E) and issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, for PG&E Pipeline In-Line Inspection Upgrade Projects I-446 and I-451.	
SUMMARY AND DISCUSSION: <p>The District received a permit application from PG&E on November 7, 2017, for a temporary, Class I non-domestic discharge permit. PG&E will be excavating to replace pipeline/components of the pipeline and to subsequently inspect the interior of the pipeline at several locations along Redwood Boulevard and Novato Boulevard for its Pipeline In-Line Inspection Upgrade Projects I-446 and I-451. Following inspection and possible installation, the pipeline/components will be hydrostatically strength tested. The source water for the hydrotest will be potable water. The approximately 1,000 gallons of (post-use) hydrotest water may be used onsite for dust control or site restoration activities, or comingled with the groundwater for treatment and disposal.</p> <p>PG&E has made application to discharge to the District's system because there are four leaking underground storage tank (LUST) sites within 1,000 feet of this location, indicating that the groundwater may be impacted by petroleum hydrocarbons. Contaminated groundwater at these worksites indicating the presence of petroleum hydrocarbons will make the groundwater unsuitable discharge to the storm drain under the City's MS4 (or stormwater) permit.</p> <p>Prior to discharge, all groundwater will pass through particulate filters followed by activated carbon filtration if needed to meet discharge limits. Discharge will not commence until testing has been performed and the submitted laboratory data indicates the water meets local discharge limits and is approved for discharge to the District's system.</p> <p>Discharge is anticipated between November 16, 2017 and January 31, 2018. The total discharge is estimated at a maximum of 500,000 gallons of groundwater and shall not exceed a maximum discharge rate of 100 gpm.</p> <p>Therefore, staff recommends that the Board authorize the General Manager–Chief Engineer to approve the application and issue a one-time, temporary Class I non-domestic discharge permit to PG&E.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 3 (Alignment and Communications) of the latest Strategic Plan Update.	
BUDGET INFORMATION: Permit, monitoring, and discharge fees will offset the cost of preparing the permit and monitoring the discharge.	
DEPT. MGR.: If (Veolia), eb	GENERAL MANAGER: SSK

Novato Sanitary District
2017 Wastewater Revenue Refunding Bonds
Final Results
October 24, 2017

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

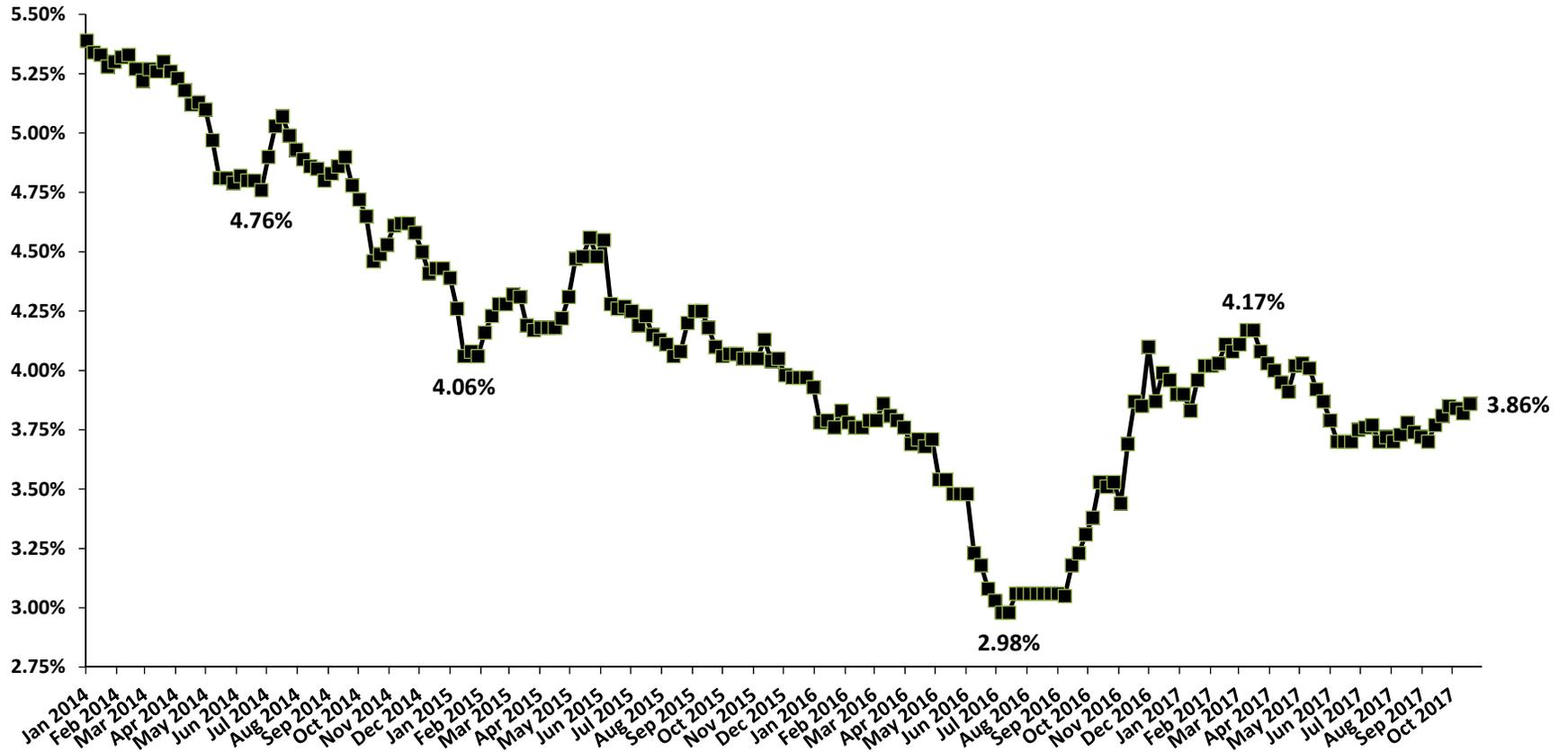


The Outstanding 2011 Certificates of Participation

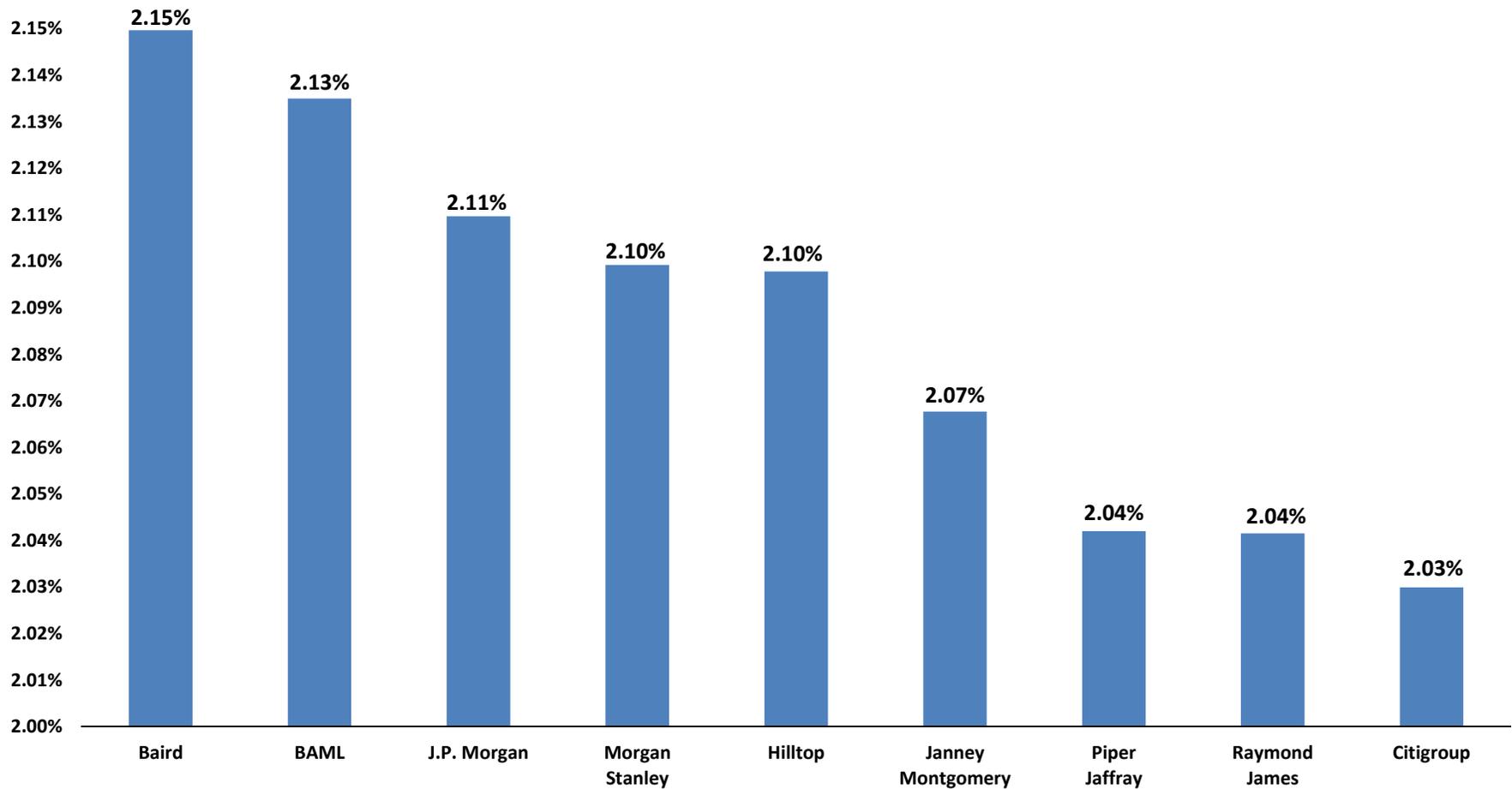
Date of Issuance	Oct 12, 2011
Original Par Amount	21,750,000
Outstanding Par Amount	17,475,000
Final Maturity	Feb 1, 2032
Redemption Date	Feb 1, 2020
Redemption Price	100.5%

Recent Trends in Municipal Bond Yields

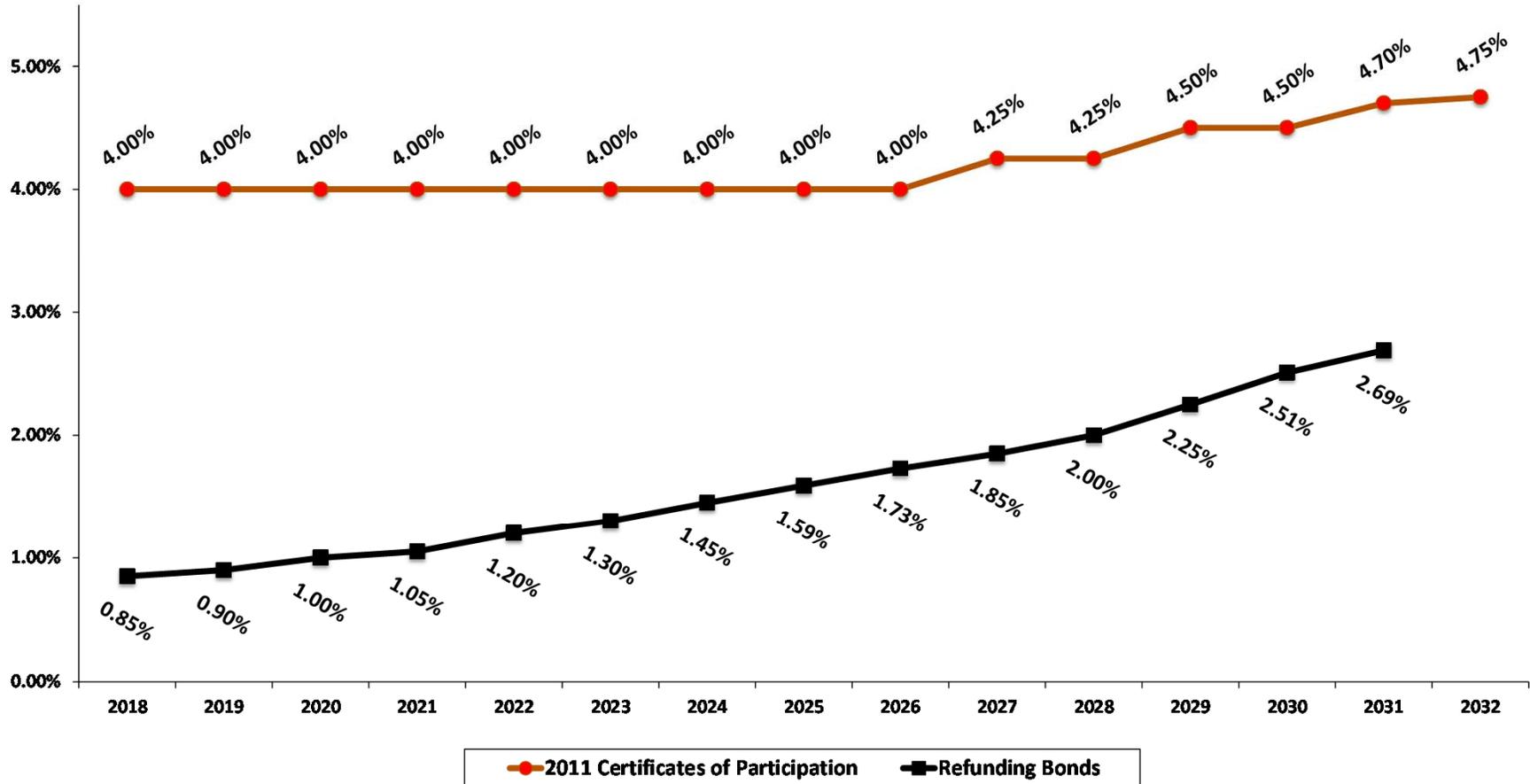
(Bond Buyer Revenue Bond Index = average yield on 25 revenue bonds, 30-year term, A1/A+ ratings)



Competitive Bid Results: True Interest Cost (TIC%)



Interest Rate Comparison: 2011 COPs vs. Refunding Bonds



Debt Service Savings

FYE 6/30	2011 Certificates of Participation				Refunding Bonds			Annual Savings	Cumulative Savings
	Principal	Interest	Reserve	Total	Principal	Interest	Total		
2018	925,000	369,774		1,294,774	945,000	165,481	1,110,481	184,293	184,293
2019	945,000	702,548		1,647,548	790,000	670,500	1,460,500	187,048	371,340
2020	970,000	664,748		1,634,748	820,000	631,000	1,451,000	183,748	555,088
2021	1,000,000	625,948		1,625,948	850,000	590,000	1,440,000	185,948	741,035
2022	1,035,000	585,948		1,620,948	890,000	547,500	1,437,500	183,448	924,483
2023	1,065,000	544,548		1,609,548	920,000	503,000	1,423,000	186,548	1,111,030
2024	1,105,000	501,948		1,606,948	965,000	457,000	1,422,000	184,948	1,295,978
2025	1,145,000	457,748		1,602,748	1,010,000	408,750	1,418,750	183,998	1,479,975
2026	1,190,000	411,948		1,601,948	1,060,000	358,250	1,418,250	183,698	1,663,673
2027	1,235,000	364,348		1,599,348	1,110,000	305,250	1,415,250	184,098	1,847,770
2028	1,285,000	311,860		1,596,860	1,160,000	249,750	1,409,750	187,110	2,034,880
2029	1,340,000	257,248		1,597,248	1,220,000	191,750	1,411,750	185,498	2,220,378
2030	1,395,000	196,948		1,591,948	1,275,000	130,750	1,405,750	186,198	2,406,575
2031	1,455,000	134,173		1,589,173	1,340,000	67,000	1,407,000	182,173	2,588,748
2032	1,385,000	65,788	(1,694,414)	(243,627)				(243,627)	2,345,121
	17,475,000	6,195,516	(1,694,414)	21,976,102	14,355,000	5,275,981	19,630,981	2,345,121	



Net Present (NPV) Savings

Gross PV Debt Service Savings	3,419,674
Effect of Liquidating 2011 Reserve	(1,308,105)
Net Present Value (NPV) Savings	2,111,570
Par Amount of Refunded Bonds	17,475,000
NPV Savings / Refunded Par Amount	12.1%



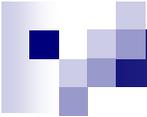
Sources & Uses of Funds

Sources of Funds:

Par Amount of Refunding Bonds	14,355,000
Reoffering Premium	2,860,712
Transfer from Prior Reserves	1,694,414
Total Sources	18,910,126

Uses of Funds:

Deposit to Redemption Fund	18,690,773
Estimated Costs of Issuance	219,352
Total Uses	18,910,126



Costs of Issuance

Service	Vendor	Fee
Bond Counsel	Jones Hall	50,000.00
Underwriter	Citigroup	35,672.18
Financial Advisor	Steven Gortler	35,000.00
Disclosure Counsel	Norton Rose Fulbright	35,000.00
Rating Agency	Standard & Poor's	20,000.00
Rate Consultant	Bartle Wells	6,000.00
Trustee & Counsel	BNY Mellon	5,800.00
Continuing Disclosure	Willdan Financial Services	4,000.00
Escrow Verification	Causey Demgen & Moore	2,500.00
Financial Printer	Royce Printing	2,000.00
Advertising	National & Local	1,060.40
Bidding Platform	Ipreo	1,500.00
Statistical Data	California Municipal Statistics	75.00
Contingency	n/a	20,744.78
		219,352.35



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[Compost, Recycle, Trash](#) |
 [What Goes Where?](#) |
 [Bulky Items](#) |
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Recology Sonoma Marin offers weekly garbage service to customers. Included in the fee for garbage service is a weekly curbside recycling program and weekly yard waste service.

Residents may choose from 20, 32, 68, or 95-gallon rolling garbage carts. The cost of your service is based on the size of your garbage cart. The smaller your garbage cart, the less cost. The blue cart is for recycling and the green cart is for yard waste.

Garbage collection begins early in the morning, so it is important that your cart be at the curb the night before to assure your collection is not missed. [View information on cart placement.](#)



RecologySF.com



Recology Sunset Scavenger and Recology Golden Gate, your local recycling companies | Recycle | Compost

July – September 2014

Recycle & compost bins tell it like it is

Our blue and green bins are always ready to receive the things we toss. If, by some crazy magic, these sentries of the sidewalk could speak, what would they say?

Blue: Feed me more clean paper, such as computer paper, stationery, and envelopes. San Francisco does a good job of recycling, but people still toss paper in trash bins. When you put paper in me, we save trees, and energy, and water. And another great reason to recycle more — Recycling creates 10 times more jobs than landfilling or incineration.

Us: I hear you about paper Blue, but sometimes it can be hard to know which items can be recycled and which can't.

Blue: Feed me all cans and all glass and plastic bottles, and things made of hard or stiff plastic like yogurt containers and plastic cups. But no plastic bags. They wrap around recycling equipment in the big building where materials are sorted and baled.

Us: OK. I'm with you on those things Blue. And Green? Can you talk too?

Green: I absolutely love coffee grounds and food scraps. Please feed me all you've got. The scraps become compost that goes to local farms, orchards, and vineyards. But I also see far too many things tossed in the trash that definitely should be tossed in me.

Us: Hmm.

Yes. I've heard good things about the compost program.

Green: I'll eat what you don't. When you clean out the fridge, feed me all food scraps, plant cuttings, and food-soiled paper like used napkins and paper towels.

Us: Even spoiled lunch meat?

Green: Yes, and steak bones and pizza crusts, and crab shells, all that stuff and more.

Us: You have quite an appetite.

Green: I'm insatiable. Remember, when we make compost we give local farms a great alternative to synthetic (chemical) fertilizers. Compost feeds the soil. Farms grow your food.

Us: Those are very good points. More scraps for you. Since we are talking, I'm curious — can we really get to zero waste?

Blue: We can and we must.

Recycling and compost programs are highly effective ways to help protect the environment. Think of the trash bin as a last resort. Trash bins are portals to landfills and incinerators. Things tossed in the trash do not get recycled.

MORE CLEAN PAPER PLEASE!

FEED ME MORE FOOD SCRAPS!



Green: San Francisco's goal is for the trash bin to get smaller and smaller and eventually go away. Starve your trash bin. Think — more blue, more green.

Us: Wow. We must talk again.

Blue: Let's do it, and let's recycle more.

Green: Feed me more too, and I'll tell you more great things about composting.



Mailers

Lettuce Compost Your Organics

IT'S THE LAW



EFFECTIVE JANUARY 1, 2017, California Law AB1826 will require commercial customers that generate FOUR (4) or more cubic yards of organic material per week to enroll in compost service.

Organic material includes food scraps, soiled paper, and plant trimmings.

Please call Recology Mountain View at 650.967.3034 to enroll.



Waste Audits



Signage



RECYCLE
RECICLAJE

Recology.
 Mountain View
 WASTE ZERO

COMPOST
ABONO

Recology.
 Mountain View
 WASTE ZERO

GARBAGE
BASURA

Recology.
 Mountain View
 WASTE ZERO



Signage

GREEN BIN
 food and dirty paper only
 No Plastic!






Phoebe the Phoenix says:
 Thanks for protecting nature!

BLUE BIN
 bottles & cans, clean paper, foil,
 cardboard & clean, hard plastic






Phoebe the Phoenix says:
 Thanks for protecting nature!

TRASH
 dirty plastic, wrappers,
 juice boxes & soft plastic






Phoebe the Phoenix says:
 Thanks for protecting nature!



Signage

PAPER TOWELS ONLY

These towels will be composted.



Signage



Brochures

Recycle More, Save More! It's a GREEN idea!

Technical Assistance

Have you gone through your garbage lately? Few businesses do. Call us to schedule an appointment with one of our Friendly and knowledgeable Recycling Coordinators who can provide on-site technical assistance to help divert more materials from your waste. We'll also answer any questions you have about hard to recycle items such as ink jet cartridges and packing materials, as well as more opportunities for a variety of items such as office supplies, furniture and equipment.

If you're interested in knowing what you're throwing away, call us at (650) 595-3900 to schedule a waste audit. Because smaller garbage containers and fewer pick ups may result in cost savings.

*Subject to availability.

Recology San Mateo County

We deliver the highest quality customer service, are committed to environmental protection efforts and emphasize professionalism in all undertakings. Everything Recology does is founded on a single principle: provide superior service while controlling costs.

We hope you take advantage of the services we have to offer you and your business. Together, with our continued recycling efforts, we can all make a difference to conserve natural resources and reduce the waste that goes to the local landfill.

Are You Throwing Your Money Away?

Recycling is SMART Business!

BizSMART

Start Saving Now!

Recology San Mateo County offers a free Language Line, with over 170 different languages. Through our Customer Service Department, please call (650) 595-3900 for more information.

Recology San Mateo County ofrece una línea telefónica gratis de idiomas, con más de 170 idiomas diferentes, por nuestro departamento de servicio al cliente. Por favor llame a (650) 595-3900 para más información.

Recology San Mateo County 提供免費的語言服務。請電 (650) 595-3900 查詢詳情。

Recology San Mateo County
WASTE ZERO
RecologySanMateoCounty.com

This brochure is also available at RecologySanMateoCounty.com

Printed on recycled paper with soy based ink.

Compost Program

Think there isn't anything you can compost? Think again!

Don't send your food scraps and landscape material to the landfill! Compost them instead. We encourage you to start composting at your business or facility. A successful program can help **reduce garbage fees**, save landfill space and close the loop by returning food scraps back to the earth. Your bottom line and the environment will benefit.

Compost collection services are offered at a **REDUCED rate**.

You CAN Compost:

- Food and kitchen prep scraps, spoons and silverware
- Food and beverage soiled paper products
- Golfing greens and tees
- Wood chips and cardboard
- Wooden produce crates and pallets
- Small limonings, stumps, twigs and branches
- Auto tires
- Flammable and toxic liquids and oils
- Refrigerators, A/C units, and other appliances
- Auto parts and tires
- Auto fluids
- Auto batteries
- Auto air conditioning units
- Auto exhaust systems
- Auto catalytic converters
- Auto mufflers
- Auto shock absorbers
- Auto struts
- Auto tie rods
- Auto ball joints
- Auto steering knuckles
- Auto brake pads
- Auto brake rotors
- Auto brake drums
- Auto brake calipers
- Auto brake lines
- Auto brake hoses
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps

NO...

- Auto tires
- Auto parts and tires
- Auto fluids
- Auto batteries
- Auto air conditioning units
- Auto exhaust systems
- Auto catalytic converters
- Auto mufflers
- Auto shock absorbers
- Auto struts
- Auto tie rods
- Auto ball joints
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- Auto brake lines
- Auto brake hoses
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps

Questions?
Call us at (650) 595-3900 or email us at greenyoubiz@recology.com

Single-Stream Recycling

You can now place all of your recyclables into one container.

Commercial customers that subscribe to garbage collection service are entitled to Single-Stream recycling service at no additional charge.

By increasing recycling and reducing your garbage, it's possible to lower your garbage service level, which may result in cost savings. You can also show your customers, employees or tenants that you care about your impact on the environment and increase your visibility as a community leader. That is an opportunity you can't afford to pass up, which is why recycling is truly SMART business!

You CAN Recycle:

- Cardboard
- Clear bottles and jars
- Black containers numbered 1-7
- Milk and juice cartons
- Wool cans
- Office paper, newspaper, junk mail, magazines, phone books, soft cover books
- Small soap suds
- Shredded paper (10 sheets, no wet plastic bags and placed in the Recycle Cart or Bin)

NO...

- Flammable and toxic liquids and oils
- Refrigerators, A/C units, and other appliances
- Auto parts and tires
- Auto fluids
- Auto batteries
- Auto air conditioning units
- Auto exhaust systems
- Auto catalytic converters
- Auto mufflers
- Auto shock absorbers
- Auto struts
- Auto tie rods
- Auto ball joints
- Auto steering knuckles
- Auto brake pads
- Auto brake rotors
- Auto brake drums
- Auto brake calipers
- Auto brake lines
- Auto brake hoses
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps
- Auto brake master cylinders
- Auto brake boosters
- Auto brake vacuum pumps

Commercial Containers

Commercial containers come in a variety of sizes to suit your Recycle, Compost and Garbage service needs.

BizSMART Carts

SIZE	LENGTH	WIDTH	HEIGHT
20-gallons	24"	19.75"	37.5"
37-gallons	24.25"	19.25"	36.5"
66-gallons	31.75"	24.25"	41.75"
96-gallons	35.25"	29.75"	43.25"

BizSMART Bins

Commercial Bins are available in a variety of sizes. The most common sized bins are listed below.* However, larger bins including 9, 15, 20, 30 and 40 cubic yards are also available. Call us at (650) 595-3900 or visit us online at RecologySanMateoCounty.com for more information.

SIZE	LENGTH	WIDTH	HEIGHT
1-cubic yard	72"	24"	28"
2-cubic yards	72"	34.5"	34.5"
3-cubic yards	72"	41.5"	41.5"
4-cubic yards	72"	50.5"	45"
6-cubic yards	72"	66"	50"
8-cubic yards	72"	72"	55"

Driver Tags

SORRY,

there was a problem with
your RECYCLING pick-up today.

DATE: _____

Please remove the following:

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____

Call Customer Service once the
items noted above have been
removed.
(650) 967-3034

**ACCEPTED
RECYCLABLE ITEMS:**

Cardboard Recycling
flattened cardboard ONLY

Mixed Recycling
Plastic bottles & tubs,
aluminum cans/trays/foil, tin
cans, glass bottles & jars,
paper, and flattened cardboard

RECYCLING TAG

DATE: _____

ADDRESS: _____

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____



Presentations



Waste Zero Events





NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Solid Waste: Assignment of Solid Waste Franchise Agreement.	MEETING DATE: November 13, 2017 AGENDA ITEM NO.: 7.b., & 7.c.
RECOMMENDED ACTION(S): <ul style="list-style-type: none"> • Receive Solid Waste Committee report and recommendation, meeting of November 1, 2017. • Consent to Assign to Recology Sonoma Marin, approve the “Assignment and Assumption Agreement - AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL”, and authorize the Board President, the General Manager-Chief Engineer, and District Counsel to execute it 	
SUMMARY AND DISCUSSION: <p>The Solid Waste Committee (Committee) met on November 1, 2017 and reviewed the attached agenda packet. The Committee reviewed the 2017 Household Hazardous Waste (HHW) and E-waste program reports and the 2017 disposal/diversion reports.</p> <p>The Committee also received a presentation from Recology Sonoma Marin (RSM) Waste Zero Coordinator Celia Furber on RSM’s proposed Public Education and Outreach Plan for the District.</p> <p>The Committee then reviewed its agenda packet material relating to a potential assignment of the Solid Waste Franchise Agreement from Novato Disposal Service (NDS) to RSM with District Counsel Kent Alm and staff. Additionally, the Committee sought input from attendees present including the District’s Solid Waste consultant William Schoen of R3 Consulting Group, and RSM representatives including RSM’s General Manager Fred Stemmler, Vice-President and Group Manager Ed Farewell, and Ms. Furber. Subsequently, the Committee directed staff and District Counsel to:</p> <ol style="list-style-type: none"> 1. Work with RSM to prepare a final draft Assignment and Assumption Agreement for the District Board’s consideration and approval at the next Board meeting, and 2. Provide the following recommendation to the Board at its next Board meeting: Receive Solid Waste Committee recommendation to Consent to Assign the “AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL”, and approve an “Assignment and Assumption Agreement” that is acceptable to the District. <p>Accordingly, it is recommended that the Board adopt the Committee’s recommendation and provide its Consent to Assign the Franchise Agreement to RSM, approve the attached Assignment and Assumption Agreement, and authorize the Board President, General Manager-Chief Engineer, and District Counsel to execute it.</p>	
ATTACHMENTS: 1. Solid Waste Committee Agenda packet, meeting of November 1, 2017, and 2. Draft Assignment and Assumption Agreement (redline and clean versions).	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
DEPT. MGR.: DLJ, SSK, KA	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

Solid Waste Committee

Meeting Date: November 1, 2017

The Solid Waste Committee of Novato Sanitary District will hold a meeting at 2:30pm, Wednesday, November 1, 2017 at the District offices, 500 Davidson Street, Novato, CA.

Materials related to items on this agenda that are public records are available for public inspection in the District Office, 500 Davidson Street, Novato, CA, 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 committee may consider item(s) in a different order than set forth herein.

AGENDA

1. APPROVE AGENDA:

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. REVIEW OF MINUTES

- a. Approve minutes of September 20, 2017.

4. UPDATES/ROUTINE BUSINESS ITEMS:

- a. City of Novato.
- b. Redwood Landfill.
- c. Marin County JPA and Local Task Force.
- d. 2017 HHW and E-Waste programs.
- e. 2017 Disposal/Diversion reports.

5. RECOLOGY SONOMA MARIN, PUBLIC EDUCATION AND OUTREACH PLAN

- a. Receive "Public Education & Outreach Plan, Presented to the Novato Sanitary District, October 2017", from Recology Sonoma Marin.
- b. Receive presentation on Public Education and Outreach Plan from Ms. Celia Furber, Waste Zero Coordinator, Recology Sonoma Marin.

6. REQUEST FOR CONSENT TO ASSIGNMENT OF "AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL" TO RECOLOGY SONOMA MARIN:

- a. Receive "Recology Sonoma Marin Transition Plan for Novato Sanitary District", from Recology Sonoma Marin.

- b. Receive Recology, Inc. and Recology Sonoma Marin letter dated October 26, 2017 titled "Response to Letter from Novato Sanitary District dated September 28, 2017" with their responses to the eight critical issues identified in the District's letter. (Note: District's letter of September 28, 2017 provided as Attachment 1 to this Item 6.b. for informational purposes).
- c. Receive R3 Consulting Group, Inc. (R3) report titled "Letter Report - Review of the Proposed Assignment of Novato Disposal Services Franchise to Recology", and its recommendation to approve the assignment of the Novato Disposal Services Franchise Agreement to Recology Sonoma Marin, pending execution of an Assignment and Assumption Agreement that is acceptable to the District.
- d. Draft "Assignment and Assumption Agreement - AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL", as prepared by District Counsel.

Consider Action to:

- e. Recommend to the District Board that it consent to assign the "AMENDED AND RESTATED AGREEMENT BETWEEN NOVATO SANITARY DISTRICT AND NOVATO DISPOSAL SERVICE, INC. FOR SOLID WASTE COLLECTION, PROCESSING, DIVERSION AND DISPOSAL" to Recology Sonoma Marin.

7. ADJOURN:

In compliance with the American 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 scheduled meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

**NOVATO SANITARY DISTRICT
SOLID WASTE COMMITTEE MEETING
September 20, 2017**

MINUTES

Members Present:

Director Jean Mariani Director Jerry Peters

Others in Attendance:

Sandeep Karkal, Dee Johnson - Novato Sanitary District
Casey Williams, Scott Pariani, Jim Salyers – Novato Disposal Service
Delyn Kies, Novato resident
Ed Farewell, Recology Sonoma Marin
Manijeh Larizadeh, City of Novato
William Schoen, R3 Consulting Group (by phone)

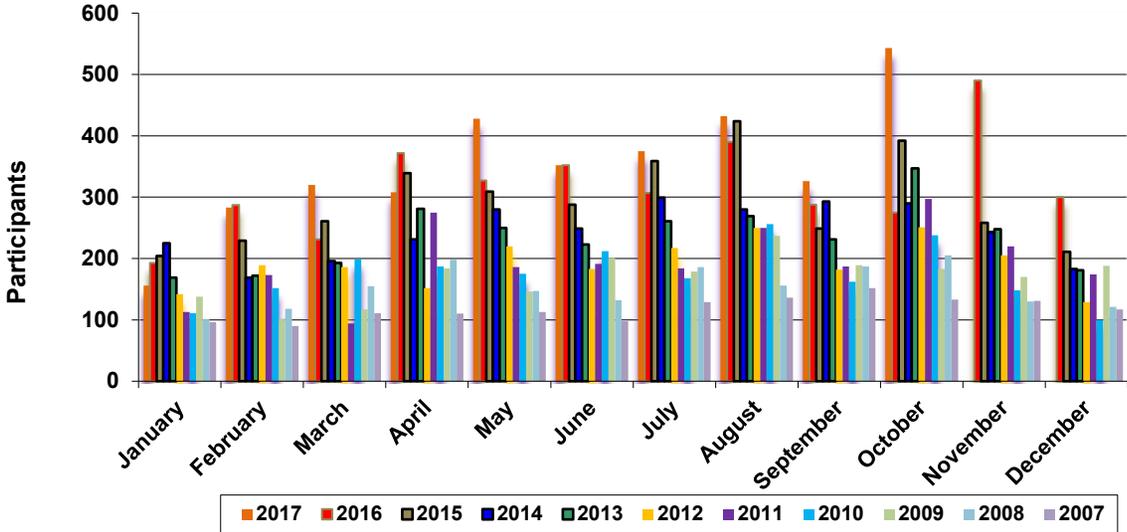
1. Approve agenda: The agenda for September 20, 2017 was approved as submitted.
2. Public Comment: There was no comment from the public.
3. Updates/Routine Business Items:
 - a. City of Novato. There was no update from the City.
 - b. Redwood Landfill. There was no update from Redwood Landfill.
 - c. Marin County JPA and Local Task Force (LTF). Dee indicated that the LTF would be meeting in October.
 - d. 2017 HHW programs. Dee indicated that the HHW facility remains very busy with the month of August having the greatest participation in over 10 years
 - e. E-Waste event October 7-9, 2017. The fall e-waste event will be held over 3 days at the Recycling Center from Oct. 7 – 9, 2017.
4. 2017 Disposal/Diversion Reports and Novato Disposal Service (NDS) 1st and 2nd Quarterly Reports. Casey Williams presented Novato Disposal quarterly reports. Dee Johnson reported that Novato Disposal's 2nd quarter diversion(52.11%) was slightly improved from the 1st quarter (52.02%)
5. Calculated Diversion Rate and CalRecycle Per Capita Diversion Method.
 - a. Receive Per capita diversion calculation for 2016. Dee Johnson explained the per capita diversion calculation method adopted by the state in 2009. The method changed from a diversion-based system to a disposal-based indicator – the per capita disposal rate. Novato is doing a good job with exceeding the per capita disposal target rate. Although CalRecycle no longer considers diversion rates as a goal, the District and many cities and counties have relied upon this calculation as a measurement method, so CalRecycle developed an equivalent diversion rate calculation. As of 2016, this equivalent diversion rate for Novato was 76%. Director Mariani requested that a chart be prepared of Novato's comparative diversion rates for the last five years.
 - b. Receive CalRecycle publication on diversion rate calculation ("Goal measurement FAQ's").
6. Recycling Center and HHW Facility:
 - a. Receive update from Novato Disposal services (NDS) on potential facility relocation. Jim Salyers reported that he had been working with a commercial real estate broker, but had not found any suitable locations. Issues that make a new location difficult include traffic considerations and industrial zoning requirements. Committee members suggested a couple of areas to investigate.
7. Calendar Year (CY) 2018 Solid Waste Rate Adjustment. Sandeep Karkal reviewed the report from R3 on Novato Disposal's requested rate adjustment for 2018. Based on the R3 report, staff recommends that the Solid Waste Committee recommend a solid waste rate adjustment for CY2018 of 5.04% to the District Board for its approval. Committee members discussed the viability of the balancing account for future rate adjustments. Following discussion, Committee members unanimously recommended that the solid waste rate adjustment for CY2018 of 5.04% be brought forward to the Board for its approval.
8. Adjourn. The meeting adjourned at 4:10 pm.

HHW FACILITY SUMMARY 2017	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Participants	156	283	320	308	428	352	375	432	326	543			
Been to events before?(Yes)	128	233	261	250	333	284	306	349	267	429			
Permanent facility?	107	206	234	226	296	245	258	313	233	369			
Temporary events?	26	42	41	36	58	61	66	57	53	58			
First time user?	28	40	59	58	95	68	69	83	59	119			
Type of waste brought in?													
Antifreeze	5	20	16	22	26	15	23	46	27	33			
Asbestos	0	5	2	0	2	1	4	3	4	4			
Auto products	20	36	47	44	66	44	58	91	54	72			
Car batteries	1	6	4	11	13	4	10	12	13	16			
Computer monitors	9	22	16	19	17	22	22	16	16	26			
Cements, sealers	20	29	45	39	53	41	52	66	31	56			
E-Waste(all types)	55	99	98	73	89	93	98	115	111	137			
Fluorescent tubes& bulbs	26	55	52	44	54	48	54	63	52	85			
Fuels(gas, kerosene, diesel)	6	19	28	41	40	26	37	54	45	46			
Household batteries	33	78	73	69	98	75	83	101	80	138			
Household cleaners, polishes	30	73	70	86	109	84	108	121	85	121			
Latex paint	61	97	108	110	178	147	151	187	120	217			
Motor oil/filters	15	31	36	37	56	53	47	49	39	74			
Oil base paint	29	51	78	68	114	83	107	116	69	127			
Paint thinners, solvents	33	65	75	88	117	79	102	131	95	132			
Pesticides, herbicides, insecticides	20	42	52	55	99	77	72	108	61	89			
Pet care products	4	6	11	8	11	13	11	12	8	16			
Photo chemicals	1	3	1	2	2	2	3	2	4	4			
Pool Chemicals	2	6	4	8	17	8	11	10	8	21			
Propane/helium tanks/fire extinguishers	10	20	20	26	56	38	33	44	34	69			
Sharps	1	4	5	5	4	4	2	7	13	10			
Spray paints	19	44	51	47	81	68	64	84	52	99			
Television	22	42	48	29	26	40	27	43	38	33			
Thermometers/Thermostats	3	7	5	4	6	6	3	6	2	4			
Wood preservatives, stains	12	27	45	35	68	44	51	75	44	68			
Other	1	9	7	3	9	3	15	11	10	20			
Hear about program?													
Recycling Center flier	70	113	127	113	165	131	141	173	128	260			
Sanitary District newsletter	31	54	62	66	103	90	74	89	57	129			
Sanitary District website	20	28	35	22	41	44	50	51	35	35			
Novato Disposal newsletter	63	111	141	126	182	149	162	168	124	231			
Word of mouth	25	38	48	33	46	45	48	71	50	51			
Other	7	20	24	15	24	9	19	25	18	17			
Change your own motor oil?													
Yes	30	36	42	36	46	42	39	50	42	69			
Novato Recycling Center	22	27	33	25	30	32	26	32	30	51			
O'Reilly's	9	10	12	12	11	11	11	17	14	18			
Pennzoil	0	1	1	0	1	1	1	1	0	2			
Other	1	0	5	1	4	0	3	3	1	1			
If yes, want curbside pickup?	10	15	13	9	13	11	12	12	8	20			
No	149	247	278	272	382	310	349	420	283	474			
Comments													
Compliments/Good	51	94	117	98	137	118	129	139	110	194			
Complaints	0	0	1	4	5	4	2	5	4	3			

HHW PARTICIPANTS 2006 - 2017

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Totals</u>
2017	156	283	320	308	428	352	375	432	326	543			3,523
2016	193	287	231	372	327	352	307	390	288	275	490	300	3,812
2015	204	229	261	339	309	288	359	424	249	392	258	211	3,523
2014	225	169	196	231	280	249	299	280	293	290	262	183	2,957
2013	169	172	193	281	250	223	261	269	231	347	248	181	2,825
2012	142	189	186	152	220	183	217	250	182	251	205	129	2,306
2011	113	173	94	275	186	191	184	250	187	297	220	174	2,344
2010	111	152	199	187	175	212	168	256	162	238	148	100	2,108
2009	138	102	117	184	146	201	179	237	189	183	170	188	2,034
2008	101	118	155	198	147	132	186	156	187	205	130	121	1,836
2007	96	90	111	110	113	98	129	136	152	133	131	117	1,416
2006	57	118	115	112	140	111	145	120	119	95	106	73	1,311
% Change from 2016	-19.17%	-1.39%	38.53%	-17.20%	30.89%	0.00%	22.15%	10.77%	13.19%	97.45%			

HHW Facility Monthly Participation 2007- 2017





NOVATO E-WASTE COLLECTION
Saturday, October 7 – Tuesday, October 10, 2017

Number of Participants: 705 residents

E- Waste Collected: 34,336 pounds

Background

Novato’s fall E-Waste collection event was held from Saturday, October 7 – Tuesday, October 10, 2017 at the Recycling Center. This special drop off event offers residents the opportunity to properly dispose of all electronic items.

Since 2003, at these events, we have collected over 1,524,322 pounds of E-waste, from over 24,065 Novato residents.

Participation

A total of **705 residents** dropped off *E-Waste* during the three day event. Although originally scheduled for Saturday through Monday, Monday had to be cancelled due to the fires in Sonoma County and lack of staff. This day was rescheduled to Tuesday, October 10, 2017. Notice was posted on our hotline, website and Facebook pages. Daily participation, based on actual surveys is listed below:

	SAT	SUN	TUES
Daily Participation	338	259	108

A total of **34,336 pounds** of *E-Waste* was collected over the 3-day period. The chart below illustrates the total pounds and pounds per participant.

Number of participants	705
Total <i>E-Waste</i> Collected (lbs)	34,336
Pounds per participant	48.7

Costs/reimbursements

Total reimbursement for CRT disposal totaled **\$2,111.02**. Costs totaled **\$793.28**. for ECS non-CRT material collected.



Publicity and Outreach

Outreach methods included:

- Article in Novato Disposal newsletter and bill inserts mailed to all customers
- Article in Sanitary District newsletter mailed to all residents
- Ad placed in Novato Advance
- Separate notice on Sanitary District website and Facebook page
- Fliers posted at Sanitary District, Recycling Center
- Notices on hotline
- Banner on Community House and along DeLong Avenue

Next Event is scheduled for Spring, 2018

NOVATO DISPOSAL SERVICES DISPOSAL/DIVERSION 2017

DIVERSION	<u>1stQ</u>	<u>2ndQ</u>	<u>3rdQ</u>	<u>4thQ</u>	<u>TOTAL</u>
Novato Disposal Recycled Shipped (Curbside & Buyback)	3,458	3,082	2,953		
Novato Disposal C&D, Wood, Inerts & Bulky waste	420	563	603		
Novato Disposal Green waste & residential food waste for compost	3,823	4,026	3,233		
Novato Disposal Commercial Food Waste for compost	93	94	95		
TOTAL TONS DIVERTED	7,794	7,765	6,884		
DISPOSAL					
MSW& Debris Box/Novato Disposal	7,189	7,135	7,066		
TOTAL TONS DISPOSED	7,189	7,135	7,066		
TOTAL WASTE GENERATED(TONS)	14,982	14,900	13,950		
PERCENT DIVERTED	52.02%	52.11%	49.35%		
PERCENT DIVERTED WITH REDWOOD & MRRC	49.27%	53.22%			

CITY OF NOVATO & DISTRICT AB939 DISPOSAL AND DIVERSION MONITORING

Haulers: Novato Disposal
Self Haulers

Reporting period: January - December 2017

A. 2017 DIVERSION	<u>1st Qtr.</u>	<u>2nd Qtr</u>	<u>3rd Qtr.</u>	<u>4th Qtr.</u>	<u>TOTAL 2017</u>
Novato Disposal Recycled (Curbside & Buyback)	3,458.00	3,082.00			
MRRC recovery	346.32	1,245.33			
Self haul Inerts Diverted Redwood Landfill	580.26	1,190.43			
Redwood Landfill self haul C&D& wood waste recycled	26.12	92.45			
City of Novato C&D diverted(included in Novato Disposal)	N/A	N/A			
ADC from MRRC	N/A	N/A			
Compost from MRRC	114.26	76.83			
Greenwaste From Redwood Landfill self haul/compost	81.80	114.49			
Novato Disposal Inerts	420.00	563.00			
Novato Disposal Green/Food Waste used for compost	3,823.00	4,026.00			
Novato Disposal commercial food waste used for compost	93.00	94.00			
North Marin Metal Recycling	0.00	N/A			
2017 TOTAL TONS DIVERTED	8,942.76	10,484.53			
B. 2017 DISPOSAL					
MSW& Debris Box/Novato Disposal	7,189.00	7,135.00			
MRRC Residuals	861.67	477.86			
MRRC Wood/Yard Waste incinerated/transformation	195.65	109.46			
Redwood Landfill self haul C&D waste disposed	1,001.13	1,513.46			
Novato waste disposed out-of-county	N/A	N/A			
2017 TOTAL TONS DISPOSED	9,247.45	9,235.78			
C. 2017 TOTAL WASTE GENERATED(TONS)	18,190.21	19,720.31			
D. COMPLIANCE WITH AB939 DIVERSION MANDATE	49.27%	53.22%			
Percent Diverted Using Generation Based Calculation Method(includes 10% incineration waste)					

REDWOOD LANDFILL SELF HAUL BREAKDOWN (TONS)

	<u>1st Qtr.</u>	<u>2nd Qtr</u>	<u>3rd Qtr.</u>	<u>4th Qtr.</u>	<u>TOTAL 2017</u>
Inerts/ Diverted	580.26	1,190.43			
Greenwaste Diverted/compost	81.80	114.49			
C&D/ Disposed	1,001.13	1,513.46			
C&D & Wood Waste Recycled	26.12	92.45			
Total	1,689.31	2,910.83			
Percent Redwood self haul diverted	40.74%	48.01%			



Public Education & Outreach Plan

Presented to Novato Sanitary District
October 2017

SUMMARY

Recology has a passion for recycling that dates back to the 1920s, and a long and proud history of educating communities on the benefits of waste reduction. We strive to create compelling and informative outreach and education programs to help excite our customers about participation in diversion programs.

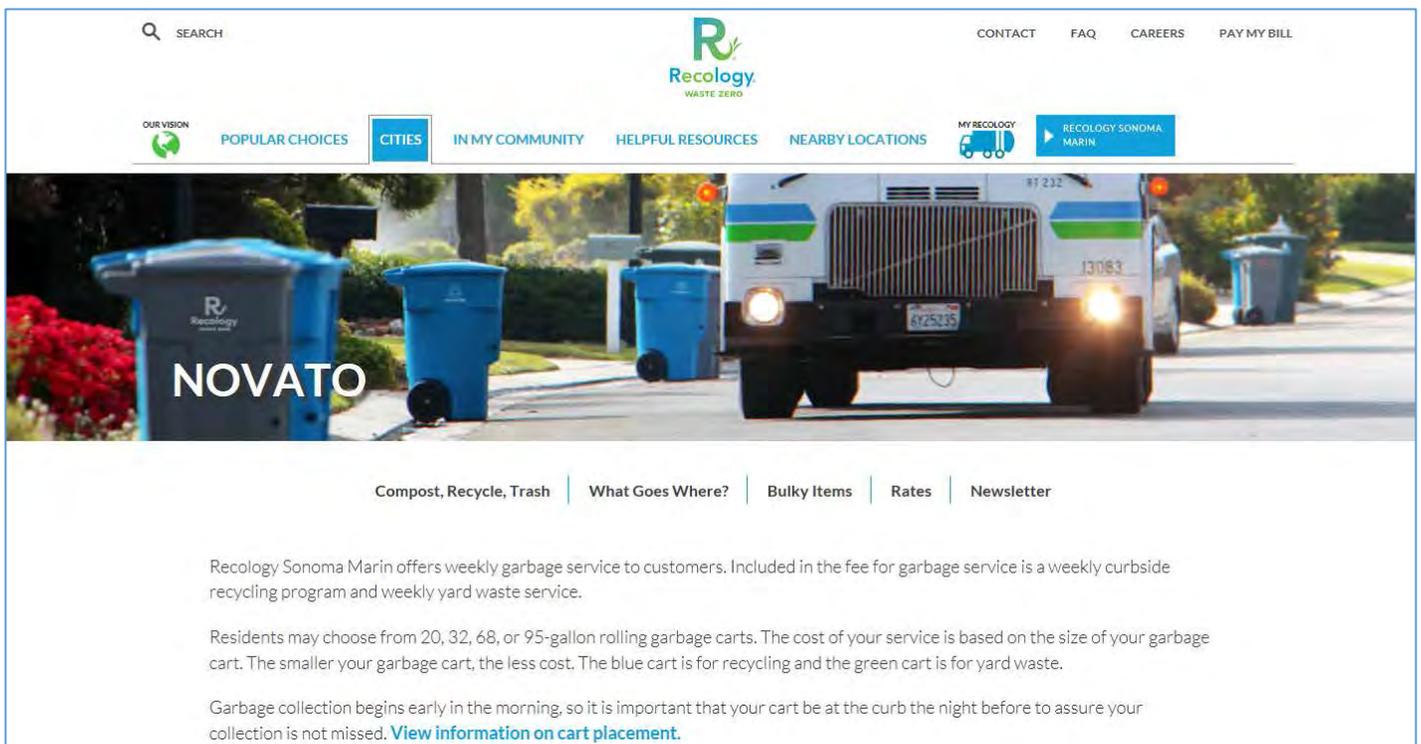
The Recology Sonoma Marin Waste Zero Team will use a variety of strategies to ensure that Novato’s public schools, commercial businesses, multi-family residential properties, and single-family homes are well informed of the diversion programs available to them and have the necessary tools for success.

These strategies include:

- Website
- Newsletters
- Mailers
- Waste Audits
- Physical Tools
- Signage
- Brochures
- Driver Tags
- Presentations
- Waste Zero Events

WEBSITE

All Recology locations can be found at www.Recology.com. Our website is well maintained, user friendly, and mobile friendly. We have developed a sub-site for Novato that is ready for review.



NEWSLETTERS

Recology Sonoma Marin will develop and mail out tailored bi-annual spring and fall newsletters to all Novato customers. Newsletters will promote waste reduction, reuse opportunities, recycling, composting, and proper disposal of household hazardous waste.



Recology Sunset Scavenger and Recology Golden Gate, your local recycling companies | Recycle | Compost
July – September 2014

Recycle & compost bins tell it like it is

Our blue and green bins are always ready to receive the things we toss. If, by some crazy magic, these sentries of the sidewalk could speak, what would they say?

Blue: Feed me more clean paper, such as computer paper, stationery, and envelopes. San Francisco does a good job of recycling, but people still toss paper in trash bins. When you put paper in me, we save trees, and energy, and water. And another great reason to recycle more — Recycling creates 10 times more jobs than landfilling or incineration.

Us: I hear you about paper Blue, but sometimes it can be hard to know which items can be recycled and which can't.

Blue: Feed me all cans and all glass and plastic bottles, and things made of hard or stiff plastic like yogurt containers and plastic cups. But no plastic bags. They wrap around recycling equipment in the big building where materials are sorted and baled.

Us: OK, I'm with you on those things Blue. And Green? Can you talk too?

Green: I absolutely love coffee grounds and food scraps. Please feed me all you've got. The scraps become compost that goes to local farms, orchards, and vineyards. But I also see far too many things tossed in the trash that definitely should be tossed in me.



Blue: MORE CLEAN PAPER PLEASE!

Green: FEED ME MORE FOOD SCRAPS!

Zero Waste is an international movement

San Francisco is a leader in the pursuit of Zero Waste, and other cities and countries are studying our recycling policies and programs in an effort to better manage waste and its effects on the environment.

San Francisco aims to achieve Zero Waste, to send next to nothing to landfill, by 2020. Seattle and Portland are making similar pushes, and in May the City of Minneapolis passed a Zero Waste goal.

Nearly every month a delegation from another large city in the United States or from another country comes to San Francisco to see our recycling programs firsthand. The concept of Zero Waste is also being discussed in New York City, London, Vancouver, and Israel.

Romauno, a leading TV station based in Italy, sent a crew to San Francisco earlier this year to document our city's efforts to achieve Zero. Reporter Fabio Esposito's 39-minute profile aired on May 23 and can be seen on YouTube. Complément d'enquête, a French news program modeled after 60 Minutes, sent a crew to San Francisco last year and dedicated an entire show to "poubelles un monde sans déchet" (a world without waste bins).

Zero Waste Europe, an independent initiative bringing together organizations and municipalities committed to eliminating waste, hosted a conference in Paris in February to advance the platform. More than 400 people from 15 countries attended. Two delegations from France visited San Francisco this spring. One made the journey to Jepson Prairie Organics, a Recology compost facility outside Vacaville, which turns food scraps and plant cuttings collected from city residences and businesses into nutrient-rich compost.

And on May 28, *Le Monde*, the largest newspaper in France, published a feature story on San Francisco's Zero Waste initiative and posted the report, a sidebar story, and a slide show on *LeMonde.fr*.

San Franciscans have embraced recycling and composting and have taken additional steps to make further progress toward our goal of Zero. Every effort, no matter how small, has multiple benefits — it keeps materials out of landfills, saves resources including water, and supports green jobs.

People around the world increasingly understand that everyone must help protect the environment by reducing the amount of waste we produce and recycling as much as possible. Thank you for helping make it happen.



Le Monde
Après dix ans d'efforts, San Francisco s'approche de son objectif « zéro déchet »
Administrateurs, services, habitants, hôtels, BTP... la ville californienne a déposé 80% de recyclage

San Francisco aims to achieve Zero Waste, to send next to nothing to landfill, by 2020. Seattle and Portland are making similar pushes, and in May the City of Minneapolis passed a Zero Waste goal.

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People around the world increasingly understand that everyone must help protect the environment by reducing the amount of waste we produce and recycling as much as possible. Thank you for helping make it happen.

Learn more about recycling from your local recycling companies at www.RecologySF.com



MAILERS

Recology Sonoma Marin will design four tailored campaigns per year for the City of Novato, and will promote them through bill inserts or postcard mailers. All new customers will also be sent an introductory postcard and overview of services. You can find an example of this below.

Lettuce Compost Your Organics
IT'S THE LAW

Recology
Mountain View
WASTE ZERO

EFFECTIVE JANUARY 1, 2017, California Law AB1826 will require commercial customers that generate FOUR (4) or more cubic yards of organic material per week to enroll in compost service.
Organic material includes food scraps, soiled paper, and plant trimmings.
Please call Recology Mountain View at 650.967.3034 to enroll.

The mailer features a central graphic with two green arrows forming a circle around the Recology Mountain View logo. To the left, there is a collection of organic waste items including lettuce, bread, coffee grounds, and a pizza box. To the right, a small green plant grows out of a mound of dark brown compost soil.

Recology
WASTE ZERO

250 Executive Park Blvd., #2100
San Francisco, CA 94134

PRSR STD
US POSTAGE
PAID
TRADE LITHO

**Why is it important to
recycle and compost?**

¿Por que es importante el reciclaje y el abono?
為什麼回收和堆肥是如此重要?

The mailer features the Recology logo in the top left and a small image of blue and green recycling bins in the bottom right. The main headline is in large, bold letters, with 'recycle' in blue and 'compost?' in green. Below the headline, the question is repeated in Spanish and Chinese.

WASTE AUDITS

Waste audits are an excellent tool to help schools, commercial, and multi-family customers increase diversion. The Recology Sonoma Marin Waste Zero Team will promote waste audits to all customers with 4 cubic yards of garbage service or more per week. As well, they will directly contact customers that need to be in compliance with AB341 and/or AB1826 to schedule a waste audit. After a waste audit has been conducted, service recommendations will be made to maximize diversion.



PHYSICAL TOOLS

Recology Sonoma Marin will provide a variety of indoor containers and other physical tools to help Novato customers with their diversion efforts at the cost of the item plus delivery.



SIGNAGE

Recology Sonoma Marin will maintain an extensive inventory of signage to help elevate diversion programs and ensure success, including: indoor and outdoor horizontal or vertical image based labels, large posters in English and Spanish languages, school specific posters, and “We proudly Compost & Recycle here!” window clings.



BROCHURES

Recology Sonoma Marin will develop informational brochures specific to each customer type and their needs, including: commercial customer service guides, multi-family residential property manager service guides, and multi-family residential tenant move-out guides. Brochures will be offered in English and Spanish languages.

Recycle More, Save More! It's a GREEN idea!

COMPOST

RECYCLE

Internal Recycle and Compost containers are available at no additional charge.*

Technical Assistance

Have you gone through your garbage lately? Few businesses do. Call us to schedule an appointment with one of our friendly and knowledgeable Recycling Coordinators who can provide on-site technical assistance to help divert more materials from your waste. We'll also answer any questions you have about hard to recycle items such as ink jet cartridges and packing materials, as well as reuse opportunities for a variety of items such as office supplies, furniture and equipment.

If you're interested in knowing what you're throwing away, call us at (650) 595-3900 to schedule a waste audit. Because smaller garbage containers and fewer pickups may result in cost savings.

*Subject to availability.

Recology San Mateo County

We deliver the highest quality customer service, are committed to environmental protection efforts and emphasize professionalism in all undertakings. Everything Recology does is founded on a single principle: provide superior service while controlling costs.

We hope you take advantage of the services we have to offer you and your business. Together, with our continued recycling efforts, we can all make a difference to conserve natural resources and reduce the waste that goes to the local landfill.

Recology San Mateo County offers a free Language Line, with over 170 different languages, through our Customer Service Department. Please call (650) 595-3900 for more information.

Recology San Mateo County ofrece una línea telefónica gratuita de idiomas, con más de 170 idiomas diferentes, por nuestro departamento de servicio al cliente. Por favor llame a (650) 595-3900 para más información.

Recology San Mateo County 提供免費的語言線，共有超過170種不同的語言。請致電我們的客戶服務部，電話為 (650) 595-3900 獲取更多信息。

This brochure is also available online at RecologySanMateoCounty.com

Printed on recycled paper with soy based inks.

Are You Throwing Your Money Away?

Recycling is SMART Business!

BizSMART

Start
Saving
Now!

Recycling Information for Commercial Customers

Compost Program

Think there isn't anything you can compost? Think again!

Don't send your food scraps and landscape material to the landfill; compost them instead. We encourage you to start composting at your business or facility. A successful program can help reduce garbage fees, save landfill space and close the loop by returning food scraps back to the earth, "our bottom line and the environment will benefit."

Compost collection services are offered at a REDUCED rate.

You CAN Compost:

- Food and kitchen prep scraps, peeled and cut/over food
- Food and beverage soiled paper products
- Coffee grounds and filters
- Dead trees and cutwood, peeled and cut/over wood
- Wooden picnic tables and pallets
- Tree stumps, leaves, flowers and branches

NO...

- Non-recyclable film, bags and metal
- Animal waste
- Fertilizer, ash, lime, stones, rock, tires and bricks
- Food waste packers
- Cooling oil
- Garbage
- Hazardous waste
- Juice or soy milk boxes with foil liner
- Shards and ice
- Recyclables (glass, aluminum, clean paper, plastic #1 and #2)
- Auto fluids
- Plastic bags
- Plastic crates
- Pyrexid
- Sterilized medical, food containers and packing peanuts
- Treated and painted wood

Questions?

Call us at (650) 595-3900 or email us at greengrowth@recology.com

Single-Stream Recycling

You can now place all of your recyclables into one container.

Commercial customers that subscribe to garbage collection service are entitled to Single-Stream recycling service at no additional charge.

By increasing recycling and reducing your garbage, it's possible to lower your garbage service level, which may result in cost savings. You can also show your customers, employees or tenants that you care about your impact on the environment and increase your visibility as a community leader. That is an opportunity you can't afford to pass up, which is why recycling is truly SMART business!

You CAN Recycle:

- Cardboard
- Glass bottles and jars
- Plastic containers numbered 1-7
- Milk and juice cartons
- Metal cans
- Office paper, newspaper, junk mail, magazines, phone books, soft cover books
- Small metal
- Standard paper (in clear, round plastic bags and placed in the Recycle Cart or Box)
- Plastic bags
- Plastic cups
- Plastic film, shrink wrap, pallet wrap and bubble wrap
- Rubber bands
- Plastic or wire hangers
- Glass
- Styrofoam packaging, food containers and packing peanuts
- Tires
- Window and drinking glasses
- Wires, battery, chains and cables
- Wood, concrete, asphalt, stones and bricks

NO...

- Batteries and cell phones
- Black plastics and plastic utility
- Ceramics and mirrors
- Food waste packers
- Food
- Food wrappers
- Garbage
- Garden hoses
- Juice or soy milk boxes with foil liners
- Milk cream containers
- Mercury plant containers
- Plastic bags
- Plastic cups
- Plastic film, shrink wrap, pallet wrap and bubble wrap
- Rubber bands
- Plastic or wire hangers
- Glass
- Styrofoam packaging, food containers and packing peanuts
- Tires
- Window and drinking glasses
- Wires, battery, chains and cables
- Wood, concrete, asphalt, stones and bricks

Commercial Containers

Commercial containers come in a variety of sizes to suit your Recycle, Compost and Garbage service needs.

BizSMART Carts

SIZE	LENGTH	WIDTH	HEIGHT
20-gallons	24"	19.75"	37.5"
32-gallons	24.25"	19.25"	38.5"
64-gallons	31.75"	24.25"	41.75"
96-gallons	35.25"	29.75"	43.25"

Black Garbage

Blue Recycle

Green Compost

BizSMART Bins

Commercial bins are available in a variety of sizes. The most common sized bins are listed below. However, larger bins including 9, 15, 20, 30 and 40 cubic yards are also available. Call us at (650) 595-3900 or visit us online at RecologySanMateoCounty.com for more information.

SIZE	LENGTH	WIDTH	HEIGHT
1-cubic yard	72"	24"	28"
2-cubic yards	72"	34.5"	34.5"
3-cubic yards	72"	41.5"	41.5"
4-cubic yards	72"	50.5"	46"
6-cubic yards	72"	66"	50"
8-cubic yards	72"	72"	56"

Grey Garbage

Blue Recycle

Green Compost

*Localities characteristics may vary.

DRIVER TAGS

Recology Sonoma Marin drivers will always have corrective action notices as well as good job cards on hand. Corrective action notices inform the customer of any items that need to be removed before a bin or cart can be serviced. Good job cards will be used to provide positive feedback for those customers who regularly do an exceptional job, or for those who may have recently improved significantly. Examples of these items can be found below.

SORRY,

there was a problem with
your RECYCLING pick-up today.

DATE: _____

Please remove the following:

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____

*Call Customer Service once the
items noted above have been
removed.*

(650) 967-3034



**ACCEPTED
RECYCLABLE ITEMS:**

Cardboard Recycling
flattened cardboard ONLY

Mixed Recycling
Plastic bottles & tubs,
aluminum cans/trays/foil, tin
cans, glass bottles & jars,
paper, and flattened cardboard

RECYCLING TAG

DATE: _____

ADDRESS: _____

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____



PRESENTATIONS

The Recology Sonoma Marin Waste Zero Team will be well-equipped to provide hands-on educational presentations for kids at schools, as well as for businesses or HOAs. Our school programs are designed to engage students on waste reduction, recycling and resource conservation. Programs are tailored to align with the classroom curriculum and interests of teachers and students alike.



WASTE ZERO EVENTS

In addition to hosting Waste Zero educational tables at a minimum of ten Novato community events per year, Recology Sonoma Marin will provide recycling, compost, and trash reusable event receptacles to ensure event waste is diverted as much as possible.



waste is
much as



Public Education & Outreach

Mailers

Lettuce Compost Your Organics

IT'S THE LAW



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Organic material includes food scraps, soiled paper, and plant trimmings.

Please call Recology Mountain View at 650.967.3034 to enroll.



Signage



Signage

GREEN BIN
 food and dirty paper only
 No Plastic!






Phoebe the Phoenix says:
 Thanks for protecting nature!

BLUE BIN
 bottles & cans, clean paper, foil,
 cardboard & clean, hard plastic






Phoebe the Phoenix says:
 Thanks for protecting nature!

TRASH
 dirty plastic, wrappers,
 juice boxes & soft plastic






Phoebe the Phoenix says:
 Thanks for protecting nature!



Signage

PAPER TOWELS ONLY

These towels will be composted.



Signage



Presentations



Waste Zero Events



RecologySF.com



Recology Sunset Scavenger and Recology Golden Gate, your local recycling companies | Recycle | Compost

July – September 2014

Recycle & compost bins tell it like it is

Our blue and green bins are always ready to receive the things we toss. If, by some crazy magic, these sentries of the sidewalk could speak, what would they say?

Blue: Feed me more clean paper, such as computer paper, stationery, and envelopes. San Francisco does a good job of recycling, but people still toss paper in trash bins. When you put paper in me, we save trees, and energy, and water. And another great reason to recycle more — Recycling creates 10 times more jobs than landfilling or incineration.

Us: I hear you about paper Blue, but sometimes it can be hard to know which items can be recycled and which can't.

Blue: Feed me all cans and all glass and plastic bottles, and things made of hard or stiff plastic like yogurt containers and plastic cups. But no plastic bags. They wrap around recycling equipment in the big building where materials are sorted and baled.

Us: OK. I'm with you on those things Blue. And Green? Can you talk too?

Green: I absolutely love coffee grounds and food scraps. Please feed me all you've got. The scraps become compost that goes to local farms, orchards, and vineyards. But I also see far too many things tossed in the trash that definitely should be tossed in me.

Us: Hmm.

Yes. I've heard good things about the compost program.

Green: I'll eat what you don't. When you clean out the fridge, feed me all food scraps, plant cuttings, and food-soiled paper like used napkins and paper towels.

Us: Even spoiled lunch meat?

Green: Yes, and steak bones and pizza crusts, and crab shells, all that stuff and more.

Us: You have quite an appetite.

Green: I'm insatiable. Remember, when we make compost we give local farms a great alternative to synthetic (chemical) fertilizers. Compost feeds the soil. Farms grow your food.

Us: Those are very good points. More scraps for you. Since we are talking, I'm curious — can we really get to zero waste?

Blue: We can and we must.

Recycling and compost programs are highly effective ways to help protect the environment. Think of the trash bin as a last resort. Trash bins are portals to landfills and incinerators. Things tossed in the trash do not get recycled.

MORE CLEAN PAPER PLEASE!

FEED ME MORE FOOD SCRAPS!



Green: San Francisco's goal is for the trash bin to get smaller and smaller and eventually go away. Starve your trash bin. Think — more blue, more green.

Us: Wow. We must talk again.

Blue: Let's do it, and let's recycle more.

Green: Feed me more too, and I'll tell you more great things about composting.



Website

 SEARCH
 

[CONTACT](#)
[FAQ](#)
[CAREERS](#)
[PAY MY BILL](#)

[OUR VISION](#)
[POPULAR CHOICES](#)
[CITIES](#)
[IN MY COMMUNITY](#)
[HELPFUL RESOURCES](#)
[NEARBY LOCATIONS](#)
[MY RECOLOGY](#)
[RECOLOGY SONOMA MARIN](#)



[Compost, Recycle, Trash](#) |
 [What Goes Where?](#) |
 [Bulky Items](#) |
 [Rates](#) |
 [Newsletter](#)

Recology Sonoma Marin offers weekly garbage service to customers. Included in the fee for garbage service is a weekly curbside recycling program and weekly yard waste service.

Residents may choose from 20, 32, 68, or 95-gallon rolling garbage carts. The cost of your service is based on the size of your garbage cart. The smaller your garbage cart, the less cost. The blue cart is for recycling and the green cart is for yard waste.

Garbage collection begins early in the morning, so it is important that your cart be at the curb the night before to assure your collection is not missed. [View information on cart placement.](#)







RECOLOGY SONOMA MARIN TRANSITION PLAN
FOR NOVATO SANITARY DISTRICT

Transition Plan

Included in this plan is Recology Sonoma Marin's responses to the items raised in Novato Sanitary District's letter dated September 28, 2017, as well as Recology's detailed transition plan for Novato Sanitary District's service area and the related agreement. For ease of reading, Recology has provided an overview of the company's transition experience, followed by sections of information pertaining to the items raised in the letter and subsequent meetings held at the District on October 3rd, 2017.

With any new service implementation, Recology's goal is to ensure a smooth transition that minimizes disruption to customers. Recology's implementation team for the District understands the unique needs of the Agreement, and has tailored the following transition plan for the District and its customers.

Recology Transition Experience

Recology Inc. (the parent company of Recology Sonoma Marin) is a regional company locally-based in San Francisco. With approximately 3,300 employee-owners in California, Oregon, and Washington, Recology Inc. can supply a strong team of experienced managers and supervisors to assist with the contract transition. These managers and supervisors will assist with employee training, program implementation, procurement, and other duties to meet the needs of the transition.



Recology operating companies have been involved in several major transitions in recent years, and are ready to offer their expertise to guide the Novato Sanitary District transition:

- ❑ In 2011, Recology San Mateo County initiated services for the 12 jurisdictions of the South Bayside Waste Management Authority (SBWMA) in central and southern San Mateo County. The transition was recognized by industry experts as one of the largest of its kind in the United States, encompassing over 93,000 residential and 10,000 commercial and multi-family (MFD) customers.
- ❑ In 2009, Recology CleanScapes transitioned services for approximately half of the City of Seattle, marking the largest single-day transition in the region. Collection was transitioned for all three material streams – garbage, recycling, and organics.
- ❑ In 2001, Recology's San Francisco collection companies transitioned over 150,000 single- and multi-family households 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.

Employee On-Boarding and Training

Following the completion of all contract assignments and the close of the acquisition with The Ratto Group (TRG), Recology will re-hire current and eligible TRG employees as full time Recology team members. By purchasing TRG's company assets and hiring the existing employees, Recology aims to ensure continuity in service during the transition. This transition also presents an opportunity to revisit

critical and fundamental training to increase operational efficiencies and safety, and set high customer service standards.

Safety and service are the keys to Recology's success since 1920, and our training programs will ensure a smooth, safe and effective transition for our team members and the communities we serve. Recology has developed customized training programs for its collection service employees, customer service staff, and Waste Zero staff. Below is an overview of these training programs:

Driver Training: All Recology drivers receive training in the operation of Recology equipment and the unique aspects of the collection program. Training is provided in the classroom and in the vehicle. Topics include:



- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology's culture. During this segment, drivers are taught about their job roles and expectations, as well as Recology's culture and values.
- ❑ Customer service training: This training explores the differences between basic customer service versus excellent customer service, and how every interaction with a customer is an experience and it should be positive and memorable. Drivers will learn methods to maintain professionalism when faced with difficult customers, and tips on how to resolve issues on their routes.
- ❑ Franchise training: During this session, drivers are taught general collection protocols to meet the requirements of the collection service agreement.
- ❑ Contamination training: This training, delivered by a Recology Waste Zero Team member, teaches drivers how to identify and document contaminated containers. Drivers will be trained on the procedures for tagging contaminated containers and using the on-board computer system to track contaminated loads.
- ❑ Maintenance training: This training teaches drivers their responsibilities for daily vehicle maintenance inspections.
- ❑ Dispatch Operations training: This training guides drivers through their Route Manual, which answers questions that a driver may have regarding their position and route responsibilities. Drivers can use the Route Manual as a frame of reference for specific job responsibilities, route practices and route expectations.
- ❑ Safety and Equipment Overview: This program guides drivers through the requirements of Recology's safety training program, to ensure compliance with regulations and industry best practices.
- ❑ Truck Training and Obstacle Course: The majority of Recology's driver on-boarding program is spent in the trucks, actively educating drivers on their use of the vehicles to ensure safety, efficiency, and customer service are top-of-mind as they perform their day-to-day job duties.

Customer Service Specialist Training: Recology invests in the development of Customer Service Specialists (CSSs) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture. During this segment, CSSs are taught about their job roles and expectations, as well as Recology’s culture and values.
- ❑ Creating Memorable Customer Service: The goal of this training is to educate the CSS on Recology’s customer base, the services Recology provides, and the CSS’s role in delivering excellent service.
- ❑ Franchise Training: Franchise Training teaches the CSSs general protocols related to the agreement
- ❑ Technical Training Elements: The Technical Training portion covers the majority of the CSS training program. During these weeks, the CSSs learn the practical, technical skills they need to work with the Recology Customer Relationship Management System (RCRM) database.
- ❑ Contamination Training Delivered by an experienced Recology Waste Zero Specialist, the Contamination Training will teach CSSs on the proper procedures for identifying and documenting accounts with contamination.
- ❑ In-Field Ride-Along with a Driver: Communication between customer service, operations, and the route driver is vital to ensure customer needs are met. Therefore, Recology CSSs will go on a ride-along with a driver to observe field conditions and better understand how their role relates to customers and collection operations.



Waste Zero Specialist Training: Recology invests in the development of Waste Zero Specialists (WZS) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture. During this segment, WZSs are taught about their job roles and expectations, as well as Recology’s culture and values.
- ❑ Customer Service Training: The WZSs will then complete a training titled “Creating Memorable Customer Service,” delivered by the Customer Service Manager. The goal of this training is to educate the WZSs on Recology’s customer base, the services Recology provides, and their role in delivering excellent service.
- ❑ Outreach and Education Material Overview: The WZSs will receive focused training on the types of outreach materials available to teach customers about their programs and services. Please see the document titled “Novato - Public Education and Outreach Plan” for more details about the specific plans for outreach and education to the Novato Sanitary District service area.
- ❑ Franchise Training: During this session, WZSs are taught the protocols related to the agreement.

- ❑ Contamination Training: Delivered by an experienced Recology WZS, the Contamination Training teaches employees how to identify and document contaminated containers.
- ❑ Facilities Tours: The WZSs will receive tours of the processing facilities, to better understand this fundamental aspect of the diversion process.
- ❑ Developing Presentation Skills: This training will provide the WZSs the tools they need to deliver hands-on presentations to an array of organizations, including homeowners' associations, business groups, environmental organizations, and schools.
- ❑ Conducting Waste Audits: During this training, WZS will be taught how to analyze a particular customer's material stream, with a focus on the diversion opportunities available to customers by business type.
- ❑ Providing On-Site Technical Assistance: This training will teach WZS the various types of Technical Assistance and training they will provide customers related to Recology's programs and the District's diversion goals.
- ❑ Reporting and Technical Requirements: This segment of the On-Boarding Program will teach the WZSs about the reporting requirements and their role in meeting those reporting needs
- ❑ Recology in the Community: During this on-boarding component, the WZSs will meet with a Recology Ownership Communication Committee (ROCC) Representative and a Recology Volunteer Liaison to learn more about Recology's dedication to the community
- ❑ Supervisor and Driver Ride-Alongs: During this component of training, the WZSs will ride with a Supervisor and/or Driver, to get an overview of the service area, the routes, and their responsibilities to support diversion goals.

Diversion Plans

Recology has excellent success in meeting diversion goals and requirements made in partnership with the communities served. Recology's mission represents a fundamental shift from traditional waste management - recovering more recyclables to be repurposed into new products and transforming organics to nutrient-rich soil amendments.

To support diversion goals, Recology offers dedicated Waste Zero Specialists. These individuals will be Recology's diversion liaisons in the community, responsible for tasks Recology can offer such as:

- ❑ Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and business type
- ❑ Coordinating and producing education events, including educational efforts in schools.
- ❑ Supporting local community service organizations
- ❑ Offering technical assistance to help all customers implement services and optimize diversion, including on-site training for businesses
- ❑ Outreach to homeowners' associations, business groups, multi-family tenants, and environmental organizations
- ❑ Conducting site visits to educate customers on diversion goals, contamination concerns, and new programs

- ❑ On-site waste audits to help customers divert more material from the MSW stream and minimize contamination in the recycling and organics stream

The following sections provide an overview of the diversion programs, targeting each customer stream and material type. More information related to Recology’s education and outreach philosophies and materials can be found in the “Novato – Public Education and Outreach Plan.” All outreach materials for Novato Sanitary District are tailored to the District’s needs and franchise agreement so that each customer is receiving information specific to their service area.

Single-Family Recycling Program

Recology offers many programs that contribute to higher diversion. Some of those programs could include working with the District and its residents to launch a Green Block Leader Program, which has been a successful tool to promote diversion programs among single-family residents in other Recology service areas. The program educates residents and encourages them to become local advocates of their diversion programs. Recology staff attends the neighborhood gatherings hosted by the Green Block Leaders to educate residents on their programs and services. This personal and local approach is an effective way to encourage single-family customers to increase their diversion efforts.

Single-Family Organics Program

To help customers participate in the organics collection program, Recology’s educational outreach focuses on parsing the topic of “food scraps recycling” into manageable customer “behaviors” that would make the change easier for residents. Recology would set a measurable goal, determine barriers and benefits, and then develop a strategy and messaging.



To implement an outreach campaign, Recology would utilize a variety of communications channels, such as program brochures, public events, media, and community groups (such as the Green Block Leader Program described in the “Single-Family Recycling Program” above). By using a focused, integrated approach, the District and Recology would hope to see an increase in participation in the food scrap program over time.

Multi-Family Recycling Program

This program, led by the Waste Zero Specialists, is designed to help increase recycling participation among multi-family customers.

Recology has offered recycling services in urban environments for decades, and has found that multi-family complexes often have varying levels of participation. Small multi-family complexes (typically four to six units) are often more consistent with recycling participation. Larger complexes, however, face a different set of challenges to achieving diversion, including:

- ❑ Tenant turnover, which requires frequent and consistent messaging, outreach, and education to stay on diversion targets.
- ❑ Off-site and/or disengaged property managers who are reluctant to support diversion programs.

- ❑ Garbage chutes, which can discourage tenants from successful source-separation.
- ❑ Space constraints, which can impact the ability to offer containers for three material streams.

Recology’s Multi-Family Recycling Outreach Program can address these obstacles through a variety of outreach and education efforts. To encourage recycling participation, Recology can:

- ❑ Partner with homeowners’ associations, resident organizations, and property managers to educate tenants on available programs.
- ❑ Offer specialized outreach and education material. Recology aims to increase tenant participation in recycling programs by providing easy-to-use tools and informative education pieces.
- ❑ Conduct comprehensive, on-site waste audits to maximize recycling participation and minimize contamination.
- ❑ Recommend service level changes and container placement to optimize participation.
- ❑ Suggest additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams, such as the Tote bags noted in section 4.4.2 of the Agreement.

Multi-Family Organics Program

Recology is available to work with the District to offer programs that aim to help multi-family customers adopt organics collection. Under these types of programs, the Waste Zero Specialists can offer multi-family properties comprehensive waste audits and tailored outreach and education specific to implementing organics programs at their properties. These programs could include:

- ❑ Comprehensive, on-site waste audits to maximize organics participation and minimize contamination.
- ❑ Partnerships with homeowners’ associations, resident organizations, and property managers to educate tenants on organics.
- ❑ Organics 101 Workshops, led by a Recology Waste Zero Specialist. The Workshop:
 - ❑ Discusses the materials accepted in the complex’s organics program
 - ❑ Educates residents on the environmental benefits of composting, including the reduction in greenhouse gas emissions at the landfill, and nutrient-rich compost that is created from their food scraps
 - ❑ Provides details on steps to participate in the program
 - ❑ Provides an array of educational material

Commercial Recycling Program

Recology can also offer programs that aim to help commercial customers see their blue recycling carts/bins as a primary container for diversion. The program focuses on bringing high-volume generators into compliance early on, while ramping up diversion efforts thereafter.

- ❑ Step 1: Recology’s Waste Zero Specialists reach out to commercial accounts that generate eight yards of MSW or more per week to maximize their recycling levels. Accounts producing large

amounts of MSW typically have greater recycling opportunities that have not yet been realized, and will be encouraged to adjust their service levels to capture more recycling.

- ❑ Step 2: The program's threshold will be expanded to capture a greater array of accounts. Customers who produce four to seven yards of MSW per week can then receive outreach from the Waste Zero Team to encourage greater recycling adoption.
- ❑ Step 3: Adjust program to encompass all commercial customers with low diversion levels. These customers will be identified through service level analysis conducted by the Waste Zero Team.

Recology's Waste Zero Specialists can also conduct waste audits and tailored outreach during the various phases of the Recycling Outreach Program. The waste audits analyze a particular customer's material stream, with a focus on the diversion options available to customers by business type. The assessments include:

- ❑ Verification of Services: The Waste Zero Specialist will document container sizes, quantity, and bin descriptions (such as bin numbers and specifications).
- ❑ Assessment: Taking into account the total volume of material, the Waste Zero Specialist will evaluate the percentage in each category: organic, recycling, and solid waste.
- ❑ Follow up with customer: The customer will be notified of the assessment results and any service level recommendations.

After the customer agrees to implement the assessment recommended changes, the Waste Zero Specialist may:

- ❑ Work with Recology's Operations and Customer Service departments to implement service level changes.
- ❑ Recommend additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams.
- ❑ Provide Public Educational Tools: Posters, flyers, brochures, and internal containers.
- ❑ Provide further educational material, presentations, and on-site training for employees.

Commercial Organics Program

Recology can offer programs that help commercial customers implement organics collection programs, helping customers to comply with AB 1826 and increase their overall diversion rates to help achieve the District's goals. The messaging of the Commercial Organics Program can be communicated to customers alongside the messaging of the Commercial Recycling Program, helping customers embrace the concept of a three-material stream sorting system.

Similar to the Commercial Recycling Outreach Program, the Organics Program can also include waste audits (conducted in tandem with the Commercial Recycling Program waste audits) and educational outreach to optimize organics participation. The



Program features several different components designed to achieve higher diversion levels throughout the Agreement:

- ❑ Step 1: The Waste Zero Team can reach out to commercial customers that are estimated to generate four yards or more of organics per week to ensure they are participating in organics service and complying with the requirements of AB 1826. The Team will help customers identify organics diversion opportunities and optimize participation.
- ❑ Step 2: The program will be expanded to customers who produce four yards or more of MSW per week, complying with AB 1826.
- ❑ Step 3: The program will focus on customers with a overall low diversion levels.

Outreach and Education

Recology will distribute and publish a variety of communications to the District's residents and businesses throughout the transition and service calendar. Effective outreach programs and campaigns not only educate customers on the services available, but also foster positive customer relations and interest in recycling and diversion programs. The intent of these communications will be to concurrently provide necessary program information and foster a sense of excitement around available diversion priorities and options.

Announcement of New Services and Subscription Mailer

Recology will prepare and distribute an initial mailing to customers explaining the change from the existing collection company to the services provided by Recology. Different announcements will be tailored to single-family, multi-family, and commercial customers. Contents could include:

- ❑ Information on billing and payment options
- ❑ Website URL
- ❑ Description of the collection programs
- ❑ Links to posters, flyers, and other downloadable documents online
- ❑ Guidance on setting up account access online
- ❑ Tips on improving recycling and composting

Collection Days

Recology does not anticipate any change in collection days, but in the event that a change in collection day occurs, Recology will notify impacted customers. Announcements will be tailored to single-family, multi-family, and commercial customers, as applicable, and may include automated robocalls, post cards, or other print material.

Multi-Family and Commercial Posters

Recology will design and distribute posters to multi-family and commercial property managers for on-site use, illustrating the recyclable materials collection program and the commercial food scrap collection program, as applicable to program participants.

These posters are designed to educate program participants on proper sorting. Below are examples of Recology's successful commercial posters provided to businesses in San Mateo County. Similar designs will be made for Recology Sonoma Marin customers.



Press Release

Recology will prepare and distribute public service announcements (PSAs) for local radio and cable television broadcasts, as well as advertisements and press releases for local newspapers, the website, and other community groups.

Contacting Recology

Recology will maintain the current customer service telephone number, and the current website will be redirected to the new Recology website which is specific for the Novato Sanitary District service area. This will help minimize customer confusion during the service transition.

Recology will regularly update the District on the status of the transition, and looks forward to collaborating with the District on outreach activities (described above) and educational efforts.

Management of Vehicles and Equipment

Fleet, Carts and Containers

Recology understands that a smooth transition for all utilized fleet vehicles and equipment is essential. Working directly with Recology's Vice President, Equipment Procurement & Maintenance and Facilities Development, Recology will ensure all the vehicles needed to perform under the agreement with the Novato Sanitary District are ready and available and that all vehicles are both safe and compliant.

Route audits will be conducted in the service area to verify that all vehicles and equipment in the area are documented correctly and meet the standards and expectations of both Recology's service standards as well as all contractual obligations defined in the agreement with the District.



Recology will refurbish and replace vehicles and equipment to ensure all state and federal rules, laws and standards are met in a timely manner. Details relating to vehicle age and replacement schedules were furnished to R3 and should be detailed in their report. If more details about the fleet specifics are needed, Recology can respond to those specific requests after the close of the transaction once the business is under Recology operation and management.

Database Management

TRG currently maintains a complete customer database for Novato Disposal Services, which will be integrated into the Recology Customer Relationship Management (RCRM). The customer database for the District already includes all pertinent information for routing, billing, and service levels, such as:

- ❑ Customer name
- ❑ Billing address
- ❑ Service address
- ❑ Contact information
- ❑ Service level including size and number of containers
- ❑ Collection day(s)
- ❑ Current routes
- ❑ Special servicing requirements
- ❑ Entry key electronic opening device or entry code requirements
- ❑ Account history

Efficient Routing

After the close of the transaction with TRG, Recology intends to go through an exercise to evaluate the routes currently servicing the Novato Sanitary District area. Recology does this through utilizing the experience of its supervisor and management team as well as using tools such as RouteSmart software. Using RouteSmart software, Recology operating companies experience a measurable reduction in vehicle miles traveled, fuel use, tire wear, greenhouse gas emissions, and street wear-and-tear.

RouteSmart integrates seamlessly with ESRI's ArcGis family of mapping products and provides the ability to balance routes based on time, number of lifts, or potential volumes and densities to be collected.

The system takes into account vehicle type, address restrictions, and service time-of-day constraints, among other parameters.

For regularly scheduled collection, customer information is downloaded from the RCRM database into RouteSmart for routing. The routed data is interfaced back to the RCRM database, providing accurate customer information to anyone with access to either online inquiry or reports from the RCRM system.

Throughout the term of the agreement routes will be continually subject to modifications to accommodate demographic and customer changes.

Safety Systems and Procedures

Safety of our employees and the communities we serve is critical to our success and continuity. As mentioned before, training is a critical part of our on boarding process but the safety training continues every day after an employee-owner's first days. Team safety trainings occur on no less than a monthly basis for all operators and extensive supplemental programs are made available throughout the year such as Smith System driving training.

Recology utilizes a variety of technology to support safety. One example is an on-board safety system called DriveCam that allows for video recording of triggered safety events happening in front of the operating vehicles. This footage is reviewed daily by supervisors and management and used in coaching and accountability discussions with the operators. This video footage serves a mentoring tool for all of the employees and is incorporated into a safety resource library.



Safety teams analyze events and claims on a regular basis identifying recurring behaviors and factors. This data is then used to modify, focus and evolve safety training and outreach throughout the company. It's a simple program that has yielded positive results companywide for Recology and has allowed sites to learn from the collective lessons learned versus waiting for personal experience to serve as a mentor.



Customer Service Plans

One of the keys to a successful transition and ongoing service is a suitable and well-equipped customer service system to supplement the customer-centric mentality Recology champions. Excellence in service is a detailed below in some of the processes built into our customer service department.

Customer Service Workflow

Recology will be keeping the current phone numbers in use so as to minimize the impact on the District's residents and businesses. The Recology Sonoma Marin call center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology IT staff can manage the system from anywhere on the network or from anywhere there is internet connectivity.

The ShoreTel system allows Recology to create customized queues for Automatic Call Distribution (ACD). Any call is routed through the ShoreTel system, placed into the appropriate queue, and automatically distributed to the next available CSSs. Supervisors can monitor progress in the queue.

All customer data and interactions are recorded in the Recology Customer Relationship Management (RCRM) system. The RCRM system is an IBM iSeries-based system that was developed over the past 28 years to provide functionality specific to the collection and recycling business. This software is updated to accommodate changes in the industry and new government regulations. The system records the history of all customer-related service and interactions, including:

- ❑ Customer and service level information
- ❑ Billing and payment history
- ❑ Customer service issues and inquiries
- ❑ Routing
- ❑ Ticketing
- ❑ Dispatching

Recology's customer concern resolution process focuses on accountability and up-to-date information. For each service request, a work order (or "ticket") is created in the RCRM system. The tickets are time-stamped, and remain open until the request is completed. Once completed, a "resolution" is entered in the system, featuring a closing date, time, and detailed nature of the inquiry/resolution.

Recology Customer Service Specialists (CSS) will also address in-office inquiries, such as billing questions, service adjustments, and opening or closing accounts. Route dispatchers ensure that any inquiry that needs to be addressed in the field (such as special pickup requests) is dispatched to the appropriate driver and addressed as soon as possible.



Customer concerns requiring a follow-up call will be entered as "tickets" in the RCRM system and sent to either a Route Supervisor or a CSS for call back within 24 hours of resolution.

When the driver returns to the yard at the end of the shift, the dispatcher debriefs the driver and reviews any tickets that were sent throughout the day. Any tickets for resolution by the Operations Supervisor will be created.

In addition, Recology creates an open ticket report at the end of each day to ensure open tickets are delivered to dispatch for distribution to drivers. Copies of open ticket reports are provided to department managers at the close of each business day so the manager may follow up on outstanding concerns and appropriately distribute workloads.

Billing Inquires

Billing is a module within the RCRM software, and customer service information and billing information are therefore fully integrated. Customers with billing concerns can contact the call center, where all CSS are trained to address billing concerns and make adjustments as necessary in the RCRM system.

All charges and credits eventually appear on the bill that is provided to the customer, and a history of those bills is available to the CSSs for review. This data aids the CSSs with answering customer billing questions. Customers can also access the Recology website 24 hours a day, seven days a week to view and pay their bill or submit billing inquiries.

Phone System

Recology's Call Center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. A single PRI (Primary Rate Interface) is capable of handling 23 calls at one time; depending on the magnitude of the contract, Recology can implement multiple PRIs.



ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology IT staff can manage the system from anywhere on the network or from anywhere there is internet connectivity.

With a small energy footprint, a single ShoreTel module will support 90 phones and voicemail boxes with 56 hours of voicemail storage. Adding more phones and voicemail boxes is as simple as adding another ShoreTel module, making expandability almost unlimited. Additionally, the call center will have immediate access to interpreters in over 175 languages through AT&T's Language Line. Recology will also identify multi-lingual CSSs. A TDD relay service will be used to provide customer service to hearing impaired customers.

Website

Recology maintains a website with pages tailored to each of its service areas, and has created one for Novato Sanitary District. The website will become live once the transaction is closed.

Recology's online Account Management capabilities allow customers to manage their account at their own pace. After a simple enrollment process, (which requires the customer's account number and service address for validation), customers can view their current service levels and scheduled service days. The website enables customers to:

- ❑ Request service changes
- ❑ Change contact and billing information
- ❑ Submit enquiries
- ❑ View and pay their bill
- ❑ View their next billing cycle
- ❑ Request special services
- ❑ View current service rates
- ❑ Learn about services and programs



Beyond Account Management, Recology offer a variety of other information on its websites designed to educate customers on Recology's services and programs. Content would be tailored to the City, and could include:

- ❑ Links to outreach and education material
- ❑ Announcements on new programs and services
- ❑ Standard service descriptions
- ❑ A "Contact Us" function, allowing customers to contact Recology
- ❑ Links to upcoming events

Recology also uses social media to help spread its Waste Zero mission and educate customers on services. This serves as an additional method for Recology to share service updates, and community events, tips on sustainable living, and news.

Payment Options

Recology accepts bill payments online, over the telephone, by mobile application, in-person, or as recurring monthly charges. The majority of Recology's customer bills are produced on paper and mailed to customers. However, a growing number of Recology's customers prefer to pay their bills electronically.

Customers have the option to receive their bills and make payments electronically over a secure website through Recology's e-BillPay product. Payments can be made from credit card, checking, or savings accounts, accessed through the website.

In addition, Recology offers customers the option of paying their service bills via recurring Automated Clearing House (ACH) direct debits from a customer-authorized bank account. To pay by ACH debit, customers must provide Recology the applicable bank account information and authorize the deduction from their bank account.

Recology also accepts in-person bill payment. Recology's CSSs can also process payments made over the phone using a checking or savings account, or by credit or debit card. CSSs accept these payments using the e-Bill Pay option, which processes the payment electronically and eliminates the need to take payment checks to the bank.

Additional Contractual Requirements

Recology Sonoma Marin understands and recognizes that it will be bound by the existing contract terms currently defined in the franchise agreement.

Recycling Centers

Recology understands that two buyback/recycling facilities are obligated under the existing contract, with one site currently under operation (to be relocated) and a second facility yet to be relocated. Recology is committed to working with the management of the Novato Sanitary District as well as any other parties mutually deemed appropriate in order to meet these community needs.

Increased Outreach

Please refer to the document titled "Novato – Public Education and Outreach Plan" to review the details of Recology Sonoma Marin's plans to address the increased outreach to the District's community and public schools.



October 26, 2017

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

Re: Response to Letter from Novato Sanitary District dated September 28, 2017

Dear Sandeep,

Thank you for the District's letter on September 28, 2017. In addition to providing the Recology Sonoma Marin Transition Plan for the Novato Sanitary District, below are responses to the eight identified issues from the letter.

With any new service implementation, Recology's goal is to ensure a smooth transition that minimizes disruption to customers. Recology's implementation team for the District understands the unique needs of the District, and have carefully responded to the issues that have been raised.

For ease of review, we have placed the specific identified issues in gray italicized text prior to the corresponding responses.

- 1. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015.*

Recology has a proven track record of meeting diversion goals and requirements made in partnership with the communities we service. Recology's mission represents a fundamental shift from traditional waste management to recovering more recyclable and compostable materials to be repurposed into new products. Our dedicated Waste Zero team excels at providing the outreach, education, follow-up and service changes needed to ensure all customers are fully engaged with the provided diversion programs. As well, the Waste Zero team will take initiative with commercial and multi-family dwelling customers to help them achieve full compliance with state laws AB 341 and AB 1826.

Additionally, the Material Recovery Facility (MRF), where the source separated recyclables are processed, has recently undergone renovations. The MRF upgrades will not only increase the efficiencies of the processing system, but will also reduce the residue from the process which leads to overall higher recycling numbers at the facility.

Within 3 months of the assignment and close date of the acquisition, Recology will provide a proposal to the District on how the diversion requirements will be met. This plan will outline the proposed timelines, programs, and stakeholders needed to achieve that diversion. Recology believes that a programmatic approach is the most successful method to achieving higher diversion levels. And the

Recology program includes targeted customer outreach, excellent customer service, and encouraging commercial and multi-family recycling and composting participation. So in the proposal to the District, Recology will also address the plans and timelines for items 2, 3, 6, 7, and 8.

- 2. The poor performance of NDS's Commercial and MFD Organic Waste Service, particularly given its failure to meet its 60% Diversion Requirement.*

Recology views organics collection as one of the most important aspects of reaching higher diversion levels. Recology has developed successful programs where a combination of effective outreach, ongoing campaigns, and in-person follow-ups lead to not only more participation in the organics collection programs, but also lower contamination. With mandates such as AB 1826, commercial and multi-family dwelling customers are more incentivized than ever to participate in such programs.

The dedicated Waste Zero team uses a variety of strategies to ensure all customers are both well-informed and actively participating in the recycling and organics programs by providing necessary tools for success. These strategies and tools include a specialized website, newsletters, mailers, signage, brochures, driver tags, physical waste audits, phone calls and in-person meetings. Recology will also perform route audits throughout the District. These route audits inform the Waste Zero team where there are compliance and contamination issues with the organics programs. That information can then be used to follow up directly with the customers. Together all these efforts should lead to overall better performance and higher diversion for the District.



- 3. Failure to provide MFD Recycling Tote Bags.*

Recology will provide recycling tote bags to multi-family dwellings as required by the Agreement. Recology has found that providing multi-family units with recycling "buddy bags" helps encourage easy participation in the recycling program. The "buddy bags" are designed to help tenants properly sort, store, and carry their recyclable materials to their complex's container.

- 4. Relocation of the Recycling Center and HHW Facility and the addition of a second buy-back center.*

Recology will cooperate with the District as required by the Agreement to relocate the existing Recycling Center/HHW Facility and establish a second beverage container buyback center. We assume it will be necessary to find suitable new locations and obtain third party consents in order to establish these facilities, and we will work with the District in that process as well.

- 5. Lack of provision of two (2) convenient locations in the Novato area where payments can be made.*

Recology will work with the District to provide appropriate payment locations within the Novato area as required by the Agreement, one of which could be the Recycling Center/HHW Facility.

- 6. Lack of adequacy of NDS's customer service system.*

One of the keys to a successful transition and successful ongoing service is a well-equipped customer service department to supplement the customer-centric mindset Recology champions.

Recology will be replacing NDS's customer service system with the Recology Customer Relationship Management (RCRM) system. Specifics around the RCRM and Recology's excellence in service is detailed in Recology Sonoma Marin's transition plan for the District.

7. *Increased community outreach.*

We are committed to providing the community outreach programs required by the Agreement. Please see the document titled "Novato Sanitary District – Public Education and Outreach Plan" for additional information regarding Recology's education and outreach programs.

8. *Increased outreach to public schools.*

We look forward to working with the District's schools to provide the outreach required by the Agreement and enhance school participation in recycling and compost programs. More information about our school services is provided in the document titled "Novato Sanitary District – Public Education and Outreach Plan."

Following the assignment, Recology is also open to a discussion with the District about providing more resources to the Novato community to enable expedited program successes. Please do not hesitate to reach out to Meghan Butler at mbutler@recology.com or 415-572-6116 with any questions, concerns, or additional requests.

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

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Solid Waste Committee Packet
Item 6.b.
Attachment 1
(Pages 109 to 116)

BOARD OF DIRECTORS

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General Manager-Chief Engineer

KENTON L. ALM
Legal Counsel

September 28, 2017

Mr. Michael J. Sangiacomo
President and Chief Executive Officer
Recology, Inc.
50 California Street, 24th Floor
San Francisco, CA 94111-9796

Subject: 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 Mr. Sangiacomo:

The Novato Sanitary District (District) received your August 25, 2017, letter regarding the "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 ("Recology"). We have engaged R3 Consulting Group, Inc. (R3) to assist the District with its consideration of the requested assignment, and are actively moving forward with our review.

As you are aware, as part of R3's support to the District, and other jurisdictions in Sonoma and Marin County to whom Recology has made similar assignment requests, R3 is conducting due diligence related to Recology's corporate strength, capabilities, and performance. Based on the results of that review, the District may have specific follow-up questions for Recology. At this time, we wish to focus on Recology's request for assignment of the District's franchise, and questions, and requested information specific to the assignment.

The District entered into the Agreement with Novato Disposal Service (NDS) on March 15, 2011. The Agreement expires at midnight on December 31, 2025, except in the event of assignment, in which case the term of the Agreement shall be reduced to a maximum of seven (7) years from the date of the assignment. The District also has the option to extend the term of the Agreement for a maximum additional sixty (60) months.

Under the terms of the Agreement, the Company's¹ rates are to be adjusted annually on January 1st, based on the specified Refuse Rate Index (RRI) calculation, or detailed rate review, if requested by either the District or the Company. The starting basis for a detailed rate review is the Company's audited financial statements for the most recently completed fiscal year (January 1 – December 31). If the Agreement is assigned to Recology prior to January 1, 2018, the soonest that a detailed rate review can be conducted would be in 2019, with Recology's 2018 audited financial statement serving as the starting basis for that review. Any associated rate adjustment would be effective January 1, 2020.

Section 11.6.3 of the Agreement states that: *"Under no circumstances shall the District be obliged to consider any proposed assignment by the District if the Company is in default at any time during the period of consideration."*

Should the District consent to the assignment, much of the basis for that consent is the District's expectation that Recology will:

- Implement and operate a high-diversion system that meets the current 60% Landfill Diversion Requirement, and the 2020 (70%) and 2025 (80%) requirements; and
- Effectively comply with all terms and conditions of the Agreement.

With that understanding, there are a number of critical issues with respect to NDS's performance under the Agreement that require prompt attention, including:

1. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015;^{2,3}
2. The poor performance of NDS's Commercial and MFD Organic Waste Service (Section 4.3.4),⁴ particularly given its failure to meet its 60% Landfill Diversion Requirement;
3. Failure to provide MFD Recycling Tote Bags (Section 4.4.2);⁵

¹ The Agreement refers to the "Company" rather than the "Contractor".

² The Company's 2016 Landfill Diversion Rate was 51.6%.

³ Recognizing that several issues, including markets, have caused problems with diversion percentages, several required programs, including school recycling, and commercial and MFD organics collection have either not been enacted or have not met their implementation dates. The District expects the Company to fulfill the Zero Waste Minimum Landfill Diversion Requirements, and provide the District with a detailed description of the specific programs and efforts it intends to undertake to do so.

⁴ Although Novato Disposal has provided some commercial organics collection, it is very limited, and appears to be at a standstill. CalRecycle has indicated to the District that this is a very high priority, and AB 1383 will require significant organics diversion in the next few years. The Company needs to provide the services as required under this section of the Agreement.

⁵ MFD Recycling Tote Bags have never been provided by the Company, as required by the Agreement.

4. Relocation of the Recycling Center (Section 4.11.7)⁶, and HHW Facility and the addition of a second buy-back center (4.8.2);⁷
5. Lack of provision of two (2) convenient locations in the Novato area where payments can be made (Section 5.2.1);⁸
6. Lack of adequacy of NDS's customer service system (Section 5.2);⁹
7. Increased community outreach (Section 5.4 and Exhibit 4);¹⁰ and
8. Increased outreach to public schools (Section 4.6.2 and Exhibit 5).¹¹

To understand how Recology plans to comply with each of the above existing contractual deficiencies, we request that it provide the District with a "Remediation Plan". That Remediation Plan should provide sufficient detail as to how Recology intends to address each of the eight (8) issues listed above, along with a proposed implementation schedule. Once we receive that information, it will be reviewed, and we will let you know if we have any additional questions.

In addition, to the above items, the District expects the following from Recology as conditions of the assignment:

1. A Review of Billings (Section 5.1.2), within the first year of any assignment;
2. A list of vehicles assigned to the District's franchise, with vehicle ages and anticipated vehicle replacement schedule; and
3. A "Transition Plan" that clearly lists the specific tasks, and associated schedule necessary to facilitate a seamless transition from NDS to Recology, including specific customer outreach to be provided.

Please know that the District is interested in completing its due diligence as quickly as possible. We would welcome the opportunity to meet with Recology to discuss the assignment, and the above issues and requests, and we look forward to working with Recology to develop reasonable Remediation and Transition Plans. Staff and R3 plan to discuss the assignment with the District's

⁶ The current Recycling Center property at 7576 Redwood Boulevard may be sold in the near future and is no longer a viable location for the Recycling Center or the HHW Facility. The District has requested that the Company pursue a new location for the Recycling Center and HHW Facility and considers this a very high priority.

⁷ The second buy-back center was closed several years ago and no new location has been provided. The District is anxious for the Company to provide a second buy-back location and fulfill this Agreement requirement.

⁸ There are no such required convenient locations available to customers.

⁹ This entire section speaks to the customer service requirements, including adequacy of telephone system to handle customer inquiries and responsible and qualified Company representatives to communicate with the public. The District continues to receive complaints about wait times and missed pick-ups. It is expected that the Company will resolve all outstanding customer service complaints.

¹⁰ The Company should fully promote services in print and electronic material as required by Agreement. The Company website should reflect Zero Waste Goals.

¹¹ Although the Company has provided some outreach to schools, it has not encouraged worm composting, sponsored field trips, or significantly provided any electronic classroom materials. The Company should review school outreach programs to comply with Agreement requirements.

Mr. Michael J. Sangiacomo
Recology, Inc.
Subject: Request for Consent to Assignment
September 28, 2017
Page 4 of 4

Board of Directors (Board) at the October 9, 2017 Board Meeting. The earliest that we could expect any Board action on the assignment would be at its November 13, 2017 Board meeting, assuming all the above questions and requests, and any additional questions and/or requests that the Board or the District may have, have been effectively addressed by that date.

Please let me know if you would like to schedule a meeting with the District, and your anticipated timeline for responding to this request.

Sincerely,



Sandeep Karkal
General Manager-Chief Engineer

cc: Rick Powell, President, North Bay Corporation
William Schoen, R3 Consulting Group
Kent Alm, District Counsel, Meyers Nave

1512 Eureka Road, Suite 220, Roseville, CA 95661
Tel: 916-782-7821 | Fax: 916-782-7824

2600 Tenth Street, Suite 424, Berkeley, CA 94710
Tel: 510-647-9674

627 S. Highland Avenue, Suite 300, Los Angeles, CA 90036
Tel: 323-559-7470

October 27, 2017

Mr. Sandeep Karkal
Novato Sanitary District
5000 Davidson Street
Novato, CA 94945

Re: Letter Report - Review of the Proposed Assignment of Novato Disposal Services Franchise to Recology

Dear Mr. Karkal:

R3 Consulting Group, Inc. (R3) was engaged by the Novato Sanitary District (District) to Review the Proposed Assignment of Novato Disposal Service's (NDS) Franchise to Recology. NDS is owned by The Ratto Group (TRG). Our review involved two distinct components. The first was a global review of issues related to the assignment that affect all jurisdictions for which TRG is requesting assignment of its contracts. The second component addresses issues specific to the District. This Letter Report presents the results of our review to date.

Background

Global Review

The cities, towns, counties and other agencies (Agencies) holding solid waste collection franchise agreements and other agreements (Agreements) with the various subsidiary companies of TRG have received requests from TRG to assign the Agreements to Recology Sonoma Marin (Recology), a subsidiary of Recology, Inc.

TRG and Recology have entered into an Asset Purchase Agreement (APA) that involves Recology acquiring substantially all of the assets of TRG, including the Agreements as well as all equipment and facilities currently used by TRG to perform services for the Agencies. Unlike a stock purchase, wherein the entire company would be purchased and operations taken over under a new name, this asset purchase would effectively render TRG without assets to provide services, as those assets would become the property of Recology.

R3 Consulting Group, Inc. (R3) was engaged to conduct a review of the fitness of Recology on behalf of the Agencies in order to establish findings regarding the proposed assignment.

This review included an assessment of:

- Assignment provisions and other requirements of available Agreements;
- Financial and operational information provided by TRG and Recology, and establishment of findings of the appropriateness of assignment based on our review; and
- Likely effects of assignment on rates and services for individual agencies.

It should be made clear that R3 was not able to review the APA as TRG and Recology stated that the APA is confidential and would not be provided for review. As a result, R3's global review of the fitness of Recology was limited to a review of the vehicle and facility assets subject to the APA and financial and

operational documents provided by Recology as they relate to Recology's ability to perform services for the Agencies per their respective Agreements.

Review of Issues Specific to the District

Section 11.6 (Assignment) of the franchise agreement between the District and NDS (**Attachment 1**), lays out the process for, and requirements related to, any assignment of the District's Franchise with TRG. Section 11.6.3 provides a listing of specific requirements that the proposed assignee (i.e., Recology) must satisfy, including solid waste management experience. To a large extent, the assessment of Recology's compliance with those requirements have been covered in the global review that was conducted. Separate from those more global requirements, a review of District specific issues related to the proposed assignment was conducted. That review identified issues specific to NDS's performance of its contractual obligations, and Recology's plan for addressing those issues where NDS is not currently in compliance with its contractual obligations.

Global Review Findings

A summary of our findings to date are as follows:

- Recology's operational experiences qualify the company to provide services under the agreements;
- Recology's financial resources appear sufficient to meet the obligations of the agreements, including vehicle and equipment capital replacements planned for 2018;
- The Agencies should anticipate that Recology will request rate increases in the near future; and
- The Agencies generally have some discretion regarding whether or not to consider and accept these rate increases (depending on their timing and justification).

We offer these findings with the caveat that neither Recology nor TRG provided us access to the Asset Purchase Agreement (APA), and our findings are limited by lack of access to this information. Moreover, R3 has found that the vehicle fleet to be purchased by Recology from TRG will likely largely require replacement in the near future. We have found that the average age of the vehicle fleets assigned to some Agencies is much greater than others, meaning that those agencies could face a larger rate increase than other agencies.

Attachment 2 contains a copy of the Executive Summary from the Draft Report on Review of Assignment of TRG.

Review of District Specific Issues

TRG and Recology sent the District a Request for Consent of Assignment on August 18, 2017 (**Attachment 3**). Recology then submitted a letter to the District on August 25, 2017 (**Attachment 4**) providing responses to the assignment requirements described in Section 11.6 of the franchise agreement between the District and NDS (**Attachment 1**).

Critical Issues

The District issued a letter to Recology on September 28, 2017 (**Attachment 5**) that included, among other things, a listed the following eight (8) critical issues related to NDS's performance under the Agreement that require prompt attention:

1. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015;

2. The poor performance of NDS's Commercial and MFD Organic Waste Service (Section 4.3.4), particularly given its failure to meet its 60% Landfill Diversion Requirement;
3. Failure to provide MFD Recycling Tote Bags (Section 4.4.2);
4. Relocation of the Recycling Center (Section 4.11.7), and HHW Facility and the addition of a second Buy-back (4.8.2);
5. Lack of provision of two (2) convenient locations in the Novato area where payments can be made (Section 5.2.1);
6. Lack of adequacy of NDS's customer service system (Section 5.2);
7. Increased community outreach (Section 5.4 and Exhibit 4); and
8. Increased outreach to public schools (Section 4.6.2 and Exhibit 5).

That letter also requested that Recology provide a "Remediation Plan" to address each of those eight (8) issues, and a "Transition Plan" that lists specific tasks, and associated schedule for the transition. Recology subsequently submitted a "Recology Sonoma Marin Transition Plan for Novato Sanitary District" (**Attachment 6**), that provided various general information related to Recology's employee training, diversion plans, management of vehicles and equipment, customer service plans, and additional contractual requirements. Recology also submitted a Public Education & Outreach Plan (**Attachment 7**) that provided information on Recology's website, newsletters, mailers, waste audits and other public education strategies, and an October 26, 2017 letter re: "Response to Letter from Novato Sanitary District dated September 28, 2017 (**Attachment 8**). That October 26, 2017 letter provided specific responses to each of the eight (8) critical issues listed above, and committed to providing the District with a proposal on how it would meet the contractual diversion requirements within three (3) months of the assignment.

Diversion Requirements

Among the eight (8) identified issues is the NDS's failure to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015. Meeting the 60% contractual Landfill Diversion Requirements will require a concerted effort by Recology to maximize diversion through existing programs, including commercial recycling and commercial organics programs. Should Recology fail to meet that requirement, or comply with any other contractual requirements, Section 10.3 (Liquidated Damages) (**Attachment 9**) includes the following provision:

"Accordingly, the District may, in its discretion, but after complying with notice and hearing procedures set forth below, assess liquidated damages not to exceed Five Hundred (\$500.00) per day, for each calendar day that Collection Service¹ is not provide by the Company in accordance with this agreement."

Section 4.9 (Zero Waste Minimum Requirements) contemplates the potential need for Wet-Dry Collection (Section 4.9.7) to meet the December 31, 2020 70% Landfill Diversion Requirement, and Conversion Technology (Section 4.9.8) to meet the December 31, 2025 80% Landfill Diversion Requirement (**Attachment 10**).

Recommendation

Based on the representations of Recology, as presented in the various documents referenced in this report and elsewhere, and pending execution of an Assignment and Assumption Agreement that is acceptable

¹ Collection Services is defined in Section 1.12 as: Single-Family Collection Service (SFD), Multi-family Collection Services (MFD), Commercial Collection Service, and Debris Box Collection Service, and Collection Service for Local Governmental Agencies Within the District Boundaries.

to the District, we recommend that the District approve the assignment of NDS's franchise to Recology. **Attachment 11** provides a preliminary draft Assignment and Assumption Agreement developed by Recology. The District is currently drafting revisions to this document.

* * * * *

We appreciate the opportunity to be of assistance to the District. Should you have any questions regarding this submittal or need any additional information, please contact me by cell at (510) 292-0853, or by email at wschoen@r3cgi.com.

Sincerely,

R3 CONSULTING GROUP



William Schoen | Principal

Attachments:

- 1 Section 11.6 (Assignment) of Franchise Agreement
- 2 Executive Summary – Draft Report on Review of Assignment of TRG Agreements to Recology, October 16, 2017
- 3 Recology and TRG August 18, 2017 Letter to District
- 4 Recology August 25, 2017 Letter to District
- 5 District September 28, 2017 Letter to Recology
- 6 Recology Sonoma Marin Transition Plan for Novato Sanitary District
- 7 Novato – Public Education and Outreach Plan
- 8 Recology October 26, 2017 Letter to District
- 9 Section 10.3 (Liquidated Damages) of Franchise Agreement
- 10 Section 4.3 (Zero Waste Minimum Requirements) of Franchise Agreement
- 11 Draft Assignment and Assumption Agreement

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ARTICLE 11 OTHER AGREEMENTS OF THE PARTIES

11.1 Relationship of Parties

The parties intend that the Company shall perform the services required by this Agreement as an independent the Company engaged by the District and not as an officer or employee of the District nor as a partner of or joint venture with the District. No employee or agent of the Company shall be or shall be deemed to be an employee or agent of the District. Except as expressly provided herein, the Company shall have the exclusive control over the manner and means of conducting the Collection Services performed under this Agreement, and all persons performing such services. The Company shall be solely responsible for the acts and omissions of its officers, employees, subcontractors, and agents. Neither the Company nor its officers, employees, subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits that accrue to District employees.

11.2 Compliance with Law

In providing the services required under this Agreement, the Company shall at all times, at its sole cost, comply with all applicable statutes, ordinances and laws of the United States, the State of California, applicable local public agencies (including the District); and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term.

11.3 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

11.4 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of the State of California, County of Marin, or within the U.S. District Court, Northern District of California.

With respect to venue, the parties agree that this Agreement is made in and will be performed in Marin County.

11.5 Mediation

The parties agree to consider mediation prior to filing suit, provided, however, that there is no concern as to a statute of limitations issue. If either party files suit with respect to performance of this Agreement, the parties agree to seek mediation services during the first ninety (90) days of the lawsuit.

11.6 Assignment

Except as may be provided for in Article 9 (District's Right to Perform Service), neither party shall assign its rights nor delegate, subcontract, or otherwise transfer its obligations under this Agreement to any other person without the prior written consent of the other party, except as provided for a joint powers authority described below. Any such

Attachment 1

1 assignment made without the consent of the other party shall be void and the attempted
2 assignment shall constitute a material breach of this Agreement.

3 For purposes of this Section, when used in reference to the Company, "assignment" shall
4 include, but not be limited to (i) a sale, exchange, or other transfer of substantially all of
5 the Company's assets dedicated to service under this Agreement to a third party; (ii) a
6 sale, exchange, or other transfer of the outstanding common stock of the Company to a
7 third party, provided said sale, exchange, or transfer may result in a change of control of
8 the Company; (iii) any dissolution, reorganization, consolidation, merger, re-
9 capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow
10 arrangement, liquidation, or other transaction to the Company, any of its shareholders,
11 subsidiary, or parent company is a party which results in a change of ownership or
12 control of the Company; (iv) any assignment by operation of law, including insolvency or
13 bankruptcy, assignment for the benefit of creditors, writ of attachment for an execution
14 being levied against this Agreement, appointment of a receiver taking possession of the
15 Company's property, or transfer occurring in the event of a probate proceeding; (v)
16 transfer of responsible management control of the Company from the current Chairman
17 of the Board (James Ratto); and (vi) any combination of the foregoing (whether or not in
18 related or contemporaneous transactions) that has the effect of any such transfer or
19 change of ownership, or change in control of the Company. Nothing herein shall be
20 deemed to prevent the current Chairman of the Board of the Company (James Ratto)
21 from buying out other shareholders of the Company.

22 The Company acknowledges that this Agreement involves rendering a vital service to the
23 District's residents and businesses, and that the District has selected the Company to
24 perform the services specified herein based on (1) the Company's experience, skill, and
25 reputation (and that of James Ratto as the responsible managing officer of the Company)
26 for conducting its solid waste management operations in a safe, effective, and responsible
27 fashion, at all times in keeping with applicable waste management laws, regulations and
28 good waste management practices, and (2) the Company's financial resources to maintain
29 the required equipment and to support its indemnity obligations to the District under this
30 Agreement. The District has relied on each of these factors, among others, in choosing
31 the Company to perform the services to be rendered by the Company under this
32 Agreement.

33 If the Company requests the District's consideration of, and consent to, an assignment,
34 the District may deny or approve such request in its complete discretion. Approval by the
35 District, however, of such requested assignment, shall not be unreasonably withheld. It
36 shall be the responsibility of the Company, in requesting an assignment, to comply with
37 the following requirements:

38 **11.6.1** The Company shall undertake to pay the District its reasonable expenses for
39 attorney's fees and investigation costs necessary to investigate the suitability of
40 any proposed assignee, and to review and finalize any documentation required as
41 a condition for approving any such assignment;

Attachment 1

1 **11.6.2** The Company shall furnish the District with audited financial statements of the
2 proposed assignee's operations for the immediately preceding three (3) operating
3 years;

4 **11.6.3** The Company shall furnish the District with satisfactory proof: (i) that the
5 proposed assignee has at least ten (10) years of solid waste management
6 experience on a scale equal or to exceeding the sale of operations conducted by
7 the Company under this Agreement; (ii) that in the last five (5) years, the
8 proposed assignee has not suffered any significant citations or other censure from
9 any federal, state, or local agency having jurisdiction over its waste management
10 operations due to any significant failure to comply with state, federal, or local
11 waste management laws and that the assignee has provided the District with a
12 complete list of such citations and censures; (iii) that the proposed assignee has at
13 all times conducted its operations in an environmentally safe and conscientious
14 fashion; (iv) that the proposed assignee conducts its solid waste management
15 practices in accordance with sound waste management practices in full
16 compliance with all federal, state, and local laws regulating the collection and
17 disposal of waste, including hazardous waste; (v) that the proposed assignee has a
18 net worth, liquidity, and debt structure at least as favorable as the Company's; (vi)
19 that the proposed managing official of assignee is qualified to supervise assignee's
20 operations in performing the Agreement; (vii) of any other information required
21 by the District to ensure the proposed assignee can fulfill the terms of this
22 Agreement in a timely, safe, and effective manner.

23 The Company shall have a reasonable period of time in which to seek approval of
24 any assignment occasioned by operation of law.

25 Under no circumstances shall the District be obliged to consider any proposed
26 assignment by the District if the Company is in default at any time during the
27 period of consideration.

28 **11.6.4** Acquisition costs incurred by assignee in purchasing the Company, or otherwise
29 securing assignment of the Agreement, shall be excluded from allowable costs in
30 the rate base.

31 Nothing in this Agreement is intended to prevent the District from assigning its
32 rights and obligations under this Agreement to a joint powers authority organized
33 for the purpose of dealing with solid waste management matters on a countywide
34 or regional basis. Such an assignment to a joint powers authority, where the
35 District is a member agency, may occur without prior written consent of the
36 Company.

37 If the District requests consideration of and consent to an assignment (other than
38 to a joint powers authority which the District is a member), the Company may
39 deny or approve such request in its complete discretion. The Company may
40 request that the proposed assignee of the District provide such documents,

Attachment 1

1 resolutions, and ordinances that may be necessary for the Company to properly
2 evaluate assignment to proposed assignee.

3 For purposes of this section, the term "proposed assignee" shall refer to the
4 proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

5 **11.7 Other Agreements**

6 The Company shall not enter into any agreements subsequent to the within Agreement
7 that materially interferes with the Company's ability to perform its obligations contained
8 herein.

9 Any agreements that the Company proposes to enter into with entities other than the
10 District, providing for disposal of Garbage, or for long-term (i.e., over three (3) years)
11 commitment of wastestream, including Recyclable Materials and Organic Waste, shall be
12 submitted by the Company to the District for review prior to said agreements becoming
13 effective. The District may, at its sole discretion, approve or disapprove said agreements,
14 or approve of said agreements subject to conditions or limitations set by the District.

15 **11.8 Related Party Entities**

16 The Company's accounting records shall be maintained on a basis showing the results of
17 the Company's operations under this Agreement separately from operations in other
18 locations, as if the Company were an independent entity providing service only to the
19 District. The costs and revenues associated with providing service to the District shall
20 not be combined, consolidated or in any other way incorporated with those of other
21 operations conducted by the Company in other locations, or with those of related party
22 entities.

23 If the Company is owned or controlled by another corporation, then the financial reports
24 and auditor's opinions required of the Company shall also be required of such "parent
25 company."

26 **11.9 Subcontracting**

27 The Company shall not engage any subcontractors for Collection or disposal of Garbage
28 without the prior written consent of the District. In the event of an emergency or other
29 urgent circumstances (e.g. labor unrest), the District's consent to subcontracting shall not
30 be unreasonably withheld.

31 **11.10 Binding on Assigns**

32 The provisions of this Agreement shall inure to the benefit of and be binding on all
33 permitted assigns of the parties.

34 **11.11 Transition to Next Company**

35 If transition of services to another company occurs through expiration of term, default,
36 termination, or otherwise, the Company will cooperate with the District and subsequent
37 company(ies) to assist in an orderly transition, which will include Company providing
38 route lists and billing information. The Company will not be obliged to sell collection
39 vehicles and Containers to the next company or the District. Depending on the
40 Company's circumstances at the point of transition, the Company at its option may enter

Attachment 2

October 16, 2017

Report on Review of Assignment of TRG Agreements to Recology

Page 1 of 54

Section 1: Executive Summary

1.1 Introduction

The cities, towns, counties and other agencies (Agencies) holding solid waste collection franchise agreements and other agreements (Agreements) with the various subsidiary companies of The Ratto Group, Inc. (TRG) have received requests from TRG to assign the Agreements to Recology Sonoma Marin (Recology, a subsidiary of Recology, Inc.).

TRG and Recology have entered into an Asset Purchase Agreement (APA) that involves Recology acquiring substantially all of the assets of TRG, including the Agreements as well as all equipment and facilities currently used by TRG to perform services for the Agencies. Unlike a stock purchase, wherein the entire company would be purchased and operations taken over under a new name, this asset purchase would effectively render TRG without assets to provide services, as those assets would become the property of Recology.

The City of Petaluma has engaged R3 Consulting Group, Inc. (R3)¹ to conduct a review of the fitness of Recology on behalf of the Agencies in order to establish findings regarding the proposed assignment. This review included a thorough assessment of:

- Assignment provisions and other requirements of available Agreements;
- Financial and operational information provided by TRG and Recology, and establishment of findings of the appropriateness of assignment based on our review; and
- Likely effects of assignment on rates and services for individual agencies.

It should be made clear that R3 was not able to review the APA as TRG and Recology stated that the APA is confidential and would not be provided for review. As a result, R3's review of the fitness of Recology was limited to a review of the vehicle and facility assets subject to the APA and financial and operational documents provided by Recology as they relate to Recology's ability to perform services for the Agencies per their respective Agreements.

1.2 What is the Asset Purchase Agreement (APA)?

Recology has stated to R3 that they are purchasing all of the assets used by TRG to perform its contractual obligations under the Agreements, including the Agreements and the assets listed below. Recology has stated that unlike in a traditional business acquisition by way of merger or stock purchase, Recology is not acquiring any of the actual subsidiaries of TRG. Moreover, Recology is not acquiring, nor hiring, all of TRG's existing employees. TRG will not be a subsidiary or affiliate of Recology.

Although R3 was unable to review the APA, Recology listed the following as being included under the APA. R3 has requested specifics regarding the items listed below, most of which have been made available.

- All permits;
- All franchise agreements;

¹ The engagement is under a contractual relationship with the City of Petaluma, to be paid for by TRG per the assignment terms of the collection agreement.

Attachment 2

October 16, 2017

Report on Review of Assignment of TRG Agreements to Recology

Page 2 of 54

- All other agreements such as transport;
- All equipment used by TRG and its subsidiaries, including:
 - An estimated 600,000 carts;
 - An estimated 15,000 containers; and
 - Software, spare parts, computers, etc.
- All motor vehicles used by TRG and its subsidiaries:
 - 238 Collection, Transfer, and Street Sweeping Vehicles, of which 19 are subject to immediate replacement by Recology; and
 - 50 Support Vehicles, of which 8 are subject to immediate replacement by Recology.
- All materials handling equipment, including the Material Recovery Facility located at 3417 Standish Avenue;
- All real property used in the business, including:
 - Transfer Station & Maintenance Facility at 2543 Petaluma Blvd South, Petaluma, CA;
 - Material Recovery Facility at 3417 Standish Avenue, Santa Rosa, CA;
 - Administration & Maintenance Facility and Material Recovery Facility at 3400 Standish Avenue, Santa Rosa, CA;
 - Truck Yard at 3284 and 3296 Dutton Ave., Santa Rosa, CA;
 - Commercial bin and debris box storage at 3845 and 3855 Santa Rosa Ave., Santa Rosa;
 - Petaluma - Administration & Maintenance Facility at 1309 Dynamic Street, Petaluma, CA; and
 - Novato - Buy Back and HHW (leased) at 7576 Redwood Blvd, Novato, CA.

It should also be noted that TRG and Recology were required to file a premerger notice to the Federal Trade Commission (FTC) pursuant to the Hart-Scott-Rodino (HSR) Act. Per the HSR Act, certain proposed transactions – such as the Recology APA of TRG – require premerger notification and a waiting period. Parties subject to the HSR Act may not close their deal until the waiting period outlined in the HSR Act has passed, or the government has granted early termination of the waiting period. The FTC completed an early termination notice of the deal on September 15, 2017, with permission for the transaction granted.²

1.3 What is the Assignment?

Assignment is the transfer of an agreement's obligations and benefits from one party to another party. In this case, TRG is seeking to assign its obligations and benefits under the Agreements between the Agencies and TRG to Recology Sonoma Marin, a wholly owned subsidiary of Recology Inc. All current TRG Agreements made available for review require that TRG obtain consent to assign the Agreements for the assignment to Recology to be valid.

The majority of the Agreements require TRG to furnish the Agencies with satisfactory proof that the proposed assignee (Recology) has refuse management experience on a scale equal to or exceeding the

² <https://www.ftc.gov/enforcement/premerger-notification-program/early-termination-notice/20171870>

Attachment 2

October 16, 2017

Report on Review of Assignment of TRG Agreements to Recology

Page 3 of 54

sale of operations conducted by TRG, three to five years of audited financial statements, and any other information required by the Agencies to ensure that Recology can fulfill the terms of the Agreements in a timely, safe, and effective manner.

Recology has stated that because they are purchasing all of the assets used by TRG to perform contractual obligations, TRG will no longer be able to perform under the Agreements once the asset purchase has been completed because TRG will no longer possess assets needed to perform services.

1.4 Recology's Qualifications for Assignment

Financial and Operational Qualifications

Section 2 of this Report provides R3's review of Recology's audited financial statements as well as a letter from Bank of America (Attachment 1) which is Recology's primary creditor and which reviewed the APA. This is followed by Section 3, which provides R3's assessment of Recology's fitness to perform the activities covered under the Agreements. Specifically, we have reviewed Recology's qualifications to performs services currently provided by TRG, their performance under current Agreements with other jurisdictions, and plans submitted by Recology demonstrating ability to meet terms and conditions of the agreements. The general qualification areas reviewed by R3 are as follows:

- Financial Ability;
- Collection and Street Sweeping Operations;
- Safety;
- Facilities and Environmental Compliance;
- Customer Service; and
- References.

Findings

Overall, from an operational and financial perspective, R3 finds that Recology is qualified to perform services required by the Agreements. Specifically, we find that Recology:

- Understands and is committed to complying with all terms and conditions in the Agreements;
- Has more than 10 years of solid waste collections experience;
- Generally operates in compliance with all applicable laws and regulations;³

³ On June 8, 2000, Norcal Waste Systems, Inc. (Norcal), which changed its name to Recology Inc. in 2009, along with 21 other entities and individuals, including certain present and former County officials, were named in a lawsuit was one of a number of parties regarding a bribery scheme related to waste management contracts and services for the County of San Bernardino. Kenneth James Walsh, a vice president of Norcal who was terminated by Norcal on August 27, 1999, pleaded guilty to a federal criminal charge of conspiracy to commit bribery and was sentenced in 2000 to 18 months in federal prison. The County of San Bernardino, and other County-related entities, filed a civil complaint against Norcal, Walsh, and others alleging a variety of claims including breach of fiduciary duty, fraud, and unjust enrichment. Norcal denied that it had engaged in any wrongdoing of any kind and, in particular, that it had any liability in connection with the matter. Norcal entered into a settlement agreement before trial, which included a \$6,561,000 payment to the County and cancellation of its contract. More information about the matter can be found at <http://caselaw.findlaw.com/ca-court-of-appeal/1490527.html>

Attachment 2

October 16, 2017

Report on Review of Assignment of TRG Agreements to Recology

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- Has an established employee onboarding, training and safety program that includes tracking, analyzing, and reporting workers' compensation, and automobile/general liability safety metrics;
- Operates its facilities in accordance with State Minimum Standards;⁴
- Has a defined plan to manage the aging fleet and maintain a vehicle replacement schedule to reduce the average age down to 7.5 to 9 years (compared to the current average of 13 years);
- Demonstrates waste zero specialist training and outreach and education materials to provide communities focused resources that address the needs of the Agencies;
- Has stated that reporting will be provided in a timely manner and in a format as agreed on mutually between Recology and each individual Agency;
- Provides enterprise-class tools and adequate processes, staffing, training, and management to deliver effective customer service;
- Was recommended by all but one jurisdiction of the 23 contacted during reference checks;
- Maintenance tools and overall approach are adequate and incorporate current industry practices;
- Has outreach and educations plans indicating that they will be capable of performing all Agreement requirements;
- Is financially capable of performing its duties if assigned the Agreements under consideration. Recology's financial health is within expectations for solid waste companies of its size, which should allow it access to sufficient lines of credit which may be used in performing services under the Agreements;
- Has approximated their capital investment outlay at \$60 Million in 2018 for replacing vehicles and collection containers. Per Bank of America, Recology has access to over \$580 Million of available liquidity for direct borrowing, subject to certain conditions. Recology is in good standing with Bank of America and is in compliance with all covenants related to its credit;
- Obligations from the acquisition of TRG's assets, Agreement revenues, and operations represents an approximate 13% growth in company size for Recology, which will be a company with over \$1 Billion in annual revenue post-assignment; and
- Estimated 2018 Recology overall net profits are within the range of Recology's five-year profit trend based on the combination of revenues and expenses from Recology and TRG, escalated conservatively and in keeping with prior trends, and including moderate assumptions about changes in revenues and expenses in 2018.

1.5 Potential Impacts of Assignment

Based on statements and information provided by Recology, as well as our professional assessment of the asset purchase and assignment of the Agreements, it is clear that Recology will be requesting rate increases in the near future. Reasons that we expect rate increases to be imminent include:

⁴ Limited permit violations documented in our analysis are commonplace among facility operators throughout the State.

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Report on Review of Assignment of TRG Agreements to Recology

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- Higher cost of operations due to need for new trucks, containers, and other equipment (in addition to the assets being purchased from TRG) to fulfill the terms and conditions of the Agreements, especially in the case of Agreements whose terms are not currently being met;
- Higher cost of labor resulting from a collective bargaining agreement (CBA) between Recology and Teamsters Local 665; and
- Recology has stated that it intends to present rate increase requests to Agencies as soon as six months after the TRG purchase is completed.

Though Agencies should expect to receive a request for rate increases in the near future, it should be noted that **most Agencies are not obligated to consider or accept rate increase requests** except under specific conditions (with the specifics and timelines varying by Agency). Additionally, though Agencies should anticipate rate increases in the near future, neither Recology nor R3 is presently able to provide accurate estimates of the magnitude of likely increases.

Seven of the Agreements (Cloverdale, Cotati, Healdsburg, Marin County, Novato Sanitary District, Petaluma, and Rohnert Park) include a detailed rate review provision, meaning that (for those agencies) Recology may submit a detailed rate application demonstrating actual and forecasted costs and revenues from operations and providing detailed justification for a rate increase request.

Under these provisions, Agencies have the ability to conduct a detailed review of the rate application, make adjustments to the rate application to ensure that costs are reasonable and appropriate, and then consider adjustments to rates. In some cases, Agencies may deny the entire request at their full discretion. A more detailed analysis of the applicable Agreement terms for each Agency (as made available to R3) is in Section 4 of this Report.

1.6 Next Steps

Agencies should anticipate next steps for assignment as described below. R3 is available to work with each Agency individually to assist in any of the following areas:

- Reviewing Agency specific assignment details;
- Preparing Agreement amendments;
- Participating in Agency meetings related to the assignment request;
- Overseeing transition activities;
- Conducting operational performance reviews; and
- Reviewing additional requests (i.e., rate increases, route changes, etc.).

Prior to accepting an assignment each individual Agency should confirm that all prerequisites for assignment of their Agreement have been met as stipulated by their Agreement, commonly including but not limited to:

- Any payments required to be made (often inclusive of staff time spent evaluating TRG's request for assignment and other reasonable expenses);
- Those requirements that have been reviewed by R3 and findings reported via this Report; and
- Those requirements that may not have been reviewed by R3, as applicable.

Agencies should prepare:

Attachment 2

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Report on Review of Assignment of TRG Agreements to Recology

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- Staff report for Council understanding of assignment;
- Council resolution accepting, denying, or deferring TRG's request for assignment; and
- If assignment is to be approved, an amendment to the applicable Agreement accepting assignment, adjusting company name as appropriate, and any other prerequisites to assignment of agreement as determined by Agency (including provisions in the Agreement that refer to insurance provisions, as Recology is self-insured).

Should Agencies choose to accept the assignment of the Agreements to Recology, Recology will commence transition activities, which are described in Section 6 (Transition Activities After Assignment); Section 6 also includes additional considerations for the Agencies relating to assignment.

1.7 Limitations

The following sections of this Report, and our findings, were compiled based on the information and documents listed in each of the following sections. Neither Recology nor TRG provided us access to the APA, and our findings are limited by lack of access to this information. While we were able to review the truck list and replacement schedule, insufficient information exists in order to determine how many containers in service will require replacement due to incorrect color, incorrect or inadequate labeling, or non-functionality; therefore, the financial scale of container replacement was not evaluated.

Additionally, it should be noted that while this Report presents overall findings regarding Recology's fitness for assignment of Agencies' Agreements, it does not comprise of the entirety of the due diligence necessary for review of assignment, elements of which must be conducted by each individual Agency. R3 is available to review those specific items as requested on an individual basis with the Agencies

Attachment 3



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.

Attachment 3

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.

Attachment 4

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 combines 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.

Attachment 4

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

Attachment 4

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.

Attachment 4

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,

A handwritten signature in blue ink, appearing to read "Michael J. Sa ngiacomo".

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

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



Attachment 5

NOVATO SANITARY DISTRICT

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

BOARD OF DIRECTORS

JERRY PETERS, President
CAROLE DILLON-KNUTSON, President Pro-Tem
WILLIAM C. LONG
JEAN MARIANI
BRANT MILLER

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

KENTON L. ALM
Legal Counsel

September 28, 2017

Mr. Michael J. Sangiacomo
President and Chief Executive Officer
Recology, Inc.
50 California Street, 24th Floor
San Francisco, CA 94111-9796

Subject: 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 Mr. Sangiacomo:

The Novato Sanitary District (District) received your August 25, 2017, letter regarding the "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 ("Recology"). We have engaged R3 Consulting Group, Inc. (R3) to assist the District with its consideration of the requested assignment, and are actively moving forward with our review.

As you are aware, as part of R3's support to the District, and other jurisdictions in Sonoma and Marin County to whom Recology has made similar assignment requests, R3 is conducting due diligence related to Recology's corporate strength, capabilities, and performance. Based on the results of that review, the District may have specific follow-up questions for Recology. At this time, we wish to focus on Recology's request for assignment of the District's franchise, and questions, and requested information specific to the assignment.

The District entered into the Agreement with Novato Disposal Service (NDS) on March 15, 2011. The Agreement expires at midnight on December 31, 2025, except in the event of assignment, in which case the term of the Agreement shall be reduced to a maximum of seven (7) years from the date of the assignment. The District also has the option to extend the term of the Agreement for a maximum additional sixty (60) months.

Attachment 5

Mr. Michael J. Sangiacomo
Recology, Inc.
Subject: Request for Consent to Assignment
September 28, 2017
Page 2 of 4

Under the terms of the Agreement, the Company's¹ rates are to be adjusted annually on January 1st, based on the specified Refuse Rate Index (RRI) calculation, or detailed rate review, if requested by either the District or the Company. The starting basis for a detailed rate review is the Company's audited financial statements for the most recently completed fiscal year (January 1 – December 31). If the Agreement is assigned to Recology prior to January 1, 2018, the soonest that a detailed rate review can be conducted would be in 2019, with Recology's 2018 audited financial statement serving as the starting basis for that review. Any associated rate adjustment would be effective January 1, 2020.

Section 11.6.3 of the Agreement states that: *"Under no circumstances shall the District be obliged to consider any proposed assignment by the District if the Company is in default at any time during the period of consideration."*

Should the District consent to the assignment, much of the basis for that consent is the District's expectation that Recology will:

- Implement and operate a high-diversion system that meets the current 60% Landfill Diversion Requirement, and the 2020 (70%) and 2025 (80%) requirements; and
- Effectively comply with all terms and conditions of the Agreement.

With that understanding, there are a number of critical issues with respect to NDS's performance under the Agreement that require prompt attention, including:

1. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015;^{2,3}
2. The poor performance of NDS's Commercial and MFD Organic Waste Service (Section 4.3.4),⁴ particularly given its failure to meet its 60% Landfill Diversion Requirement;
3. Failure to provide MFD Recycling Tote Bags (Section 4.4.2);⁵

¹ The Agreement refers to the "Company" rather than the "Contractor".

² The Company's 2016 Landfill Diversion Rate was 51.6%.

³ Recognizing that several issues, including markets, have caused problems with diversion percentages, several required programs, including school recycling, and commercial and MFD organics collection have either not been enacted or have not met their implementation dates. The District expects the Company to fulfill the Zero Waste Minimum Landfill Diversion Requirements, and provide the District with a detailed description of the specific programs and efforts it intends to undertake to do so.

⁴ Although Novato Disposal has provided some commercial organics collection, it is very limited, and appears to be at a standstill. CalRecycle has indicated to the District that this is a very high priority, and AB 1383 will require significant organics diversion in the next few years. The Company needs to provide the services as required under this section of the Agreement.

⁵ MFD Recycling Tote Bags have never been provided by the Company, as required by the Agreement.

Attachment 5

Mr. Michael J. Sangiacomo
Recology, Inc.
Subject: Request for Consent to Assignment
September 28, 2017
Page 3 of 4

4. Relocation of the Recycling Center (Section 4.11.7)⁶, and HHW Facility and the addition of a second buy-back center (4.8.2);⁷
5. Lack of provision of two (2) convenient locations in the Novato area where payments can be made (Section 5.2.1);⁸
6. Lack of adequacy of NDS's customer service system (Section 5.2);⁹
7. Increased community outreach (Section 5.4 and Exhibit 4);¹⁰ and
8. Increased outreach to public schools (Section 4.6.2 and Exhibit 5).¹¹

To understand how Recology plans to comply with each of the above existing contractual deficiencies, we request that it provide the District with a "Remediation Plan". That Remediation Plan should provide sufficient detail as to how Recology intends to address each of the eight (8) issues listed above, along with a proposed implementation schedule. Once we receive that information, it will be reviewed, and we will let you know if we have any additional questions.

In addition, to the above items, the District expects the following from Recology as conditions of the assignment:

1. A Review of Billings (Section 5.1.2), within the first year of any assignment;
2. A list of vehicles assigned to the District's franchise, with vehicle ages and anticipated vehicle replacement schedule; and
3. A "Transition Plan" that clearly lists the specific tasks, and associated schedule necessary to facilitate a seamless transition from NDS to Recology, including specific customer outreach to be provided.

Please know that the District is interested in completing its due diligence as quickly as possible. We would welcome the opportunity to meet with Recology to discuss the assignment, and the above issues and requests, and we look forward to working with Recology to develop reasonable Remediation and Transition Plans. Staff and R3 plan to discuss the assignment with the District's

⁶ The current Recycling Center property at 7576 Redwood Boulevard may be sold in the near future and is no longer a viable location for the Recycling Center or the HHW Facility. The District has requested that the Company pursue a new location for the Recycling Center and HHW Facility and considers this a very high priority.

⁷ The second buy-back center was closed several years ago and no new location has been provided. The District is anxious for the Company to provide a second buy-back location and fulfill this Agreement requirement.

⁸ There are no such required convenient locations available to customers.

⁹ This entire section speaks to the customer service requirements, including adequacy of telephone system to handle customer inquiries and responsible and qualified Company representatives to communicate with the public. The District continues to receive complaints about wait times and missed pick-ups. It is expected that the Company will resolve all outstanding customer service complaints.

¹⁰ The Company should fully promote services in print and electronic material as required by Agreement. The Company website should reflect Zero Waste Goals.

¹¹ Although the Company has provided some outreach to schools, it has not encouraged worm composting, sponsored field trips, or significantly provided any electronic classroom materials. The Company should review school outreach programs to comply with Agreement requirements.

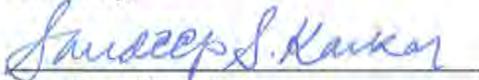
Attachment 5

Mr. Michael J. Sangiacomo
Recology, Inc.
Subject: Request for Consent to Assignment
September 28, 2017
Page 4 of 4

Board of Directors (Board) at the October 9, 2017 Board Meeting. The earliest that we could expect any Board action on the assignment would be at its November 13, 2017 Board meeting, assuming all the above questions and requests, and any additional questions and/or requests that the Board or the District may have, have been effectively addressed by that date.

Please let me know if you would like to schedule a meeting with the District, and your anticipated timeline for responding to this request.

Sincerely,



Sandeep Karkal
General Manager-Chief Engineer

cc: Rick Powell, President, North Bay Corporation
William Schoen, R3 Consulting Group
Kent Alm, District Counsel, Meyers Nave

Attachment 6



**RECOLOGY SONOMA MARIN TRANSITION PLAN
FOR NOVATO SANITARY DISTRICT**

Attachment 6

Transition Plan

Included in this plan is Recology Sonoma Marin's responses to the items raised in Novato Sanitary District's letter dated September 28, 2017, as well as Recology's detailed transition plan for Novato Sanitary District's service area and the related agreement. For ease of reading, Recology has provided an overview of the company's transition experience, followed by sections of information pertaining to the items raised in the letter and subsequent meetings held at the District on October 3rd, 2017.

With any new service implementation, Recology's goal is to ensure a smooth transition that minimizes disruption to customers. Recology's implementation team for the District understands the unique needs of the Agreement, and has tailored the following transition plan for the District and its customers.

Recology Transition Experience

Recology Inc. (the parent company of Recology Sonoma Marin) is a regional company locally-based in San Francisco. With approximately 3,300 employee-owners in California, Oregon, and Washington, Recology Inc. can supply a strong team of experienced managers and supervisors to assist with the contract transition. These managers and supervisors will assist with employee training, program implementation, procurement, and other duties to meet the needs of the transition.



Recology operating companies have been involved in several major transitions in recent years, and are ready to offer their expertise to guide the Novato Sanitary District transition:

- ❑ In 2011, Recology San Mateo County initiated services for the 12 jurisdictions of the South Bayside Waste Management Authority (SBWMA) in central and southern San Mateo County. The transition was recognized by industry experts as one of the largest of its kind in the United States, encompassing over 93,000 residential and 10,000 commercial and multi-family (MFD) customers.
- ❑ In 2009, Recology CleanScapes transitioned services for approximately half of the City of Seattle, marking the largest single-day transition in the region. Collection was transitioned for all three material streams – garbage, recycling, and organics.
- ❑ In 2001, Recology's San Francisco collection companies transitioned over 150,000 single- and multi-family households 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.

Employee On-Boarding and Training

Following the completion of all contract assignments and the close of the acquisition with The Ratto Group (TRG), Recology will re-hire current and eligible TRG employees as full time Recology team members. By purchasing TRG's company assets and hiring the existing employees, Recology aims to ensure continuity in service during the transition. This transition also presents an opportunity to revisit

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critical and fundamental training to increase operational efficiencies and safety, and set high customer service standards.

Safety and service are the keys to Recology's success since 1920, and our training programs will ensure a smooth, safe and effective transition for our team members and the communities we serve. Recology has developed customized training programs for its collection service employees, customer service staff, and Waste Zero staff. Below is an overview of these training programs:

Driver Training: All Recology drivers receive training in the operation of Recology equipment and the unique aspects of the collection program. Training is provided in the classroom and in the vehicle. Topics include:



- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology's culture. During this segment, drivers are taught about their job roles and expectations, as well as Recology's culture and values.
- ❑ Customer service training: This training explores the differences between basic customer service versus excellent customer service, and how every interaction with a customer is an experience and it should be positive and memorable. Drivers will learn methods to maintain professionalism when faced with difficult customers, and tips on how to resolve issues on their routes.
- ❑ Franchise training: During this session, drivers are taught general collection protocols to meet the requirements of the collection service agreement.
- ❑ Contamination training: This training, delivered by a Recology Waste Zero Team member, teaches drivers how to identify and document contaminated containers. Drivers will be trained on the procedures for tagging contaminated containers and using the on-board computer system to track contaminated loads.
- ❑ Maintenance training: This training teaches drivers their responsibilities for daily vehicle maintenance inspections.
- ❑ Dispatch Operations training: This training guides drivers through their Route Manual, which answers questions that a driver may have regarding their position and route responsibilities. Drivers can use the Route Manual as a frame of reference for specific job responsibilities, route practices and route expectations.
- ❑ Safety and Equipment Overview: This program guides drivers through the requirements of Recology's safety training program, to ensure compliance with regulations and industry best practices.
- ❑ Truck Training and Obstacle Course: The majority of Recology's driver on-boarding program is spent in the trucks, actively educating drivers on their use of the vehicles to ensure safety, efficiency, and customer service are top-of-mind as they perform their day-to-day job duties.

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Customer Service Specialist Training: Recology invests in the development of Customer Service Specialists (CSSs) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture. During this segment, CSSs are taught about their job roles and expectations, as well as Recology’s culture and values.
- ❑ Creating Memorable Customer Service: The goal of this training is to educate the CSS on Recology’s customer base, the services Recology provides, and the CSS’s role in delivering excellent service.
- ❑ Franchise Training: Franchise Training teaches the CSSs general protocols related to the agreement
- ❑ Technical Training Elements: The Technical Training portion covers the majority of the CSS training program. During these weeks, the CSSs learn the practical, technical skills they need to work with the Recology Customer Relationship Management System (RCRM) database.
- ❑ Contamination Training Delivered by an experienced Recology Waste Zero Specialist, the Contamination Training will teach CSSs on the proper procedures for identifying and documenting accounts with contamination.
- ❑ In-Field Ride-Along with a Driver: Communication between customer service, operations, and the route driver is vital to ensure customer needs are met. Therefore, Recology CSSs will go on a ride-along with a driver to observe field conditions and better understand how their role relates to customers and collection operations.



Waste Zero Specialist Training: Recology invests in the development of Waste Zero Specialists (WZS) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology’s culture. During this segment, WZSs are taught about their job roles and expectations, as well as Recology’s culture and values.
- ❑ Customer Service Training: The WZSs will then complete a training titled “Creating Memorable Customer Service,” delivered by the Customer Service Manager. The goal of this training is to educate the WZSs on Recology’s customer base, the services Recology provides, and their role in delivering excellent service.
- ❑ Outreach and Education Material Overview: The WZSs will receive focused training on the types of outreach materials available to teach customers about their programs and services. Please see the document titled “Novato - Public Education and Outreach Plan” for more details about the specific plans for outreach and education to the Novato Sanitary District service area.
- ❑ Franchise Training: During this session, WZSs are taught the protocols related to the agreement.

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- ❑ Contamination Training: Delivered by an experienced Recology WZS, the Contamination Training teaches employees how to identify and document contaminated containers.
- ❑ Facilities Tours: The WZSs will receive tours of the processing facilities, to better understand this fundamental aspect of the diversion process.
- ❑ Developing Presentation Skills: This training will provide the WZSs the tools they need to deliver hands-on presentations to an array of organizations, including homeowners' associations, business groups, environmental organizations, and schools.
- ❑ Conducting Waste Audits: During this training, WZS will be taught how to analyze a particular customer's material stream, with a focus on the diversion opportunities available to customers by business type.
- ❑ Providing On-Site Technical Assistance: This training will teach WZS the various types of Technical Assistance and training they will provide customers related to Recology's programs and the District's diversion goals.
- ❑ Reporting and Technical Requirements: This segment of the On-Boarding Program will teach the WZSs about the reporting requirements and their role in meeting those reporting needs
- ❑ Recology in the Community: During this on-boarding component, the WZSs will meet with a Recology Ownership Communication Committee (ROCC) Representative and a Recology Volunteer Liaison to learn more about Recology's dedication to the community
- ❑ Supervisor and Driver Ride-Alongs: During this component of training, the WZSs will ride with a Supervisor and/or Driver, to get an overview of the service area, the routes, and their responsibilities to support diversion goals.

Diversion Plans

Recology has excellent success in meeting diversion goals and requirements made in partnership with the communities served. Recology's mission represents a fundamental shift from traditional waste management - recovering more recyclables to be repurposed into new products and transforming organics to nutrient-rich soil amendments.

To support diversion goals, Recology offers dedicated Waste Zero Specialists. These individuals will be Recology's diversion liaisons in the community, responsible for tasks Recology can offer such as:

- ❑ Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and business type
- ❑ Coordinating and producing education events, including educational efforts in schools.
- ❑ Supporting local community service organizations
- ❑ Offering technical assistance to help all customers implement services and optimize diversion, including on-site training for businesses
- ❑ Outreach to homeowners' associations, business groups, multi-family tenants, and environmental organizations
- ❑ Conducting site visits to educate customers on diversion goals, contamination concerns, and new programs

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- ❑ On-site waste audits to help customers divert more material from the MSW stream and minimize contamination in the recycling and organics stream

The following sections provide an overview of the diversion programs, targeting each customer stream and material type. More information related to Recology's education and outreach philosophies and materials can be found in the "Novato – Public Education and Outreach Plan." All outreach materials for Novato Sanitary District are tailored to the District's needs and franchise agreement so that each customer is receiving information specific to their service area.

Single-Family Recycling Program

Recology offers many programs that contribute to higher diversion. Some of those programs could include working with the District and its residents to launch a Green Block Leader Program, which has been a successful tool to promote diversion programs among single-family residents in other Recology service areas. The program educates residents and encourages them to become local advocates of their diversion programs. Recology staff attends the neighborhood gatherings hosted by the Green Block Leaders to educate residents on their programs and services. This personal and local approach is an effective way to encourage single-family customers to increase their diversion efforts.

Single-Family Organics Program

To help customers participate in the organics collection program, Recology's educational outreach focuses on parsing the topic of "food scraps recycling" into manageable customer "behaviors" that would make the change easier for residents. Recology would set a measurable goal, determine barriers and benefits, and then develop a strategy and messaging.



To implement an outreach campaign, Recology would utilize a variety of communications channels, such as program brochures, public events, media, and community groups (such as the Green Block Leader Program described in the "Single-Family Recycling Program" above). By using a focused, integrated approach, the District and Recology would hope to see an increase in participation in the food scrap program over time.

Multi-Family Recycling Program

This program, led by the Waste Zero Specialists, is designed to help increase recycling participation among multi-family customers.

Recology has offered recycling services in urban environments for decades, and has found that multi-family complexes often have varying levels of participation. Small multi-family complexes (typically four to six units) are often more consistent with recycling participation. Larger complexes, however, face a different set of challenges to achieving diversion, including:

- ❑ Tenant turnover, which requires frequent and consistent messaging, outreach, and education to stay on diversion targets.
- ❑ Off-site and/or disengaged property managers who are reluctant to support diversion programs.

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- ❑ Garbage chutes, which can discourage tenants from successful source-separation.
- ❑ Space constraints, which can impact the ability to offer containers for three material streams.

Recology's Multi-Family Recycling Outreach Program can address these obstacles through a variety of outreach and education efforts. To encourage recycling participation, Recology can:

- ❑ Partner with homeowners' associations, resident organizations, and property managers to educate tenants on available programs.
- ❑ Offer specialized outreach and education material. Recology aims to increase tenant participation in recycling programs by providing easy-to-use tools and informative education pieces.
- ❑ Conduct comprehensive, on-site waste audits to maximize recycling participation and minimize contamination.
- ❑ Recommend service level changes and container placement to optimize participation.
- ❑ Suggest additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams, such as the Tote bags noted in section 4.4.2 of the Agreement.

Multi-Family Organics Program

Recology is available to work with the District to offer programs that aim to help multi-family customers adopt organics collection. Under these types of programs, the Waste Zero Specialists can offer multi-family properties comprehensive waste audits and tailored outreach and education specific to implementing organics programs at their properties. These programs could include:

- ❑ Comprehensive, on-site waste audits to maximize organics participation and minimize contamination.
- ❑ Partnerships with homeowners' associations, resident organizations, and property managers to educate tenants on organics.
- ❑ Organics 101 Workshops, led by a Recology Waste Zero Specialist. The Workshop:
 - ❑ Discusses the materials accepted in the complex's organics program
 - ❑ Educates residents on the environmental benefits of composting, including the reduction in greenhouse gas emissions at the landfill, and nutrient-rich compost that is created from their food scraps
 - ❑ Provides details on steps to participate in the program
 - ❑ Provides an array of educational material

Commercial Recycling Program

Recology can also offer programs that aim to help commercial customers see their blue recycling carts/bins as a primary container for diversion. The program focuses on bringing high-volume generators into compliance early on, while ramping up diversion efforts thereafter.

- ❑ Step 1: Recology's Waste Zero Specialists reach out to commercial accounts that generate eight yards of MSW or more per week to maximize their recycling levels. Accounts producing large

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amounts of MSW typically have greater recycling opportunities that have not yet been realized, and will be encouraged to adjust their service levels to capture more recycling.

- ❑ Step 2: The program's threshold will be expanded to capture a greater array of accounts. Customers who produce four to seven yards of MSW per week can then receive outreach from the Waste Zero Team to encourage greater recycling adoption.
- ❑ Step 3: Adjust program to encompass all commercial customers with low diversion levels. These customers will be identified through service level analysis conducted by the Waste Zero Team.

Recology's Waste Zero Specialists can also conduct waste audits and tailored outreach during the various phases of the Recycling Outreach Program. The waste audits analyze a particular customer's material stream, with a focus on the diversion options available to customers by business type. The assessments include:

- ❑ Verification of Services: The Waste Zero Specialist will document container sizes, quantity, and bin descriptions (such as bin numbers and specifications).
- ❑ Assessment: Taking into account the total volume of material, the Waste Zero Specialist will evaluate the percentage in each category: organic, recycling, and solid waste.
- ❑ Follow up with customer: The customer will be notified of the assessment results and any service level recommendations.

After the customer agrees to implement the assessment recommended changes, the Waste Zero Specialist may:

- ❑ Work with Recology's Operations and Customer Service departments to implement service level changes.
- ❑ Recommend additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams.
- ❑ Provide Public Educational Tools: Posters, flyers, brochures, and internal containers.
- ❑ Provide further educational material, presentations, and on-site training for employees.

Commercial Organics Program

Recology can offer programs that help commercial customers implement organics collection programs, helping customers to comply with AB 1826 and increase their overall diversion rates to help achieve the District's goals. The messaging of the Commercial Organics Program can be communicated to customers alongside the messaging of the Commercial Recycling Program, helping customers embrace the concept of a three-material stream sorting system.

Similar to the Commercial Recycling Outreach Program, the Organics Program can also include waste audits (conducted in tandem with the Commercial Recycling Program waste audits) and educational outreach to optimize organics participation. The



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Program features several different components designed to achieve higher diversion levels throughout the Agreement:

- ❑ Step 1: The Waste Zero Team can reach out to commercial customers that are estimated to generate four yards or more of organics per week to ensure they are participating in organics service and complying with the requirements of AB 1826. The Team will help customers identify organics diversion opportunities and optimize participation.
- ❑ Step 2: The program will be expanded to customers who produce four yards or more of MSW per week, complying with AB 1826.
- ❑ Step 3: The program will focus on customers with a overall low diversion levels.

Outreach and Education

Recology will distribute and publish a variety of communications to the District's residents and businesses throughout the transition and service calendar. Effective outreach programs and campaigns not only educate customers on the services available, but also foster positive customer relations and interest in recycling and diversion programs. The intent of these communications will be to concurrently provide necessary program information and foster a sense of excitement around available diversion priorities and options.

Announcement of New Services and Subscription Mailer

Recology will prepare and distribute an initial mailing to customers explaining the change from the existing collection company to the services provided by Recology. Different announcements will be tailored to single-family, multi-family, and commercial customers. Contents could include:

- ❑ Information on billing and payment options
- ❑ Website URL
- ❑ Description of the collection programs
- ❑ Links to posters, flyers, and other downloadable documents online
- ❑ Guidance on setting up account access online
- ❑ Tips on improving recycling and composting

Collection Days

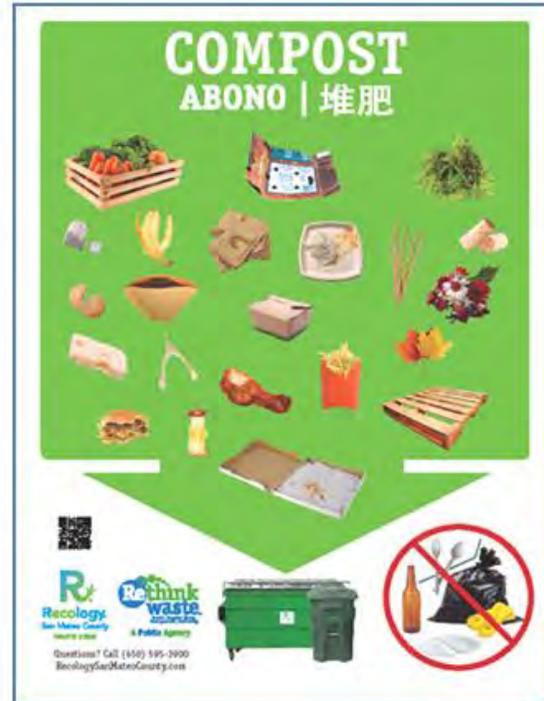
Recology does not anticipate any change in collection days, but in the event that a change in collection day occurs, Recology will notify impacted customers. Announcements will be tailored to single-family, multi-family, and commercial customers, as applicable, and may include automated robocalls, post cards, or other print material.

Multi-Family and Commercial Posters

Recology will design and distribute posters to multi-family and commercial property managers for on-site use, illustrating the recyclable materials collection program and the commercial food scrap collection program, as applicable to program participants.

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These posters are designed to educate program participants on proper sorting. Below are examples of Recology's successful commercial posters provided to businesses in San Mateo County. Similar designs will be made for Recology Sonoma Marin customers.



Press Release

Recology will prepare and distribute public service announcements (PSAs) for local radio and cable television broadcasts, as well as advertisements and press releases for local newspapers, the website, and other community groups.

Contacting Recology

Recology will maintain the current customer service telephone number, and the current website will be redirected to the new Recology website which is specific for the Novato Sanitary District service area. This will help minimize customer confusion during the service transition.

Recology will regularly update the District on the status of the transition, and looks forward to collaborating with the District on outreach activities (described above) and educational efforts.

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Management of Vehicles and Equipment

Fleet, Carts and Containers

Recology understands that a smooth transition for all utilized fleet vehicles and equipment is essential. Working directly with Recology's Vice President, Equipment Procurement & Maintenance and Facilities Development, Recology will ensure all the vehicles needed to perform under the agreement with the Novato Sanitary District are ready and available and that all vehicles are both safe and compliant.

Route audits will be conducted in the service area to verify that all vehicles and equipment in the area are documented correctly and meet the standards and expectations of both Recology's service standards as well as all contractual obligations defined in the agreement with the District.



Recology will refurbish and replace vehicles and equipment to ensure all state and federal rules, laws and standards are met in a timely manner. Details relating to vehicle age and replacement schedules were furnished to R3 and should be detailed in their report. If more details about the fleet specifics are needed, Recology can respond to those specific requests after the close of the transaction once the business is under Recology operation and management.

Database Management

TRG currently maintains a complete customer database for Novato Disposal Services, which will be integrated into the Recology Customer Relationship Management (RCRM). The customer database for the District already includes all pertinent information for routing, billing, and service levels, such as:

- ❑ Customer name
- ❑ Billing address
- ❑ Service address
- ❑ Contact information
- ❑ Service level including size and number of containers
- ❑ Collection day(s)
- ❑ Current routes
- ❑ Special servicing requirements
- ❑ Entry key electronic opening device or entry code requirements
- ❑ Account history

Efficient Routing

After the close of the transaction with TRG, Recology intends to go through an exercise to evaluate the routes currently servicing the Novato Sanitary District area. Recology does this through utilizing the experience of its supervisor and management team as well as using tools such as RouteSmart software. Using RouteSmart software, Recology operating companies experience a measurable reduction in vehicle miles traveled, fuel use, tire wear, greenhouse gas emissions, and street wear-and-tear.

RouteSmart integrates seamlessly with ESRI's ArcGis family of mapping products and provides the ability to balance routes based on time, number of lifts, or potential volumes and densities to be collected.

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The system takes into account vehicle type, address restrictions, and service time-of-day constraints, among other parameters.

For regularly scheduled collection, customer information is downloaded from the RCRM database into RouteSmart for routing. The routed data is interfaced back to the RCRM database, providing accurate customer information to anyone with access to either online inquiry or reports from the RCRM system.

Throughout the term of the agreement routes will be continually subject to modifications to accommodate demographic and customer changes.

Safety Systems and Procedures

Safety of our employees and the communities we serve is critical to our success and continuity. As mentioned before, training is a critical part of our on boarding process but the safety training continues every day after an employee-owner's first days. Team safety trainings occur on no less than a monthly basis for all operators and extensive supplemental programs are made available throughout the year such as Smith System driving training.

Recology utilizes a variety of technology to support safety. One example is an on-board safety system called DriveCam that allows for video recording of triggered safety events happening in front of the operating vehicles. This footage is reviewed daily by supervisors and management and used in coaching and accountability discussions with the operators. This video footage serves a mentoring tool for all of the employees and is incorporated into a safety resource library.



Safety teams analyze events and claims on a regular basis identifying recurring behaviors and factors. This data is then used to modify, focus and evolve safety training and outreach throughout the company. It's a simple program that has yielded positive results companywide for Recology and has allowed sites to learn from the collective lessons learned versus waiting for personal experience to serve as a mentor.



Customer Service Plans

One of the keys to a successful transition and ongoing service is a suitable and well-equipped customer service system to supplement the customer-centric mentality Recology champions. Excellence in service is a detailed below in some of the processes built into our customer service department.

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Customer Service Workflow

Recology will be keeping the current phone numbers in use so as to minimize the impact on the District's residents and businesses. The Recology Sonoma Marin call center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology IT staff can manage the system from anywhere on the network or from anywhere there is internet connectivity.

The ShoreTel system allows Recology to create customized queues for Automatic Call Distribution (ACD). Any call is routed through the ShoreTel system, placed into the appropriate queue, and automatically distributed to the next available CSSs. Supervisors can monitor progress in the queue.

All customer data and interactions are recorded in the Recology Customer Relationship Management (RCRM) system. The RCRM system is an IBM iSeries-based system that was developed over the past 28 years to provide functionality specific to the collection and recycling business. This software is updated to accommodate changes in the industry and new government regulations. The system records the history of all customer-related service and interactions, including:

- ❑ Customer and service level information
- ❑ Billing and payment history
- ❑ Customer service issues and inquiries
- ❑ Routing
- ❑ Ticketing
- ❑ Dispatching

Recology's customer concern resolution process focuses on accountability and up-to-date information. For each service request, a work order (or "ticket") is created in the RCRM system. The tickets are time-stamped, and remain open until the request is completed. Once completed, a "resolution" is entered in the system, featuring a closing date, time, and detailed nature of the inquiry/resolution.

Recology Customer Service Specialists (CSS) will also address in-office inquiries, such as billing questions, service adjustments, and opening or closing accounts. Route dispatchers ensure that any inquiry that needs to be addressed in the field (such as special pickup requests) is dispatched to the appropriate driver and addressed as soon as possible.



Customer concerns requiring a follow-up call will be entered as "tickets" in the RCRM system and sent to either a Route Supervisor or a CSS for call back within 24 hours of resolution.

When the driver returns to the yard at the end of the shift, the dispatcher debriefs the driver and reviews any tickets that were sent throughout the day. Any tickets for resolution by the Operations Supervisor will be created.

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In addition, Recology creates an open ticket report at the end of each day to ensure open tickets are delivered to dispatch for distribution to drivers. Copies of open ticket reports are provided to department managers at the close of each business day so the manager may follow up on outstanding concerns and appropriately distribute workloads.

Billing Inquires

Billing is a module within the RCRM software, and customer service information and billing information are therefore fully integrated. Customers with billing concerns can contact the call center, where all CSS are trained to address billing concerns and make adjustments as necessary in the RCRM system.

All charges and credits eventually appear on the bill that is provided to the customer, and a history of those bills is available to the CSSs for review. This data aids the CSSs with answering customer billing questions. Customers can also access the Recology website 24 hours a day, seven days a week to view and pay their bill or submit billing inquiries.

Phone System

Recology's Call Center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. A single PRI (Primary Rate Interface) is capable of handling 23 calls at one time; depending on the magnitude of the contract, Recology can implement multiple PRIs.



ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology IT staff can manage the system from anywhere on the network or from anywhere there is internet connectivity.

With a small energy footprint, a single ShoreTel module will support 90 phones and voicemail boxes with 56 hours of voicemail storage. Adding more phones and voicemail boxes is as simple as adding another ShoreTel module, making expandability almost unlimited. Additionally, the call center will have immediate access to interpreters in over 175 languages through AT&T's Language Line. Recology will also identify multi-lingual CSSs. A TDD relay service will be used to provide customer service to hearing impaired customers.

Website

Recology maintains a website with pages tailored to each of its service areas, and has created one for Novato Sanitary District. The website will become live once the transaction is closed.

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Recology's online Account Management capabilities allow customers to manage their account at their own pace. After a simple enrollment process, (which requires the customer's account number and service address for validation), customers can view their current service levels and scheduled service days. The website enables customers to:

- ❑ Request service changes
- ❑ Change contact and billing information
- ❑ Submit enquiries
- ❑ View and pay their bill
- ❑ View their next billing cycle
- ❑ Request special services
- ❑ View current service rates
- ❑ Learn about services and programs



Beyond Account Management, Recology offer a variety of other information on its websites designed to educate customers on Recology's services and programs. Content would be tailored to the City, and could include:

- ❑ Links to outreach and education material
- ❑ Announcements on new programs and services
- ❑ Standard service descriptions
- ❑ A "Contact Us" function, allowing customers to contact Recology
- ❑ Links to upcoming events

Recology also uses social media to help spread its Waste Zero mission and educate customers on services. This serves as an additional method for Recology to share service updates, and community events, tips on sustainable living, and news.

Payment Options

Recology accepts bill payments online, over the telephone, by mobile application, in-person, or as recurring monthly charges. The majority of Recology's customer bills are produced on paper and mailed to customers. However, a growing number of Recology's customers prefer to pay their bills electronically.

Customers have the option to receive their bills and make payments electronically over a secure website through Recology's e-BillPay product. Payments can be made from credit card, checking, or savings accounts, accessed through the website.

In addition, Recology offers customers the option of paying their service bills via recurring Automated Clearing House (ACH) direct debits from a customer-authorized bank account. To pay by ACH debit, customers must provide Recology the applicable bank account information and authorize the deduction from their bank account.

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Recology also accepts in-person bill payment. Recology's CSSs can also process payments made over the phone using a checking or savings account, or by credit or debit card. CSSs accept these payments using the e-Bill Pay option, which processes the payment electronically and eliminates the need to take payment checks to the bank.

Additional Contractual Requirements

Recology Sonoma Marin understands and recognizes that it will be bound by the existing contract terms currently defined in the franchise agreement.

Recycling Centers

Recology understands that two buyback/recycling facilities are obligated under the existing contract, with one site currently under operation (to be relocated) and a second facility yet to be relocated. Recology is committed to working with the management of the Novato Sanitary District as well as any other parties mutually deemed appropriate in order to meet these community needs.

Increased Outreach

Please refer to the document titled "Novato – Public Education and Outreach Plan" to review the details of Recology Sonoma Marin's plans to address the increased outreach to the District's community and public schools.



Public Education & Outreach Plan

Presented to the Novato Sanitary District
October 2017

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SUMMARY

Recology has a passion for recycling that dates back to the 1920s, and a long and proud history of educating communities on the benefits of waste reduction. We strive to create compelling outreach and education programs to help excite our customers about participation in diversion efforts.

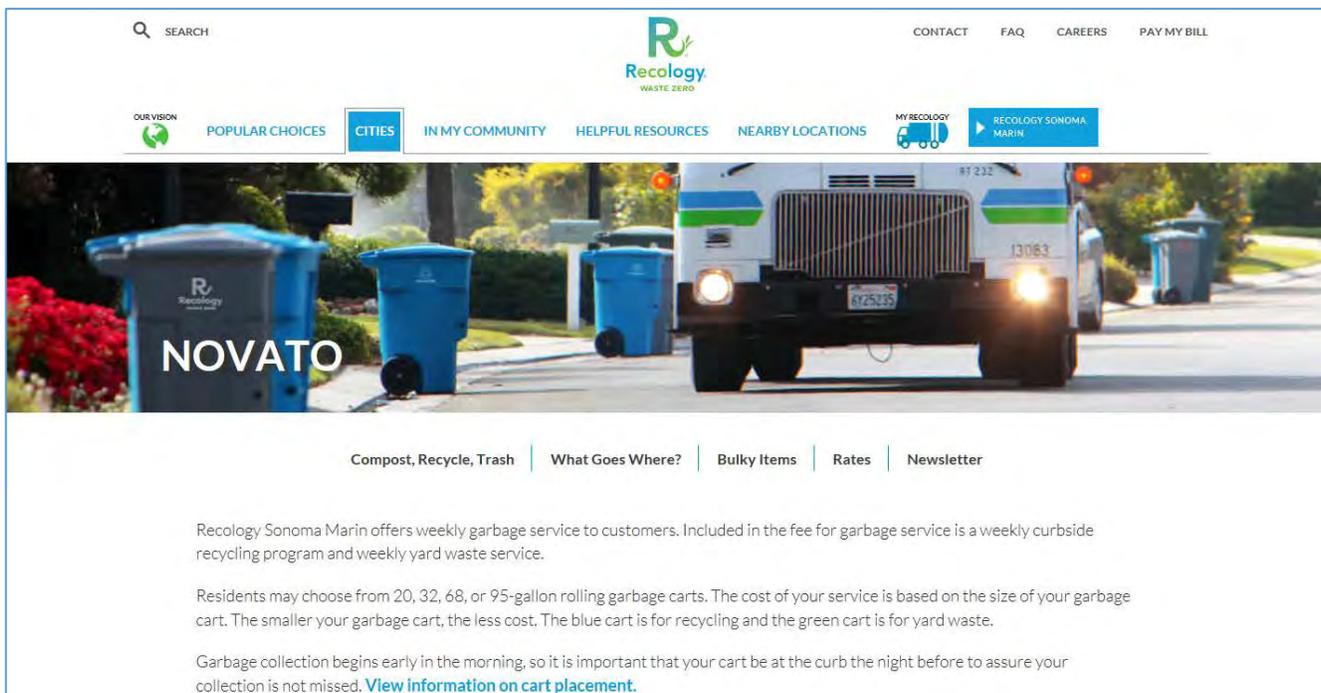
The Recology Sonoma Marin Waste Zero Team will use a variety of strategies to ensure that Novato's public schools, commercial businesses, multi-family residential properties, and single-family homes are well informed of the diversion programs available to them and have the necessary tools for success.

These strategies include:

- Website
- Newsletters
- Mailers
- Waste Audits
- Physical Tools
- Signage
- Brochures
- Driver Tags
- Presentations
- Waste Zero Events

WEBSITE

All Recology locations can be found at www.Recology.com. Our website is well maintained, user friendly, and mobile friendly. We have developed a sub-site for Novato that is ready for review.



The screenshot shows the Recology website interface. At the top, there is a search bar on the left and navigation links for CONTACT, FAQ, CAREERS, and PAY MY BILL on the right. The Recology logo with the tagline 'WASTE ZERO' is centered. Below the logo is a horizontal menu with options: OUR VISION, POPULAR CHOICES, CITIES (highlighted), IN MY COMMUNITY, HELPFUL RESOURCES, NEARBY LOCATIONS, MY RECOLOGY, and RECOLOGY SONOMA MARIN. The main banner features a photograph of a white garbage truck with blue and green accents, parked on a residential street next to several blue recycling bins. The word 'NOVATO' is overlaid in large white letters on the left side of the banner. Below the banner is a secondary navigation menu with links: Compost, Recycle, Trash; What Goes Where?; Bulky Items; Rates; and Newsletter. The main content area contains three paragraphs of text describing the weekly garbage service, including details about cart sizes (20, 32, 68, or 95-gallon) and costs, and a note about collection times and cart placement instructions.

NEWSLETTERS

Recology Sonoma Marin will develop and mail out tailored bi-annual Spring and Fall newsletters to all Novato customers. Newsletters will promote waste reduction, reuse opportunities, recycling, composting, and proper disposal of household hazardous waste.



RecologySF.com

Recology Sunset Scavenger and Recology Golden Gate, your local recycling companies | Recycle | Compost | July – September 2014

Recycle & compost bins tell it like it is

Our blue and green bins are always ready to receive the things we toss. If, by some crazy magic, these sentries of the sidewalk could speak, what would they say?

Blue: Feed me more clean paper, such as computer paper, stationery, and envelopes. San Francisco does a good job of recycling, but people still toss paper in trash bins. When you put paper in me, we save trees, and energy, and water. And another great reason to recycle more — Recycling creates 10 times more jobs than landfilling or incineration.

Us: I hear you about paper Blue, but sometimes it can be hard to know which items can be recycled and which can't.

Blue: Feed me all cans and all glass and plastic bottles, and things made of hard or stiff plastic like yogurt containers and plastic cups. But no plastic bags. They wrap around recycling equipment in the big building where materials are sorted and baled.

Us: OK. I'm with you on those things Blue. And Green? Can you talk too?

Green: I absolutely love coffee grounds and food scraps. Please feed me all you've got. The scraps become compost that goes to local farms, orchards, and vineyards. But I also see far too many things tossed in the trash that definitely should be tossed in me.



Us: Hmm. Yes. I've heard good things about the compost program.

Green: I'll eat what you don't. When you clean out the fridge, feed me all food scraps, plant cuttings, and food-soiled paper like used napkins and paper towels.

Us: Even spoiled lunch meat?

Green: Yes, and steak bones and pizza crusts, and crab shells, all that stuff and more.

Us: You have quite an appetite.

Green: I'm insatiable. Remember, when we make compost we give local farms a great alternative to synthetic (chemical) fertilizers. Compost feeds the soil. Farms grow your food.

Us: Those are very good points. More scraps for you. Since we are talking, I'm curious — can we really get to zero waste?

Blue: We can and we must. Recycling and compost programs are highly effective ways to help protect the environment. Think of the trash bin as a last resort. Trash bins are portals to landfills and incinerators. Things tossed in the trash do not get recycled.

Green: San Francisco's goal is for the trash bin to get smaller and smaller and eventually go away. Starve your trash bin. Think — more blue, more green.

Us: Wow. We must talk again.

Blue: Let's do it, and let's recycle more.

Green: Feed me more too, and I'll tell you more great things about composting.

Zero Waste is an international movement

San Francisco is a leader in the pursuit of Zero Waste, and other cities and countries are studying our recycling policies and programs in an effort to better manage waste and its effects on the environment.

San Francisco aims to achieve Zero Waste, to send next to nothing to landfill, by 2020. Seattle and Portland are making similar pushes, and in May the City of Minneapolis passed a Zero Waste goal.

Nearly every month a delegation from another large city in the United States or from another country comes to San Francisco to see our recycling programs firsthand. The concept of Zero Waste is also being discussed in New York City, London, Vancouver, and Israel.

Romauno, a leading TV station based in Italy, sent a crew to San Francisco earlier this year to document our city's efforts to achieve Zero. Reporter Fabio Esposito's 39-minute profile aired on May 23 and can be seen on YouTube. Complément d'enquête, a French news program modeled after 60 Minutes, sent a crew to San Francisco last year and dedicated an entire show to "poubelles un monde sans déchet" (a world without waste bins).

Zero Waste Europe, an independent initiative bringing together organizations and

municipalities committed to eliminating waste, hosted a conference in Paris in February to advance the platform. More than 400 people from 15 countries attended. Two delegations from France visited San Francisco this spring. One made the journey to Jepson Prairie Organics, a Recology compost facility outside Vacaville, which turns food scraps and plant cuttings collected from city residences and businesses into nutrient-rich compost.

And on May 28, *Le Monde*, the largest newspaper in France, published a feature story on San Francisco's Zero Waste initiative and posted the report, a sidebar story, and a slide show on LeMonde.fr.

San Franciscans have embraced recycling and composting and have taken additional steps to make further progress toward our goal of Zero. Every effort, no matter how small, has multiple benefits — it keeps materials out of landfills, saves resources including water, and supports green jobs.

People around the world increasingly understand that everyone must help protect the environment by reducing the amount of waste we produce and recycling as much as possible. Thank you for helping make it happen.



Learn more about recycling from your local recycling companies at www.RecologySF.com



Attachment 7

MAILERS

Recology Sonoma Marin will design four tailored campaigns per year for the Novato Sanitary District, and will promote them through bill inserts or postcard mailers. All new customers will also be sent an introductory postcard with an overview of services. You can find an example of this below.

Lettuce Compost Your Organics
IT'S THE LAW

Recology
Mountain View
WASTE ZERO

EFFECTIVE JANUARY 1, 2017, California Law AB1826 will require commercial customers that generate FOUR (4) or more cubic yards of organic material per week to enroll in compost service.
Organic material includes food scraps, soiled paper, and plant trimmings.

Please call Recology Mountain View at 650.967.3034 to enroll.

Recology
WASTE ZERO

250 Executive Park Blvd., #2100
San Francisco, CA 94134

PRSR STD
US POSTAGE
PAID
TRADE LITHO

**Why is it important to
recycle and compost?**

¿Por que es importante el reciclaje y el abono?
為什麼回收和堆肥是如此重要?



Attachment 7

WASTE AUDITS

Waste audits are an excellent tool to help schools, commercial, and multi-family customers increase diversion. The Recology Sonoma Marin Waste Zero Team will promote waste audits to all customers with 4 cubic yards of garbage service or more per week. As well, they will directly contact customers that need to be in compliance with AB341 and/or AB1826 to schedule a waste audit. After a waste audit has been conducted, service recommendations will be made to maximize diversion.



PHYSICAL TOOLS

Recology Sonoma Marin will provide a variety of indoor containers and other physical tools to help Novato customers with their diversion efforts at the cost of the item plus delivery.



Attachment 7

SIGNAGE

Recology Sonoma Marin will maintain an extensive inventory of signage to help elevate diversion programs and ensure success, including: indoor and outdoor horizontal or vertical image based labels, large posters in English and Spanish languages, school specific posters, and “We proudly Compost & Recycle here!” window clings.



BROCHURES

Recology Sonoma Marin will develop informational brochures specific to each customer type and their needs, including: commercial customer service guides, multi-family residential property manager service guides, and multi-family residential tenant move-out guides. Brochures will be offered in English and Spanish languages.

Recycle More, Save More! It's a GREEN idea!





COMPOST



RECYCLE

Internal Recycle and Compost containers are available at no additional charge.*

Technical Assistance

Have you gone through your garbage lately? Few businesses do. Call us to schedule an appointment with one of our friendly and knowledgeable Recycling Coordinators who can provide on-site technical assistance to help divert more materials from your waste. We'll also answer any questions you have about hard to recycle items such as ink jet cartridges and packing materials, as well as reuse opportunities for a variety of items such as office supplies, furniture and equipment.

If you're interested in knowing what you're throwing away, call us at (650) 595-3900 to schedule a waste audit. Because smaller garbage containers and fewer pickups may result in cost savings.

*Subject to availability.

Recology San Mateo County

We deliver the highest quality customer service, are committed to environmental protection efforts and emphasize professionalism in all undertakings. Everything Recology does is founded on a single principle: provide superior service while controlling costs.

We hope you take advantage of the services we have to offer you and your business. Together, with our continued recycling efforts, we can all make a difference to conserve natural resources and reduce the waste that goes to the local landfill.



Recology San Mateo County offers a free Language Line, with over 170 different languages, through our Customer Service Department. Please call (650) 595-3900 for more information.

Recology San Mateo County ofrece una línea telefónica gratuita de idiomas, con más de 170 idiomas diferentes, por nuestro departamento de servicio al cliente. Por favor llame a (650) 595-3900 para más información.

Recology San Mateo County 提供免費的語言線，共有超過170種不同的語言。請致電我們的客戶服務部，電話為 (650) 595-3900 獲取更多信息。




This brochure is also available online at RecologySanMateoCounty.com

Printed on recycled paper with soy based ink.

Are You Throwing Your Money Away?

Recycling is SMART Business!

BizSMART



Start
Saving
Now!



Recycling Information for Commercial Customers

Compost Program

Think there isn't anything you can compost? Think again!

Don't send your food scraps and landscape material to the landfill; compost them instead. We encourage you to start composting at your business or facility. A successful program can help reduce garbage fees, save landfill space and close the loop by returning food scraps back to the earth, "our bottom line and the environment will benefit."

Compost collection services are offered at a REDUCED rate.

You CAN Compost:

- Food and kitchen prep scraps, peeled and cut/over food
- Food and beverage soiled paper products
- Coffee grounds and filters
- Dead trees and untreated peeled and cut/over wood
- Wooden products, crates and pallets
- Tree stumps, leaves, flowers and branches



NO...

- Animal manure
- Feces of animals, stones, rocks, tires and toys
- Condiment packets
- Cooking oil
- Diapers
- Garbage
- Hazardous waste
- Juice or soy milk boxes with foil liner
- Shards and ice
- Recyclables (glass, aluminum, clean paper, plastic numbered 1-7)
- Auto fluids
- Plastic bags
- Plastic crates
- Pyrexid
- Sterilized medicine, food containers and packing peanuts
- Treated and painted wood

Questions?

Call us at (650) 595-3900 or email us at greengrowth@recology.com

Single-Stream Recycling

You can now place all of your recyclables into one container.

Commercial customers that subscribe to garbage collection service are entitled to Single-Stream recycling service at no additional charge.

By increasing recycling and reducing your garbage, it's possible to lower your garbage service level, which may result in cost savings. You can also show your customers, employees or tenants that you care about your impact on the environment and increase your visibility as a community leader. That is an opportunity you can't afford to pass up, which is why recycling is truly SMART business!

You CAN Recycle:

- Cardboard
- Glass bottles and jars
- Plastic containers numbered 1-7
- Milk and juice cartons
- Metal cans
- Office paper, newspaper, junk mail, magazines, plastic books, soft cover books
- Small steel metal
- Standard paper (in clear, round plastic bags and placed in the Recycle Cart or Bin)
- Plastic cups
- Plastic film, shrink wrap, pallet wrap and bubble wrap
- Rubber bands
- Plastic or wire hangers
- Glass
- Styrofoam packaging, food containers and packing peanuts
- Tires
- Window and drinking glasses
- Wires, battery, chains and cables
- Wood, concrete, bricks, stones and bricks

NO...

- Batteries and cell phones
- Black plastics and plastic utility
- Ceramics and mirrors
- Food/water packets
- Food
- Food wrappers
- Garbage
- Garden hoses
- Juice or soy milk boxes with foil liner
- Milk cream containers
- Mercury plant containers
- Plastic bags
- Plastic crates
- Plastic film, shrink wrap, pallet wrap and bubble wrap
- Rubber bands
- Plastic or wire hangers
- Tires
- Styrofoam packaging, food containers and packing peanuts
- Wires, battery, chains and cables
- Wood, concrete, bricks, stones and bricks



Commercial Containers

Commercial containers come in a variety of sizes to suit your Recycle, Compost and Garbage service needs.

BizSMART Carts

SIZE	LENGTH	WIDTH	HEIGHT
20-gallons	24"	19.75"	37.5"
32-gallons	24.25"	19.25"	38.5"
64-gallons	31.75"	24.25"	41.75"
96-gallons	35.25"	29.75"	43.25"



Black Garbage



Blue Recycle



Green Compost

BizSMART Bins

Commercial bins are available in a variety of sizes. The most common sized bins are listed below. However, larger bins including 9, 15, 20, 30 and 40 cubic yards are also available. Call us at (650) 595-3900 or visit us online at RecologySanMateoCounty.com for more information.

SIZE	LENGTH	WIDTH	HEIGHT
1-cubic yard	72"	24"	28"
2-cubic yards	72"	34.5"	34.5"
3-cubic yards	72"	41.5"	41.5"
4-cubic yards	72"	50.5"	46"
6-cubic yards	72"	66"	50"
8-cubic yards	72"	72"	56"



Grey Garbage



Blue Recycle



Green Compost

*Localizer characters may vary.

Attachment 7

DRIVER TAGS

Recology Sonoma Marin drivers will always have corrective action notices as well as good job cards on hand. Corrective action notices inform the customer of any items that need to be removed before a bin or cart can be serviced. Good job cards will be used to provide positive feedback for those customers who regularly do an exceptional job, or for those who may have recently improved significantly. Examples of these items can be found below.

SORRY,

there was a problem with
your RECYCLING pick-up today.

DATE: _____

Please remove the following:

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____

*Call Customer Service once the
items noted above have been
removed.*

(650) 967-3034



**ACCEPTED
RECYCLABLE ITEMS:**

Cardboard Recycling
flattened cardboard ONLY

Mixed Recycling
Plastic bottles & tubs,
aluminum cans/trays/foil, tin
cans, glass bottles & jars,
paper, and flattened cardboard

RECYCLING TAG

DATE: _____

ADDRESS: _____

- Black bags
- Construction debris
- Food waste
- Furniture
- Hazardous waste/E-waste
- Plastic shrink wrap
- Soiled paper products
- Styrofoam
- Other _____



Attachment 7

PRESENTATIONS

The Recology Sonoma Marin Waste Zero Team will be well-equipped to provide hands-on educational presentations for kids at schools, as well as for businesses or HOAs. Our school programs are designed to engage students on waste reduction, recycling and resource conservation. Programs are tailored to align with the classroom curriculum and interests of teachers and students alike.



WASTE ZERO EVENTS

In addition to hosting Waste Zero educational tables at a minimum of ten Novato community events per year, Recology Sonoma Marin will provide recycling, compost, and trash reusable event receptacles to ensure event waste is diverted as much as possible.





Attachment 8

October 26, 2017

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

Re: Response to Letter from Novato Sanitary District dated September 28, 2017

Dear Sandeep,

Thank you for the District's letter on September 28, 2017. In addition to providing the Recology Sonoma Marin Transition Plan for the Novato Sanitary District, below are responses to the eight identified issues from the letter.

With any new service implementation, Recology's goal is to ensure a smooth transition that minimizes disruption to customers. Recology's implementation team for the District understands the unique needs of the District, and have carefully responded to the issues that have been raised.

For ease of review, we have placed the specific identified issues in gray italicized text prior to the corresponding responses.

- 1. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015.*

Recology has a proven track record of meeting diversion goals and requirements made in partnership with the communities we service. Recology's mission represents a fundamental shift from traditional waste management to recovering more recyclable and compostable materials to be repurposed into new products. Our dedicated Waste Zero team excels at providing the outreach, education, follow-up and service changes needed to ensure all customers are fully engaged with the provided diversion programs. As well, the Waste Zero team will take initiative with commercial and multi-family dwelling customers to help them achieve full compliance with state laws AB 341 and AB 1826.

Additionally, the Material Recovery Facility (MRF), where the source separated recyclables are processed, has recently undergone renovations. The MRF upgrades will not only increase the efficiencies of the processing system, but will also reduce the residue from the process which leads to overall higher recycling numbers at the facility.

Within 3 months of the assignment and close date of the acquisition, Recology will provide a proposal to the District on how the diversion requirements will be met. This plan will outline the proposed timelines, programs, and stakeholders needed to achieve that diversion. Recology believes that a programmatic approach is the most successful method to achieving higher diversion levels. And the

Attachment 8

Recology program includes targeted customer outreach, excellent customer service and encouraging commercial and multi-family recycling and composting participation. So in the proposal to the District, Recology will also address the plans and timelines for items 2, 3, 6, 7, and 8.

- 2. The poor performance of NDS's Commercial and MFD Organic Waste Service, particularly given its failure to meet its 60% Diversion Requirement.*

Recology views organics collection as one of the most important aspects of reaching higher diversion levels. Recology has developed successful programs where a combination of effective outreach, ongoing campaigns, and in-person follow-ups lead to not only more participation in the organics collection programs, but also lower contamination. With mandates such as AB 1826, commercial and multi-family dwelling customers are more incentivized than ever to participate in such programs.

The dedicated Waste Zero team uses a variety of strategies to ensure all customers are both well-informed and actively participating in the recycling and organics programs by providing necessary tools for success. These strategies and tools include a specialized website, newsletters, mailers, signage, brochures, driver tags, physical waste audits, phone calls and in-person meetings. Recology will also perform route audits throughout the District. These route audits inform the Waste Zero team where there are compliance and contamination issues with the organics programs. That information can then be used to follow up directly with the customers. Together all these efforts should lead to overall better performance and higher diversion for the District.



- 3. Failure to provide MFD Recycling Tote Bags.*

Recology will provide recycling tote bags to multi-family dwellings as required by the Agreement. Recology has found that providing multi-family units with recycling "buddy bags" helps encourage easy participation in the recycling program. The "buddy bags" are designed to help tenants properly sort, store, and carry their recyclable materials to their complex's container.

- 4. Relocation of the Recycling Center and HHW Facility and the addition of a second buy-back center.*

Recology will cooperate with the District as required by the Agreement to relocate the existing Recycling Center/HHW Facility and establish a second beverage container buyback center. We assume it will be necessary to find suitable new locations and obtain third party consents in order to establish these facilities, and we will work with the District in that process as well.

- 5. Lack of provision of two (2) convenient locations in the Novato area where payments can be made.*

Recology will work with the District to provide appropriate payment locations within the Novato area as required by the Agreement, one of which could be the Recycling Center/HHW Facility.

- 6. Lack of adequacy of NDS's customer service system.*

One of the keys to a successful transition and successful ongoing service is a well-equipped customer service department to supplement the customer-centric mindset Recology champions.

Attachment 8

Recology will be replacing NDS's customer service system with the Recology Customer Relationship Management (RCRM) system. Specifics around the RCRM and Recology's excellence in service is detailed in Recology Sonoma Marin's transition plan for the District.

7. Increased community outreach

We are committed to providing the community outreach programs required by the Agreement. Please see the document titled "Novato Sanitary District – Public Education and Outreach Plan" for additional information regarding Recology's education and outreach programs.

8. Increased outreach to public schools.

We look forward to working with the District's schools to provide the outreach required by the Agreement and enhance school participation in recycling and compost programs. More information about our school services is provided in the document titled "Novato Sanitary District – Public Education and Outreach Plan."

Following the assignment, Recology is also open to a discussion with the District about providing more resources to the Novato community to enable expedited program successes. Please do not hesitate to reach out to Meghan Butler at mbutler@recology.com or 415-572-6116 with any questions, concerns, or additional requests.

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.

Attachment 9

1 materially affects the operations of the Company with regard to its obligations
2 under this Agreement.

3 **10.1.9 Suspension or Termination of Service.** There is any unexcused termination of
4 service or suspension of the transaction of business by the Company.

5 **10.1.10 Failure to Provide Assurance of Performance.** If the Company fails to
6 provide reasonable assurances of performance as required under Section 10.6.

7 **10.2 Right to Terminate Upon Default**

8 Upon a default by the Company, the District shall have the right to terminate this
9 franchise and this Agreement upon ten (10) days' notice, but without the need for any
10 hearing, suit, or legal action. This right of termination is in addition to any other rights of
11 the District upon a failure of the Company to perform its obligations under this
12 Agreement. If the Company is in default as set forth above, the District, in using its
13 discretion as to whether to exercise its right to declare default and terminate the
14 Agreement, shall consider issues such as the Company's ability to perform the
15 Agreement and cure the default, and whether a cure of said default is possible within a
16 reasonable time. The District's right to terminate this Agreement and to take possession
17 of the Company's properties are not exclusive, and the District's termination of this
18 Agreement shall not constitute an election of remedies. Instead, they shall be in addition
19 to any and all other legal and equitable rights and remedies that the District may have.
20 By virtue of the nature of this Agreement, the urgency of timely continuous and high-
21 quality service, the lead time required to effect alternative service, and the rights granted
22 by the District to the Company, the remedy of damages for a breach hereof by the
23 Company is inadequate and the District shall be entitled to injunctive relief.

24 **10.3 Liquidated Damages**

25 **10.3.1 General.** The District finds, and the Company agrees, that as of the time of the
26 execution of this Agreement, it is impractical, if not impossible, to reasonably
27 ascertain the extent of damages that shall be incurred by the District as a result of
28 a breach by the Company of its obligations under this Agreement. The factors
29 relating to the impracticability of ascertaining damages include, but are not
30 limited to, the fact that: (i) substantial damage results to members of the public
31 who are denied services or denied quality or reliable service; (ii) such breaches
32 cause inconvenience, anxiety, frustration, and deprivation of the benefits of the
33 Agreement to individual members of the general public for whose benefit this
34 Agreement exists, in subjective ways and in varying degrees of intensity that are
35 incapable of measurement in precise monetary terms; (iii) that services might be
36 available at substantially lower costs than alternative services and the monetary
37 loss resulting from denial of services or denial of quality or reliable services is
38 impossible to calculate in precise monetary terms; and (iv) the termination of this
39 Agreement for such breaches, and other remedies are, at best, a means of future
40 correction and not remedies that make the public whole for past breaches.

1 **10.3.2 Service Performance Standards; Liquidated Damages for Failure to Meet**
 2 **Standards.** The parties acknowledge that consistent and reliable Collection
 3 Service is of utmost importance to the District and that the District has considered
 4 and relied on the Company's representations as to its quality of service
 5 commitment in awarding the franchise to it. The parties further recognize that if
 6 the Company fails to achieve the performance standards, or fails to submit
 7 required documents in a timely manner, the District and its residents will suffer
 8 damages and that it is and will be impractical and extremely difficult to ascertain
 9 and determine the exact amount of damages that the District will suffer.
 10 Therefore, without prejudice to the District's right to treat such non-performance
 11 as an event of default under this Article 10, the parties agree that the following
 12 liquidated damage amounts represent a reasonable estimate of the amount of such
 13 damages considering all of the circumstances existing on the date of this
 14 Agreement, including the relationship of the sum to the range of harm to the
 15 District that reasonably could be anticipated and the anticipation that proof of
 16 actual damages would be costly or inconvenient. In placing their initials at the
 17 places provided, each party specifically confirms the accuracy of the statements
 18 made above and the fact that each party has had ample opportunity to consult with
 19 legal counsel and obtain an explanation of the liquidated damage provisions at the
 20 time that the Agreement was made.

21 Company JK District LSJ
 22 Initial here: _____ Initial here: _____

23 Accordingly, the District may, in its discretion, but after complying with notice
 24 and hearing procedures set forth below, assess liquidated damages not to exceed
 25 Five Hundred Dollars (\$500.00) per day, for each calendar day that Collection
 26 Service is not provided by the Company in accordance with this Agreement.
 27 Failure by the Company to provide Collection Service that may give rise to the
 28 imposition of liquidated damages include, but are not limited to, failures to
 29 comply fully with the terms of this Agreement with regard to collection
 30 reliability, collection quality, customer responsiveness, timeliness of submission
 31 of reports, and/or violations of federal, state and local law.

32 The Company agrees to pay (as liquidated damages and not as a penalty) the
 33 amount of Five Hundred Dollars (\$500.00) per day as set forth above. The
 34 amount of the liquidated damages shall be subject to an annual CPI adjustment
 35 based on the "San Francisco /Oakland/San Jose All Urban Consumer Price
 36 Index."

37 The District may determine the occurrence of events giving rise to liquidated
 38 damages through the observance of its own employees or representatives or
 39 through investigation of customer complaints.

40 Prior to assessing liquidated damages, the District shall give the Company notice
 41 of its intention to do so. The notice will include a brief description of the
 42 incident(s)/non-performance. The Company may review (and make copies at its

1 own expense) all information in the possession of the District relating to
2 incident(s)/non-performance. The Company may, within ten (10) days after
3 receiving the notice, request a meeting with the District. If a meeting is
4 requested, it shall be held by the District Manager-Engineer or his/her designee.
5 The Company may present evidence in writing and through testimony of its
6 employees and others relevant to the incident(s)/non-performance. The District
7 Manager-Engineer or designee will provide the Company with a written
8 explanation of his or her determination assessing liquidated damages. The
9 Company may appeal a determination to assess liquidated damages to the District
10 Board within ten (10) days of receipt of the determination.

11 **10.3.3 Timing of Payment.** The Company shall pay any liquidated damages assessed
12 by the District within ten (10) days after they are assessed. If they are not paid
13 within the ten (10) day period, the District may proceed against the performance
14 bond required by the Agreement or order the termination of the franchise granted
15 by this Agreement, or both.

16 **10.4 Excuse from Performance**

17 The parties shall be excused from performing their respective obligations hereunder in
18 the event they are prevented from so performing by reason of floods, earthquakes, other
19 "acts of God," war, civil insurrection, riots, labor unrest, acts of any government
20 (including judicial action), and other similar catastrophic events that are beyond the
21 control of and not the fault of the party claiming excuse from performance hereunder.
22 Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out,
23 picketing, or other concerted job action conducted by the Company's employees is not an
24 excuse from performance and the Company shall be obligated to continue to provide
25 service notwithstanding the occurrence of any or all of such events.

26 The party claiming excuse from performance shall, within forty-eight (48) hours (two (2)
27 business days) after such party has notice of such cause, give the other party notice of the
28 facts constituting such cause and asserting its claim to excuse under this Section.

29 The interruption or discontinuance of the Company's services caused by one or more of
30 the events excused shall not constitute a default by the Company under Section 10.1 of
31 this Agreement. In the event the Company is prevented from providing service, either
32 due to attachment or any other factor set forth above, including judicial action, for a
33 period of thirty (30) days or more, it is understood and agreed that the District will have
34 the right to provide service pursuant to Article 9, either directly or by subcontracting with
35 a third party. Under circumstances where the Company has failed to provide service and
36 the default is excused, as set forth above, the District has the right to perform such
37 services or to subcontract for the same, for up to one (1) year. In the case of excused
38 labor unrest set forth above, however, the District has the right to perform said services or
39 to subcontract for the same, for a period of up to six (6) months. The Company agrees to
40 pay the District's cost of providing the service. If, after the time specified herein, the
41 Company cannot thereafter provide service as agreed, the District can declare default and
42 terminate the Agreement.

1 other competent authority with jurisdiction, and shall clean up the release or spill
2 using approved techniques.

3 **4.9 Zero Waste Minimum Requirements**

4 The Company must achieve all of the following Zero Waste Minimum Requirements.

5 **4.9.1 Landfill Diversion Requirements.** In 2009 the Company reached a fifty percent
6 (50%) Diversion From Landfill Rate. The District requires the Company to
7 achieve a diversion from landfill rate with a minimum diversion rate of sixty
8 percent (60%) by December 31, 2015; seventy percent (70%) by December 31,
9 2020; and eighty percent (80%) by December 31, 2025, and each successive
10 calendar year or such other amount as may be set by the District. The Diversion
11 From Landfill Rate will be calculated as the tons of materials collected by the
12 Company from providing services as specified in this Agreement that are sold or
13 delivered to a Materials Recovery Facility or Organic Waste Processing Facility,
14 recycler or re-user, net of all residue, divided by the total tons of materials
15 collected under this Agreement by the Company in each twelve (12) month
16 calendar year (January 1st–December 31st).

17 **4.9.2 MFD and Commercial Recycling.** The Company shall fully implement the
18 MFD and Commercial Recycling Programs as set forth in Section 4.4.3 by July
19 31, 2012.

20 **4.9.3 Organic Waste Collection and Processing Requirements.** The Company shall
21 fully implement the SFD, MFD, and Commercial Organic Waste programs as set
22 forth in Sections 4.2.9 and 4.3.4 by March 31, 2013.

23 **4.9.4 Drop-Off Recycling Center.** The Company shall cooperate with the District and
24 fully fund the implementation of any future-relocation, expansion and operation of
25 a new Drop-Off Recycling Center as set forth in Section 4.11.7.

26 **4.9.5 Public School Recycling.** The Company shall fully implement the Public School
27 Recycling program as set forth in Exhibit 5 by March 31, 2012.

28 **4.9.6 Community Outreach Program.** The Company shall fully implement the
29 Community Outreach Program as set forth in Section 5.4 by December 31, 2011.

30 **4.9.7 Wet-Dry Collection.** The Company shall work with the District to determine if
31 wet-dry collection is necessary to meet the December 31, 2020 Landfill Diversion
32 Requirements. Such determination shall be made by December 31, 2018, and if it
33 is determined that wet-dry collection is necessary, and the District agrees and
34 approves of implementing wet-dry collection, than the Company shall fully
35 implement wet-dry collection by December 31, 2020.

36 **4.9.8 Conversion Technology.** The Company shall work with the District to determine
37 if utilizing conversion technology is viable and necessary to meet the December
38 31, 2025 Landfill Diversion Requirements. Such determination shall be made by

1 December 31, 2020, and if it is determined that the use of conversion technology
2 is necessary, and the District agrees and approves of implementing the use of
3 conversion technology, than the Company shall delivery collected Garbage to
4 conversion technology facilities by December 31, 2025.

5 **4.9.9 Failure to Meet Minimum Requirements.** The Company's failure to meet the
6 Minimum Zero Waste Requirements set forth in Sections 4.9.1 through 4.9.8
7 above may result in the denial of an extension to this Agreement as specified in
8 Section 2.4. In determining whether or not to hold the Company in default of this
9 Agreement, or denial of a term extension, the District will consider the good faith
10 efforts put forth by the Company in implementing the required programs to meet
11 the minimum Zero Waste Requirements and the methods and level of effort of the
12 Company to fully implement the services required in this Agreement.

13 **4.10 Future Zero Waste Services**

14 **Technology and Regulatory Changes.** The Company and the District acknowledge that
15 during the term of this Agreement new technologies may be developed to cost effectively
16 divert materials from landfill disposal that are not known at this time, and that new local,
17 state, or federal laws and regulations may be enacted that change the manner in which
18 Garbage, Recyclable Materials, and Organic Waste are managed. Accordingly, the
19 Company and the District will cooperate to develop and implement additional, or
20 replacement, programs resulting from any such future technological or regulatory
21 changes to further the goal of reaching Zero Waste.

22 **4.11 Disposal, Processing, Drop-off, and Reuse Facilities**

23 **4.11.1 Compliance with Regulations.** All materials collected under this Agreement
24 shall be delivered to facilities that comply with the Department of Resources
25 Recycling and Recovery regulations under Title 14, Chapter 3, Minimum
26 Standards for Solid Waste Handling and Disposal (Article 5.9–Sections 17380-
27 17386). The Company, and not the District, must assure that all Disposal,
28 transfer, and processing facilities are properly permitted to receive material
29 collected under this Agreement. Failure to comply with this provision may result
30 in the Company being in default under this Agreement.

31 **4.11.2 Permits and Approvals.** The Company must assure that all facilities selected by
32 the Company shall possess all existing permits and approvals by local
33 enforcement agencies so that it may be in full compliance with all laws and
34 regulatory agency requirements to conduct all operations at the approved location.
35 The Company shall, upon written request from the District, arrange for the
36 facilities selected by the Company to provide copies of facility permits, notices of
37 violations, inspection areas or concerns, or administrative action to correct
38 deficiencies related to the operation. Failure to provide facility information may
39 result in the Company being in default under this Agreement.

Attachment 11

ASSIGNMENT AND ASSUMPTION AGREEMENT*

This Assignment and Assumption Agreement is entered into as of October ____, 2017 by and among Novato Sanitary District ("District"), Novato Disposal Service, Inc., a California corporation ("NDS"), and Recology Sonoma Marin, a California corporation ("Recology").

WHEREAS, District and NDS are parties to an Amended and Restated Agreement for Solid Waste Collection, Processing, Diversion and Disposal dated March 2011 (the "Franchise Agreement");

WHEREAS, The Ratto Group of Companies Inc. and its owners and affiliated entities, including NDS (collectively, "Ratto"), entered into an Asset Purchase Agreement dated August 11, 2017 (the "APA") which provides for the purchase by Recology Inc. or its designated subsidiaries of substantially all of Ratto's assets;

WHEREAS, in connection with the closing of the transactions contemplated by the APA (the "Closing"), NDS wishes to assign the Franchise Agreement to Recology, and Recology wishes to accept such assignment;

WHEREAS, Section 11.6 of the Franchise Agreement provides that the Franchise Agreement may not be assigned by NDS without the prior written consent of District, not to be unreasonably withheld;

NOW, THEREFORE, the parties agree as follows:

1. Subject to and effective as of the Closing, NDS will assign to Recology all of its right, title and interest in and to the Franchise Agreement.
2. Subject to and effective as of the Closing, Recology will accept such assignment and will assume all duties and obligations of NDS under the Franchise Agreement from and after the Closing.
3. Recology agrees to notify District of the assignment date (i.e. the Closing date) within five (5) business days thereafter.
4. Recology agrees to conduct a review of billings in accordance with Section 5.1.2 of the Franchise Agreement, within one (1) year of the assignment date.
5. Recology agrees to provide a list of vehicles assigned to District's franchise, with vehicles ages and anticipated replacement schedule, within sixty (60) days of the assignment date.
6. Subject to and effective as of the Closing, the Franchise Agreement shall be amended (automatically and without any further action by any party) to delete the 2nd paragraph of Section 11.7.
7. District acknowledges the satisfaction or waiver of all conditions under Section 11.6 with respect to the foregoing assignment and assumption.
8. District hereby consents to the foregoing assignment and assumption on the terms and conditions set forth herein.

(*draft Recology version)

Attachment 11

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first written above.

Novato Sanitary District

By: _____
Name: _____
Title: _____

Novato Disposal Service, Inc.

By: _____
Name: _____
Title: _____

Recology Sonoma Marin

By: _____
Name: _____
Title: _____

(*draft Recology version)

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WHEREAS, The Ratto Group of Companies Inc. and its owners and affiliated entities, including NDS (collectively, "Ratto"), entered into an Asset Purchase Agreement dated August 11, 2017 ("APA") which provides for the purchase by Recology Inc. or its designated subsidiaries of substantially all of Ratto's assets;

WHEREAS, in connection with the closing of the transactions contemplated by the APA ("Closing"), NDS wishes to assign the Franchise Agreement to Recology, and Recology wishes to accept such assignment;

WHEREAS, Recology seeks to assure the District that, following the purchase pursuant to the APA, Recology will operate in accordance with high professional standards and provide services to the District's constituents in full compliance with the terms of the Franchise Agreement and the District's operational expectations;

WHEREAS, Section 11.6 of the Franchise Agreement provides that the Franchise Agreement may not be assigned by NDS without the prior written consent of District, not to be unreasonably withheld;

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5. Recology agrees to provide a list of vehicles assigned to District's franchise, with vehicles ages and anticipated replacement schedule, within sixty (60) days of the assignment date.^[BG1]

6. Subject to and effective as of the Closing, the Franchise Agreement shall be amended (automatically and without any further action by any party) to delete Section 2.5 and the second paragraph of Section 11.7.^[BG2]

(*District Counsel redline version)

6. Recology accepts, and District acknowledges the satisfaction ~~or waiver of~~, all conditions under Section 11.6 with respect to the foregoing assignment and assumption.

7. Recology acknowledges that Exhibit 8 of the Franchise Agreement provides a methodology for the Detailed Rate Review, which review will evaluate forecasted labor-related costs, vehicle-related costs, and other costs including pass-through expenses. It is agreed that the pass-through expenses are not included in any calculation of Company profit and based on past practice and agreement by Ratto, that pass-through expenses include: disposal fees for debris and refuse; processing and disposal fees for organics; Franchise Fees; Integrated Waste Management Fees; and the Rate Application Review Fee.

8. District hereby consents to the foregoing assignment and assumption on the terms and conditions set forth herein, subject to receipt by the District of an acceptable parent company guarantee from Recology Inc.-

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first written above.

NOVATO SANITARY DISTRICT

NOVATO DISPOSAL SERVICE, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

RECOLOGY SONOMA MARIN

By: _____

Name: _____

Title: _____

2880424.1

(*District Counsel redline version)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is entered into as of ~~October~~ November ____, 2017, by and among NOVATO SANITARY DISTRICT ("District"), NOVATO DISPOSAL SERVICE, INC., a California corporation ("NDS"), and RECOLOGY SONOMA MARIN, a California corporation ("Recology").

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6. Subject to and effective as of the Closing, the Franchise Agreement shall be amended (automatically and without any further action by any party) to delete Section 2.5 and the second paragraph of Section 11.7.^[BG2]

6. Within three months (ninety calendar days) of the assignment and close date of the acquisition, Recology will provide a proposal to the District on how it will address the following items:

- a. Failure of NDS to meet its Zero Waste Minimum Landfill Diversion Requirement of 60% by December 31, 2015.
- b. The poor performance of NDS's Commercial and MFD Organic Waste Service, particularly given its failure to meet its 60% Diversion Requirement.
- c. Failure to provide MFD Recycling Tote Bags.
- d. Lack of adequacy of NDS's customer service system.
- e. Increased community outreach.
- f. Increased outreach to public schools.

7. Recology accepts, and District acknowledges the satisfaction or waiver of, all conditions under Section 11.6 with respect to the foregoing assignment and assumption.

7-8. Recology acknowledges that Exhibit 8 of the Franchise Agreement provides a methodology for the Detailed Rate Review, which review will evaluate forecasted labor-related costs, vehicle-related costs, and other costs including pass-through expenses. It is agreed that the pass-through expenses are not included in any calculation of Company profit and based on past practice and agreement by Ratto, that pass-through expenses include: disposal fees for debris and refuse; processing and disposal fees for organics; Franchise Fees; Integrated Waste Management Fees; and the Rate Application Review Fee.

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IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first written above.

NOVATO SANITARY DISTRICT

By: _____

Name: _____

Title: _____

NOVATO DISPOSAL SERVICE, INC.

By: _____

Name: _____

Title: _____

RECOLOGY SONOMA MARIN

By: _____

Name: _____

2880424.1

DRAFT

ASSIGNMENT AND ASSUMPTION AGREEMENT

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- b. *The poor performance of NDS's Commercial and MFD Organic Waste Service, particularly given its failure to meet its 60% Diversion Requirement.*
- c. *Failure to provide MFD Recycling Tote Bags.*
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- e. *Increased community outreach.*
- f. *Increased outreach to public schools.*

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NOVATO SANITARY DISTRICT

NOVATO DISPOSAL SERVICE, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

RECOLOGY SONOMA MARIN

By: _____

Name: _____

Title: _____

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Report, October 2017.

MEETING DATE: November 13, 2017

AGENDA ITEM NO.: 8.a.

RECOMMENDED ACTION: Receive Wastewater Operations Reports for October 2017:

- Collection Systems
- Treatment Facilities Operations
- Reclamation Facilities

SUMMARY AND DISCUSSION:

The October 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 October 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
October 2017**

Item 8.a.
Attachment 1
(Pages 182 to 234)

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:

- 1.8 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
- 2.2 FTE field workers for time spent on data input, training, service calls, overflow response, or any other activity that does not directly relate to the activities listed above, or special activities (for e.g. smoke testing of mainlines), and
- An equivalent of 1.8 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 599 work orders for the month. Collections staff completed 389 work orders, leaving 210 work orders outstanding. The completed work orders resulted in 73,012 feet of sewer pipelines cleaned by staff. The remaining work orders will be completed in November.

CCTV Performance:

The District's CCTV van was in the field for two working days and televised two line segments, totaling 539 feet of sewer main inspected. Staff also conducted 16 sewer main inspections, totaling 3,176 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 236 lift station inspections this month. 112 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.



NSD's Newest Employee, Brennan Duke

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

4.0 Air Relief/Vacuum Valves (ARVs):

Staff completed maintenance inspections on nine (9) air relief/vacuum valves this month.

5.0 Safety and Training:

General:

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

Specialized training:

Four Collections Department staff members, the Technical Services Manager and the Administrative Services Officer attended the 12th Annual Sewer Summit training sessions sponsored by the California Sanitation Risk Management Association (CSRMA) and the Association of Bay Area Government, Pooled Liability Assurance Network (ABAG PLAN).

Four Collections Department staff members attended training sessions at the CWEA's 32nd Annual Northern Safety Day 2017 in Woodland.

District staff attended Blood-borne Pathogens/ Exposure Control Plan training conducted by Katy Thelen.

Collections Department staff members are training our newest employee, Collection System Worker I (CSW I) Brennan Duke.

Safety performance:

There were no lost time accidents this month for a total of 2,424 accident free days since the last lost time accident.

6.0 Miscellaneous Projects:

Collections Department staff performed locating and marking of District sewer lines in the vicinity of planned excavations (Underground Service Alert or USA marking).

Collections Department staff members installed a new pump at the Bayside Pump Station.

Collections Department staff members assisted in making off hours emergency repairs at the Vintage Oaks 2 Pump Station after a vehicle jumped the curb and disrupted the incoming power supply.



Vehicular Accident at Vintage Oaks 2 Pump Station

7.0 Sanitary Sewer Overflows (SSOs):

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

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

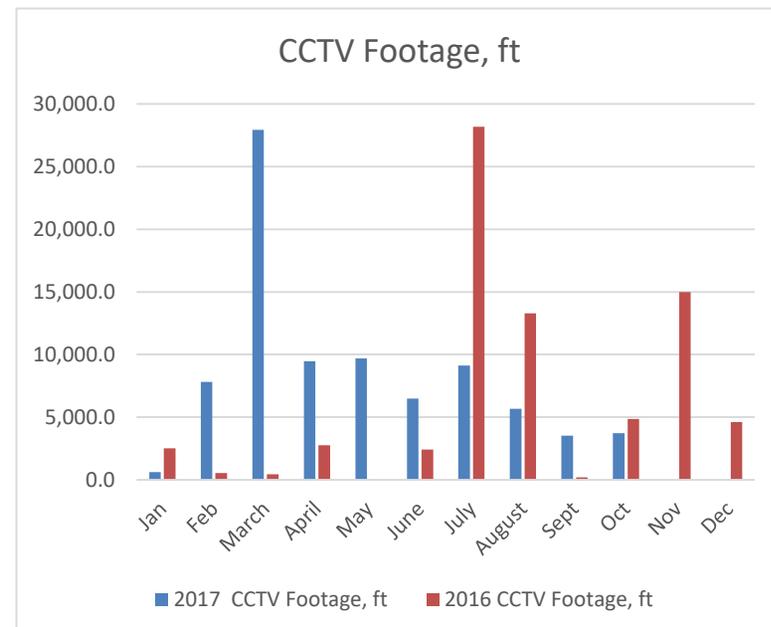
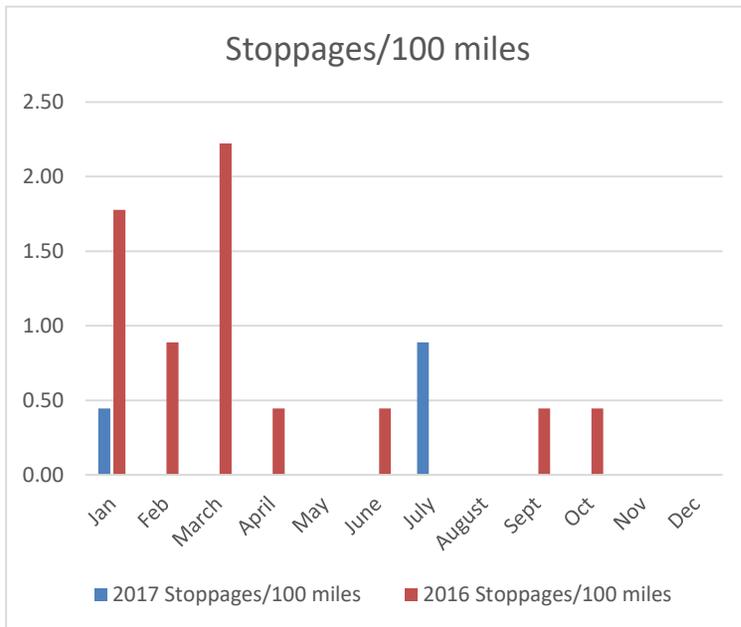
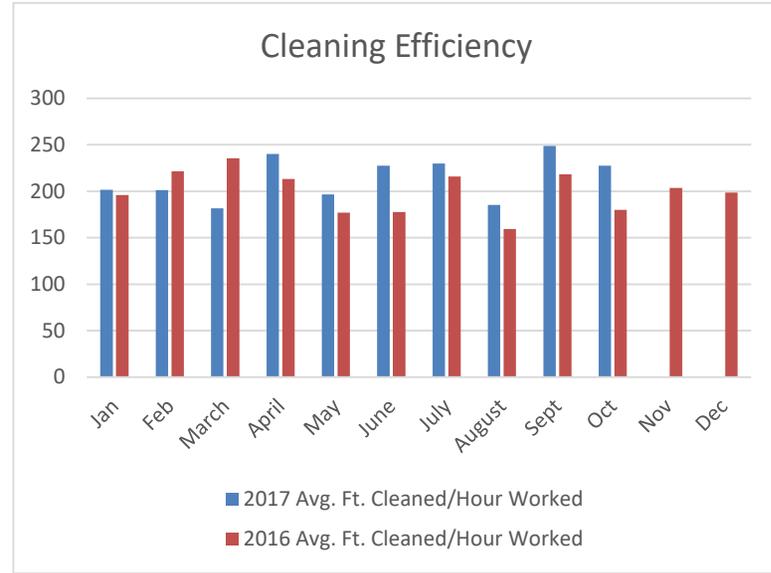
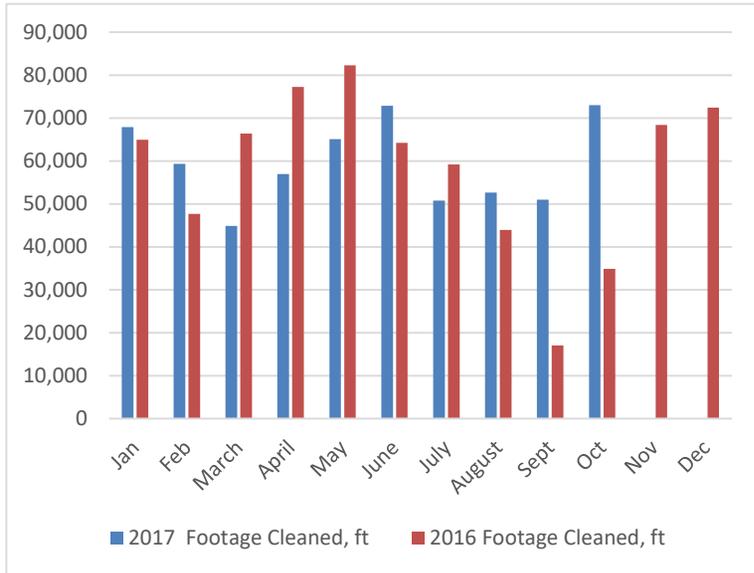
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
A. Employee Hours Worked														
Number of FTEs (main line cleaning), hrs.	1.9	1.8	1.4	1.5	1.8	1.9	1.3	1.5	1.2	1.8	0.0	0.0	NA	1.3
Number of FTEs (other)	2.0	1.7	2.0	1.5	2.2	1.9	1.8	1.6	1.6	2.2	0.0	0.0	NA	1.5
Number of FTEs (CCTV)	0.0	0.4	1.0	0.5	0.3	0.2	0.3	0.1	0.0	0.1	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	2.9	4.0	0.0	0.0	NA	3.1
Regular Time Worked, (main line cleaning), hrs	337	295	247	237	331	320	221	284	205	321				
Regular Time Worked on Other, hrs (1)	360	270	362	247	415	331	301	297	271	388				
Regular Time Worked on CCTV (2)	2	57	182	75	58	41	46	4	2	11				
Total Regular time, worked, hrs	699	622	791	559	804	692	568	585	478	720	0	0	6,517	543
Total Vacation/Sick Leave/Holiday, hrs	359	295	254	391	300	310	442	511	522	335			3,719	372
Vacation/Sick Leave/Holiday, FTEs	2.0	1.8	1.4	2.4	1.6	1.8	2.4	2.7	3.2	1.8	0.0	0.0	21.2	1.8
Overtime Worked on Coll. Sys., hrs	0	0	0	0	0	0	0	0	0	0			0	0
Overtime Worked on Other, hrs (1)	74	11	4	4	20	20	30	19	17	3			202	20
Overtime Worked on CCTV (2)	0	5	0	0	0	0	0	0	0	0			5	1
Total Overtime, hrs	74	16	4	4	20	20	30	19	17	3	NA	NA	207	21
B. Productivity														
1. Line Cleaning														
Rodder Work Orders generated	39	28	6	15	66	34	22	63	31	96			400	40
Rodder 3208 ft. cleaned	8,884	5,385	1,145	3,310	11,176	6,466	4,356	10,492	6,034	18,173			75,421	7,542
Rodder - outside services, ft cleaned	0	0	0	0	0	0	0	0	0	0			0	0
Flusher Work Orders generated	277	278	214	266	280	346	243	240	358	503			3,005	301
Truck 3205V ft. cleaned	8,395	12,037	512	776	4,349	7,096	1,304	2,340	25,672	12,621			75,102	7,510
Truck 3206V ft. cleaned	50,644	41,951	43,188	52,869	49,549	59,020	45,128	39,821	19,305	42,219			443,694	44,369
Flusher - outside services, ft. cleaned	0	0	0	0	0	284	0	0	0	0			284	
Total Footage cleaned(3)	67,923	59,373	44,845	56,955	65,074	72,866	50,788	52,653	51,011	73,013	NA	NA	594,501	59,450
Work Orders completed	316	306	220	281	346	380	265	303	299	389			3,105	311
Work Orders backlog	0	0	0	0	0	0	0	0	90	210	0	0	300	100
2. Closed Circuit Television (CCTV)														
Camera Work Orders generated	0	0	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	0	539			66,693	6,669
CCTV (hand cam), ft. videoed	612	757	0	749	0	822	2,320	5,123	3,521	3,176			17,080	
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0	250	0	0	0	0			250	
Total CCTV footage(3)	612	7,812	27,927	9,476	9,682	6,486	9,128	5,664	3,521	3,715	NA	NA	84,023	
C. Sanitary Sewer Overflows (SSOs)														
Minor (Category III)	1	0	0	0	0	0	2	0	0	0			3	NA
Major (Category II)	1	0	0	0	0	0	1	0	0	0			2	NA
Major (Category I)	0	0	0	0	0	0	0	0	0	0			0	NA
Major (Category I)	0	0	0	0	0	0	1	0	0	0			1	NA
Overflow Gallons	90	0	0	0	0	0	4,826	0	0	0			4,916	NA
Volume Recovered	0	0	0	0	0	0	600	0	0	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	2	3			38	4
Normal hours S.C. response time, mins (avg.)	10	12	18	15	23	10	25	40	29	18			200	20
Service Callouts, after hours, #	0	1	0	0	0	0	1	0	0	0			2	0
After Hours S.C. response time, mins (avg.)	NA	30	NA	NA	NA	NA	30	NA	NA	NA			60	30
E. Benchmarks														
Average Ft. Cleaned/Hour Worked	202	201	182	240	197	228	230	185	249	227	NA	NA	NA	214
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	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 October 2017 (as of October 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	185	236	0	0	2,307	
Number of Employees (FTEs)	1.2	1.3	1.3	1.1	1.1	1.2	1.0	1.1	1.0	1.1	0.0	0.0		0.9
Regular Time Worked on Pump Sta	190	203	235	172	206	205	174	211	157	191			1,944	
Overtime Worked on Pump Sta	28	36	41	33	40	34	38	40	28	45			363	
After Hours Callouts	3	3	6	4	5	2	4	4	1	5			37	
Average Callout response time (mins)	23	28	30	13	24	17	26	24	28	27			240	24
Work Orders														
Number generated in month	99	95	87	91	117	98	106	90	93	112			988	99
Number closed in month	99	95	87	91	115	98	106	90	93	112			986	99
Backlog	0	0	0	0	2	0	0	0	0	0	0	0	2	0

**PUMP STATIONS
WORK ORDER STATISTICS
October 1, 2017-October 30, 2017**

	Open Work Orders Due Prior to 10/1/2017	Open Work Orders 10/1/2017-10/31/2017	Total Open Work Orders
Preventive	0	112	112
Corrective	0	0	0
Total	0	112	112

	Closed Work Orders 10/1/2017 - 10/31/2017
Preventive	112
Corrective	0
Total	112

Total Outstanding Work Orders as of 10/31/2017	0
---	----------



November 9, 2017

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

Subject: Veolia Water Operations Report – October 2017

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations report for October 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 that reads "John Bailey". The signature is stylized and cursive.

John Bailey
Project Manager, Veolia



MONTHLY OPERATIONS REPORT
October 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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- 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: October 2017:

Parameter	Value		Limit	
	Ave	Max	#1	#2
Flow, MGD (monthly ave/max)	3.78	4.78	N/A	N/A
Influent				
BOD ₅ , lb/day (month ave/max)	9,169	10,180	N/A	N/A
TSS, lb/day (monthly ave/max)	10,543	13,651	N/A	N/A
Effluent				
*BOD ₅ , mg/L (monthly ave/max weekly ave)	<5	5	15	30
TSS, mg/L (monthly ave/max weekly ave)	<3	4	10	20
BOD ₅ - % Removal, Average	98	N/A	85	N/A
TSS - % Removal, Average	99	N/A	85	N/A
Ammonia, mg/L – (monthly ave/daily max)	0.22	0.22	5.9	21
pH, su (min / max)	6.8	7.0	6.0	9.0
Enterococcus, MPN/100 ml (30 day geo mean)	2.74	6.3	35	N/A
Fecal Coliform, MPN/100 ml (monthly median)	N/A	N/A	140	N/A
Fecal Coliform, MPN/100 ml (90 th %ile)	N/A	N/A	430	N/A
Total Permit Exceedances (NPDES)	0			

Title 22 - Recycled Water Production and Quality

Description	Units	Value	Limit
Volume Produced	Million Gallons	11.798	N/A
Average Turbidity	NTU	0.4	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	6.2	2 mg/L minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform 2 Samples 30 d	MPN/100 ml	<1	23
Total Coliform 7 Sample Median	MPN/100 ml	<1	2.2

Discussion of Violations / Excursions

- Bay Discharge (NPDES 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 October
- Accident Free: 6/1/10 – 10/31/17: 2,716 days
- West Region Monthly Health and Safety Webinar
- Monthly Safety Topics and Training:
 - Safety Showers & Eye Washes

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

- Routine rounds, readings and maintenance
- Installed new flow tube for primary clarifier #2 flow meter
- Leak Detection Pros – location of #3 waterline leak by headworks
- Annual service on Flygt Pumps
- Re-installed rebuilt influent pump #3
- Blower #3 VFD electrical repairs
- Replaced thermostat on Digester #2 heat exchanger
- Waste Activated Sludge (WAS) Pump #1 removed for repair
- Dry Weather Effluent Pump #2 in for repair

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

- Aeration basin #1 & #3 (standby)
- Primary clarifier #1 (standby)
- WAS Pump #1 (motor repair)
- Effluent Pump #2 (repair)

Ignacio Transfer Pump Station

- Routine rounds, readings and maintenance
- Annual Service on Flygt Pumps

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
- Completed annual pumping and cleaning of Sludge Lagoons (NSD / Contract Activity)

D: LABORATORY ACTIVITIES SUMMARY:

Discharge to the Bay

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

No sampling of the irrigation wetwell occurred in October as irrigation concluded in September.

Total Coliforms

When effluent is discharged to the Bay, there is no requirement for Total Coliform.

Enterococcus

When effluent is discharged to the Bay, the bacteriological requirement is for *Enterococcus*. Three samples were analyzed each week in October and all were well under the regulatory limits.

Fecal Coliforms

Fecal Coliform sampling is required once per quarter during Bay discharge. A quarterly sample was analyzed in September for the September through November Quarter, with the results well below the regulatory limit.



Whole Effluent Toxicity Testing

Quarterly Acute and Chronic Toxicity is required during Bay Discharge. Testing began on October 18, 2017. Both analyses were performed by Aqua Science in Davis, CA. Acute Toxicity testing results yielded 100% survival. The Chronic Toxicity test results for survival and growth were very good at <1.0 TUc each. See historic Chronic Toxicity results below.

Test Date	4/15	5/15	11/15	1/16	4/16	11/16	1/17	4/17	6/17	10/17
EC ₂₅ (%)	>100	>100	>100	>100	>100	>100	>100	>100	>100	>100
NOEC (%)	50	100	100	100	100	100	100	100	100	65
TUc(100/EC ₂₅)	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0

PCBs

The effluent was analyzed for PCBs congeners in October for the October through December quarter as required in the PCB and Mercury Watershed Permit (R2-2012-0096).

Training

Liz Falejczyk attended the BACWA Pretreatment Committee, BACWA Permits Committee Meeting and CWEA SCVS Lab Committee all-day training "The first steps to implementing the TNI 2016 Standard".

Laboratory Accreditation

The Environmental Laboratory Accreditation Program (ELAP) renewal application packet for the NSD Laboratory as operated by Veolia was submitted in October 2017 as required by regulations. The expiration date for the current certification is January 31, 2018. In 2018, ELAP is planning to amend its regulations to adopt a modified version of the laboratory TNI 2016 Standards as drafted by The NELAC Institute. The next step is for ELAP to write and submit the new regulations adopting the TNI 2016 standards (projected for early 2018) and then for the SWRCB to adopt those regulations (spring 2018). The current timeline then includes training continuing through 2019 with implementation 2020-2021 and compliance by all ELAP Laboratories by 2022.

For the last two years, Liz Falejczyk has been aware of and involved with the ELAP changes as the adoption of a standard has been the focus. She and the entire San Francisco Bay Area laboratory community have been in close contact with ELAP and the representatives sitting on the Environmental Laboratory Technical Advisory Committee (ELTAC) and formally commenting when appropriate directly to ELAP and the SWRCB.

Public Education/Outreach

Liz Falejczyk attended the North Bay Science Discovery Day with John Bailey, Lynda Farmery and Harlan Falejczyk. Along with showing the mysterious and fascinating microorganisms of the wastewater treatment plant, we demonstrated what not to flush and why, using magical magnetic stir plates and shaker flasks.



Pretreatment

Permits

- Received one Temporary Discharge Permit application
- Issued one Temporary Discharge Permit (11/1/2017)

Inspections and Sampling

- Inspected one food service establishments (FSE)
- Received support documentation confirming compliance from two FSEs
- Inspected two Significant Industrial Users (SIUs)
- Sampled two SIUs

E: ADMINISTRATION:

- September Electronic Self-Monitoring Report (eSMR) submitted on October 30, 2017
- September Electronic Discharge Monitoring Report (DMR) submitted on October 30, 2017

F: ODORS & LANDSCAPING:

- Three 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.

Veolia Support Staff On/Off Site (Various Times)

John O'Hare (Veolia Corporate)

Technical Support, Pretreatment & Laboratory



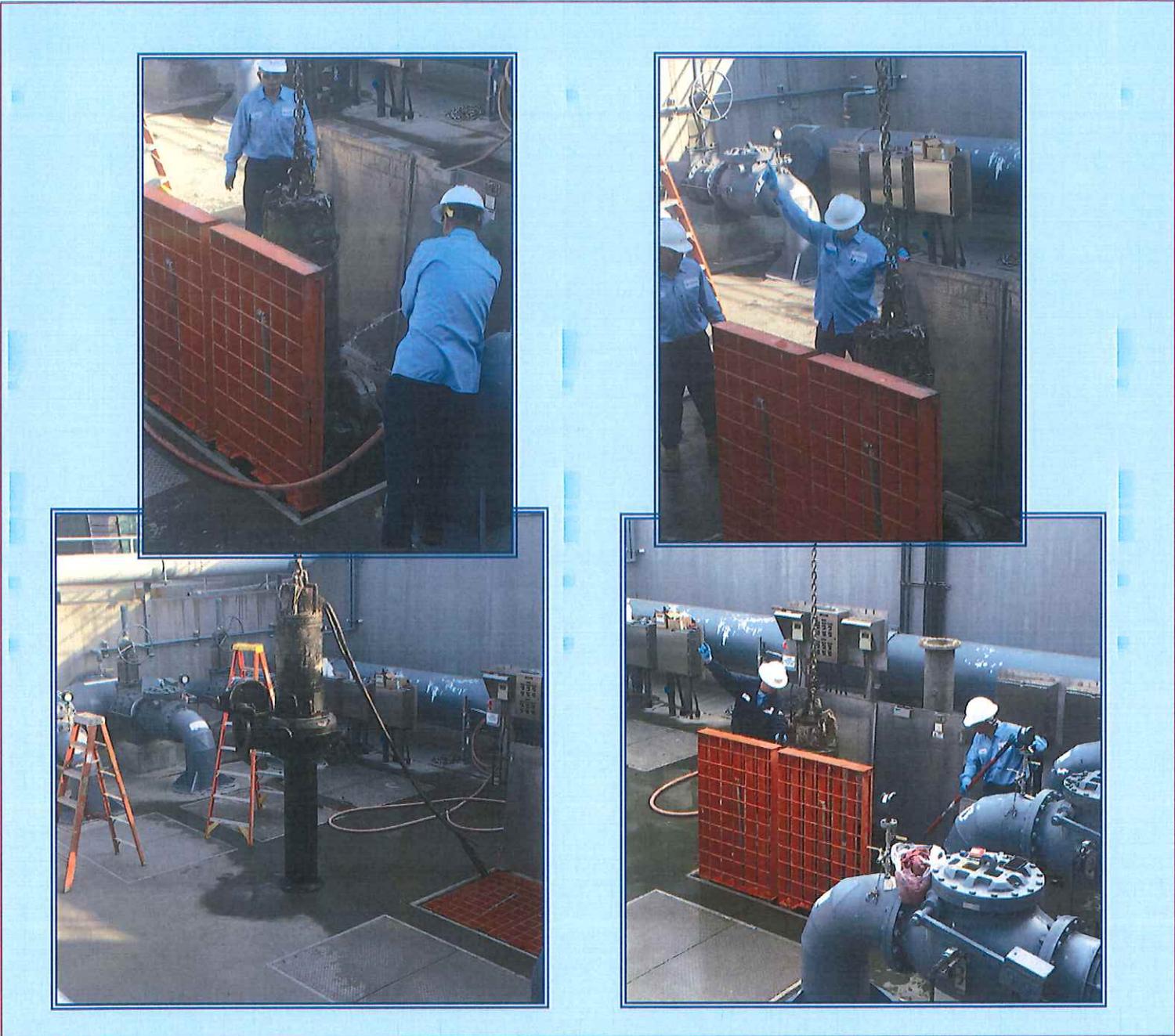
PHOTOS

ANNUAL PUMP MAINTENANCE – RAS & WAS PUMPS
OCTOBER 2017



Jeff Hendricks & Alejo Cuntapay – Remove Inspect and Test; Return Activated Sludge (RAS) and Waste Activated Sludge (WAS) Pumps

ANNUAL PUMP MAINTENANCE – INFLUENT PUMPS
OCTOBER 2017



Jeff Hendricks & Alejo Cuntapay Remove, Inspect, and Test Influent Pumps

MAINTENANCE
OCTOBER 2017



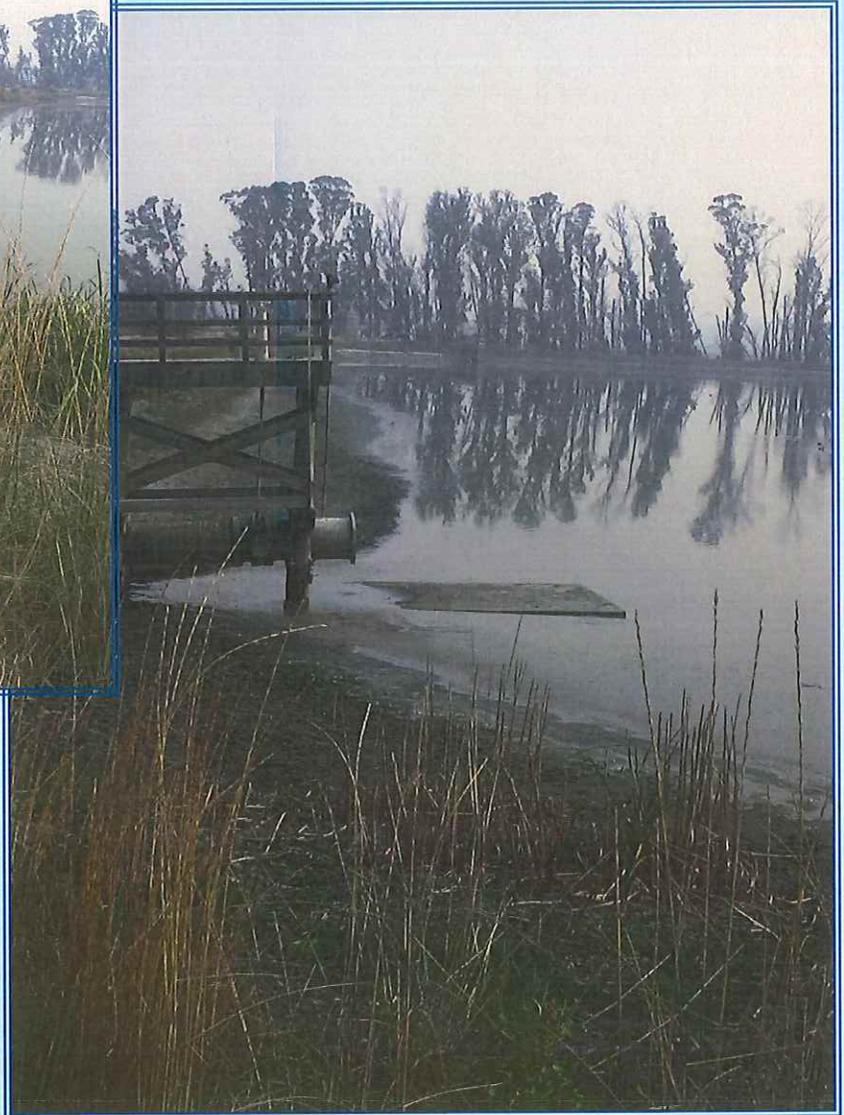
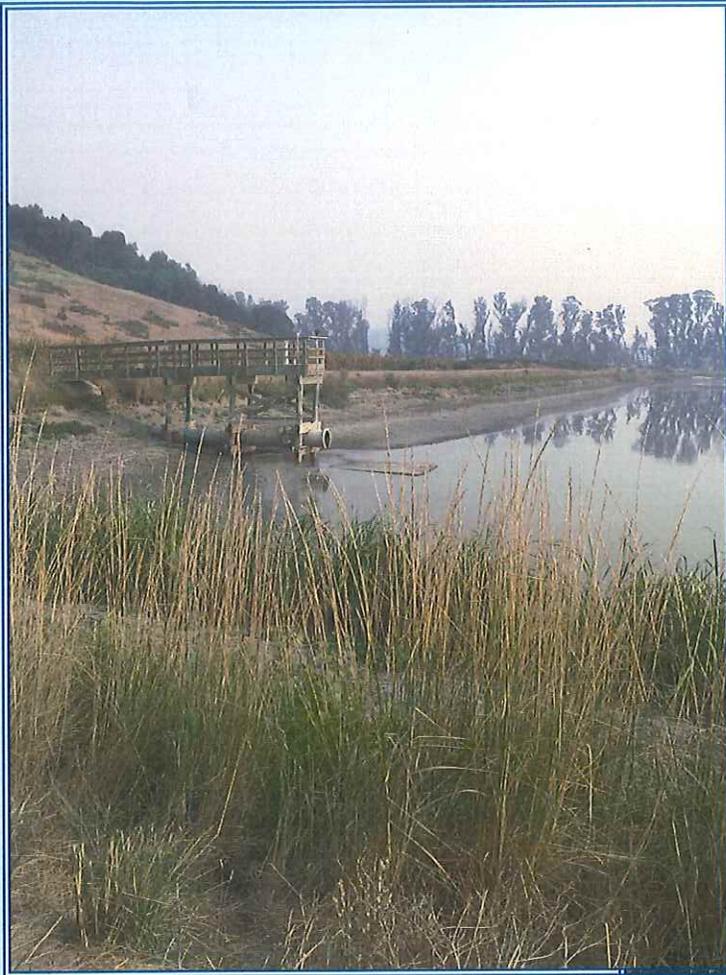
Jeff Hendricks performs routine maintenance on disinfection system and gravity belt thickener

RECLAMATION AREA – SLUDGE LAGOON CLEANING
OCTOBER 2017



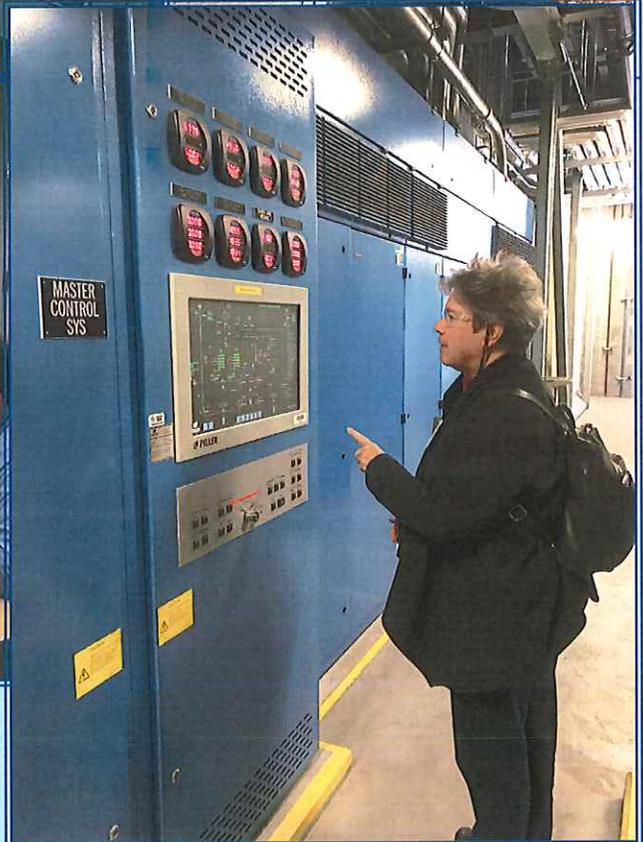
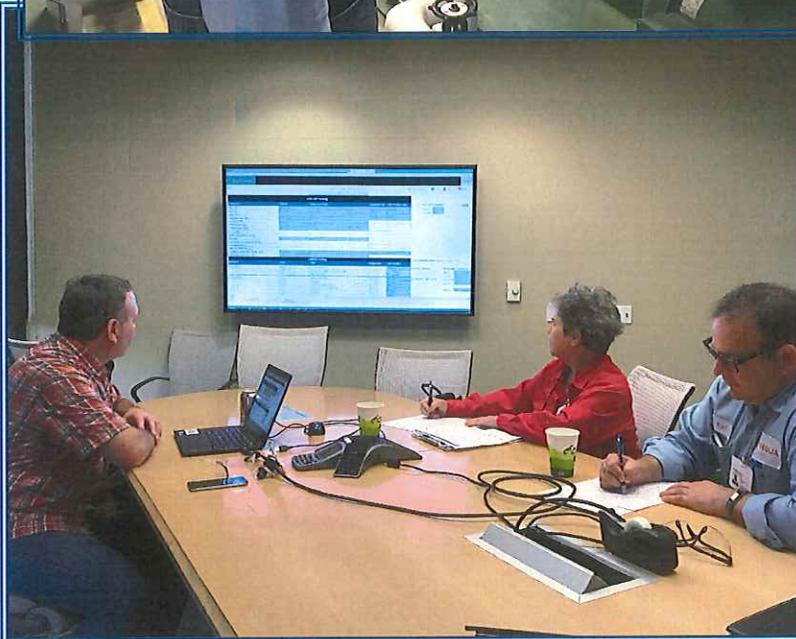
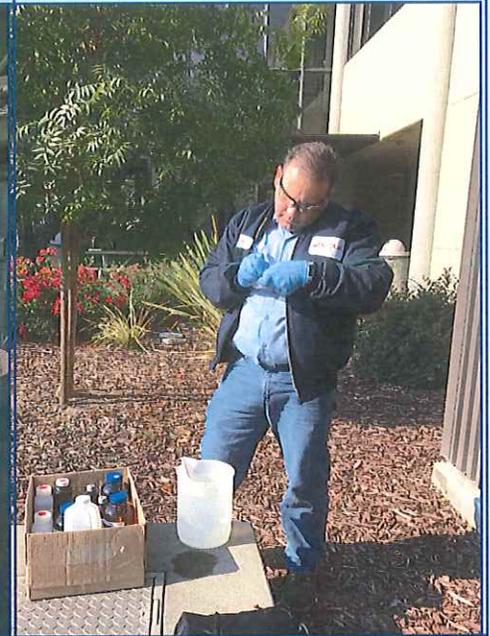
Top Left & Right – Removal of sludge with pump (foreground) & excavator (background).
Bottom Left – Removal of heavy solids with long reach excavator
Bottom Right – Sludge Lagoon #1 placed in service after cleaning

RECLAMATION AREA – STORAGE POND
OCTOBER 2017



Reclamation Storage Pond #1 – Pond Level ~1 Foot

BIOMARIN – INSPECTION AND SAMPLING OCTOBER 2017



NORTH BAY SCIENCE & DISCOVERY DAY
OCTOBER 28, 2017



Top Lynda Farmery, Liz & Harlan Falejczyk prepare for North Bay Science & Discovery Day
Bottom Left – Brian, Tina, and Julietta Exberger look on as Harlan displays microorganisms under the microscope.
Bottom Right – Harlan prepares slides demonstrating the wonders of the microscopic world of Wastewater

LABORATORY DATA

Novato Sanitary District
BOD/TSS Report



October, 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		
10/01/17	3.65										
10/02/17	3.61										
10/03/17	4.78										
10/04/17	3.43	310	8,868	289	8,267	5	103	5	103	98.4	98.3
10/05/17	3.41					<5	<119	3	71		
10/06/17	3.35										
10/07/17	3.78										
10/08/17	3.49										
10/09/17	4.05										
10/10/17	3.95										
10/11/17	3.77										
10/12/17	3.59	340	10,180	360	10,779	<5	<128	3	77	98.5	99.2
10/13/17	3.45										
10/14/17	3.51										
10/15/17	3.69										
10/16/17	3.74										
10/17/17	3.70	260	8,023	307	9,473	<5	<136	<3	<81	98.1	99.0
10/18/17	3.54										
10/19/17	3.94										
10/20/17	3.56										
10/21/17	3.62										
10/22/17	4.13										
10/23/17	4.01										
10/24/17	3.74										
10/25/17	3.49	330	9,605	469	13,651	<5	<133	<3	<80	98.5	99.4
10/26/17	4.21										
10/27/17	3.80										
10/28/17	3.98										
10/29/17	4.30										
10/30/17	4.07										
10/31/17	3.88										
Weekly Averages											
10/07/17	Week 1	310	8,868	289	8,267	5	111	4	87		
10/14/17	Week 2	340	10,180	360	10,779	5	128	3	77		
10/21/17	Week 3	260	8,023	307	9,473	5	136	3	81		
10/28/17	Week 4	330	9,605	469	13,651	5	133	3	80		
	Week 5										
Monthly											
Minimum	3.35	260	8,023	289	8,267	<5	103	<3	71	98	98
Maximum	4.78	340	10,180	469	13,651	5	<136	5	103	99	99
Total	117.22										
Average	3.78	310	9,169	356	10,543	<5	<124	<3	<83	98	99

Novato Sanitary District
Conventional Pollutants Report



October, 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	
10/01/17	3.65										0.00
10/02/17	3.61				6.3		7.0			24.2	0.00
10/03/17	4.78				6.3		7.0			23.3	0.00
10/04/17	3.43				4.1		7.0			23.4	0.00
10/05/17	3.41	7.2					7.0	0.22	<1.5	24.1	0.00
10/06/17	3.35						6.9			23.9	0.00
10/07/17	3.78										0.00
10/08/17	3.49										0.00
10/09/17	4.05									23.7	0.00
10/10/17	3.95				5.2		6.9			23.2	0.00
10/11/17	3.77				1.0		6.9			22.6	0.00
10/12/17	3.59				1.0		7.0			23.3	0.00
10/13/17	3.45						6.9			22.9	0.00
10/14/17	3.51	7.2					6.9			22.5	0.00
10/15/17	3.69										0.00
10/16/17	3.74						6.9			23.6	0.00
10/17/17	3.70				4.1		6.8			23.4	0.00
10/18/17	3.54				6.3		6.9			21.9	0.00
10/19/17	3.94				2.0		6.9			22.7	0.11
10/20/17	3.56						6.9			22.8	0.07
10/21/17	3.62										0.00
10/22/17	4.13										0.00
10/23/17	4.01						7.0			23.6	0.00
10/24/17	3.74				2.0		7.0			23.6	0.00
10/25/17	3.49				2.0		6.8			23.4	0.00
10/26/17	4.21	7.3			<1.0		6.9			23.3	0.00
10/27/17	3.80						6.9			23.3	0.00
10/28/17	3.98										0.00
10/29/17	4.30										0.00
10/30/17	4.07	7.5					7.0			22.0	0.00
10/31/17	3.88						6.9			22.2	0.00
Monthly											
Minimum	3.35	7.2			<1.0		6.8	0.22	<1.5	21.9	0.00
Maximum	4.78	7.5			6.3		7.0	0.22	<1.5	24.2	0.11
Total	117.22										0.18
Average	3.78	7.3					6.9	0.22	<1.5	23.2	0.01

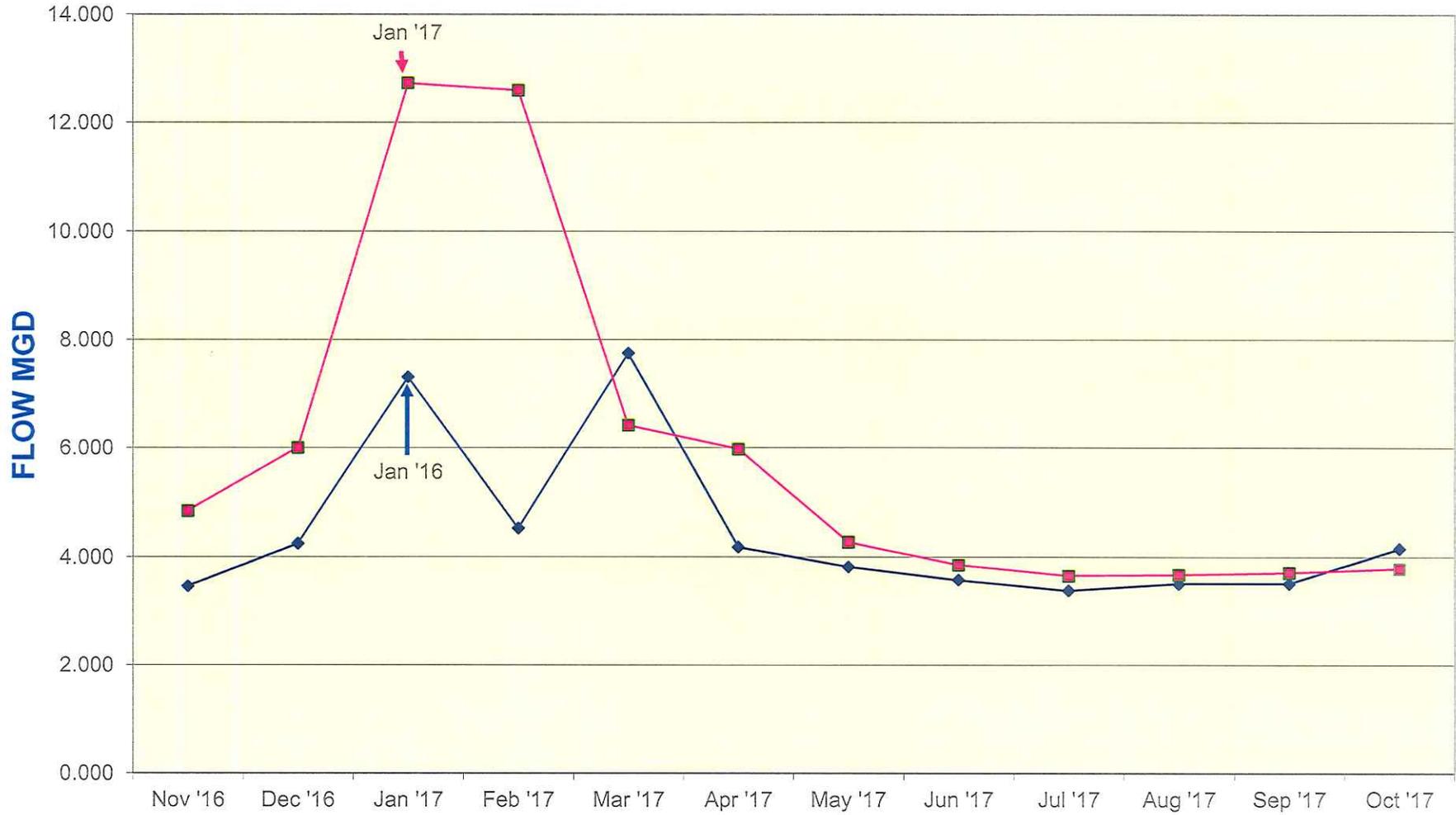
RECYCLED WATER REPORT

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

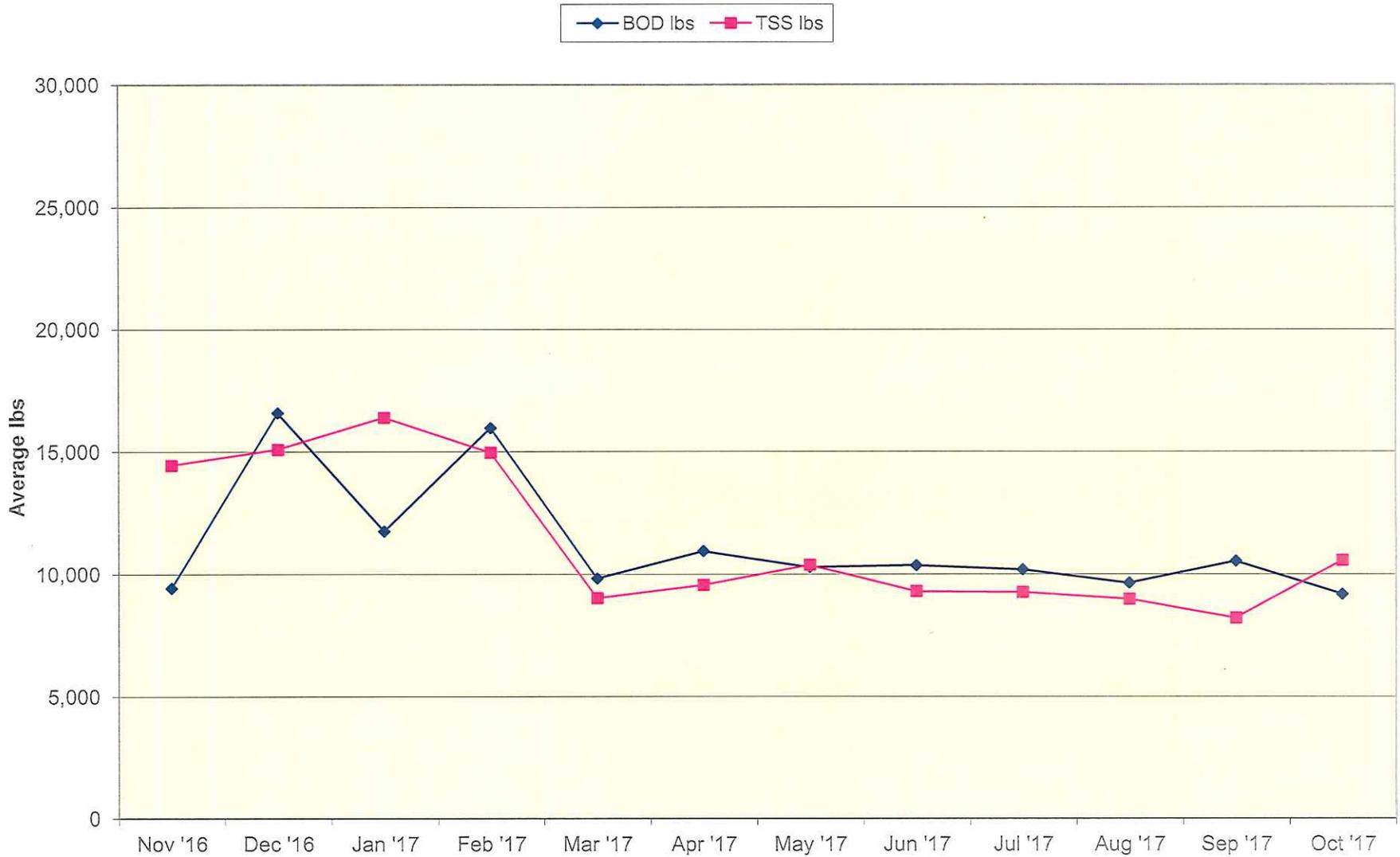
Date	Filter Influent Flow	Recycled Water Flow to Plum St.	Recycled Water Banked	Banked Water To Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Max	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU	Filter Effluent 24 Hr Average Turbidity	Recycled Water Inf Chlorine Dose	Filter Effluent Dissolved Oxygen	Filter Effluent Total Coliform	Chlorint Contact Time
	MGD	MGD	MG	MGD	NTU	NTU	(m)	NTU	(mg/l)	(mg/l)	vPN/100m	Minutes	
10/1/2017	0.690	0.454				2.4	0	0.7		6.5	<1	>450.000	
10/2/2017	0.650	0.258				2.5				6.8	<1	>450.000	
10/3/2017	0.650	0.476				3.1	0	0.7		7.1	<1	>450.000	
10/4/2017	1.060	0.957					0	0.6			<1	>450.000	
10/5/2017	0.810	0.554				1.6	0	0.4			<1	>450.000	
10/6/2017	0.790	0.538				1.2	0	0.4			<1	>450.000	
10/7/2017	0.650	0.449				1.2	0	0.3			<1	>450.000	
10/8/2017	0.670	0.496				1.5	0	0.3		7.4	<1	>450.000	
10/9/2017	0.790	0.273				1.9	0	0.4		7.3	<1	>450.000	
10/10/2017	0.820	0.417				1.2	0	0.4		7.3	<1	>450.000	
10/11/2017	0.720	0.372				2.3	0	0.4			<1	>450.000	
10/12/2017	0.650	0.514				1.5	0	0.5			<1	>450.000	
10/13/2017	0.650	0.553				1.8	0	0.5			<1	>450.000	
10/14/2017	0.850	0.748				1.4	0	0.4			<1	>450.000	
10/15/2017	0.790	0.616				1.3	0	0.3		7.0	<1	>450.000	
10/16/2017	0.640	0.422				1.3	0	0.3		6.2	<1	>450.000	
10/17/2017	0.750	0.445				1.6	0	0.3		7.5	<1	>450.000	
10/18/2017	0.610	0.386				1.2	0	0.2			<1	>450.000	
10/19/2017	0.210	0.058				1.5	0	0.2			<1	>450.000	
10/20/2017	0.230	0.142				1.2	0	0.2			<1	>450.000	
10/21/2017	0.590	0.185				1.8	0	0.4			<1	>450.000	
10/22/2017	0.220	0.045				1.7	0	0.4		8.3	<1	>450.000	
10/23/2017	0.610	0.254				1.5	0	0.4		8.2	<1	>450.000	
10/24/2017	0.300	0.052				1.6	0	0.4		6.9	<1	>450.000	
10/25/2017	0.670	0.306				1.6	0	0.5			<1	>450.000	
10/26/2017	0.100	0.015				1.9	0	0.7			<1	>450.000	
10/27/2017	0.680	0.546				3.0	0	0.7			<1	>450.000	
10/28/2017	0.660	0.566				2.0	0	0.7			<1	>450.000	
10/29/2017	0.660	0.509				1.7	0	0.5		7.2	<1	>450.000	
10/30/2017	0.560	0.158				2.2	0	0.5		7.1	<1	>450.000	
10/31/2017	0.160	0.034				2.0	0	0.5		7.1	<1	>450.000	
Total	18.890	11.798											
Minimum	0.100	0.015				1.2	0	0.2		6.2	<1	>450.0	
Maximum	1.060	0.957				3.1	0	0.7		8.3	<1	>450.0	
Average	0.609	0.381				1.8	0	0.4		7.2	<1	>450.0	

ANNUAL COMPLIANCE SUMMARY – GRAPHS

WASTEWATER INFLUENT FLOW COMPARISON

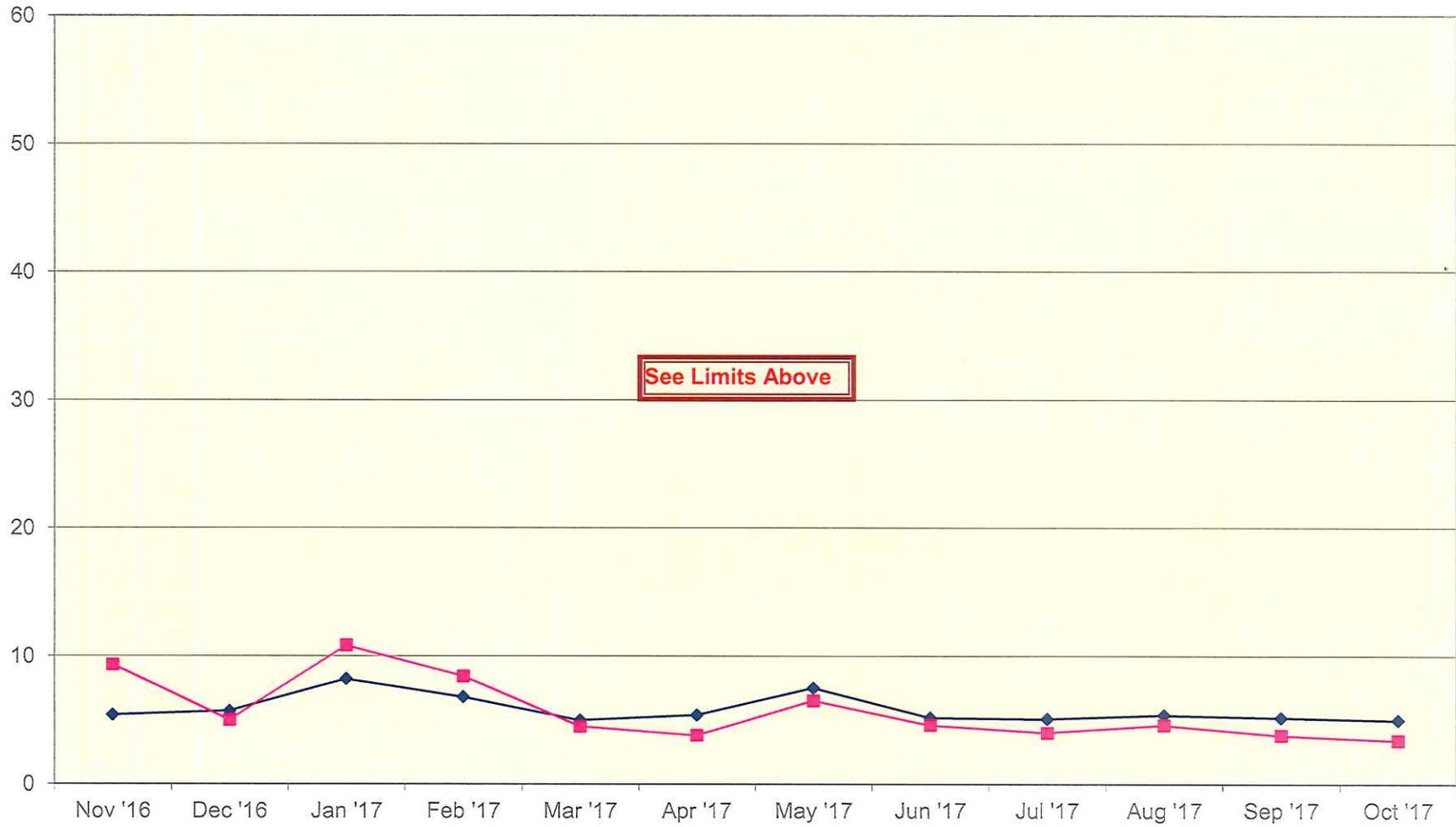


Influent Load BOD / TSS lbs

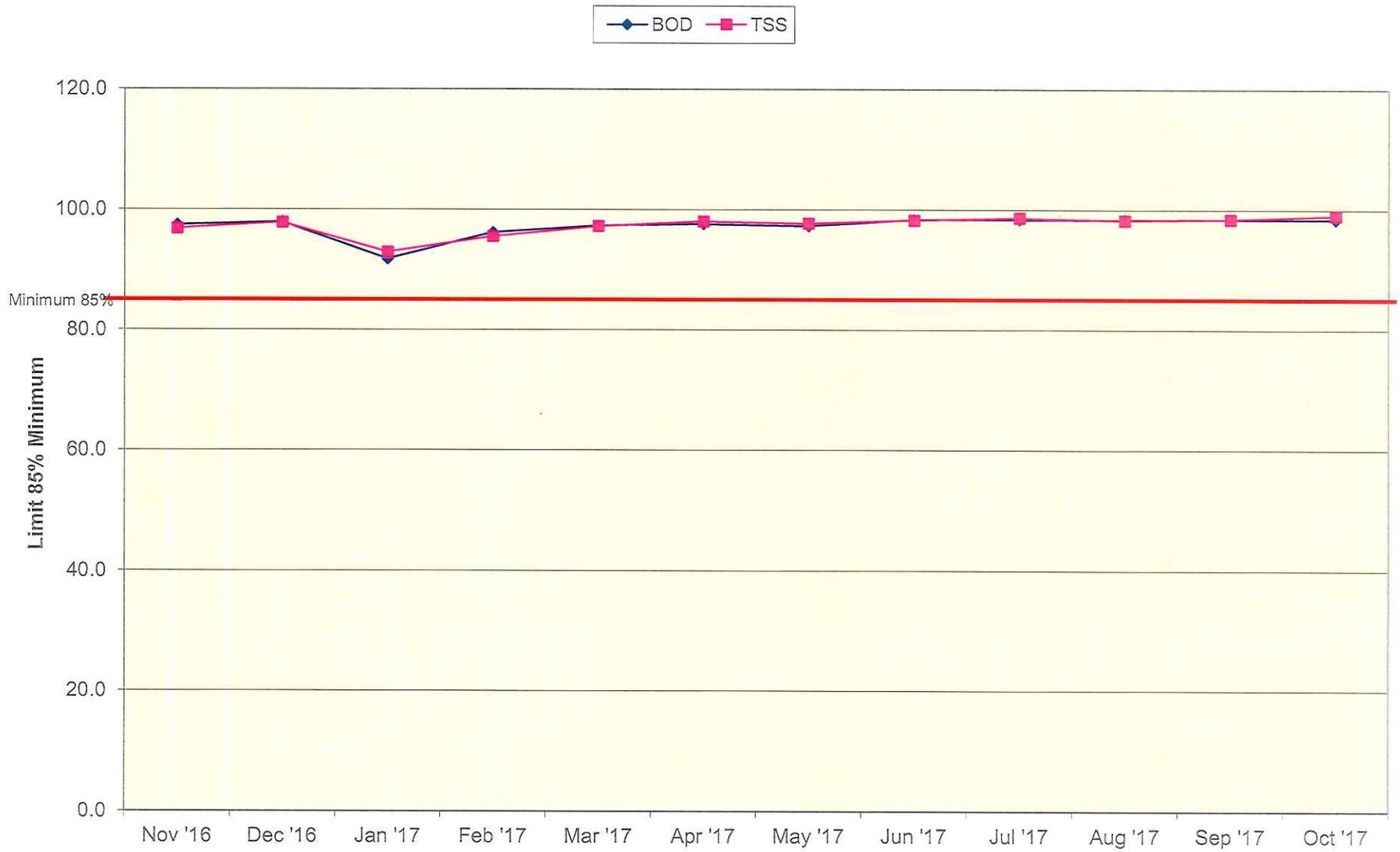


Effluent BOD / TSS Concentration

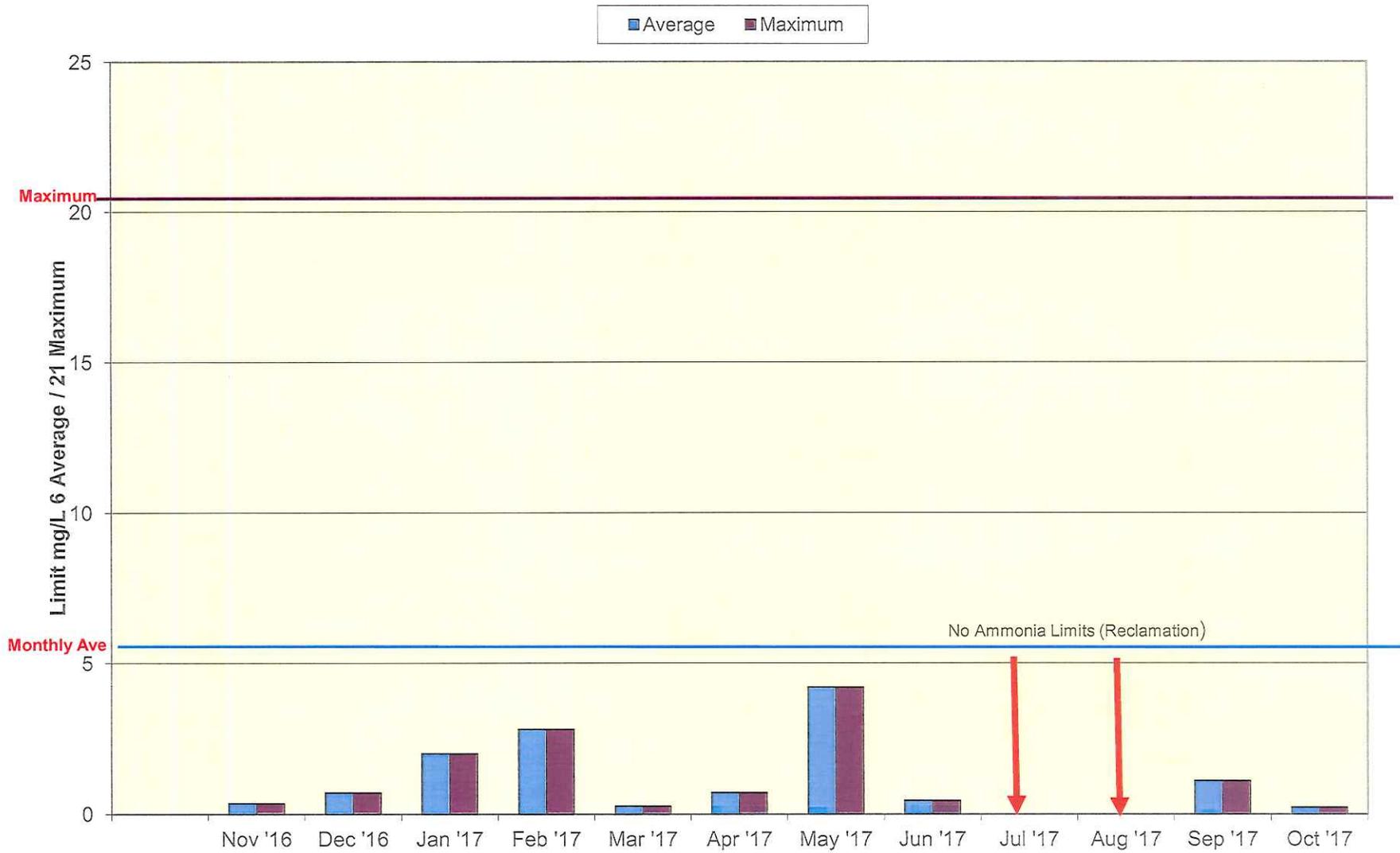
NPDES LIMITS DRY SEASON
BOD - 15 mg/L Monthly Ave, 30 mg/L Weekly Ave
TSS - 10 mg/L Monthly Ave, 20 mg/L Weekly Ave



BOD / TSS Percent Removal

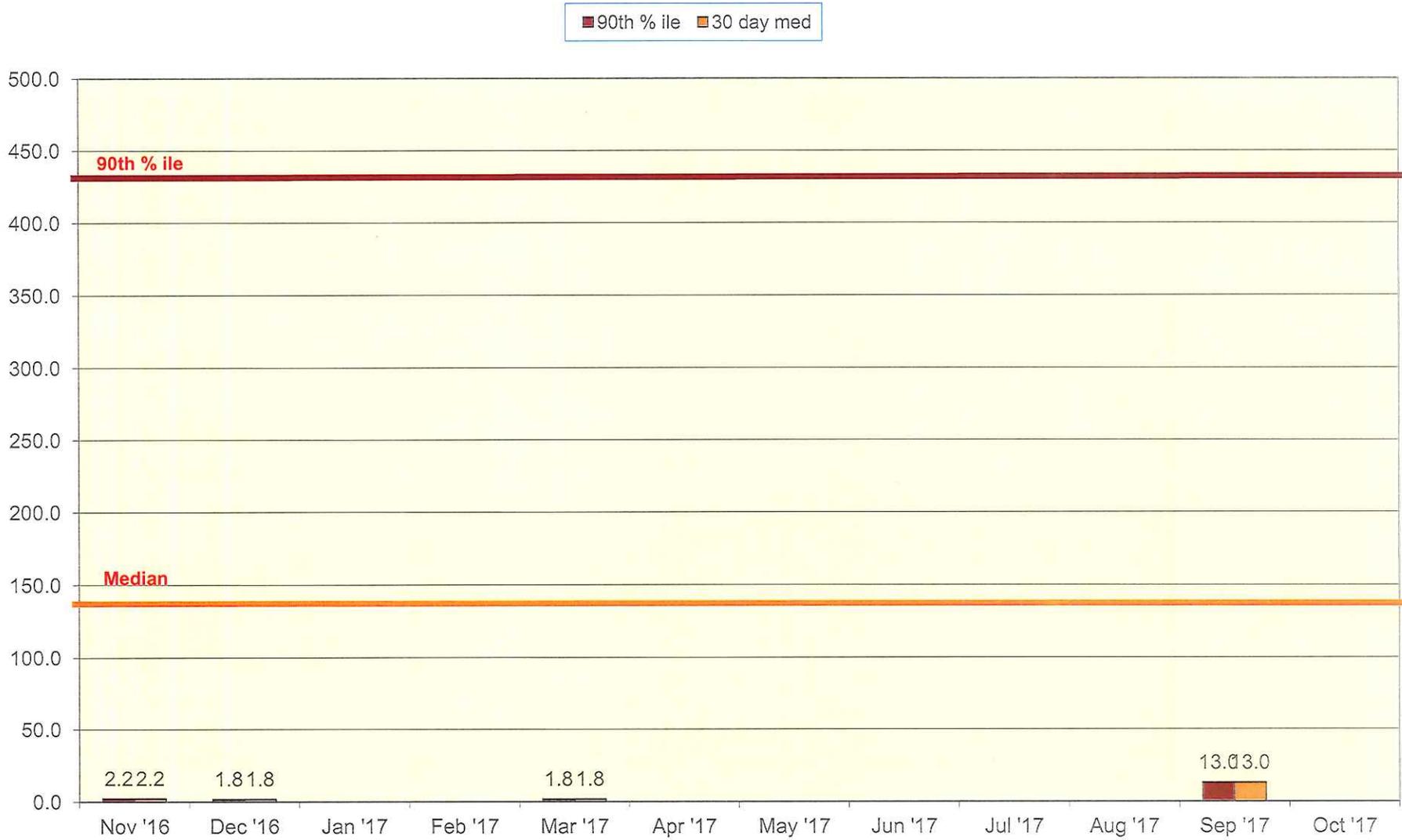


Effluent Ammonia



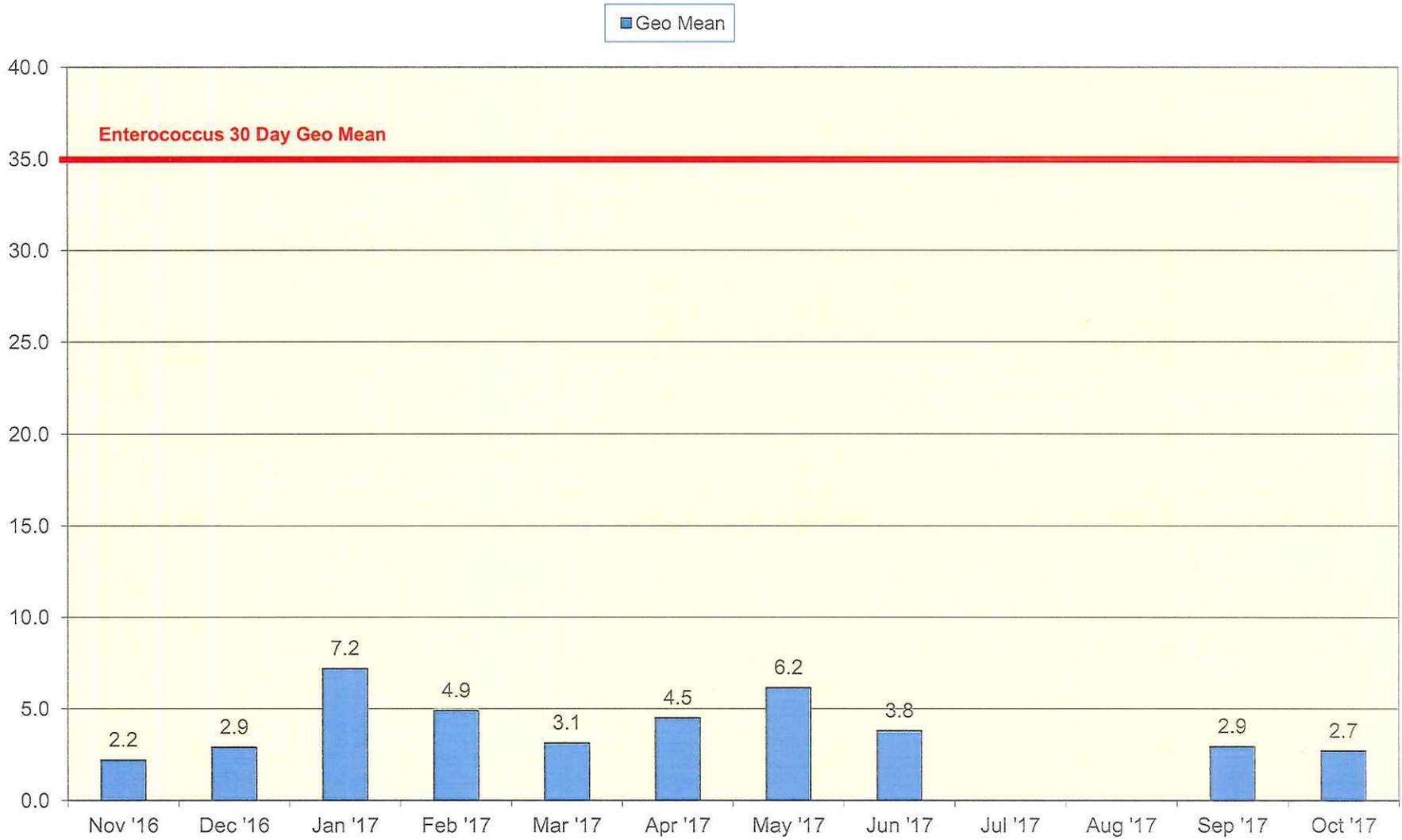
Disinfection - Fecal Coliform

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



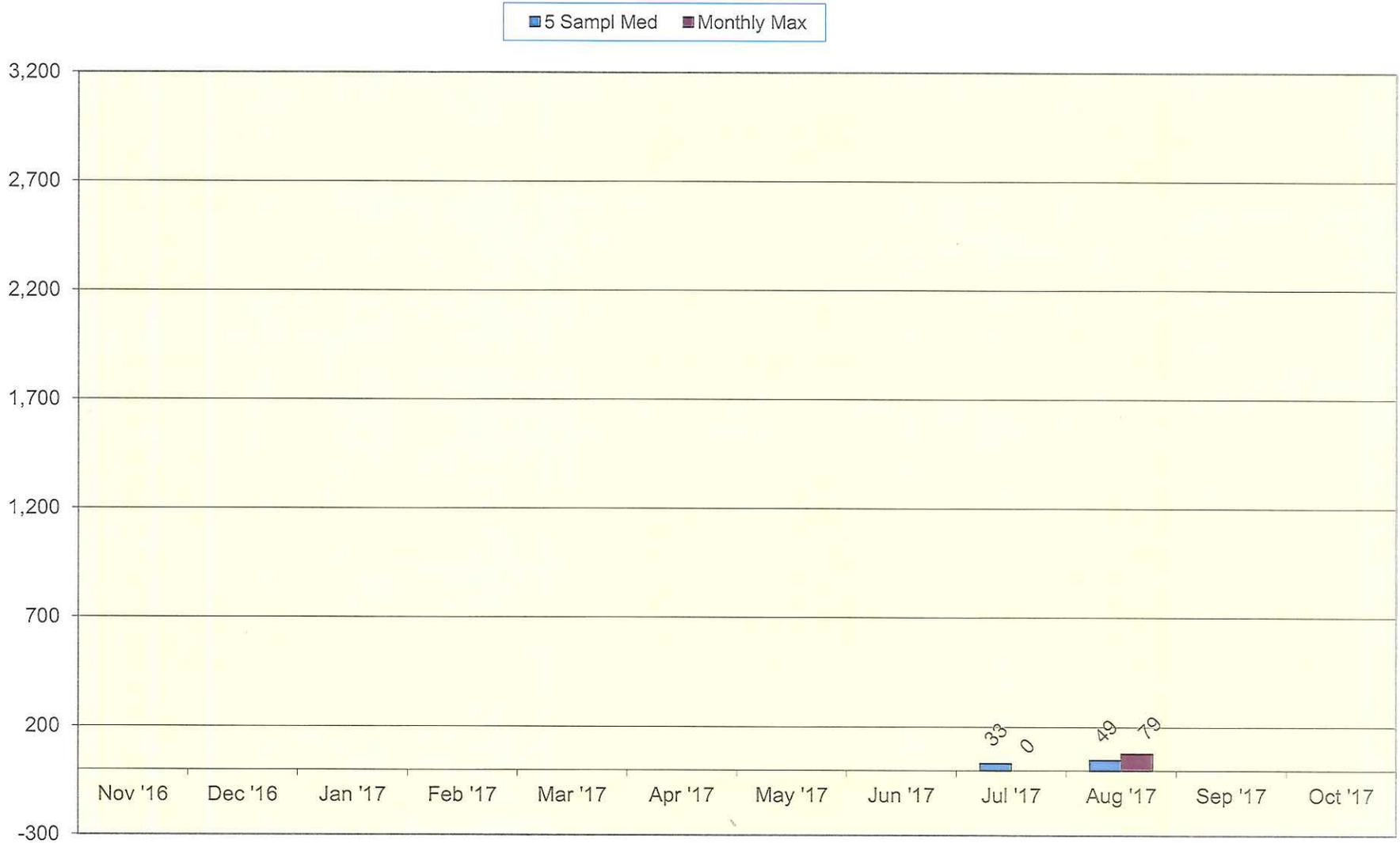
Disinfection - Enterococcus

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

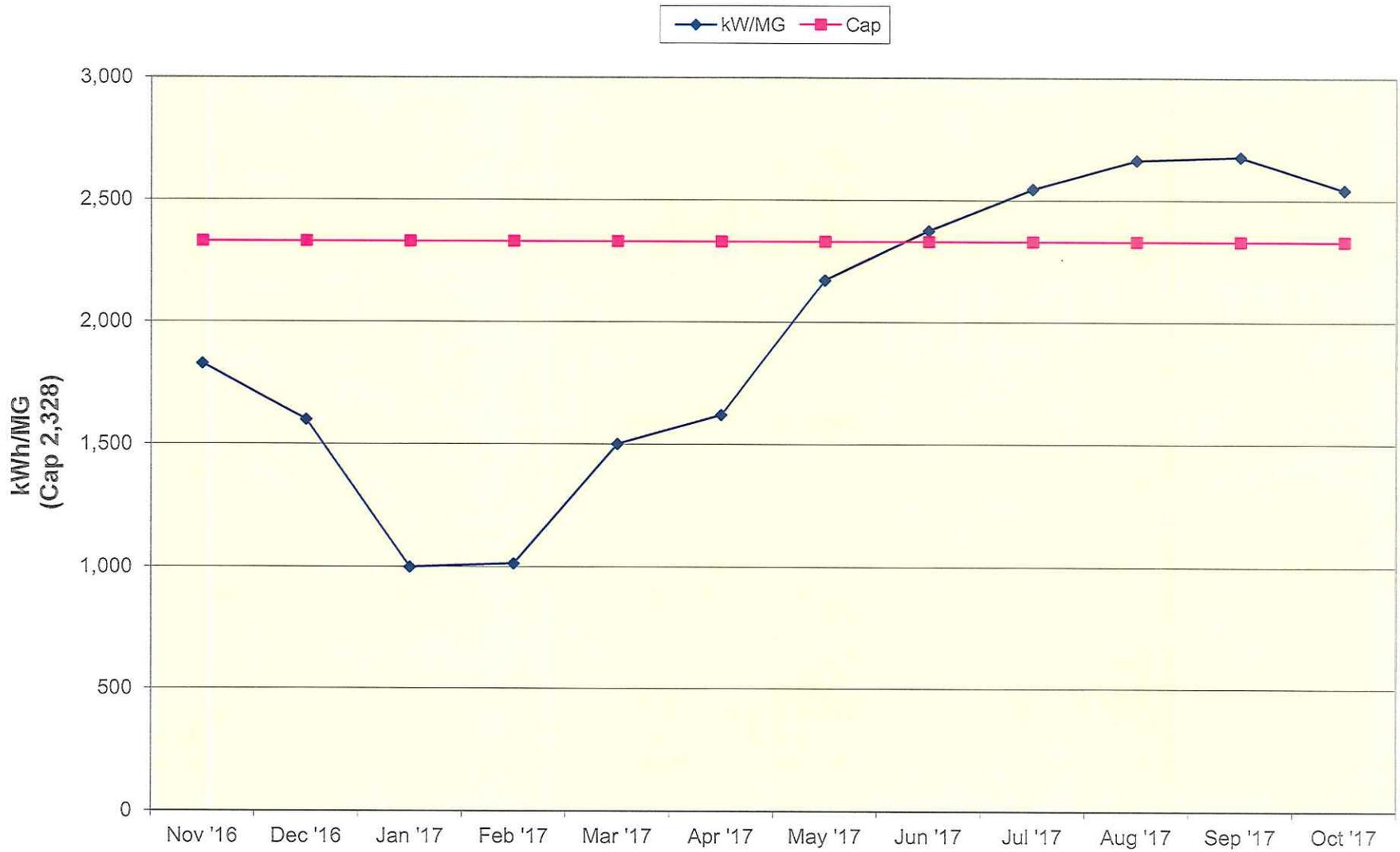


Disinfection - Total Coliform

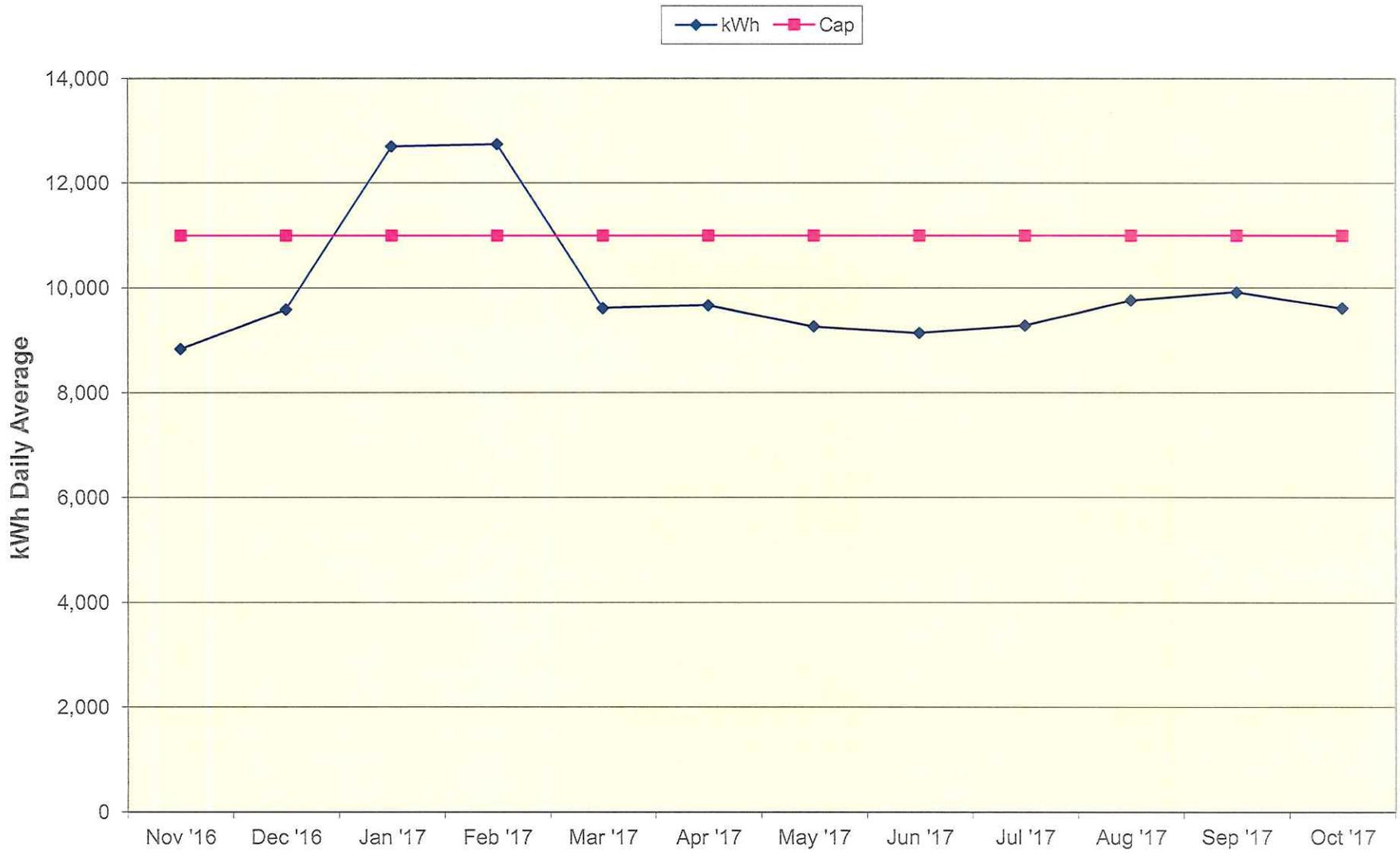
TOTAL COLIFORM LIMITS - WDR
 5 Sample Median - 240 mpn /100 ml
 Maximum - 10,000 mpn/100 ml



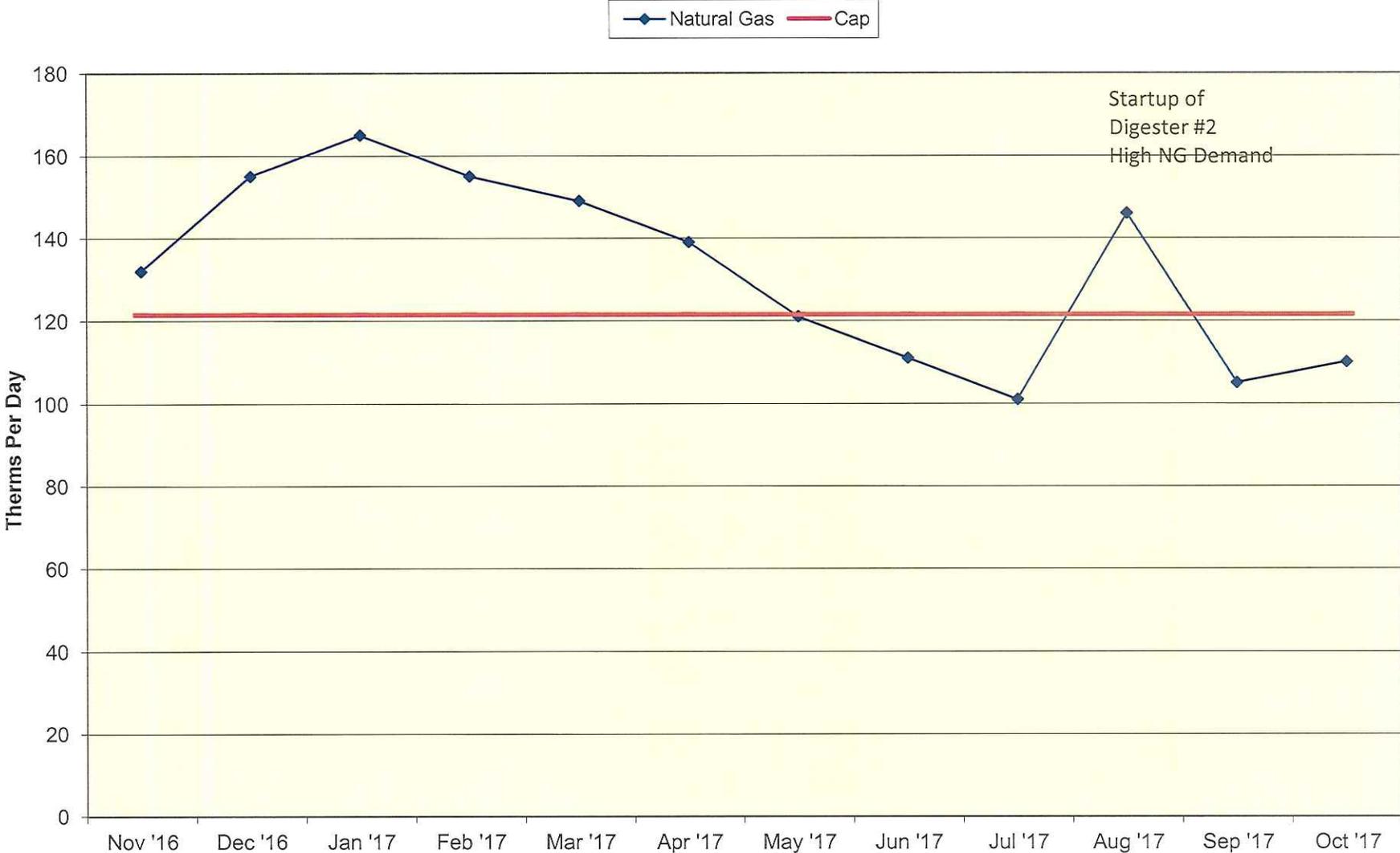
Energy kWh/MG



Energy kWh

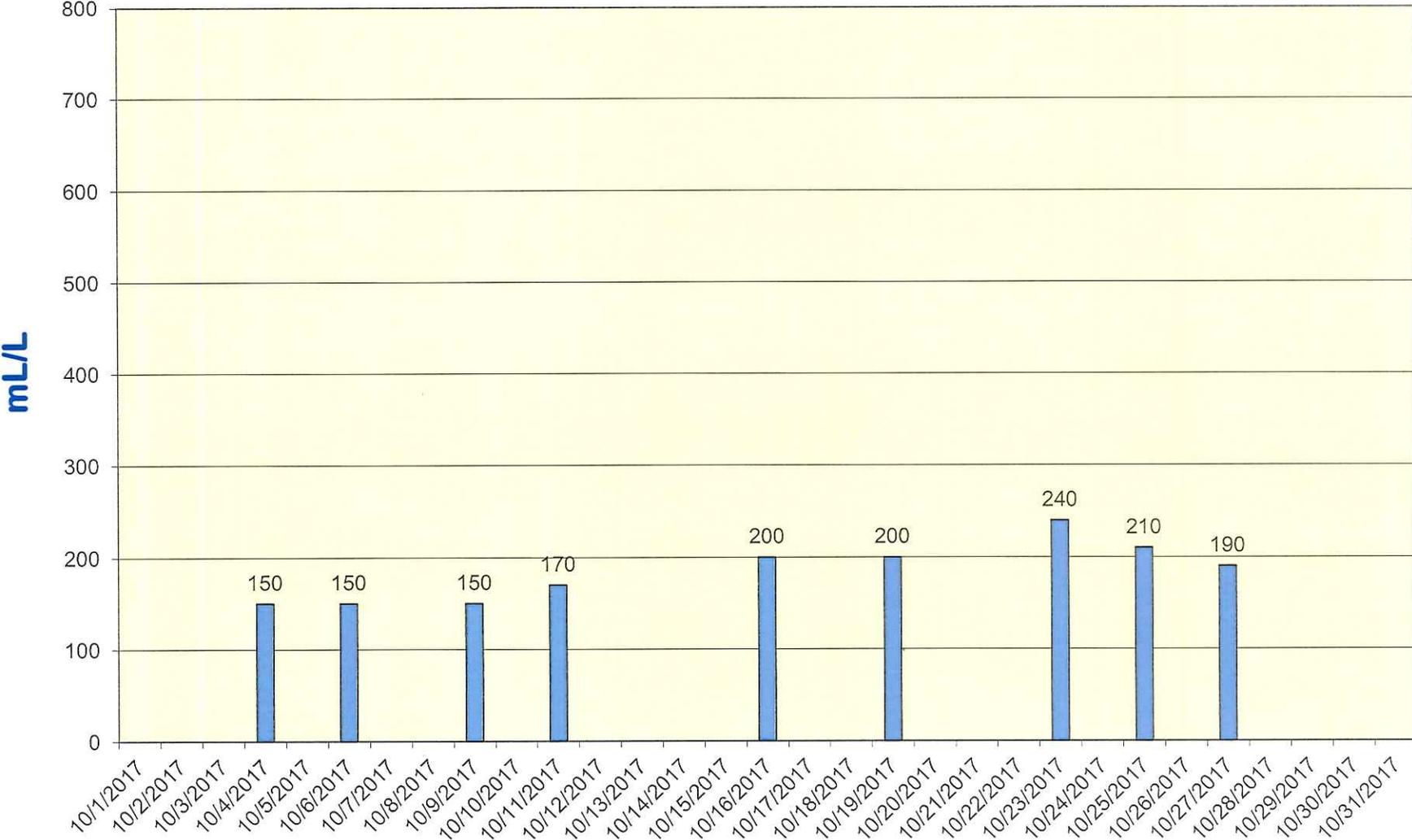


Natural Gas Use

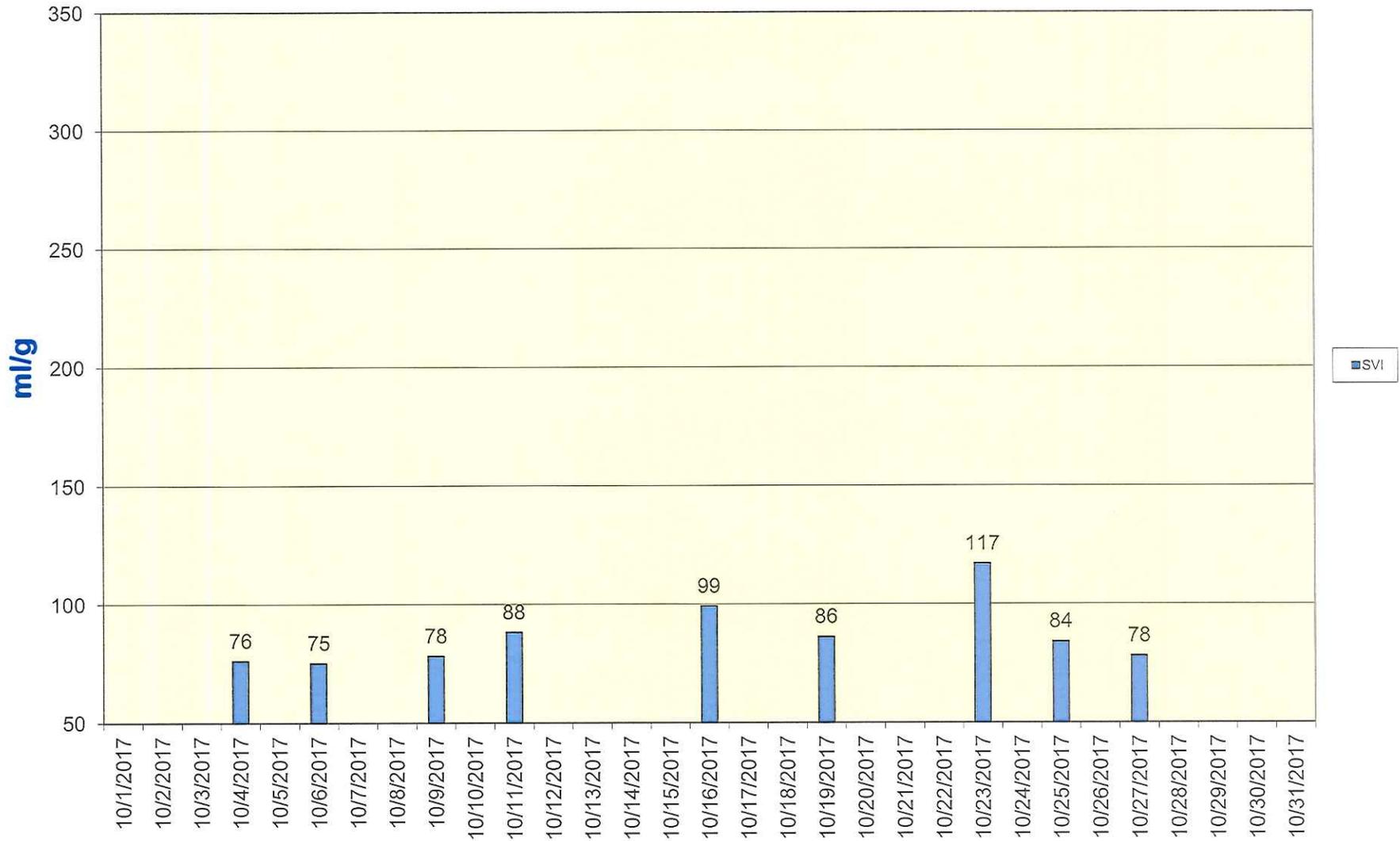


PROCESS CONTROL DATA / GRAPHS

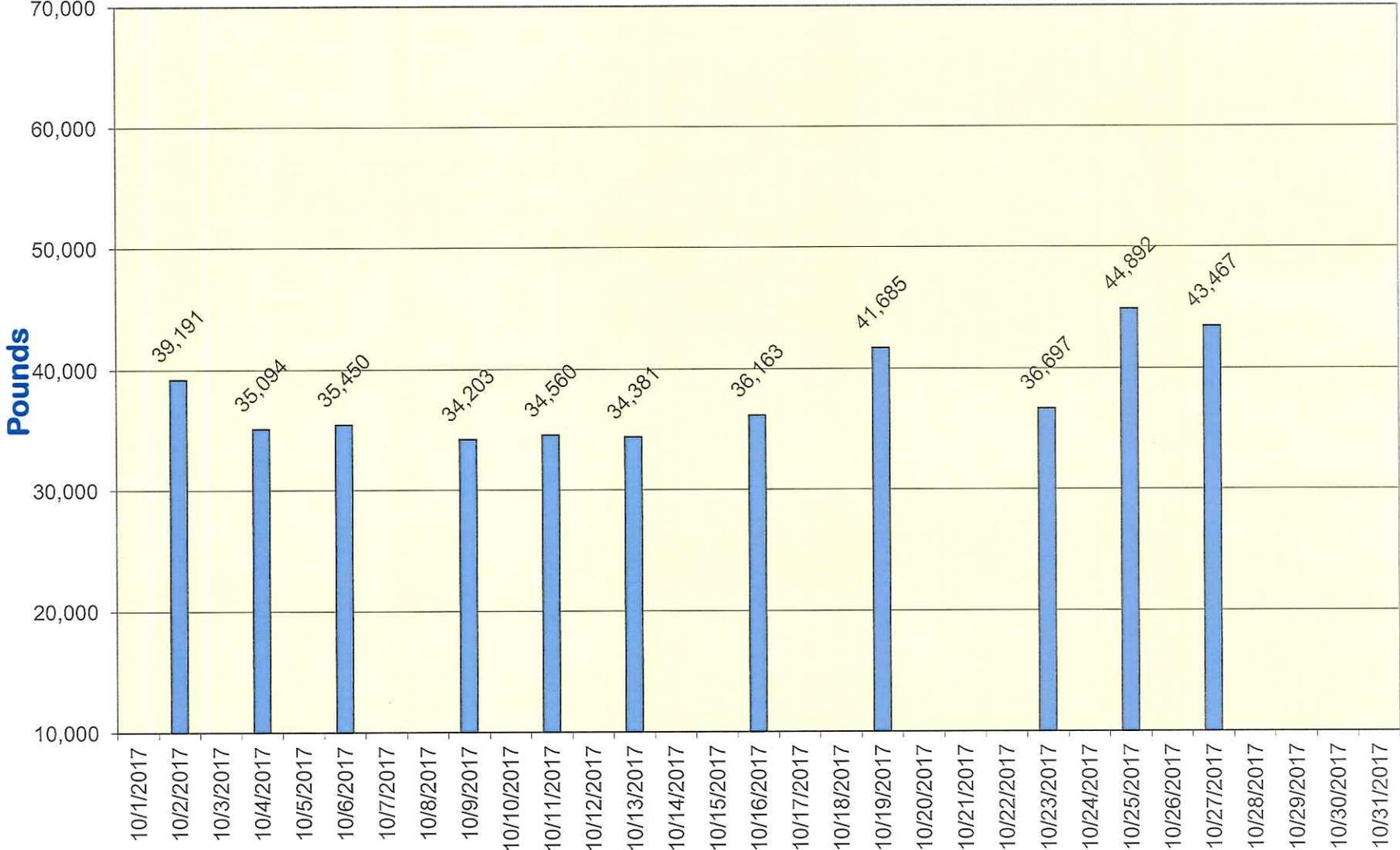
Settleability



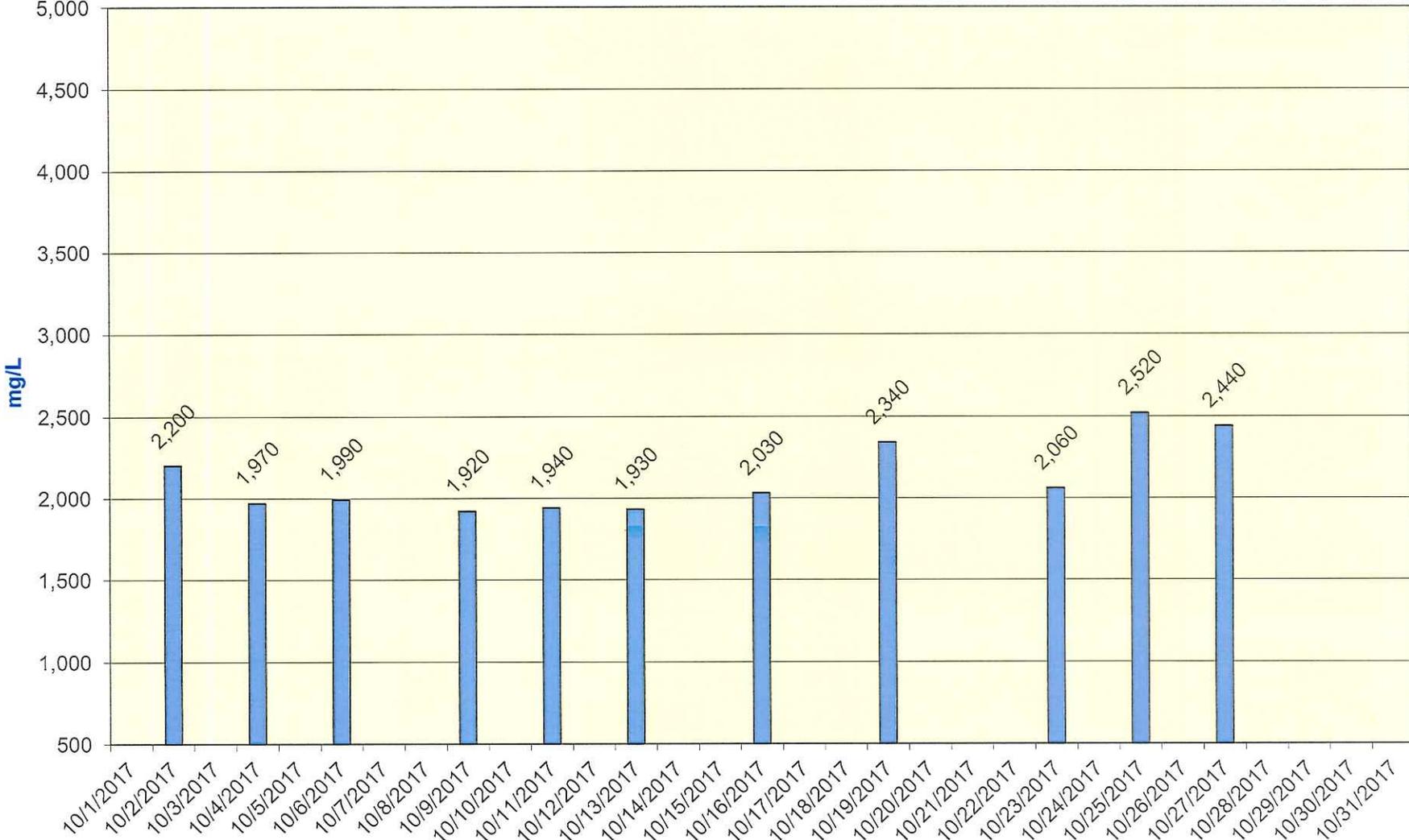
Sludge Volume Index



MLSS Inventory



MLSS Concentration

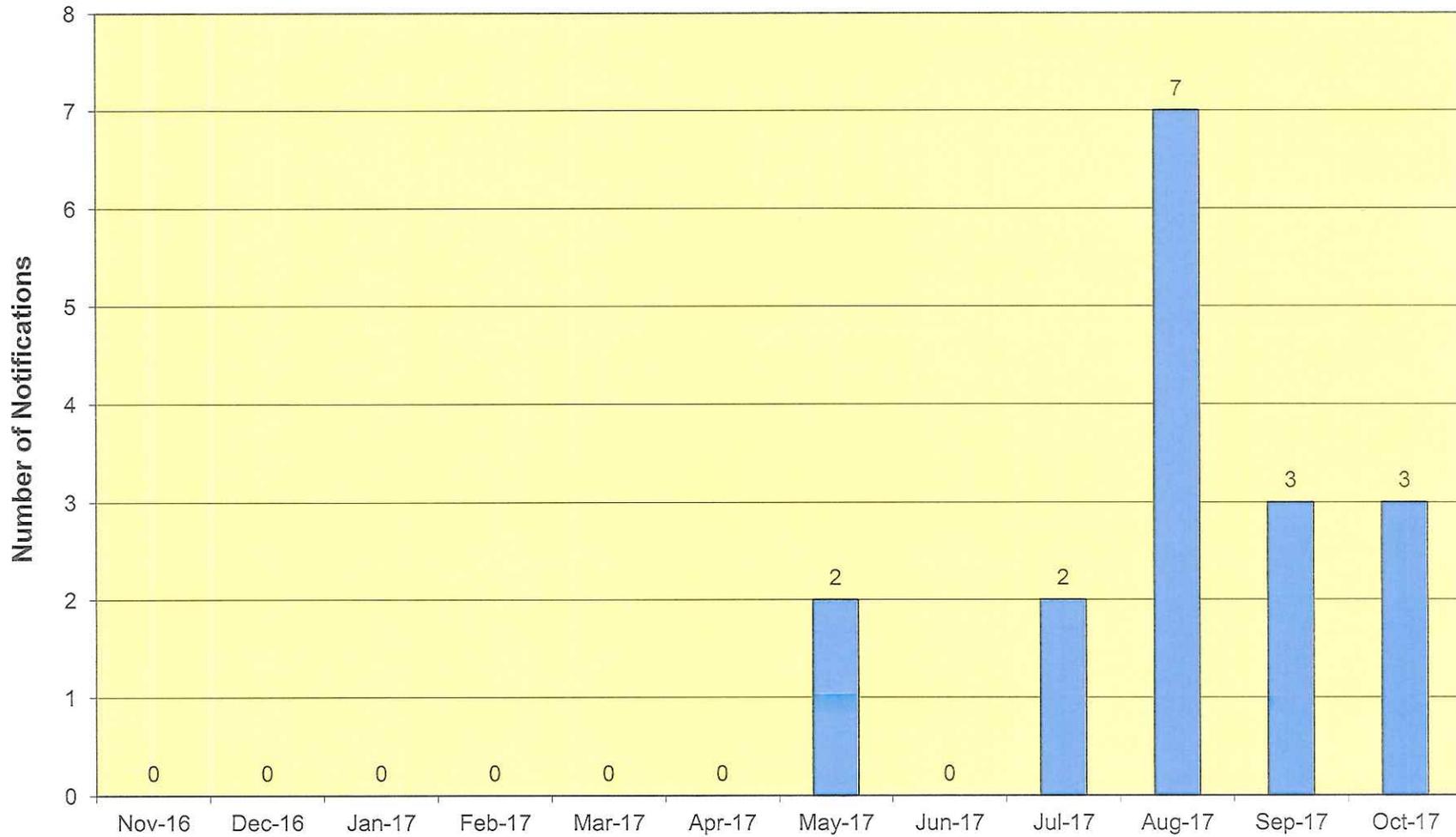


Process Control Data

	Influent Flow	Settleability	MLSS Concentration	MLSS Inventory	SVI
10/1/2017	3.65				
10/2/2017	3.61		2,200	39,191	
10/3/2017	4.78				
10/4/2017	3.43	150	1,970	35,094	76
10/5/2017	3.41				
10/6/2017	3.35	150	1,990	35,450	75
10/7/2017	3.78				
10/8/2017	3.49				
10/9/2017	4.05	150	1,920	34,203	78
10/10/2017	3.95				
10/11/2017	3.77	170	1,940	34,560	88
10/12/2017	3.59				
10/13/2017	3.45		1,930	34,381	
10/14/2017	3.51				
10/15/2017	3.69				
10/16/2017	3.74	200	2,030	36,163	99
10/17/2017	3.70				
10/18/2017	3.54				
10/19/2017	3.94	200	2,340	41,685	86
10/20/2017	3.56				
10/21/2017	3.62				
10/22/2017	4.13				
10/23/2017	4.01	240	2,060	36,697	117
10/24/2017	3.74				
10/25/2017	3.49	210	2,520	44,892	84
10/26/2017	4.21				
10/27/2017	3.80	190	2,440	43,467	78
10/28/2017	3.98				
10/29/2017	4.30				
10/30/2017	4.07				
10/31/2017	3.88				
Minimum	3.35	150	1,920	34,203	75
Maximum	4.78	240	2,520	44,892	117
Total	117.22				
Average	3.78	184	2,122	37,798	87

NEIGHBORHOOD CONTACTS

Neighborhood Contacts Received



October 23, 2017		WEEKLY NEIGHBOR CONTACT LOG												Notes
		October 23, 2017 - October 29, 2017												
		Mon 23-Oct	Tue 24-Oct	Wed 25-Oct	Thu 26-Oct	Fri 27-Oct	Sat 28-Oct	Sun 29-Oct	Time	Time	Time	Time	Time	
NEIGHBOR	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time	Time
Neighbor #1														
Neighbor #2														
Neighbor #3									8	6	11:15			Notified 1115 via text.
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

Neighbor reported "stinky" conditions - John B was able to respond later in the afternoon on return from North Bay - Discovery Day. Conditions normal at that time. Followed up with text

October 2, 2017		WEEKLY NEIGHBOR CONTACT LOG												Notes
		October 2, 2017 - October 8, 2017												
NEIGHBOR	Mon 2-Oct	Tue 3-Oct	Wed 4-Oct	Thu 5-Oct	Fri 6-Oct	Sat 7-Oct	Sun 8-Oct	Time	Time	Time	Time	Time	Time	
Neighbor #1														
Neighbor #2														
Neighbor #3			8 6 am									2 6 10:30		10/3 - Reported 1108 via text persisted from midnight. 10/8 - Reported 1331 via text persisted from ~1030
Neighbor #4														
Total														

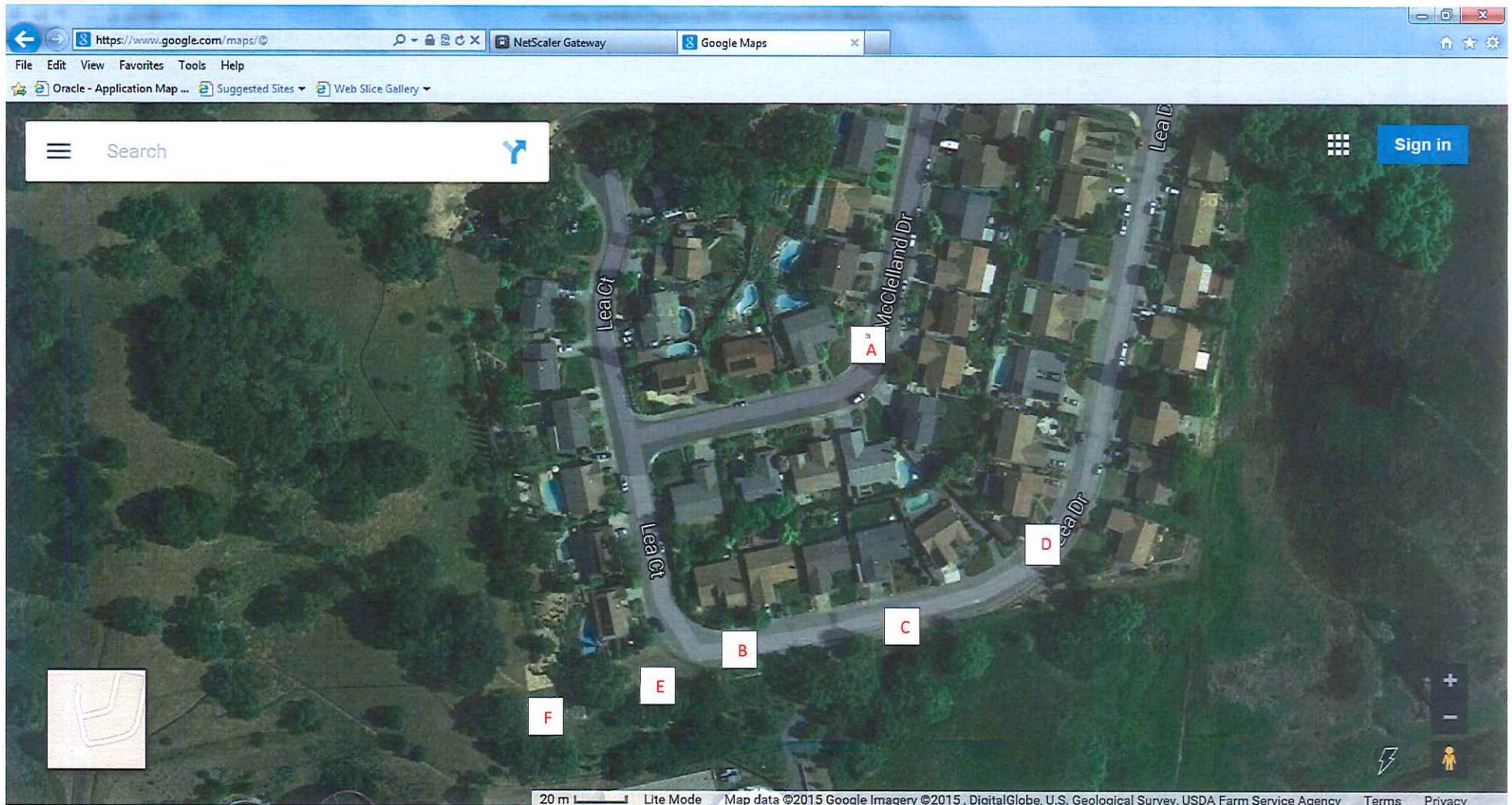
Legend

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

Neighbor described strong odors, likely from front end of plant, raw sewage. Larry (Operator responded) fogger had shut down, restarted.

JEROME METER READINGS & LOCATIONS

NEIGHBORHOOD JEROME METER LOCATIONS – LEA AND McCLELLAND



JEROME METER READINGS - OCTOBER 2017

Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.000	0.0000	Neighborhood
B: Lea 1	0.000	0.001	0.0002	Neighborhood
C: Lea 2	0.000	0.002	0.0003	Neighborhood
D: Lea 3	0.000	0.001	0.0002	Neighborhood
E: Lea 4	0.000	0.002	0.0005	Neighborhood
F: Lea 5	0.000	0.002	0.0007	Neighborhood

NOVATO SANITARY DISTRICT
Wastewater Operations - Reclamation Facilities Report
October 2017

1.0 Summary:

The Contractor completed the removal of the fallen Eucalyptus trees on Site 2. The District resumed bay discharge and the storage ponds were drawn down to a minimal level. The driving range being constructed on Site 7 by the Stone Tree Golf Course was nearly complete. The Wildlife Pond was returned to normal levels. Sludge disposal operations began this month.

2.0 Ranch Operations:

The tree service contractor completed the work to cut up and remove/chip the fallen eucalyptus trees on Site 2. The contractor performing sludge handling operations brought to the attention of the District that some of the water troughs for the cattle on Site 2 were overflowing. District staff shut off the water supply and contacted the rancher who fixed the float shutoffs.



Contractor performing sludge lagoon cleaning operations.

3.0 Irrigation Parcels:

Staff disabled the irrigation system for the year and enabled Drainage Pump Station 3 & 7 for the season.

Work to construct a driving range for the Stone Tree Golf Course that began in Parcel 4 on Site 7 in August was nearly complete. Course staff are still considering options to deter cattle from straying on to the range.

4.0 Irrigation Pump Station:

There were no irrigation activities this month.

5.0 Sludge Handling & Disposal:

Custom Tractor Service (CTS) of Petaluma completed cleaning of the sludge lagoons and placement of sludge into the District's Dedicated Land Disposal site in October.

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	0				189.6	15.80
Irrigation (MG)		0	0	0.0	0	0	88.62	31.45	83.42	37.23			240.7	20.06
Irrigation Pump 1 Hours							131.2	46.6	123.7	70.1			371.6	30.97
Irrigation Pump 2 Hours							124.9	54.7	133.6	76.6			389.8	32.48
Irrigation Pump 3 Hours							122.2	44.3	119.1	78.6			364.2	30.35
Washdown Water Pump Hours													-	0.00
Wildlife Feed Pump Hours		0	0	0	734	601.1	746.1	720.2	613.1				3,414.5	284.54
Water Circulated through Wildlife Pond (MG)		0	0	0	46	38	47	45	38.63	0	0	0	215.1	17.93
Strainer No. 1 Hours						46.7	18.1	46.2	27.4				138.4	11.53
Strainer No. 2 Hours						47.5	18.2	46.6	27.7				140.0	11.67
Pond 1 Gauge @ Beginning of Month	8.1	9.5	9.4	9	9	8.6	3.2	7.6	4.8					
Pond 1 Gauge @ End of Month	9.5	9.4	9	9	8.6	3.2	7.6	4.8	3					
Pond 1 Gallons Stored @ End of Month(MG)	74	73	70	70	65	21.6	57.8	34.4	20					
Pond 2 Gauge @ Beginning of Month	8.1	9.5	9.4	9	9	8.6	3.2	3.6	4.9					
Pond 2 Gauge @ End of Month	9.5	9.4	9	9	8.6	3.2	3.6	4.9	3					
Pond 2 Gallons Stored @ End of Month(MG)	95	94	90	90	85	27.4	32	45.9	25					
Total Irrigation Water Stored	169	167	160	160	150	49	89.8	80.3	45	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	0					
Drainage Pump No. 2 Hours	69.3	123.5	0	0	9.8	0	0	0	12.6					
Drainage Pump No. 3 Hours	226.5	0	70.8	192.7	0	0	0	0	2.2					
Total Gallons Stormwater Pumped (MG)	217.11	131.61	115.11	57.81	2.97	0	0	0	4.44	0	0	0	529.05	44.09
Drainage Pump Station No. 7														
Drainage Pump No. 1 Hours	50.6	230.1	117.8	0	0	0	0	0	0					
Drainage Pump No. 2 Hours	380.8	532.8	0	0	17.7	0	0	0	1.2					
Drainage Pump No. 3 Hours	345.9	0	0	143.3	0.1	0	0	0	2.8					
Total Gallons Stormwater Pumped (MG)	349.79	343	53	64.49	8.01	0	0	0	1.8	0	0	0	820.40	68.37

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Admin Building Upgrade/Maint. Building (Maintenance Building Phase 3 - Modular Building), Account No. 73003.	MEETING DATE: November 13, 2017 AGENDA ITEMS NO.: 9.a.
RECOMMENDED ACTION: Make CEQA findings that the project is categorically exempt; authorize the General Manager-Chief Engineer to accept plans and specifications developed by staff and advertise for bids – Maintenance Building Phase 3 - Modular Building; Project No. 73003-2016-1.	
SUMMARY AND DISCUSSION: <p>District staff worked with the District’s consultants Woodard & Curran, Inc. and Beecher Engineering, Inc. to prepare plans and specifications for the project, and the project is ready for bid. The project consists of the installation of a 36’ x 60’ modular building package and appurtenances at the Novato Treatment Plant site, east of the Administration Building. The purpose of this project is to replace the three aging modular buildings near the plant entrance. The new building will serve as office, meeting and storage space for District maintenance staff. The new modular package will come in three separate pieces that will be joined together to make one 36’ x 60’ building and is intended to result in a more efficient use of space than the current three separate buildings.</p> <p>The Engineer’s Estimate for this work is \$255,000. Staff has completed the California Environmental Quality Act (CEQA) documentation and determined that the project is categorically exempt. This determination is made because the work is considered new construction of a small structure not involving the use of significant amounts of hazardous substances and not exceeding 2,500 square feet in floor area.</p> <p>Staff recommends that the Board approve the CEQA findings, authorize the General Manager-Chief Engineer to accept plans and specifications developed by staff and advertise for bids. Bids are expected to be received on December 5, 2017 and will be presented to the Board at a subsequent meeting.</p>	
BUDGET INFORMATION: This work will be funded from the budget for Account No. 73003: Admin Building Upgrade/Maint. Building, which has an FY17-18 budget amount of \$350,000, and an unencumbered amount of \$335,121 as of October 31, 2017.	
DEPT. MGR.: eb, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Collection System Operations: Purchase of CCTV Inspection Van	MEETING DATE: November 13, 2017 AGENDA ITEM NO.: 10.a.
RECOMMENDED ACTION: Authorize purchase of a closed circuit television (CCTV) van, and authorize the General Manager-Chief Engineer to execute a purchase order with National Auto Fleet Group in the amount of \$172,934.34 (including estimated sales tax and fees).	
SUMMARY AND DISCUSSION: <p>The FY17-18 budget for Account No. 73090 - Vehicle Replacement, includes funds for the purchase of a closed circuit television (CCTV) van. In a team effort, District Collection System staff identified their needs as a CCTV pipeline inspection van consisting of a CCTV mainline inspection package including cameras, transporters, cables, reels, controllers, generator, video monitors and recording equipment mounted on a 10,360 lb. GVWR (gross vehicle weight rating) chassis.</p> <p>Similar to a prior purchase, staff worked with the National Joint Powers Alliance (NJPA), a public agency serving its members as a municipal contracting agency, (similar to the California Department of General Services (DGS) or the Federal General Services Administration (GSA)). NJPA contracts are nationally solicited, competitively bid, and awarded on behalf of NJPA's current and potential government and education member agencies.</p> <p>Staff contacted National Auto Fleet Group (Watsonville, CA), the holder of the current NJPA National Contract (NJPA contracts # 120716) for vehicles of this nature, and requested a proposal to supply the District with a truck that met District specifications. The District has received a quote from National Auto Fleet Group of \$172,934.34 for the truck, (\$37,039.92 for the Ford Transit van and \$122,338.50 for the Cues vehicle mounted CCTV inspection equipment, and estimated sales tax and fees).</p> <p>The FY17-18 budget includes a budget amount of \$390,000, which currently has an anticipated unencumbered balance of approximately \$180,000. Staff recommends authorizing the General Manager-Chief Engineer to execute a purchase order in the amount of \$172,934.34 (including estimated sales tax and fees), for the purchase of a new CCTV inspection van.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence), and Goal 2 (Reliable and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The FY17-18 budget amount for Account No. 73090 - Vehicle Replacement is \$390,000, of which about \$210,000 is committed towards other items, for a current anticipated unencumbered balance of \$180,000 as of October 31, 2017.	
DEPT. MGR. eb, dd	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Construction Inspector I-II position.	MEETING DATE: November 13, 2017 AGENDA ITEM NO.: 11.a.
RECOMMENDED ACTION: Establish Construction Inspector I-II job classification, approve the job description and salary ranges, and authorize the General Manager-Chief Engineer to recruit for a position in this classification.	
SUMMARY AND DISCUSSION: <p>The District currently has a single classification journey level Construction Inspector position. Incumbents are expected to have considerable qualifications and experience in construction inspection of wastewater facilities.</p> <p>In July 2017, the District's then incumbent in this position retired, and the District initiated a recruitment process to find a replacement. However, the recruitment was unsuccessful in that the District did not receive any applications from qualified journey level applicants.</p> <p>It appears that this single classification position is a disadvantage in that it does not include any provisions to account for differing levels of knowledge, qualifications and experience, or accommodate career mobility. Therefore, it is recommended that the District establish a two-level Construction Inspector I (an entry or less-experienced level), and Construction Inspector II (journey level) classification, similar to other classifications at the District.</p> <p>The two level Construction Inspector I-II classification also enables the District to have a workforce better tailored to its needs and employees' skills, while also being able to open up the construction inspection function to a broader field of candidates that lends itself to being hired at either level. Both levels would be a represented position within the Teamsters Bargaining Unit (TBU), and be governed by the District's Memorandum of Understanding with the Teamsters.</p> <p>Staff developed the attached job description for the new classification of Construction Inspector I-II classification, with the Construction Inspector I position at salary range 41.5 (\$5,769-\$7,012/month, effective July 1, 2017), and the Construction Inspector II position at salary range 44.5 (\$6,678-\$8,117/month, effective July 1, 2017), as established by the adopted FY17-18 budget. The District also made a meet-and-confer offer to the Teamsters, and considers it has met its obligation under applicable law regarding this new job classification and pay rate.</p> <p>At this time, staff recommends that the Board establish the classification of Construction Inspector I-II classification; approve the job description (subject to minor changes and edits) and salary ranges; and authorize the General Manager-Chief Engineer to recruit for a position in this classification.</p>	
ATTACHMENT: 1. Job Description, Construction Inspector I-II.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The adopted FY 2017-18 budget contains provisions for a Construction Inspector at Salary Range 44.5 (\$6,678-\$8,117/month).	
DEPT. MGR.: eb, ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

CONSTRUCTION INSPECTOR I/II

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

Position Summary

Under general supervision, performs the full array of duties assigned to the Construction Inspector class, including paraprofessional engineering level office and field work involving the inspection, observation, measurement and documentation of practices and materials employed in the construction and modification of public and private projects related to District services in order to ensure compliance with standards, codes, regulations and approved plans and specifications; demonstrates a full understanding of all applicable policies, procedures and work methods associated with assigned duties; locates, identifies and marks District utilities and facilities for Underground Service Alerts.; performs other related duties as required.

DISTINGUISHING CHARACTERISTICS:

Construction Inspector I

The **Construction Inspector I** is the entry-level class in the Construction Inspector series that allows the incumbent to develop journey level knowledge and abilities. Initially, under direct supervision, incumbents perform a wide variety of the more routine and less complex construction inspection assignments within an established procedural framework where there are minimal consequences of error. This classification is distinguished from the next higher classification of Construction Inspector II by the performance of less complex, less-skilled tasks.

Construction Inspector II

The **Construction Inspector II** is the journey level class in which incumbents are expected to independently perform the full scope of assigned duties. Incumbents are responsible for inspecting, observing, measuring and recording practices and materials employed in the construction and modification of public and private projects related to District services in order to ensure compliance with standards, codes, regulations and specifications.

Supervision Received/Exercised

Receives direct (Construction Inspector I) or general supervision (Construction Inspector II) from the Field Services Manager or designee. Incumbents in this class do not routinely exercise supervision.

ESSENTIAL FUNCTIONS: *(include but are not limited to the following)*

- Performs paraprofessional engineering level office and field work involving the inspection, observation, measurement and documentation of practices and materials employed in the construction and modification of public and private projects related to District services in order to

ensure compliance with standards, codes, regulations and specifications; demonstrates a full understanding of all applicable policies, procedures and work methods associated with assigned duties; maintains safety standards.

- Ensures that proper quantities and quality of materials are being used in construction work; inspects existing District facilities to identify and determine the extent of damage, deterioration and defects; investigates potential non-compliance with District requirements and ensures that corrective action is taken; issues sewer permits; takes samples and arranges for laboratory testing as necessary; performs final inspection upon completion of projects; observes testing of sewer facilities.
- Provides District utilities/facilities markings as necessary by “Underground Service Alerts” and maintains records of the facilities marked.
- Assists engineers, contractors and property owners in interpreting plans, specifications and related codes; reviews plans and specifications of assigned projects; responds to complaints related to construction activities at the counter, in the field and over the phone.
- Prepares a variety of reports and logs related to inspection activities, including completing and processing daily construction reports and progress diaries; drafts letters to contractors; prepares data for progress payments; maintains general job records, permit files, as-built plans and test report records.
- Performs basic engineering drafting and calculation tasks; modifies as-built drawings; serves as a survey party member during field surveys; assists in construction staking and other survey work on District projects.
- Responds to questions and concerns from the general public and other interested parties concerning construction rules, regulations and related issues; serves as project liaison with public and private entities and the general public.
- Establishes positive working relationships with representatives of local agencies, District management and staff and the public.

WORKING CONDITIONS: *(Essential duties require incumbents to meet the following working conditions and physical and mental abilities.)*

- Work both indoors and outdoors, at times in inclement weather, with the possibility of being exposed to vapors, odors, dust and pollen;
- Climb ladders, be around power and noise producing tools and equipment;
- Intermittently sit at a desk and twisting to reach surrounding equipment;
- Enter data into and retrieving data from personal computer using keyboards;
- Regularly lift, move or carry objects weighing less than 25 pounds, for distances upto 50 feet; and occasionally lift or move objects weighing as much as 75 pounds.
- Requires the ability to differentiate between colors when using color-coded forms or files;
- Perform simple and power grasping, pushing, pulling, and fine manipulation;
- Operate automobiles, office equipment, field communications equipment, and other equipment

used in the inspection of construction sites;

- Safely enter and leave confined spaces;
- Stay mentally alert for safety, driving, emergency response, and multiple activity coordination;
- Drive motorized vehicles, work in heavy vehicle traffic conditions;
- Retain and recall information; and
- Work around heavy construction equipment.

QUALIFICATIONS: *(The following are minimal qualifications necessary for entry into the classification.)*

Education and/or Experience:

Any combination of education and experience that has provided the knowledge, skills and abilities (KSA) necessary for a **Construction Inspector**. A typical way of obtaining the required qualifications is to possess the equivalent of:

Construction Inspector I

Background or basic work experience in the construction and/or inspection field, preferably of wastewater treatment facilities, collection systems, pump stations and/or related facilities; and a high school diploma or equivalent.

Construction Inspector II

Five years of experience in the construction and/or inspection of wastewater treatment facilities, collection systems, pump stations and/or related facilities, and a high school diploma or equivalent.

License/Certificate:

Possession of a valid California motor vehicle driver's license and a good driving record consistent with requirements established by the District. Failure to maintain an acceptable driving record shall be cause for discipline, up to and including dismissal; possession of an I.C.B.O. Construction Inspection Certificate (Construction Inspector II) is desirable.

Other Qualifications:

Eligibility to work in the United States under appropriate federal regulations.

This is a safety sensitive position and requires pre-employment and periodic random drug tests. Completion of a medical examination administered by a licensed medical doctor, selected and paid by the District, to determine physical fitness for the job.

KNOWLEDGE/SKILLS/ABILITIES: *(The following are a representative sample of the KSA's necessary to perform essential duties of the position.)*

Knowledge of:

- Federal, state and local codes and ordinances related to construction activities;

- Principles, practices, methods and materials used in construction activities related to the District services;
- Characteristics and properties of construction materials, such as concrete, asphalt and piping;
- Procedures for assuring compliance with work standard and progress requirements;
- Methods and techniques of drafting, surveying, record keeping and report preparation and writing;
- Proper English, spelling and grammar;
- Basic mathematic principles;
- Office practices, methods and equipment, including a computer and applicable software;
- Engineer drafting and survey work; and
- Occupational hazards and standard safety procedures.

Skill to:

- Operate an office computer and a variety of word processing and software applications including Microsoft Office; and
- Safely and effectively operate a variety of tools used in the inspection of construction projects.

Ability to:

- Accurately and thoroughly inspect, analyze, and enforce construction projects to identify violations of standards, codes, regulations, specifications and plan designs;
- Review construction plans and identify and recommend plan modifications;
- Make sound decisions within established guidelines;
- Read and interpret sketches, design drawings, specifications and technical manuals, survey stakes and notes;
- Perform field surveying and drafting work;
- Read, interpret and construction materials testing data accurately;
- Perform mathematical calculations quickly and accurately related to construction materials and project design compliance;
- Implement, explain and apply applicable laws, codes and regulations related to construction standards and code requirements;
- Analyze complex construction issues, and develop and recommend an appropriate responses and modifications to materials or designs;
- Maintain accurate inspection records and files;
- Ensure safe work practices;
- Observe safety principles and work in a safe manner;
- Communicate clearly and concisely, both orally and in writing; and
- Establish and maintain effective working relationships even in adversarial situations.