

NOVATO SANITARY DISTRICT

Meeting Date: June 27, 2016

The Board of Directors of Novato Sanitary District will hold a meeting at 6:00 p.m., Monday, June 27, 2016, at the District Offices, 500 Davidson Street, Novato.

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

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

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

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

4. REVIEW OF MINUTES:

- a. Approval of minutes of the June 13, 2016 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, June 13 – June 27, 2016.
- b. Ratify June 2016 payroll and payroll related disbursements.
- c. Cancel regular meeting of July 25, 2016.
- d. Accept Sewer Main Extension (SME) – 45 Mendocino Lane (Ravicz).
- e. Approve increase in individual Sewer Lateral Grant amount from \$1,500 to \$2,000, for Fiscal Year FY16-17.

6. COMMITTEE REPORTS:

- a. Wastewater Operations: Receive report and recommendation to adopt preliminary Operating Budget for FY16-18.
- b. Strategic Planning and New Facilities: Receive report and recommendation to adopt preliminary Capital Improvements Program (CIP) Budget for FY16-18.

7. ANNUAL BUDGET:

- a. Approve and adopt the 2016-18 Preliminary Budget.

8. ADMINISTRATION:

- a. Review cost-of-living increase, represented employee group, effective July 1, 2016 – informational item.
- b. Approve cost-of-living increase, management and confidential employee group, effective July 1, 2016.
- c. Approve cost-of-living increase, General Manager-Chief Engineer, effective July 1, 2016.
- d. Adopt Resolution No. 3099 to CalPERS for paying and reporting the value of Employer Paid Member Contributions and for Normal Member Contributions.
- e. Receive report on CalPERS Health Plan Premium Rates for 2016.
- f. Receive report on enhanced cyber liability coverage to property insurance program.

9. CAPITAL PROJECTS:

- a. *Collection System Improvements, Account No. 72706:* Make CEQA findings, approve plans and specifications, and authorize General Manager-Chief Engineer to advertise for bids – Bel Marin Keys Trunk Sewer Rehabilitation Project; Account 72706: Collection System Improvements.

10. WASTEWATER OPERATIONS:

- a. *Major Repair/Replacement, Account No. 61000-3:* Authorize the General Manager-Chief Engineer to issue purchase order(s) in an amount up to \$66,000 to Shape, Inc. to purchase a spare/replacement conveyance pump for the Ignacio Transfer Pump Station (ITPS).

11. BOARD OF DIRECTORS:

- a. Election of President and President Pro-Tem.
- b. Appoint Secretary-Treasurer and Secretary Pro Tem for FY16-17.
- c. Designate and authorize check signers for FY16-17.
- d. Presidential appointment of committee members for FY16-17.

12. BOARD MEMBER REPORTS AND REQUESTS:

13. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

14. ADJOURNMENT:

Next regular meeting date: Monday, July 11, 2016, 6:00 PM, at the Novato Sanitary District office, 500 Davidson Street, Novato, CA.

Next resolution no. 4000.

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: June 13, 2016

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:02 p.m., Monday, June 13, 2016, at the District offices, 500 Davidson Street, Novato.

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

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, Legal Counsel Kent Alm, and Administrative Secretary Julie Swoboda.

ALSO PRESENT:

Martin Rauch, Rauch Communication Consultants
Alison Lechowicz, Bartle Wells Associates
John Bailey, Project Manager, Veolia Water
Robin Merrill, Information Systems Specialist, Novato Sanitary District
Erik Brown, Technical Services Manager, Novato Sanitary District
Dee Johnson, Household Hazardous Waste Program Coordinator
Laura Creamer, Finance Officer, Novato Sanitary District
June Brown, Administrative Services Specialist, Novato Sanitary District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

PUBLIC HEARING PURSUANT TO ARTICLE 13(D) OF THE CALIFORNIA CONSTITUTION – INCREASED SEWER SERVICE CHARGES:

- Staff report. The General Manager stated that at its April 25, 2016 meeting, the Board of Directors reviewed the 2016 Sewer Service Charge report prepared by Bartle Wells Associates (BWA), and received a presentation from Tom Gaffney of BWA. He stated that the BWA report considers the District's current operating and capital revenues and expenditures, projects its operating and capital revenues and expenditures over the next five years, and recommends a staged five-year series of moderate rate increases of \$21 per year per Equivalent Dwelling Unit (EDU) for each year of the five year period of Fiscal Year (FY)2016-17 to FY2020-21.

Martin Rauch and the General Manager provided a PowerPoint presentation that discussed the value Novato residents derive from services provided by the District, reviewed the Bartle Wells Associates 2016 Sewer Rate Study Report, provided summary information on projected 5-year operating and capital cash flows, briefly discussed the District's sewer service charge calculation methodology and trends in the District's sewer service charges

over the past ten fiscal years, provided comparisons of the District's current and proposed rates with neighboring and comparable agencies, and made recommendations on the increases in sewer service charges.

- Open public hearing. At 6:24 p.m., President Mariani opened the Public Hearing.

- Receive public comments. No members of the public was present, no persons were seeking to speak, and no public comments were received.

- Receive and tally written protests. The General Manager stated that notices were mailed on April 28, 2016 to all property owners of record from a legally mandated list of approximately 20,000(+). He stated that for the record, 35 valid protests to the rate increase were received.

- Close public hearing. At 6:26 p.m., President Mariani closed the Public Hearing.

ORDINANCE SETTING SEWER SERVICE CHARGES:

- Consider adoption of Ordinance No. 120.

On motion of Director Peters, seconded by Director Dillon-Knutson and carried unanimously (5-0 vote), District Ordinance No. 120 – An Ordinance of the Novato Sanitary District Establishing Sewer Service Charges for Fiscal Years FY2016-17, 2017-18, 2018-19, 2019-20, and 2020-21 was passed with the following incorporation:

WHEREAS, *in adopting this Ordinance, the Board of Directors finds that:*

- a. Written notices of the proposed increases in sewer service charges were sent by first class U.S. mail to every owner of property connected in the District at least 45 days prior to the Public Hearing on the proposed increases conducted on June 13, 2016.*
- b. All proper protests submitted by property owners or occupants (one protest per parcel) against the proposed increases in the sewer service charges, including those provided in person or by U.S. mail or fax or e-mail, were considered and tallied at the public hearing conducted on June 13, 2016, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.*
- c. Based on the draft budget, the amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charges are imposed only on those properties actually receiving service or for those which service is immediately available.*

- d. *Adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the Ordinance pertains to the adoption of charges necessary to maintain services within the District's existing service area.*

PUBLIC HEARING PURSUANT TO SECTION 5471 ET SEQ. AND 6520.5 OF THE CALIFORNIA HEALTH AND SAFETY CODE – FY2016-17 SEWER SERVICE CHARGE REPORT, AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Sewer Service Charge Report. The General Manager stated that with the Board having adopted Ordinance No. 120, it could proceed to conduct a Public Hearing on the FY16-17 Sewer Service Charge report, and receive protests on individual sewer service charges on the sewer service charge report. He noted that Robin Merrill, Information Systems Specialist, was available with the the computerized database and the Sewer Service Charge report so that anyone could request their individual sewer service rate in the coming year and have an opportunity to protest.

- Open public hearing. At 6:29 p.m., President Mariani opened the Public Hearing.

- Consider protests regarding sewer service charge report. No public was present and no persons were seeking to speak, and no public comments were received. The General Manager stated no protests were received on this item.

- Close public hearing. At 6:30 p.m., President Mariani closed the Public Hearing.

RESOLUTION CONFIRMING FY2016-17 SEWER SERVICE CHARGE REPORT AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Consider adoption of Resolution No. 3098.

On motion of Director Peters, seconded by Director Dillon-Knutson and carried unanimously (5-0 vote), Resolution No. 3098- A Resolution Confirming Sewer Service Charge Report and Collection of Sewer Service Charges for Novato Sanitary District on the County of Marin Tax Rolls for Fiscal Year FY2016-17 was adopted.

At 6:34 p.m., President Mariani declared a short break to the meeting.

June Brown, Martin Rauch, and Allison Lechowicz left the meeting.

At 6:43 p.m., President Mariani reconvened the meeting.

REVIEW OF MINUTES:

- Consider approval of minutes of the May 23, 2016 regular meeting.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the May 23^d, 2016 Board meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approval of Board member disbursements in the amount of \$1,172.84. Approval of operating check disbursements in the amount of \$309,517.92, and capital project disbursements in the amount of \$161,634.11.
- b. Receive deposit summary, May 2016.
- c. Approve a contract in the not-to-exceed amount of \$80,000 with Duke's Root Control, Inc., & authorize the General Manager-Chief Engineer to execute it.

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

SOLID WASTE COMMITTEE REPORT:

- Receive report, meeting of June 1, 2016, and accept recommendation to adopt preliminary solid and household hazardous waste (HHW) operating budget for FY16-18. The General Manager stated that the Solid Waste Committee met on June 1st with members Mariani and Dillon-Knutson in attendance. He stated that the District's Solid and Household Hazardous Waste (HHW) coordinator Ms. Dee Johnson of DLJ Associates was present to provide an overview of the Committee meeting.

The HHW Coordinator reviewed the committee meeting details and highlights with the Board. Discussion followed regarding contamination of recyclables and the appropriate disposal of plastic shopping bags.

The General-Manager stated that at their June 1st meeting, the Solid Waste Committee unanimously agreed to recommend the preliminary FY16-18 Solid and HHW operating budget for adoption by the full Board of Directors.

On motion of Director Dillon-Knutson, seconded by Director Peters, and carried unanimously, the Board adopted the Preliminary Solid and Household Hazardous Waste (HHW) operating budget for FY16-18.

- Approve contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2016-17 in the amount of \$102,964, and authorize the General Manager-Chief Engineer to execute it. The General Manager stated that Dee Johnson of DLJ Associates has managed the District's Household Hazardous Waste and AB 939 services for many years. He stated that for the past five years she has also managed the Zero Waste outreach and AB 341 solid waste requirements. He noted that the proposed contract is consistent with past years, both in cost and in scope of services. He stated that

Ms. Johnson has provided good management services and brings an abundance of knowledge to the District. He recommended the Board approve the contract with a not-to-exceed limit of \$102,964, and authorize him to execute the contract.

On motion of Director Peters, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved a contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2016-17 in the amount of \$102,964, and authorized the General Manager-Chief Engineer to execute it.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, May 2016. Veolia Project Manager (John Bailey) provided an overview of the treatment facilities monthly operations for May. He stated that there were no excursions or violations for the month and that 14.3 million gallons (MG) of recycled water were produced. He stated that safety performance was excellent with a total of 2,198 accident-free days through May. He discussed routine maintenance activities at the facility and listed the reports that were completed and submitted this month. He stated that no odor contacts were received in May.

Director Miller congratulated Veolia Water for six years of accident free service with the District.

Technical Services Manager Erik Brown provided a summary of the Collection System Operations report for May. He stated that the department cleaned 82,286 lineal feet of sewer lines and did not identify any areas that required spot repairs or a change in sewer line maintenance operations. He noted that there were no lost time accidents in May, for a total of 1,906 accident-free days. The Technical Services Manager stated that there were no sanitary sewer overflows in May.

The Technical Services Manager then provided a summary of the Reclamation Facilities report. He stated that the rancher completed cutting pasture grass on the majority of the Parcels throughout the Reclamation Facility and that repairs to the irrigation system were started at the end of the month. He stated that there were no irrigation activities or sludge handling activities in May.

STAFF REPORT:

- Comprehensive Annual Financial Report (CAFR) Award. The General Manager stated that the District had been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). He stated that District Finance Officer Laura Creamer was recognized as the individual primarily responsible for preparing the award-winning report. He noted that this is the fifth year in a row that the District and Ms. Creamer have achieved these distinctions.

President Mariani and the Board congratulated the General Manager-Chief Engineer and the Finance Officer on this achievement.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA), meeting of June 3, 2016. Director Miller discussed his attendance at the June 3rd NBWA meeting. He stated that the 2016-17 proposed budget was discussed and approved, and that there will be no increase in dues. Director Miller stated that the Rural Road RAM project was discussed and approved

Director Long briefly reported on ongoing efforts by the North Bay Water Reuse Authority (NBWRA) on Senate Bill SB163 (Hertzberg). He noted that the proposed bill could potentially result in a state wide mandate for a 50 percent reduction in effluent discharge to bay or ocean outfalls by wastewater agencies though achieving 50 percent beneficial reuse by the year 2033. President Mariani noted that the California Association of Sanitation Agencies (CASA) is also tracking this bill.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- The General Manager reported on e-mail correspondence received by Board members from Hamilton resident Nancy Kawata regarding landscaping and general maintenance at the East Hamilton pump station. He noted he had responded to Ms. Kawata. He stated that subsequently Field Services Supervisor Steve Krautheim met with Ms. Kawata at the site, and that the General Manager met with the President of the Hamilton Home Owners Association (HOA). He noted that matters have been resolved and that Ms. Kawata had sent an e-mail to all Board members expressing her appreciation for the outreach and on the resolution of the matter.
- An article titled "Audit Slams Santa Rosa Garbage Company Management", dated June 5, 2016, in the Santa Rosa Press Democrat was provided to all Board members and to those present at the meeting. A brief discussion followed on the content of the article. The General Manager noted that the single biggest issue highlighted in the article is an issue that all solid waste entities are struggling with, i.e. the recycling markets, which are going thru' a difficult transition from the global move to recycle higher value materials over lower value materials. He noted that this has been well-documented locally in an article in the Marin Independent Journal dated March 21, 2016. The General Manager also stated that he'd received a call from the North Bay Bohemian newspaper with a request to comment on the Press Democrat article, and that he'd responded appropriately and consistent with input from the District's Solid Waste Committee.
- The General Manager reported that Director Long and he met with CASA's Director of Renewable Resources Greg Kester last week. He reported that the topics of discussion during the meeting included renewable energy (solar and cogeneration), biosolids, food waste composting, and a history and background on the District's reclamation area.
- The 61st Annual CASA Conference is being held in Monterey from August 10th – 12th. Board members are requested to confirm their attendance with the Admin. Secretary.
- The Wastewater Operations Committee will meet on Monday, June 20th at 2:00 p.m. to consider the Operations Budget.

- The Strategic Planning & New Facilities Committee will meet on Tuesday, June 21st at 2:00 p.m. to consider the Capital Improvements Program (CIP) Budget.
- The next regular Board meeting will be held on Monday, June 27th, at 6:00 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Mariani adjourned the meeting at 7:45 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording

DRAFT

Novato Sanitary District Operating Check Register

June 27, 2016

Item 5.a.
(Pages 10 to 11)

Date	Num	Name	Credit
Jun 27, 16			
06/27/2016	59499	Pacific, Gas & Electric	63,219.93
06/27/2016	59500	Stericycle-(Previously PSC)	18,308.60
06/27/2016	59475	Aries Industries Inc.	10,094.16
06/27/2016	59492	Linscott Engineering Contractors ...	9,287.68
06/27/2016	59474	American Express-21007	6,324.93
06/27/2016	59505	Veolia Water Recycled Water Oper.	5,191.91
06/27/2016	59506	WECO	2,059.43
06/27/2016	59495	North Marin Water District Payroll	1,876.21
06/27/2016	59487	Grainger	1,840.56
06/27/2016	59477	Bartle Wells Assoc, Inc	1,821.28
06/27/2016	59494	North Marin Water District	1,768.07
06/27/2016	59491	Lightning Services, Inc.	1,050.50
06/27/2016	59480	Calcon Systems, Inc.	1,044.00
06/27/2016	59482	CT Promotions	992.95
06/27/2016	59504	Valley Memorial Park.	987.00
06/27/2016	59502	Teeters & Schacht Auto Glass & ...	902.21
06/27/2016	59488	Hertz Corporation	815.63
06/27/2016	59476	AutoSonics	689.38
06/27/2016	59478	BoundTree Medical, LLC	625.53
06/27/2016	59486	G3 Engineering, Inc.	599.00
06/27/2016	59484	Frontier California Inc EQ	570.16
06/27/2016	59489	International Fire Inc.	451.00
06/27/2016	59479	Cagwin & Dorward Inc.	435.00
06/27/2016	59481	Core Utilities, Inc.	420.00
06/27/2016	59497	Novato Disposal-	356.45
06/27/2016	59490	Jim-n-i Rentals Inc.	277.00
06/27/2016	59498	Novato Lock	89.38
06/27/2016	59501	Stevenson, Jeffrey MD	85.00
06/27/2016	59493	North Marin Auto Parts	84.53
06/27/2016	59503	Unicorn Group	79.92
06/27/2016	59485	Fuses Unlimited	77.11
06/27/2016	59496	Novato Builders Supply	47.82
06/27/2016	59483	First Alarm	39.91
Jun 27, 16			<u>132,512.24</u>

Novato Sanitary District Capital Projects Check Register

June 27, 2016

Date	Num	Name	Credit
Jun 27, 16			
06/27/2016	3052	RMC Water & Environment, Inc.	38,460.67
06/27/2016	3050	Maggiora & Ghilotti Inc.	21,850.00
06/27/2016	3051	Nute Engineering Inc.	5,478.00
06/27/2016	3049	Grainger	4,050.99
Jun 27, 16			<u>69,839.66</u>

Novato Sanitary District
Payroll and Payroll Related Check Register
June - 2016

Item 5.b.

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/30/2016	June - Payroll	102,709.52
06/23/2016	June - Retirees Health Benefits	12,402.24
06/23/2016	CALPERS Retirement	8,182.22
06/30/2016	United States Treasury	22,146.04
06/23/2016	CalPers Supplemental Income Plan	2,500.00
06/30/2016	EDD	6,317.66
06/23/2016	Lincoln Financial Group 457	9,064.60
06/23/2016	Lincoln Financial Group 457 Roth	250.00
06/23/2016	Lincoln Financial Group-401a Plan	3,460.80
06/23/2016	Lincoln Financial Group-401a Plan	3,510.95
06/23/2016	CALPERS Retirement	13,340.90
06/23/2016	CALPERS Retirement Funding	12,232.00
06/23/2016	CalPERS Health	27,861.17
06/23/2016	Local Union 315	400.00
06/23/2016	Operating Engineers Trust	521.72
		<u>224,899.82</u>

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

**TITLE: Consent Calendar:
45 Mendocino Lane Sewer Main
Extension (Ravicz).**

MEETING DATE: June 27th, 2016

AGENDA ITEM NO.: 5.d

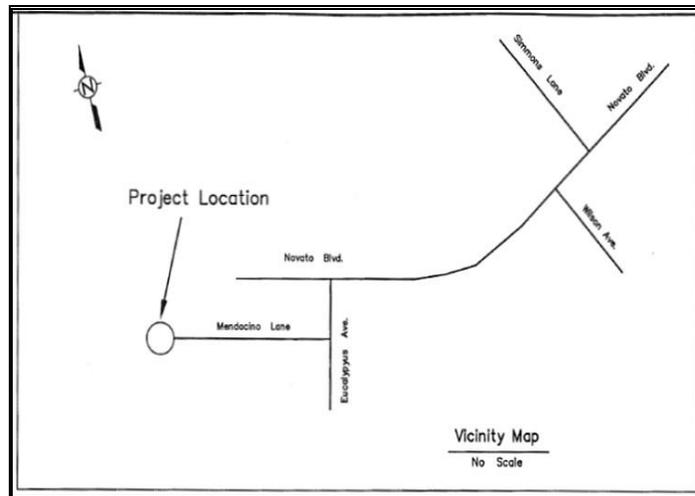
RECOMMENDED ACTION: Accept Sewer Main Extension (SME) – 45 Mendocino Lane (Ravicz).

SUMMARY AND DISCUSSION:

The project is located at the northerly end of Mendocino Lane. The project consisted of the extension of the public six-inch main within Mendocino Lane approximately seventy feet into the property at 45 Mendocino Lane (property owners: Arthur E. and Patricia Ravicz).

A sanitary sewer easement was required for the portion of sewer main to be extended within the subject property. The sanitary sewer easement has been recorded and accepted by the District Board by Board Resolution No. 3096, and O.R. number 2015-0059024, District Easement Number 805.

The project was constructed in conformance with the District’s standards and specifications and has passed all inspections. The sewer infrastructure is currently in use with the receipt of a “Use and Connect Letter” that was approved by the District’s General Manager-Chief Engineer on May 19th, 2016.



BUDGET INFORMATION: Acceptance of this project will increase the District’s net assets by \$11,000.00.

DEPT. MGR.: EB

GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Consent Calendar: Sewer Lateral Grant Program.	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 5.e.
RECOMMENDED ACTION: Approve increase in individual Sewer Lateral Grant amount from \$1,500 to \$2,000, for Fiscal Year FY16-17.	
SUMMARY AND DISCUSSION: <p>At its May 23, 2016 meeting the Board received an update on the District's Sewer Lateral Grant Program. To review, the District has implemented a sewer lateral grant program since fiscal year FY2010-11. The program provides up to one half of an individual sewer lateral replacement cost to a maximum of \$1,500 as a grant to a private property owner when the entire lateral from the building to the connection with the public sewer in the street (i.e. both the upper and lower laterals) is replaced. During this period, the total amount budgeted for this program has stayed constant at \$50,000 per fiscal year. The program has had some success in that 83 grants have been made in the last 6 years, with a total of \$123,271 expended.</p> <p>As discussed at the May 23, 2016 Board meeting, staff expects that the program would be more successful if the grant amounts were increased. Accordingly, the preliminary 5-year Capital Improvement projections include incrementally increasing grant amounts to \$2,000 in FY16-17, \$2,500 in FY17-18, \$3,000 in FY18-19, \$3,500 in FY19-20, and \$4,000 in FY20-21. The corresponding preliminary 5-year Capital Improvement projections include amounts for the program of \$60,000 in FY16-17, \$75,000 in FY17-18, \$120,000 in FY18-19, \$140,000 in FY19-20, and \$160,000 in FY20-21. The FY16-17 and FY17-18 amounts are included in the preliminary FY2016-18 budget.</p> <p>At this time, it is recommended that the individual sewer lateral grant amount be increased from \$1,500 to \$2,000 for FY16-17.</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: The preliminary FY16-17 budget includes \$\$60,000 under Account No. 72706-1 (Lateral Replacement Program) for sewer lateral grants.	
DEPT. MGR.: EB, SRK	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Committee – June 2016.	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 6.a.
RECOMMENDED ACTION: Receive report and recommendation to adopt preliminary Operating Budget for FY16-18.	
SUMMARY AND DISCUSSION: <p>The Wastewater Operations Committee packet for the meeting of June 20, 2016 is attached. A brief summary is provided below.</p> <p>Operating Budget:</p> <p>Staff reviewed the preliminary FY16-18 Operating Budget with the Committee. The Committee discussed a number of items relating to this preliminary budget including but not limited to:</p> <ul style="list-style-type: none"> • Cash basis characteristics of the operating budget • Operating Revenue calculation methodology • Budgeted amounts for Safety items • Risk management and budgeted insurance premiums • Collection system computerized maintenance management system upgrade costs • Reconciling revenues and costs for the Recycled Water Cost Center • Allowances for Outside and/or Contract Services • Staffing considerations, and budget amounts for the “benefits” component • Reclamation area considerations including sludge disposal budget amounts • Legal/Attorney fees - the Committee commented favorably on the cost effectiveness of services provided by District Counsel. <p>Upon close of discussion, the Committee unanimously agreed to forward the preliminary FY16-18 Operating Budget to the full Board of Directors with a recommendation for adoption by the Board at its June 27, 2016 meeting.</p>	
ATTACHMENTS: 1. Agenda Packet for Wastewater Operations Committee meeting of June 20, 2016.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update. The item also addresses other goals of the Strategic Plan including Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications).	
DEPT.MGR.: EB, SRK	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

June 20, 2016

The Wastewater Operations Committee of Novato Sanitary District will hold a meeting at 2:00 PM, Monday, June 20, 2016, at the District offices, 500 Davidson Street, Novato.

AGENDA

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

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

3. **APPROVAL OF MINUTES:**
 - a. Approve minutes from the November 16, 2015 committee meeting.
4. **ANNUAL OPERATING BUDGET:**
 - a. Review FY16-18 proposed operating budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors.
5. **ADJOURNMENT:**

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

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

November 16, 2015

A regular meeting of the Wastewater Operations Committee of Novato Sanitary District was held at 2:00 p.m., Monday, November 16, 2015, at the District Office, 500 Davidson Street, Novato.

MEMBERS PRESENT: Committee Members Brant Miller and Alternate Jean Mariani.
(Committee Member Jerry Peters was absent.)

STAFF PRESENT: Sandeep Karkal, General Manager-Chief Engineer
Erik Brown, Technical Services Manager
Steve Krauthaim, Field Services Manager
Julie Swoboda, Administrative Secretary

OTHERS PRESENT: John Bailey, Project Manager, Veolia
Lynda Farmery, Planner, Veolia

AGENDA APPROVAL: Approved as presented.

PUBLIC COMMENT: None.

APPROVAL OF MEETING MINUTES FOR OCTOBER 19, 2015: Member Mariani noted that she was not in attendance at the October meeting. Member Miller approved the October 19, 2015 meeting minutes as presented.

WASTEWATER TREATMENT FACILITIES OPERATIONS AND MAINTENANCE REPORT FOR OCTOBER 2015:

- Treatment Plant Performance Report, Maintenance Report and Safety & Training:

John Bailey, Project Manager, Veolia, provided an overview of treatment plant operations for the month of October. He stated that the treatment plant continued to discharge to Reclamation during October but that on November 1st, transitioned to Bay discharge. He discussed key operations and maintenance events at the Novato facility, the Ignacio Transfer Pump Station, the Recycled Water Plant, and the Sludge Lagoons. He stated that the monthly average wastewater flow was 3.43 MGD and that the treatment plant performance was very good with no violations or excursions. He noted that the wet weather storage expansion project at the Ignacio Transfer Pump Station was nearing completion and would be finished in time for the anticipated wet weather months.

The Project Manager discussed training events completed in October and stated that as of October 31st, Veolia employees have been accident free for a total of 1,985 days. He reviewed the operations and maintenance report and stated that 10 (ten) million gallons of recycled water were produced. He stated that Jerome Meter (H2S) readings continue to be performed in the neighborhood and within the treatment plant.

The Project Manager discussed laboratory activities and noted that several Biochemical Oxygen Demand (BOD) results from the outside contract laboratory were marginally out of range for Quality Assurance/Quality Control (QA/QC) standards although the analytical

results remained within regulatory limits. He stated that Veolia staff had discussions with the contract laboratory manager responsible for the BOD test results. He also stated that staff is exploring different options to ensure the QA/QC validity of future BOD testing. He discussed the North Bay Science and Discovery Fair which was held on October 24th and noted that he and Veolia employees Liz Falejczyk, John O'Hare, and Brian Exberger staffed the Veolia sponsored booth. He stated that interest and participation were high.

The Project Manager stated that ten (10) odor notifications were received in October. He stated that in response to a request at the October 26th Board meeting, Veolia operations staff has revised the methodology for reporting odor contacts and had created the Weekly Neighborhood Contact Log presented in the Agenda packet to provide a higher level of detail for contacts received.

- Odor control and landscaping report: The General Manager discussed odor control related activities in October. He stated that the District's odor consultant, Mr. David McEwen of Brown and Caldwell, is reviewing data from the test period for the pilot odor control unit and that the data and results will be presented to the Committee when finalized. He noted that the recycled water irrigation system in the northeast corner of the facility was successfully repaired in October and stated that staff will continue to monitor the condition of the landscaping.

COLLECTION SYSTEMS OPERATION AND MAINTENANCE REPORT FOR OCTOBER 2015:

The Field Services Manager presented the Collection Systems Monthly Report for October 2015. He reported that the Collection Systems staff cleaned a total of 62,391 feet of sewer pipeline and that the department completed 319 maintenance work orders which were generated for October. He stated that 104 line segments were televised for 14,031 feet of production.

He noted that the October televising resulted in four (4) line segments being identified as requiring spot repairs or replacement.

The Field Services Manager reported on the current Collection System Projects, and outlined the specialized training that the department completed.

He stated that as of October 31st, 2015, the Collections Department and District had worked accident free for a total of 1,693 days.

Further, he noted that there were no (zero) sanitary sewer overflows (SSOs) in October.

RECLAMATION FACILITY REPORT FOR OCTOBER 2015:

The Field Services Manager presented the Reclamation Facilities report for October. He stated that parcels were irrigated on all sites with no reportable issues and that approximately 84.05 MG of treated water was used for irrigation this month. He stated that approximately 750 cu. yards of remnant sludge in a sludge lagoon at the Ignacio Treatment

Plant (ITP) site, (which had remained there since the 2007 decommissioning of the ITP), was hauled and disposed to the District's Dedicated Land Disposal (DLD) site as part of the wet weather storage expansion project referred to earlier by the Plant Manager.

OTHER ITEMS:

The General Manager noted that the next Wastewater Operations Committee meeting will be held on Monday, December 21st at 2:00 p.m. at the District office.

ADJOURNMENT: There being no further business to come before the Committee, the meeting adjourned at 2:36 p.m.

Respectfully submitted,

Sandeep Karkal
General Manager-Chief Engineer

Julie Swoboda, Recording

DRAFT

NOVATO SANITARY DISTRICT WASTEWATER OPERATIONS COMMITTEE AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Committee: FY16-18 Preliminary Operating Budget.	MEETING DATE: June 20, 2016 AGENDA ITEM NO.: 4.a.
RECOMMENDED ACTION: Review FY16-18 proposed Preliminary Operating budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors.	
SUMMARY AND DISCUSSION: <p>At the May 23, 2016 Board meeting, staff presented the District’s preliminary Budget for Fiscal Years 2016-18 to the Board. Separately, staff reviewed the preliminary Solid Waste budget with the Solid Waste Committee, and will be reviewing the preliminary Capital Improvement Program (CIP) budget with the Strategic Planning and New Facilities Committee. The Solid Waste Committee has recommended adoption of the Solid Waste budget to the full Board, and it is hoped that the Operations and New Facilities Committees will do the same for the Operating and CIP budgets, respectively.</p> <p>The relevant elements of the preliminary Operating Budget are attached for review by the Wastewater Operations Committee. Staff suggests that the Committee review these items, and subject to minor changes and edits, recommend the preliminary Operating Budget for adoption by the full Board at its June 27, 2016 meeting.</p>	
ATTACHMENTS: 1. Preliminary operating budget for Fiscal Years FY2016-18.	
DEPT. MGR.: SRK, EB	GENERAL MANAGER: SSK



Preliminary Operating Budget
FOR
FISCAL YEARS 2016-18

Wastewater Operations Committee
June 20, 2016

Figure 1:

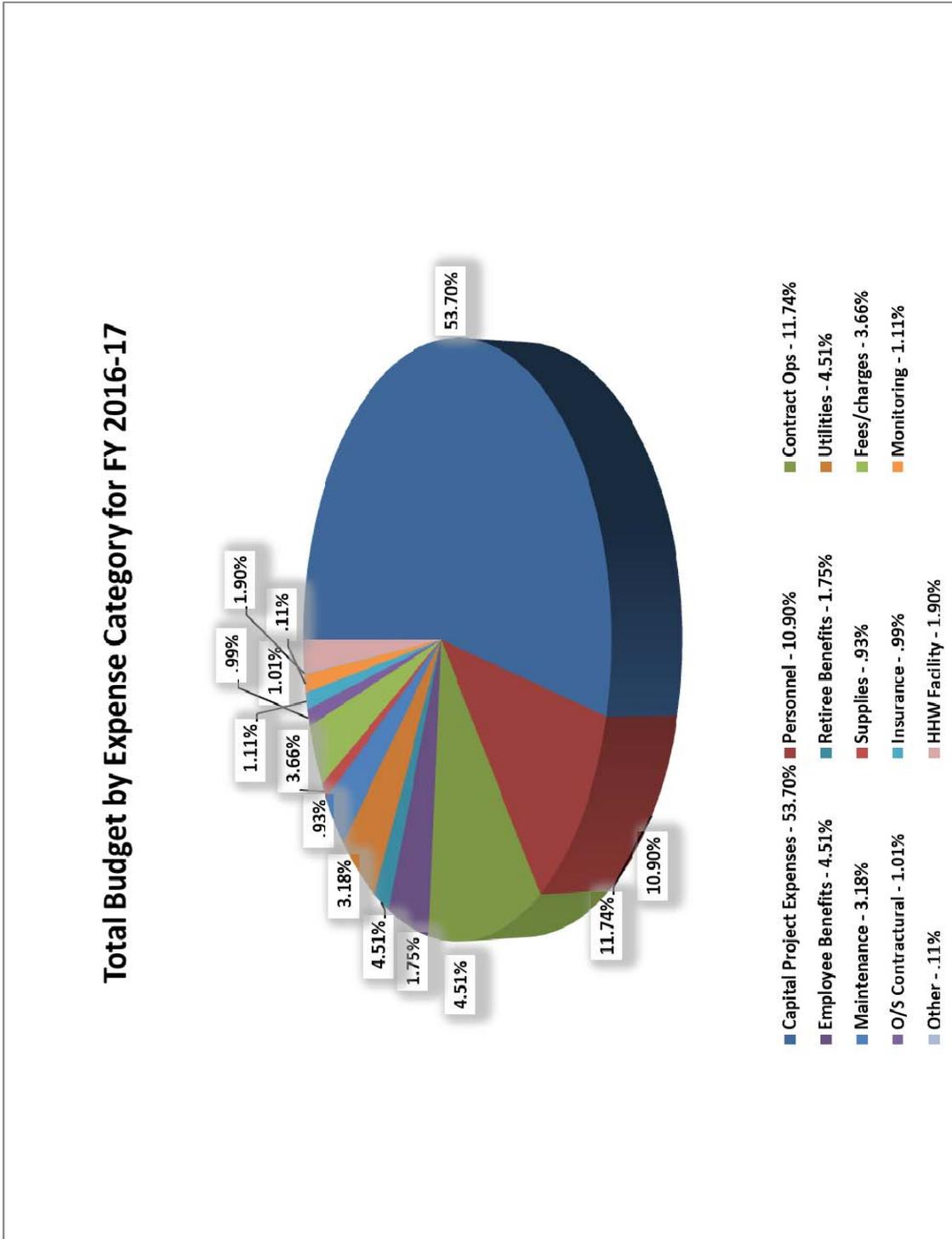


Figure 2:

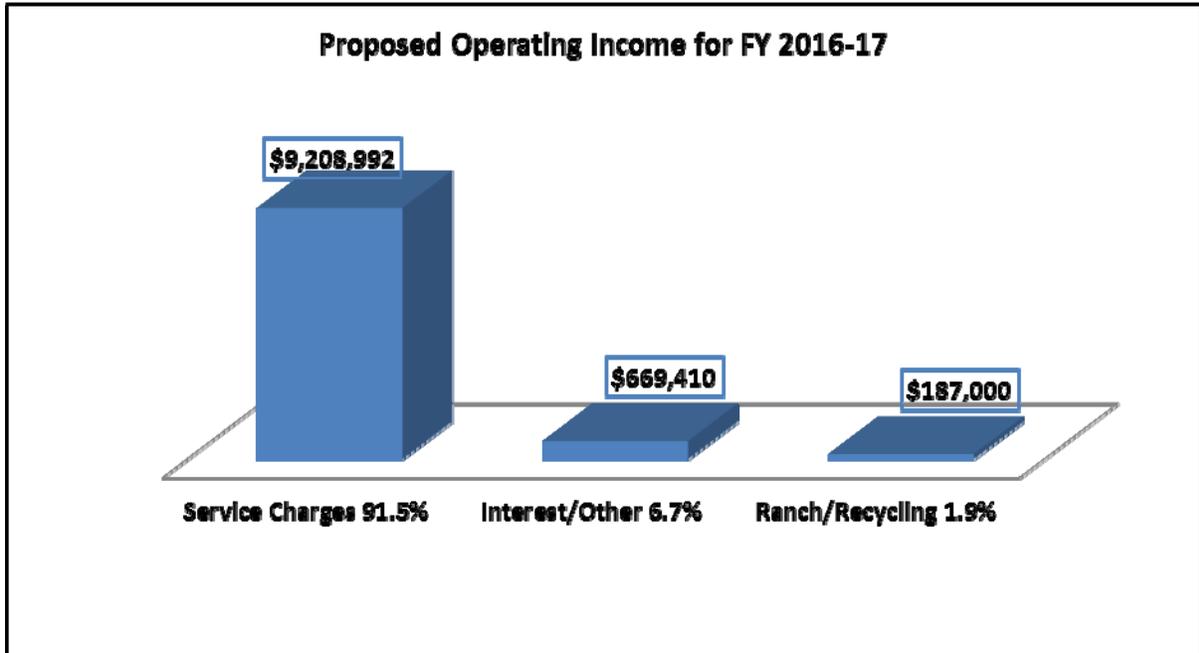


Figure 3:

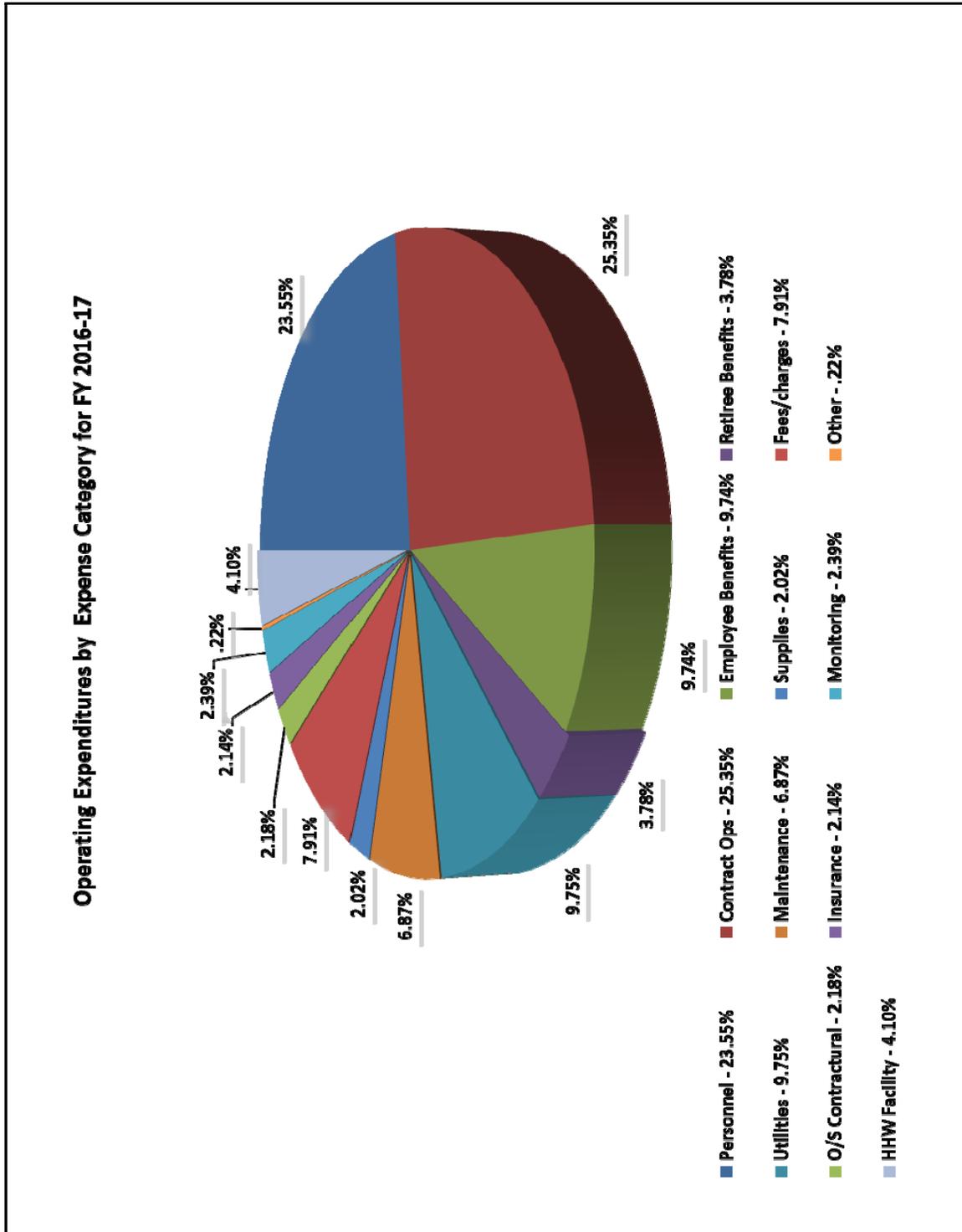
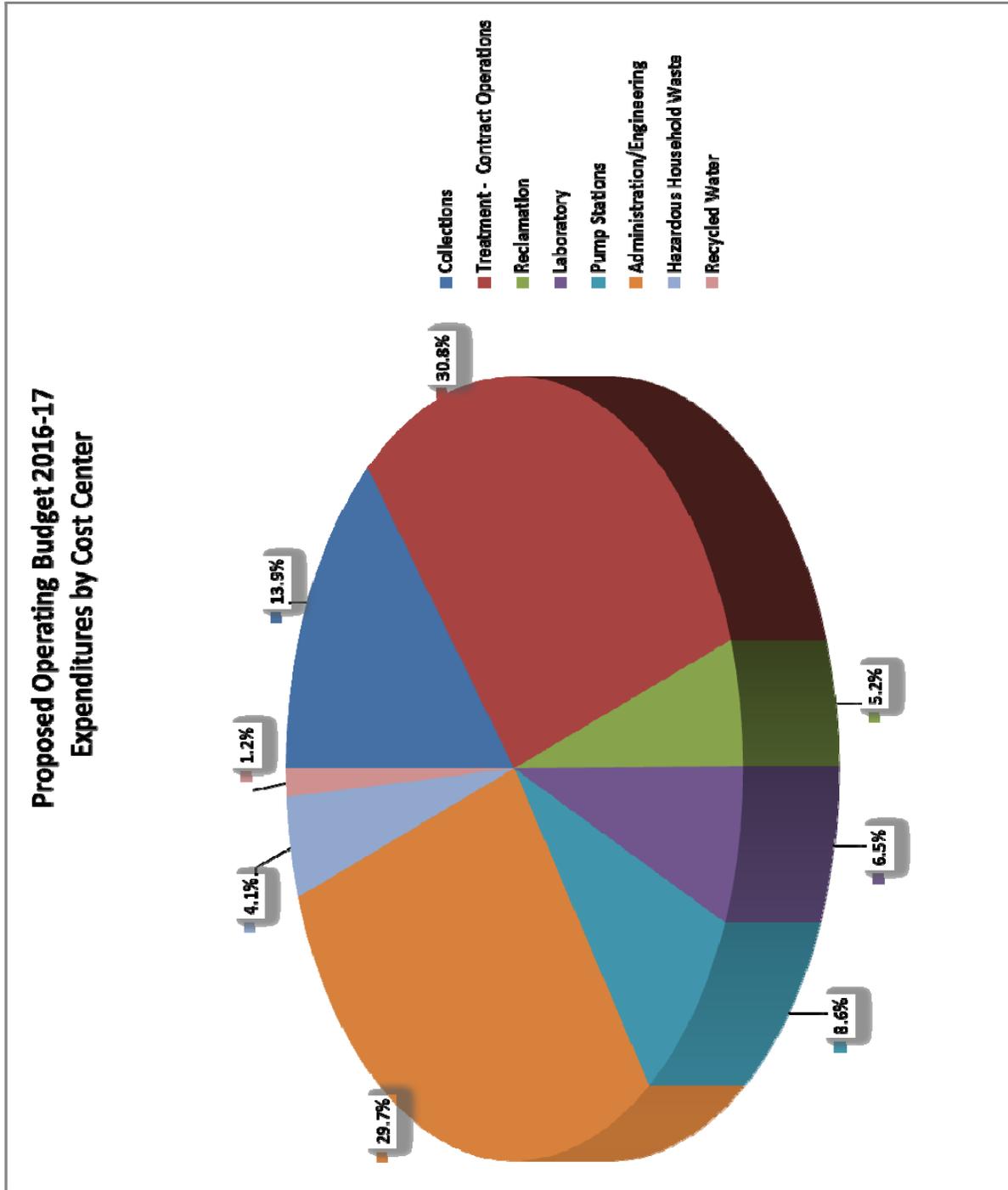


Figure 4:



SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

**Extracted from
Preliminary Budget for Fiscal Years 2016-18
as presented to the District Board on May 23, 2016**

**Novato Sanitary District
2016-18 Preliminary Operating Budget
Revenue Summary**

Operating Fund Revenue Center - 41000	Adopted Budget 14-15	Adopted Budget 15-16	Projected Revenues 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
41010 · Sewer Service Charges (1)	8,776,815	9,121,520	9,000,000	9,208,992	9,515,232
41030 · Plan Check & Inspection Fee	500	500	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	7,500	6,000	6,000
41060 · Interest Income	15,000	18,000	20,000	20,000	20,000
41080 · Engineering & Admin Charges	165,000	165,000	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (2)	25,000	25,000	30,000	25,000	25,000
41100 · Garbage Franchise Fees	49,768	50,962	50,962	52,186	53,438
41105 · AB 939 Collector Fees	297,586	342,621	342,621	350,844	359,264
41107 · Oil/Bev/Tire Grants (3)	50,187	59,880	60,000	59,880	59,880
41130 · Ranch Income	70,000	70,000	70,000	70,000	70,000
41135 · Recycled Water Revenue	116,000	117,000	75,000	117,000	111,000
41140 · Other Revenue (4)	20,000	20,000	20,000	20,000	20,000
41142 · Loss on disposal of assets	10,000	10,000	20,000	10,000	10,000
Totals	9,601,856	10,006,483	9,861,583	10,105,402	10,415,315

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on a proposed FY16-17 SSC charge of \$573 per EDU and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
- For FY2016-17, the proposed charge of \$573 per EDU is split between operations (\$314) and capital (\$259), based on an estimate of 29,328 EDUs, which is a decrease from the FY15-16 estimate of 30,005 EDUs.
 - For FY2017-18, the proposed charge of \$594 per EDU is split between operations (\$324) and capital (\$270), based on an estimate of 29,368 EDUs.
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants \$28,896/ JPA Reimb Fees \$30,984.
- (4) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMIT

The appropriations limitation, pursuant to Article XIII B of the California Constitution, will be determined prior to submission of the final budget in August.

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Collections	1,389,859	1,386,100	1,140,776	1,390,906	1,408,137
Treatment - Contract Operations	2,827,499	3,018,331	2,920,141	3,076,191	3,200,472
Reclamation	484,649	487,029	355,989	522,409	532,118
Laboratory	593,829	601,633	599,133	648,636	648,520
Pump Stations	807,072	814,633	645,208	854,044	891,327
Administration/Engineering	2,818,610	2,936,237	2,738,212	2,967,723	3,144,017
Hazardous Household Waste	368,698	402,501	363,581	415,787	419,157
Recycled Water	116,000	117,000	99,870	117,000	120,500
	9,406,216	9,763,464	8,862,911	9,992,696	10,364,248

Novato Sanitary District 2016-17 Preliminary Operating Budget Operating Budget Detail by Account Category													Over/ Under PY	% Over/ Under PY
	Treatment Facilities	Recd	L-M	Pump Stations	Collection System	A-E	HHW Program	Recycled Water	Total	As Percent of Budget	Over/ Under PY	% Over/ Under PY		
Salaries and Wages		92,151		344,502	627,152	1,190,391			2,254,198	22.56%	104,026	4.84%		
Contract Services (Operations & Lab)	2,113,278		368,136					50,000	2,531,414	25.33%	65,081	2.64%		
Employee Benefits		37,257		154,542	285,254	465,834			962,887	9.64%	82,319	9.35%		
Retiree Health Benefits						377,348			377,348	3.78%	2,088	0.56%		
Directors' Fees						38,000			38,000	0.38%	(5,000)	-11.63%		
Election Expense						0			-	0%	(50,000)	100.00%		
Gasoline, Oil & Fuel		4,000	2,500	6,000	28,000	10,000			50,500	0.51%	500	1.00%		
Insurance	14,000					150,000			164,000	1.64%	17,000	11.56%		
Ins Claims Expense						50,000			50,000	0.50%	10,000	25.00%		
Agency Dues						62,000			62,000	0.62%	7,000	12.73%		
Memberships						10,000			10,000	0.10%	1,000	11.11%		
Office Expense						27,000			27,000	0.27%	2,000	8.00%		
Safety		500	1,000	2,000	3,500	2,000			9,000	0.09%	(3,500)	-28.00%		
Software Maint		2,000	4,000	12,000	75,000				93,000	0.93%	50,000	116.28%		
Operating Supplies		2,000	20,000	10,000	30,000	10,000		2,000	74,000	0.74%	2,000	2.78%		
Operating Chemicals				15,000				26,000	41,000	0.41%	-	0.00%		
Sludge Disposal-Contractual									190,000	1.90%	(20,000)	-9.52%		
Accounting & Auditing									27,000	0.27%	3,000	12.50%		
Attorney									50,000	0.50%	(40,000)	-44.44%		
Outside Consulting									218,000	2.18%	(52,000)	-19.26%		
IT/Misc. Electrical						45,000			45,000	0.45%	9,000	25.00%		
Safety & Wellness Incentive Program						10,000			10,000	0.10%	-	100.00%		
Printing & Publication						22,000			22,000	0.22%	-	0.00%		
Repairs & Maintenance		70,000	25,000	115,000	85,000	50,000		22,000	367,000	3.67%	39,500	12.06%		
Unusual Equipment Maint	150,000								150,000	1.50%	-	0.00%		
Small Tools		500		2,000	2,000				4,500	0.05%	1,000	28.57%		
Outside Services				35,000	175,000				210,000	2.10%	(47,000)	-18.29%		
Ditch/Dike Maintenance		20,000							20,000	0.20%	-	0.00%		
Research & Monitoring			182,000					14,000	196,000	1.96%	19,000	10.73%		
Travel, Mtgs & Train.						50,000			50,000	0.50%	(5,000)	-9.09%		
Pollution Prevention/Pub. Ed.			43,000						43,000	0.43%	3,000	7.50%		
Gas & Electricity	708,913	95,000		110,000				2,000	915,913	9.17%	21,783	2.44%		
Water		3,000		7,000	12,000				22,000	0.22%	-	0.00%		
Telephone				24,000	2,000	10,000			36,000	0.36%	-	0.00%		
Other/Operational Assistance					1,000			1,000	1,000	0.01%	-	0.00%		
Permits & Fees			3,000	17,000	65,000			1,000	182,000	1.82%	-	0.00%		
Co. Collection Fees	90,000	6,000				68,000			68,000	0.68%	(1,000)	-1.45%		
Ser. Chg. System Exp						5,150			5,150	0.05%	150	3.00%		
AB 939 Solid Waste Programs							415,787		415,787	4.16%	13,286	3.30%		
Total	3,076,191	522,409	648,636	854,044	1,390,906	2,967,723	415,787	117,000	9,992,696	100.00%	229,233	2.35%		

SECTION III

OPERATING BUDGET
By Cost Center and Account Category

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
60010 · Salaries & Wages	604,357	634,609	504,328	627,152	671,037
60020 · Employee Benefits	262,502	269,491	207,998	285,254	313,599
60060 · Gas, Oil & Fuel	28,000	28,000	20,000	28,000	28,000
60085 · Safety	2,000	7,000	7,000	3,500	3,500
60091 · Software Maint	25,000	25,000	25,000	75,000	20,000
60100 · Operating Supplies	30,000	30,000	30,000	30,000	30,000
60150 · Repairs & Maint	85,000	85,000	85,000	85,000	85,000
60152 · Small Tools	2,000	2,000	2,000	2,000	2,000
60153 · Outside Services	275,000	225,000	225,000	175,000	175,000
60192 · Water	8,000	12,000	12,000	12,000	12,000
60193 · Telephone	2,000	2,000	1,250	2,000	2,000
60200 · Other(Garbage Coll)	1,000	1,000	500	1,000	1,000
60201 · Permits & Fees	65,000	65,000	20,700	65,000	65,000
	1,389,859	1,386,100	1,140,776	1,390,906	1,408,137

Comments:

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Treatment Facilities Contract Operations**

Treatment Facilities - Contract Operations Cost Center - 61000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
61000-1 · Fixed Fee(1)	1,957,529	2,059,201	2,059,201	2,113,278	2,170,668
61000-2 · Insurance & Bonds	42,570	12,000	11,544	14,000	14,000
61000-3 · Major Repair/Replacement	150,000	150,000	65,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	90,000	86,193	90,000	90,000
61000-5 · Gas & Electricity(2)	587,400	707,130	698,203	708,913	775,804
	2,827,499	3,018,331	2,920,141	3,076,191	3,200,472

Comments:

(1) Fixed fee - 3.5% increase from prior year, and an allowance for contractual incentive payment.

(2) Assumes 10% increase for purchased utility power based on actual expenditures for 2015/16, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between District and Veolia.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
63010 · Salaries & Wages	60,549	75,400	35,723	92,151	97,478
63020 · Employee Benefits	22,500	28,629	14,987	37,257	41,640
63060 · Gasoline & Oil	4,000	4,000	2,000	4,000	4,000
63085 · Safety	500	500	500	500	500
63091 · Software Maint	3,100	2,000	0	2,000	2,000
63100 · Operating Supplies	2,500	2,000	2,000	2,000	2,000
63115 · Sludge Disposal	200,000	210,000	147,039	190,000	190,000
63150 · Repairs & Maint	70,000	50,000	50,000	70,000	70,000
63152 · Small Tools	500	500	500	500	500
63157 · Ditch/Dike Maint	20,000	20,000	6,000	20,000	20,000
63191 · Gas & Electricity	90,000	85,000	91,345	95,000	95,000
63192 · Water	5,000	3,000	3,000	3,000	3,000
63201 · Permits & Fees	6,000	6,000	2,895	6,000	6,000
	484,649	487,029	355,989	522,409	532,118

Comments:

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
64010 · Contract Lab Services (1)	194,138	357,133	357,133	368,136	381,020
64020 · Employee Benefits	72,191	0	0	0	0
64060 · Gasoline & Oil	3,000	3,000	1,500	2,500	2,500
64085 · Safety	1,000	1,000	0	1,000	1,000
64091 · Software Maintenance	4,000	4,000	4,000	4,000	4,000
64100 · Operating Supplies	25,000	20,000	20,000	20,000	20,000
64150 · Repairs & Maintenance	9,500	10,500	10,500	25,000	12,000
64160 · Research & Monitoring	247,000	163,000	163,000	182,000	182,000
64170 · Pollution Prev/Public Ed	35,000	40,000	40,000	43,000	43,000
64201 · Permits & Fees	3,000	3,000	3,000	3,000	3,000
	593,829	601,633	599,133	648,636	648,520

Comments:

(1) This account previously titled "Salaries and Wages", is renamed to reflect fees paid for contract laboratory and environmental services provided by Veolia Water and NMWD.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
65010 · Salaries & Wages	316,295	337,753	245,523	344,502	369,814
65020 · Employee Benefits	137,777	141,880	92,756	154,542	166,512
65060 · Gasoline & Oil	5,000	5,000	5,000	6,000	6,000
65085 · Safety	2,000	2,000	2,000	2,000	2,000
65091 · Software Maint/Update	12,000	12,000	3,631	12,000	12,000
65100 · Operating Supplies	10,000	10,000	10,000	10,000	10,000
65101 · Operating Chemicals	30,000	15,000	12,424	15,000	15,000
65150 · Repairs & Maintenance	115,000	110,000	110,000	115,000	115,000
65152 · Small Tools	1,000	1,000	1,000	2,000	2,000
65153 · Outside Services, Elect.	40,000	32,000	25,000	35,000	35,000
65191 · Gas & Electricity	90,000	100,000	100,875	110,000	110,000
65192 · Water	7,000	7,000	7,000	7,000	7,000
65193 · Telephone	24,000	24,000	24,000	24,000	24,000
65201 · Permits & Fees	17,000	17,000	6,000	17,000	17,000
				0	
	807,072	814,633	645,208	854,044	891,327

Comments:

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Administration**

Administration and Engineering Cost Center - 66000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
66010 · Salaries & Wages	983,222	1,102,409	1,024,731	1,190,391	1,267,141
66020 · Employee Benefits	375,733	440,568	423,583	485,834	534,651
66021 · Retiree Health Benefits	396,155	375,260	375,260	377,348	368,225
66030 · Director's Fees	45,000	43,000	34,050	38,000	38,000
66040 · Election Expense	0	50,000	250	0	50,000
66060 · Gasoline & Oil	10,000	10,000	6,000	10,000	10,000
66070 · Insurance	186,000	135,000	135,000	150,000	150,000
66071 · Insurance Claim Expense	45,000	40,000	40,000	50,000	55,000
66075 · Agency Dues	60,000	55,000	55,000	62,000	62,000
66080 · Memberships	8,500	9,000	9,000	10,000	10,000
66085 · Safety	1,000	2,000	2,000	2,000	2,000
66090 · Office Expense	29,000	25,000	25,000	27,000	28,000
66100 · Engineering Supplies	9,000	8,000	8,000	10,000	10,000
66121 · Accounting & Auditing	18,000	24,000	24,000	27,000	29,000
66122 · Attorney Fees	120,000	90,000	50,000	50,000	50,000
66123 · O/S Contractual	275,000	270,000	270,000	218,000	217,000
66124 · IT/Misc Electrical	40,000	36,000	36,000	45,000	42,000
66125 · Safety & Wellness Incentive Prog	0	10,000	10,000	10,000	10,000
66130 · Printing & Publications	22,000	22,000	22,000	22,000	25,000
66150 · Repairs & Maintenance	45,000	50,000	50,000	50,000	53,000
66170 · Travel, Meetings & Training	70,000	55,000	55,000	50,000	50,000
66193 · Telephone	15,000	10,000	9,340	10,000	10,000
66202 · County Fees-Property Taxes	25,000	27,000	27,000	26,000	26,000
66203 · County Fees-Sewer Ser Chg	35,000	42,000	42,000	42,000	42,000
66250 · Service Charge Sys Exp	5,000	5,000	5,000	5,150	5,000
	2,818,610	2,936,237	2,738,212	2,967,723	3,144,017

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Comments:

Novato Sanitary District						
Preliminary Operating Budget 2016-18						
PERSONNEL DETAIL						
Number	Position	Cost Center	Pay Range	Salaries		
				2016-17	2017-18	
1.00	General Manager-Chief Engineer.....	A/E		206,016	214,051	
1.00	Technical Services Manager.....	A/E	MC119	137,698	150,222	
1.00	Field Services Manager25AE/.25CS/.25PS/.25Rec	MC119	150,552	156,424	
1.00	Senior Engineer.....	.65AE/.25PS/.10Rec	MC116.5	133,320	138,519	
0.46	Administrative Services Specialist	A/E	MC117.5	64,608	67,128	
1.00	Administrative Services Officer	A/E	MC115	123,871	128,702	
1.00	Administrative Assistant	A/E	MC103	46,431	67,539	
1.00	Administrative Secretary.....	A/E	MC106	79,848	82,962	
1.00	Finance Officer.....	A/E	MC115	117,972	128,702	
1.00	Staff Engineer.....	.5AE/.5CS	47	101,904	105,878	
1.00	Construction Inspector.....	A/E	44.5	90,228	93,747	
1.00	Information System Specialist II.....	.5AE/.5CS	43.5	85,932	89,283	
1.00	Electrical/Instrumentation Tech in Training.....	.34A/E/.33PS/.33Rec	40.5	55,979	66,364	
0.00	Environmental Services Supervisor...(Note 1)	L/M	MC115.5	-	-	
0.00	ECA II...(Note 1)	L/M	45.5	-	-	
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	112,354	122,573	
1.00	Collection System Leadworker.....	.67CS/.33PS	47	66,024	96,039	
1.00	Collection System Worker III.....	.67CS/.33PS	43.5	21,483	-	
2.00	Collection System Worker II.....	.67CS/.33PS	40.5	140,763	149,713	
5.00	Collection System Worker I.....	.67CS/.33PS	38.5	303,301	334,476	
1.00	Admin Intern	A/E	N/A	8,640	8,640	
1.00	Engineering Aide - temp	A/E	N/A	17,280	17,280	
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	40,000	40,000	
	Allowance for Overtime.....	C/S		35,000	35,000	
	Allowance for Overtime.....	A/E		7,500	7,500	
	Allowance for Standby Duty Pay.....	C/S		28,000	28,000	
	Subtotal			2,174,704	2,328,739	
	Allowance for Possible COLA - across the board	3.90%		79,493	76,731	
		3.50%				
				2,254,197	2,405,470	
24.86	Administration and Engineering (A/E)		1,190,391	1,267,141		
Note 1:	Laboratory and Monitoring (L/M)		-	-		
	Collection System	67%	627,152	671,037		
	Pump Stations	33%	344,502	369,814		
	Reclamation Facilities		92,151	97,478		
	Total/Check		2,254,197	2,405,470		
Note 1:	Work for these positions now performed through contract services with Veolia Water and NMWD.					

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Hazardous Household Waste**

HHW Cost Center - 67000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
67400 · Management Services	130,161	131,464	100,555	134,750	138,120
67500 · Household Hazardous Waste	164,000	211,500	211,500	220,000	220,000
67530 · Used Oil Grant	11,963	11,269	11,013	11,269	11,269
67530-1 Beverage Container Grant	10,574	11,268	11,013	11,268	11,268
67540 · Education/Public Outreach	37,000	22,000	16,000	23,500	23,500
67600 · Other	5,000	5,000	3,500	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000
	368,698	402,501	363,581	415,787	419,157

Comments:

Per Proposed budget by HHW Coordinator.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
68010 · O & M Services	50,000	50,000	40,695	50,000	50,000
68100 · Operating Supplies	3,000	2,000	2,000	2,000	2,000
68101 · Operating Chemicals	34,000	26,000	26,000	26,000	27,300
68150 · Repairs & Maintenance	18,000	22,000	19,175	22,000	24,200
68160 · Research & Monitoring	0	14,000	10,000	14,000	14,000
68191 · Gas & Electricity	10,000	2,000	2,000	2,000	2,000
68201 · Permits & Fees	1,000	1,000	0	1,000	1,000
	116,000	117,000	99,870	117,000	120,500

Comments:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Strategic Planning and New Facilities Committee – June 2016.	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 6.b.
RECOMMENDED ACTION: Receive report and recommendation to adopt preliminary Capital Improvements Program (CIP) Budget for FY16-18.	
SUMMARY AND DISCUSSION: <p>The Strategic Planning and New Facilities Committee packet for the meeting of June 21, 2016 is attached. A brief summary is provided below.</p> <p>Strategic Items, FY16-18:</p> <p>The Committee discussed a number of strategic items relating to the District’s FY16-18 budget and how they would factor into the District’s capital spending strategy for FY16-18. Items discussed included potential District-related North Bay Water Reuse Authority (NBWRA) projects (including the outfall reconfiguration at the Hamilton Wetlands) and related funding opportunities; FY16-17 Collection System Improvements; Novato Treatment Plant (NTP) projects; potential alternative energy options; and the expansion of the Recycled Water Facility (RWF) at the NTP site. On the subject of potential alternative energy options, the discussion covered future cogeneration and solar power options, the intent of the FY16-18 budgeted amount for this project account, and potential implementation strategies including staff efforts to date.</p> <p>Capital Improvements Program (CIP) Budget:</p> <p>Staff reviewed the preliminary FY16-18 Capital Budget with the Committee. The Committee unanimously agreed to forward a recommendation to the full Board of Directors to adopt the preliminary FY16-18 Capital Budget at the Board’s June 27, 2016 meeting.</p>	
ATTACHMENTS: 1. Agenda Packet for Strategic Planning and New Facilities Committee meeting of June 21, 2016.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update. The item also addresses other goals of the Strategic Plan including Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications).	
DEPT. MGR.: EB, SRK	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT

June 21, 2016

The Strategic Planning and New Facilities Committee of Novato Sanitary District will hold a meeting at 2:00 PM, Tuesday, June 21, 2016, at the District offices, 500 Davidson Street, Novato.

AGENDA

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

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

3. **APPROVAL OF MINUTES:**
 - a. Approve minutes from the June 17, 2015 committee meeting.
4. **REVIEW STRATEGIC BUDGET ITEMS, FY16-18:**
 - a. North Bay Water Reuse Authority (NBWRA).
 - b. Collection System Improvements.
 - c. Novato Treatment Plant (NTP).
 - d. Recycled Water Facility (RWF) Expansion.
 - e. Cogeneration/alternative energy.
5. **ANNUAL CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:**
 - a. Review FY16-18 proposed preliminary CIP budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors.
6. **ADJOURNMENT:**

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

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

June 17, 2015

The Strategic Planning and New Facilities Committee of the Novato Sanitary District held a meeting at 3:00 p.m., Wednesday, June 17, 2015, at the District Offices, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Directors Gary Butler and William Long.

STAFF PRESENT: Manager-Engineer-Secretary Sandeep Karkal, Field Services Manager Steve Krautheim, and Administrative Services Specialist June Brown.

ALSO PRESENT: Chris De Gabriele, General Manager, North Marin Water District.

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

MINUTES: Minutes of the June 11, 2014 committee meeting were approved as written.

REVIEW OF STRATEGIC ITEMS, FY 15-17:

a. Hamilton Wetlands/Outfall Study: Manager-Engineer Sandeep Karkal gave a Power Point presentation focusing on the Hamilton Wetlands/Outfall Study. He reported on the proposed joint District/State Coastal Conservancy (SSC) project. The SSC's goal is to manage the presence of the District's outfall on the wetlands site and the District's goal is beneficial reuse of its effluent. These goals will be coordinated and permitted under the District's NPDES permit. Step 1 (near term goal with SCC) would involve abandoning the existing outfall with year-round discharge to a brackish marsh. Step 2 (long-term plan) would involve creation of a new storage reservoir in cooperation with North Bay Water Reuse Authority (NBWRA). Director Long asked if there are other alternatives for a storage pond. The Manager responded that there is capacity for 150 million gallons of storage in two ponds on land owned by the District at the Reclamation Facility site. The portion of the Reclamation Facilities leased by the District from the Marin County Flood Control District will be lost when the lease expires in 2023.

b. North Bay Water Reuse Authority (NBWRA): The committee discussed potential District-related NBWRA projects and associated funding opportunities. The NBWRA Phase 2 Scoping Study has identified \$139 million NBWRA projects, including \$36 million in identified Novato Sanitary District projects. Local agency funding ratio has not yet been developed.

c. Collection System Improvements: The committee discussed the District's Lateral Replacement Program. \$50,000 has been budgeted for fiscal year 2015-16,

with a maximum of \$1,500 available to qualifying homeowners. The Manager-Engineer will be meeting with a local realtor group in the near future and will report feedback on the program to the District Board.

Field Services Manager Steve Krautheim described the location of the budgeted Hamilton Trunk Sewer Rehabilitation Project and relief sewer on Simmons Lane. Also included in the Preliminary 2015-16 District budget is an allowance for a Collection System Master Plan Scoping Study.

Director Long noted that the Collection System budget is somewhat reduced from last year. Manager-Engineer Karkal explained that the budgeted amount for 2015-16 is sufficient to fund budgeted collection system improvements.

In response to a question by Director Butler, Steve explained that video inspection of sewer pipe can estimate the need for replacement approximately 3 to 5 years in advance. In response to a question by Director Long, Mr. De Gabriele indicated that the life of water pipes, depending on material, has been estimated at 50 to 100 years.

d. Novato Treatment Plant (NTP) site demolition: Field Services Manager Steve Krautheim reported on the progress of the demolition of the old aeration basin and ancillary structures at the Novato Treatment Plan. The demolition is needed to make way for a Maintenance Building.

e. RWF Expansion: The Manager-Engineer reported on the need to expand recycled water facilities to meet increased demands from the North Marin Water District. Partial funding will be sought from NBWRA.

ANNUAL CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET:

a. Review FY 15-17 proposed preliminary CIP budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors: The Committee reviewed the proposed Capital Improvement budgets for fiscal year 2015-16 and 2016-17. There was considerable discussion regarding the possibility of using cogeneration and solar power at District facilities. It was suggested that cogeneration could be discussed as part of the District's Strategic Plan. The Manager indicated that there are insufficient funds available at this time to develop a cogeneration project.

Possible funding opportunities and potential savings associated with solar power were discussed. The Committee suggested that it might be worth investigating solar installation on a small scale to see what savings could be realized. The Committee also briefly discussed the prioritization and timeline of Capital Improvement projects. Director Butler asked if a process could be developed where the Board of Directors helps prioritize Capital Improvement projects.

There being no further discussion, the Committee recommended approval of the Capital Improvement Budget.

OTHER ITEMS: Director Long suggested that a representative from the North Marin Water District be invited to a District Board meeting to describe the new recycled water stations. Mention was also made of the need for District trucks to use recycled water for flushing lines. Truck modifications to accommodate this would cost approximately \$5,000 per truck. However, recycled water would be free of charge.

ADJOURNMENT: The meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

June Brown, Recording

NOVATO SANITARY DISTRICT STRATEGIC PLANNING & NEW FACILITIES COMMITTEE AGENDA ITEM SUMMARY

TITLE: New Facilities Committee: Annual Capital Improvements Program (CIP) Budget.	MEETING DATE: June 21, 2016 AGENDA ITEM NO.: 5.a.
RECOMMENDED ACTION: Review FY16-18 proposed preliminary CIP Budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors.	
SUMMARY AND DISCUSSION: <p>At the May 23, 2016 Board meeting, staff presented the District's preliminary Budget for Fiscal Years 2016-18 to the Board. Separately, staff reviewed the preliminary Solid Waste budget with the Solid Waste Committee, and the preliminary Operating budget with the Wastewater Operations Committee. The Solid Waste Committee has recommended adoption of the Solid Waste budget to the full Board, and it is hoped that the Operations and New Facilities Committees will do the same for the Operating and CIP budgets, respectively.</p> <p>The relevant elements of the preliminary CIP Budget are attached for review by the Committee. Staff suggests that the Committee review these items, and subject to minor changes and edits, recommend the preliminary CIP Budget for adoption by the full Board at its June 27, 2016 meeting.</p>	
ATTACHMENTS: 1. Preliminary Capital Improvements Program (CIP) Budget for Fiscal Years 2016-18.	
DEPT. MGR.: EB, SRK	GENERAL MANAGER: SSK



**Preliminary Capital Improvements
Program (CIP) Budget
FOR
FISCAL YEARS 2016-18**

*Strategic Planning and Capital
Facilities Committee
June 21, 2016*

Novato Sanitary District

MEMORANDUM

TO: District Board of Directors

FROM: Sandeep Karkal, General Manager-Chief Engineer
Steve Krautheim, Field Services Manager
Erik Brown, Technical Services Manager

DATE: May 23, 2016

SUBJECT: FY16-18 Preliminary Capital Improvement Program (CIP) Budget –
Summary of Anticipated Project Work

Introduction

This memo presents a summary of the potential or anticipated scope of work for projects and project work included within the various Accounts of the Capital Improvements Program (CIP) budget for FY16-18.

A copy of the projected two-year FY16-18 CIP Expenditures is included as Table 1. Note that in prior years, the District has prepared Preliminary CIP Expenditure Projections for a five-year period covering the FY2011-16 timeframe to help track CIP disbursements funded through the 2011 Certificates of Participation (COPs). With the completion of the drawdown of available funds from the 2011 COPs in FY15-16, the need for maintaining the five-year projection for the 2011-16 period also ends, and CIP expenditure projections revert back to the District's standard two-year format. Accordingly, Table 1 provides preliminary information for proposed CIP expenditures for FY16-17 and FY17-18.

Account No. 72403: Pump Station Rehabilitation

This ongoing, long term account provides for replacing the District's underground type pump stations with submersible pump type pump stations. The lift stations that remain to be rehabilitated include the two Vintage Oaks Pump Stations and the Rowland Plaza Pump Station. The rehabilitation schedule for these pump stations will be impacted by potential development in the Hanna Ranch and Vintage Oaks area, and work is being deferred until the development plans for the area become clearer.

Therefore, construction work is not anticipated during FY16-17. However further design work on the remaining pump stations may be initiated depending on how development plans for these areas evolve, and a placeholder amount is included in the account to initiate any needed design work.

Account No. 72508: North Bay Water Reuse Authority

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). FY16-17 will be the third year of a 3-year Phase 2 Feasibility Study for over \$136 million in recycled water projects across all NBWRA agencies.

In the scoping study leading into the Phase 2 feasibility work, the District had identified three projects with a total estimated cost of about \$36 million. While some of these projects have been substantially refined as part of the feasibility study, the overall NBWRA “project list” has not yet been finalized.

It is anticipated that the final project list will be published and adopted by the NBWRA Board in FY16-17. Until that time, the initial NBWRA cost estimate of about \$5 million over the three years from FY14-15 through FY16-17 is still valid. Under this scenario, the District’s corresponding share is estimated at \$1.14 million over these three years under a pre-determined formula. It is anticipated that up to \$430,000 of these costs would be recovered under a grant from the US Bureau of Reclamation (USBR) Title XVI program. Any “truing up” process at the end of the Phase 2 Feasibility Study phase will likely result in changes to the estimated costs, and the District may be the beneficiary of lower overall costs from the program.

Also, if the projects move out into the design and construction phases, it is anticipated that further grant funding from USBR could pay for up to 50% of design and construction costs for recycled water storage projects, and up to 25% of other recycled water projects (tertiary treatment, pipelines, pumping, etc.). The District would be required to come up with its share (local share) of the project costs, i.e. 50% of design and construction costs for storage projects and 75% of the design and construction costs for additional tertiary treatment facilities, etc.

Account No. 72706: Collection System Improvements

This account includes budget amounts for continuing work on rehabilitating the District’s collection system.

This fiscal year’s project work includes contract closeout of the project work for rehabilitation of 900 feet of the Hamilton Trunk Sewer, and the rehabilitation of 170 feet of sewer main on Reichert Court.

An allowance is also made for the rehabilitation of 915 feet of the 18” Bel Marin Keys Trunk Sewer at the Ignacio Transfer Pump Station, and for initiating work associated with a new Collection System Master Plan for the District.

Account No. 72706-1: Lateral Replacement Program

This account was established as a grant program to incentivize homeowners, and assist them financially to replace the entire sewer lateral between their residence and the sewer main, as a long term approach to reducing infiltration and inflow from laterals into the District’s collection system.

Currently, the program pays half of the replacement cost up to \$1,500 for replacing a residential sewer lateral in the District's service area. For FY16-17, the District's share will increase to \$2,000 and will increase each fiscal year in increments of \$500 until the amount reaches \$4,000 in FY2020-21. The goal of the increased District share is to increase the number of participants in the program as well as more closely match the current costs of lateral replacement.

Account No. 72707: Hamilton Wetlands/Outfall

The project work for FY16-17 in this account includes continuing work on a joint study funded 50-50 by the District and the California State Coastal Conservancy (SCC) to examine alternatives for long term integration of the District's outfall into the SCC's Hamilton Wetlands project.

The project work also provides for further study to utilize the District's effluent as a reliable, long term fresh water source to establish and maintain a brackish marsh habitat at the Wetlands project, including identifying and resolving water quality related regulatory issues identified during the study process.

Account No. 72708: Cogeneration

This account was established for preliminary work to explore strategies and potential projects to utilize the digester gas produced in the anaerobic digestion process to produce power and offset the District's utility power purchases.

Budgeted FY16-17 funds include an allowance to: initiate discussions with other entities for potential partnering in the areas of cogeneration and alternative energy production services; research potential funding sources; and develop preliminary level design documents should a viable alternative(s) be identified.

Account No. 72802: Annual Sewer Adjustment for City Projects

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

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

Account No. 72803: Annual Collection System Repairs

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

The repair list is generated by collection system staff during routine maintenance activities including sewer cleaning and CCTV work, and tracked and prioritized by the Field Services Manager in conjunction with the Collection System Superintendent, Technical Services Manager, and the Construction Inspector.

Account 72804: Annual Reclamation Facilities Improvements

The budget in this account is established annually to fund small projects to repair District facilities at the Reclamation Area. The work typically includes irrigation system repairs for lines larger than 4” in diameter, parcel rehabilitation work, and other miscellaneous repairs.

Account No. 72805: Annual Treatment Plant Improvements

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

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

Account No. 72805: Annual Pump Station Improvements

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

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

Account No. 72808: Strategic Plan Update:

This account is established to fund potential updates to the District’s Strategic Plan document, at the Board’s discretion. The original Strategic Plan document was prepared in 2012 and most recently updated in FY2015-16.

Account No. 72809: Novato Creek Watershed

This account and its budget was established as a result of an agreement with the Marin County Flood Control District. Under this agreement, the District participates in a program with the County of Marin, the City of Novato, and the North Marin Water District to explore alternatives to reduce flooding potential in the lower Novato Creek portion where all of these agencies have facilities that are prone to flood damage. The budgeted amounts are a minimal amount and anticipated to meet the District’s commitments to on-going studies through FY17-18. Future work (FY18-19 and beyond) arising out of these studies may require increased funding, but potential costs are unknown at this point.

Account No. 73003: Administration Building Upgrades/Maintenance Building –

This account includes allowances for minor improvements to the Administration Building.

Demolition of the abandoned Aeration Basins and ancillary equipment from the “old” Novato treatment plant was completed in FY 15-16.

Budgeted FY16-17 funds include paving of the demolition site and installing utilities to service a temporary modular maintenance building. Additional work includes converting the old Blower Building into a small maintenance shop.

Account No. 73004: Odor and Landscaping Improvements

This account budgets further work by District and operations staff and the District’s Odor Specialist consultant(s) to address and manage any odor issues raised by the District’s neighbors. It also includes an allowance to address any landscaping items. The Account includes an allowance for installation of a new Sodium Hypochlorite tank and drip system at the Ignacio Transfer Pump Station to aid in controlling odors.

Account No. 73005: RWF Expansion

This account will fund the design and construction of an incremental capacity expansion to the existing Recycled Water Facility (RWF) at the Novato Treatment Plant site. The expansion is necessitated by the planned expansion by the North Marin Water District (NMWD) of its Central Area Project which will push NMWD’s recycled water distribution pipelines into the Central Novato/Ignacio geographic areas. The budgeted amounts do not include any potential grants that may be received through State Proposition 84 (IRWM) or Proposition 1 (Water Bond) funds, or through the US Bureau of Reclamation Title XVI (WaterSMART) program.

Account No. 73006: NTP Corrosion Control

This account includes funds for corrosion control projects at the Novato Treatment Plant site. As the recently constructed facilities age, the effects of the aggressive nature of wastewater corrosion start to appear and need to be addressed. It is anticipated that this account will see budgeting of funds on an ongoing basis. The budgeted funds for FY16-17 will be focused on addressing corrosion issues at the Primary Clarifier No. 1 mechanism and developing bid documents for addressing corrosion at the ultraviolet disinfection channels, or at the headworks channels/effluent box. Design work for the coating of Primary Clarifier No. 1 mechanism began in FY 15-16 and the physical coating work is anticipated to take place in FY 16-17.

Account No. 73090: Vehicle Replacement

This account includes a budget amount for the replacement of a light truck, passenger hybrid vehicle and a hydro-flusher truck in FY16-17. Replacement of an additional light truck is anticipated in FY 17-18.

Novato Sanitary District

Table 1 - 2016-2018 Preliminary Budget

Capital Improvement Budget - CIP Expenditures

Capital Improvements				Projected	Preliminary	Proposed	Preliminary
Cost Centers - 72000 & 73000			Expenditures	Exp	budget	Budget	Budget
	Budget 14/15	Budget 15/16	thru March 2016	2015-16	2016-17	2016-17	2017-18
					(from FY15-16 budget)	(As of May 2016)	(As of May 2016)
72110 · Drainage PS 3&7 Outfall Rehab	265,000	5,000	0	0	0	0	0
72403 · Pump Station Rehabilitation	1,082,185	50,000	13,152	13,152	50,000	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	355,000	403,000	247,162	247,162	440,000	440,000	100,000
72611 · Bayside Sewer	45,000	0	0	0	0	0	0
72706 · Collection System Improvments	1,600,000	1,050,000	646,119	850,000	900,000	1,050,000	1,700,000
72706-1 · Lateral Replacement Program	50,000	50,000	19,500	25,000	50,000	60,000	75,000
72707 · Hamilton Wetlands/Outfall Integration	36,542	22,500	0	0	0	10,000	10,000
72708 · Cogeneration	40,000	20,000	0	7,000	20,000	45,000	20,000
72802 · Annual Sewer Adj. for City Proj	10,000	10,000	0	10,000	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	200,000	200,000	97,426	200,000	200,000	200,000	200,000
72804 · Annual Reclamation Fac Improvements	150,000	100,000	57,824	75,000	100,000	100,000	100,000
72805 · Annual Treatment Plant Improvements	200,000	300,000	228,617	250,000	100,000	100,000	100,000
72806 · Annual Pump Station Improvements	0	0	0	0	100,000	100,000	100,000
72808 · Strategic Plan Update	0	10,000	14,264	14,264	10,000	20,000	20,000
72809 · Novato Creek Watershed	50,000	15,000	0	0	0	10,000	10,000
73001 · WWTP Upgrade - Contract C (Solids handling)	461,396	10,000	9,670	10,000	0	0	0
73002 · WWTP Up-Contract D-Recycled Water	10,000	0	0	0	0	0	0
73003 · Admin Building Upgrade/Maint. Building	1,000,000	740,000	514,646	545,000	1,120,000	350,000	50,000
73004 · Odor Control and NTP Landscaping	0	50,000	5,790	13,000	50,000	75,000	50,000
73005 · RWF Expansion(1)	0	150,000	0	25,000	1,200,000	1,300,000	20,000
73006 · NTP Corrosion Control	0	150,000	0	30,000	75,000	180,000	150,000
73090 · Vehicle Replacement	180,000	25,000	0	0	25,000	425,000	25,000
Subtotal before Debt Service	5,735,123	3,360,500	1,854,170	2,314,578	4,450,000	4,525,000	2,990,000
78500 · Principal & Interest - SRF Loan	5,378,956	5,378,956	5,378,956	5,378,956	5,378,957	5,378,957	5,378,956
78500 · Principal & Interest - COP Bond	1,691,798	1,696,148	1,696,148	1,696,148	1,680,748	1,680,748	1,664,548
Subtotal for Debt Service	7,070,754	7,075,104	7,075,104	7,075,104	7,059,705	7,059,705	7,043,504
Totals	12,805,877	10,435,604	8,929,274	9,389,682	11,509,705	11,584,705	10,033,504

Comments: (1)Does not include any grant funds received thru' CA Prop. 84, CA Prop1 (Water Bond), or USBR Title XVI

SECTION IV

CAPITAL IMPROVEMENT BUDGET

***Extracted from
Preliminary Budget for Fiscal Years 2016-18
as presented to the District Board on May 23, 2016***

**Novato Sanitary District
2016-18 Preliminary Budget
Capital Improvement Budget - Revenue Summary**

			Projected	Proposed	Preliminary
Capital Fund	Adopted	Adopted	Revenue	Budget	Budget
Revenue Center - 51000	Budget 14/15	Budget 15/16	2015-16	2016/17	2017-18
Accounts					
Capital Improvement Income					
51010 · Sewer Service Charges(1)	7,183,200	7,435,040	7,300,000	7,595,952	7,929,360
51015 · Property Taxes	1,750,000	1,900,000	1,950,000	1,938,000	1,976,760
51020 · Connection Charges(2)	493,500	518,000	200,000	434,400	447,600
51030 · Collector Sewer Charges	2,000	2,000	0	1,000	1,000
51040 · Special Equalization Chrg	4,000	4,000	0	1,000	1,000
51060 · Interest	30,000	22,000	25,000	25,000	22,000
51070 · Other Revenue	20,000	20,000	10,000	20,000	20,000
Total Capital Improvement Income	9,482,700	9,901,040	9,485,000	10,015,352	10,397,720
Comments:					
(1) Sewer Service Charge (SSC) revenue is based on a proposed FY16-17 SSC charge of \$573 per EDU and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:					
- For FY2016-17, the proposed charge of \$573 per EDU is split between operations (\$314) and capital (\$259), based on an estimate of 29,328 EDUs, which is a decrease from the FY15-16 estimate of 30,005 EDUs.					
- For FY2017-18, the proposed charge of \$594 per EDU is split between operations (\$324) and capital (\$270), based on an estimate of 29,368 EDUs.					
(2) Connection Charges projected at 40 new connections each year.					
- Per Ordinance 119, the connection charge beginning July 1, 2016 is \$10,860 per EDU, and increases by 3% on July 1, 2017 to \$11,190 per EDU.					

**Novato Sanitary District
2016-2018 Preliminary Budget
Capital Improvement Budget - CIP Expenditures**

Capital Improvements Cost Centers - 72000 & 73000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
72110 · Drainage PS 3&7 Outfall Rehab	265,000	5,000	0	0	0
72403 · Pump Station Rehabilitation	1,082,185	50,000	13,152	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	355,000	403,000	247,162	440,000	100,000
72611 · Bayside Sewer	45,000	0	0	0	0
72706 · Collection System Improvments	1,600,000	1,050,000	850,000	1,050,000	1,700,000
72706-1 · Lateral Replacement Program	50,000	50,000	25,000	60,000	75,000
72707 · Hamilton Wetlands/Outfall Integration	36,542	22,500	0	10,000	10,000
72708 · Cogeneration	40,000	20,000	7,000	45,000	20,000
72802 · Annual Sewer Adj. for City Proj	10,000	10,000	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	200,000	200,000	200,000	200,000	200,000
72804 · Annual Reclamation Fac Improvements	150,000	100,000	75,000	100,000	100,000
72805 · Annual Treatment Plant Improvements	200,000	300,000	250,000	100,000	100,000
72806 · Annual Pump Station Improvements	0	0	0	100,000	100,000
72808 · Strategic Plan Update	0	10,000	14,264	20,000	20,000
72809 · Novato Creek Watershed	50,000	15,000	0	10,000	10,000
73001 · WWTP Upgrade - Contract C (Solids handling)	461,396	10,000	10,000	0	0
73002 · WWTP Up-Contract D-Recycled Water	10,000	0	0	0	0
73003 · Admin Building Upgrade/Maint. Building	1,000,000	740,000	545,000	350,000	50,000
73004 · Odor Control and NTP Landscaping	0	50,000	13,000	75,000	50,000
73005 · RWF Expansion	0	150,000	25,000	1,300,000	20,000
73006 · NTP Corrosion Control	0	150,000	30,000	180,000	150,000
73090 · Vehicle Replacement	180,000	25,000	0	425,000	25,000
Subtotal before Debt Service	5,735,123	3,360,500	2,314,578	4,525,000	2,990,000
78500 · Interest - SRF Loan	1,784,785	1,698,525	1,698,525	1,610,195	1,519,744
78500 · Principal - SRF Loan	3,594,171	3,680,431	3,680,431	3,768,762	3,859,212
78500 · Interest - COP Bond	836,798	811,148	811,148	775,748	739,548
78500 · Principal - COP Bond	855,000	885,000	885,000	905,000	925,000
Subtotal for Debt Service	7,070,754	7,075,104	7,075,104	7,059,705	7,043,504
Totals	12,805,877	10,435,604	9,389,682	11,584,705	10,033,504

Comments:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: ANNUAL BUDGET: FY16-18 Preliminary Budget	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 7.a.
RECOMMENDED ACTION: Approve and adopt the 2016-18 Preliminary Budget.	
SUMMARY AND DISCUSSION: <p>At the May 23, 2016 Board meeting, staff presented the District's Preliminary Budget for Fiscal Years FY2016-18 to the Board.</p> <p>Separately, staff reviewed the preliminary Solid Waste budget with the Solid Waste Committee, the preliminary Operating Budget with the Wastewater Operations Committee, and the preliminary Capital Improvement Program (CIP) budget with the Strategic Planning and New Facilities Committee.</p> <p>All three Committees have recommended adoption of the respective budgets to the full Board. Revisions and edits proposed during the respective Committee reviews were minor, and will be corrected in the final Budget presented for Board adoption in August.</p> <p>Accordingly, at this time, staff recommends that the Board approve and adopt the Preliminary Budget for FY16-18.</p>	
ATTACHMENTS: 1. Preliminary Budget for Fiscal Years 2016-18, proposed May 23, 2016.	
STRATEGIC PLAN INFORMATION: This item addresses Goal 4 (Well Planned Finances with a Long Range Outlook) of the latest Strategic Plan Update. The item also addressess other goals of the Strategic Plan including Goal 1 (Operational Excellence), and Goal 3 (Alignment and Communications).	
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK



Preliminary Budget
FOR
FISCAL YEARS 2016-18

Proposed May 23, 2016

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SECTION I

***LETTER OF TRANSMITTAL AND SUMMARY OF FUND
BALANCES***

May 23, 2016

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

Honorable Board Members:

The proposed Preliminary District Budget for fiscal years (FY) 2016-17 and 2017-18 fiscal years is attached for your consideration and approval. The Preliminary Budget includes the following components:

- Summary of the Operating and Capital Improvement Funds, and Summary of Fund Balances (Section I).
- Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category (Section II).
- Detailed Operating Budget by Cost Center and Account Category (Section III).
- Capital Improvement Budget: Revenue and Expenditures Budget (Section IV)
- FY16-17 Wastewater Capital Reserve Fund and Certificates of Participation Reserve Fund (Section V)
- FY16-17 Debt Service Fund Summary for State Revolving Fund (SRF) Loan and Certificates of Participation (COP) Bond Fund (Section VI).

As you know, the District is currently proposing a maximum sewer service charge (SSC) rate increase averaging 3.5% over the next five years through FY2020-21. Proposition 218 mandated notices were mailed in April 2016 to property owners notifying them of the proposed rate increases. The Board will be considering adoption of the proposed increases at its June 13, 2016 Board meeting. If the proposed charges are adopted, the District's annual sewer service charges will increase from \$552 to \$573 per service unit, or Equivalent Dwelling Unit (EDU), in FY16-17, and to \$594 per EDU in FY17-18.

For purposes of generating this Preliminary Budget, it is assumed that the proposed sewer charges will be adopted. If the rate increases are not adopted, a revised budget will be necessary. Also, as in prior years, the sewer service charge is divided in FY16-17., with \$314 (55%) allocated to the Operating Budget, and \$259 (45%) allocated to the Capital Budget.

A. BUDGET STRUCTURE

The District's budget is prepared on a cash basis. Operating and Capital Revenues and Expenditures are summarized in Table 1 and illustrated in Figure 1 at the end of this letter. Table 1 also compares the immediate past year with the proposed budget. Total revenues are projected to increase slightly if the proposed sewer service charge increase discussed above is adopted. Anticipated variances between the two budget years are also provided later in this letter.

	FY 15/16 Adopted Budget	FY 16/17 Proposed Budget	% Change FY 16 to FY 17
Operating Revenues	\$ 10,006,483	\$ 10,105,402	0.99%
Capital Revenues	9,901,040	10,015,352	1.15%
Total Revenues	\$ 19,907,523	\$ 20,120,754	1.07%
Operating Expenditures	9,763,464	9,992,696	2.35%
CIP Expenditures	3,360,500	4,525,000	34.65%
Debt Service	7,075,104	7,059,705	-0.22%
Total Expenditures	\$ 20,199,068	\$ 21,577,401	6.82%

B. FISCAL YEAR 2016-17 OPERATING BUDGET DETAILS

Operating Revenues

The proposed FY 2016-17 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 2), along with the figures for the past two fiscal years. Total operating revenues are expected to increase by 0.99% or \$98,919 from FY 2015-16.

Funding Sources by Category	FY 14-15 Adopted Budget	FY 15-16 Adopted Budget	FY 16-17 Proposed Budget	% Change FY 16 to FY 17
Operating Sewer Service Charges	\$ 8,776,815	\$ 9,121,520	\$ 9,208,992	0.96%
Permit & Inspection fees	31,500	31,500	31,500	0.00%
Interest Income	15,000	18,000	20,000	11.11%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	49,768	50,962	52,186	2.40%
AB 939 Collector Fees	297,586	342,621	350,844	2.40%
Oil and Beverage Grant	50,187	59,880	59,880	0.00%
Ranch Income	70,000	70,000	70,000	0.00%
Recycled Water Revenue	116,000	117,000	117,000	0.00%
Other Revenue	30,000	30,000	30,000	0.00%
Total Operating Revenue	\$9,601,856	\$10,006,483	\$10,105,402	0.99%

Operating Sewer Service Charges (SSCs) expected increase of \$86,672 or 0.96% primarily from the proposed 3.8% rate increase recommended by the current sewer service charge rate study.

Interest Income expected increase of \$2,000 or 11.11% from potential increase in interest rates.

AB 939 Collector Fees expected to increase by \$8,223 or 2.40% due to the current projection for the HHW Cost center revenue.

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

Operating Expenditures

A summary of proposed and past two fiscal years Operating Expenditures is shown in Table 3. The proposed FY16-17 Operating Expenditures are also shown graphically in Figure 3 (by expense type) and Figure 4 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 2.35% or \$229,232 between FY2015-16 and FY2016-17. In terms of staffing, note that FY15-16 expenditures for Salaries and Benefits within individual cost centers are skewed by one-time “savings” from vacant positions. These positions will be filled methodically and thoughtfully through this budget period.

Table 3: Operating Budget Expenditures 3-year Summary:

Expenditures by Department	FY 14-15	FY 15-16	FY 16-17	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 16 to FY 17
Collections	\$ 1,389,859	\$ 1,386,100	\$ 1,390,906	0.35%
Treatment	2,827,499	3,018,331	3,076,191	1.92%
Reclamation	484,649	487,029	522,409	7.26%
Laboratory	593,829	601,633	648,636	7.81%
Pump Stations	807,072	814,633	854,044	4.84%
Administration/Engineering	2,818,610	2,936,237	2,967,723	1.07%
Hazardous Household Waste	368,698	402,501	415,787	3.30%
Recycled Water	116,000	117,000	117,000	0.00%
Total Expenditures	\$ 9,406,216	\$ 9,763,464	\$ 9,992,696	2.35%

Table 4 summarizes the main anticipated operating budget variances.

Table 4: Operating Budget Significant Budget Variances 2015-16 to 2016-17

Anticipated Budget Variances – Year-over-year, FY 15-16 to FY 16-17	Budget Impact
1. 4.8% increase in Salaries & Wages (Merit based & COLA increases).	\$ 104,026
2. 9.4% increase in employee benefits category.	\$ 82,319
3. 116.3% increase for new software in the Collections System cost center.	\$ 50,000
4. 12.1% increase for the District's Repairs & Maintenance expenses.	\$ 39,500
5. 10.7% increase for Research and Monitoring fees in the Lab cost center.	\$ 19,000
6. 11.6% increase in liability insurance premium.	\$ 17,000
7. 25.0% increase in insurance claims.	\$ 10,000
8. 44.4% decrease in attorney fees in the Admin & Eng. Cost center.	\$ (40,000)
9. 18.3% decrease for Outside services in the Collections cost center.	\$ (47,000)
10. 100% decrease in District election expenses.	\$ (50,000)
11. 19.3% decrease in outside consulting in the Admin & Eng. Cost center.	\$ (52,000)

C. FISCAL YEAR 2015-16 CAPITAL BUDGET DETAILS

Capital Revenues

The proposed FY2016-17 Capital Budget by Revenue source is shown in Table 5 below along with the figures for the past two fiscal years. Percentage changes in actual property tax revenue for the last ten years is illustrated in Figure

5. Total capital revenues for FY16-17 are expected to increase by 1.15% or \$114,312 from FY 2015-16. Notable items include:

Capital SSC Revenues - projected increase of \$160,912 or 2.16% primarily from the 3.8% rate increase recommended by the current sewer service charge rate study.

Property Taxes - projected increase of 2.0% from greater activity in the housing market over the past few years. For comparative purposes, Figure 5 (attached to this letter) depicts property tax-related revenues for the last ten years.

Connection Fees – projected to decrease \$84,000 or 16.14% assuming about 40 new connections per year (reduced from 50 new connections per year by the recent rate study).

Collector/Special Equalization Charges – projected to decrease \$4,000 or 66.67%, consistent with historical trends for connections in built-out areas.

Interest Income – projected increase of \$3,000 or 13.64% due to the slowly rising interest rate.

Table 5: Capital Budget Revenue 3-year Summary

Funding Sources by Category	FY 14-15	FY 15-16	FY 16-17	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 16 to FY 17
Capital Sewer Service Charges	\$ 7,183,200	\$ 7,435,040	\$ 7,595,952	2.16%
Property Taxes	1,750,000	1,900,000	1,938,000	2.00%
Connection Charges	493,500	518,000	434,400	-16.14%
Collector/Special Equalization Chgs	6,000	6,000	2,000	-66.67%
Interest Income	30,000	22,000	25,000	13.64%
Other Revenue	20,000	20,000	20,000	0.00%
Total Capital Revenues:	\$9,482,700	\$9,901,040	\$10,015,352	1.15%

Capital Expenditures

The proposed Capital Improvement Program (CIP) Budget for FY16-17 is \$11,584,705 or \$1,149,101 more or an increase of 11.0% over last year. Capital projects for 2016-17 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

On-going major capital project work, including Collection System Improvements and the expansion of the Recycled Water Facility (RWF).

Continuing work on regional efforts including North Bay Water Reuse Authority (NBWRA), Novato Creek Watershed, and the Hamilton Wetlands/Outfall study.

Debt service of \$7,059,705 including principal and interest payments on the District’s State Revolving Fund (SRF) loan and the 2011 Certificates of Participation (COPs).

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

Table 6: Capital Budget Expenditures, 3-year Summary

Capital Expenditures	FY 14-15 Adopted Budget	FY 15-16 Adopted Budget	FY 16-17 Proposed Budget	% Change FY 16 to FY 17
Capital Projects	\$5,735,123	\$3,360,500	\$4,525,000	34.65%
Debt Service	7,070,754	7,075,104	7,059,705	-0.2%
Total	\$12,805,877	\$10,435,604	\$11,584,705	11.0%

Debt Coverage Ratio

In the 2011 Certificates of Participation(COP) Installment Sale Agreement, the District agreed to collect rates and charges during each fiscal year that are sufficient to yield net revenues equal to at least 120 percent of the installment payments on the COPs and all parity debt in the fiscal year, or a debt coverage ratio of 1.20. The projected Debt Coverage Ratio for FY2016-17 is 1.44.

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

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

AGENCY	RATE (\$/yr.)
Sanitary District No. 5 – Belvedere	1,985 ^(a)
Sausalito-Marin City Sanitary District ⁽¹⁾	1,340 ^(b)
Sanitary District No. 5 - Tiburon	1,034 ^(a)
Sanitary District No. 1 – City of Larkspur	1,067 ^(b)
Tamalpais Community Services District	1,111 ^(a)
City of Santa Rosa	948 ^(b)
Las Gallinas Valley Sanitary District	837 ^(b)
Ross Valley Sanitary District (SD #1)	797 ^(b)
City of Mill Valley	685 ^(a)
NOVATO SANITARY DISTRICT	573 ^(b)
Napa Sanitation District	555 ^(b)
Vallejo Sanitation & Flood Control District	520 ^(a)
Town of Corte Madera	500 ^(b)

Notes: ⁽¹⁾ Includes SMCS D charge of \$817 and City of Sausalito charge of \$492.
^(a)FY2015-16 charges; ^(b)FY2016-17 (proposed or adopted)

In conclusion, the proposed FY2016-17 budget will be able to accomplish the District's commitments to achieving the key goals set forth in its Strategic Plan while maintaining reasonable rates for its customers.

Sincerely,

SANDEEP KARKAL
 General Manager-Chief Engineer

Additional Charts for Informational Purposes:

Figure 1:

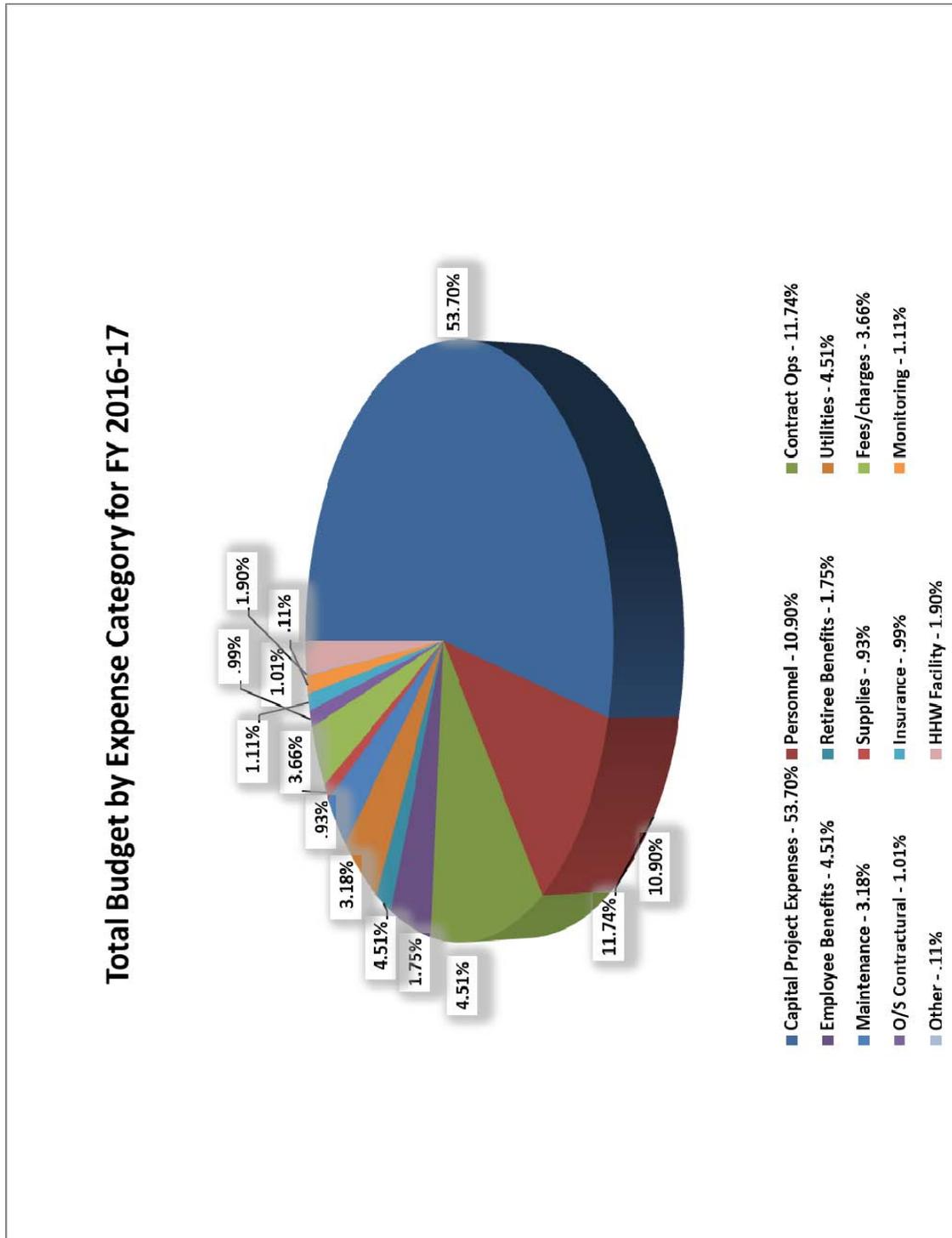


Figure 2:

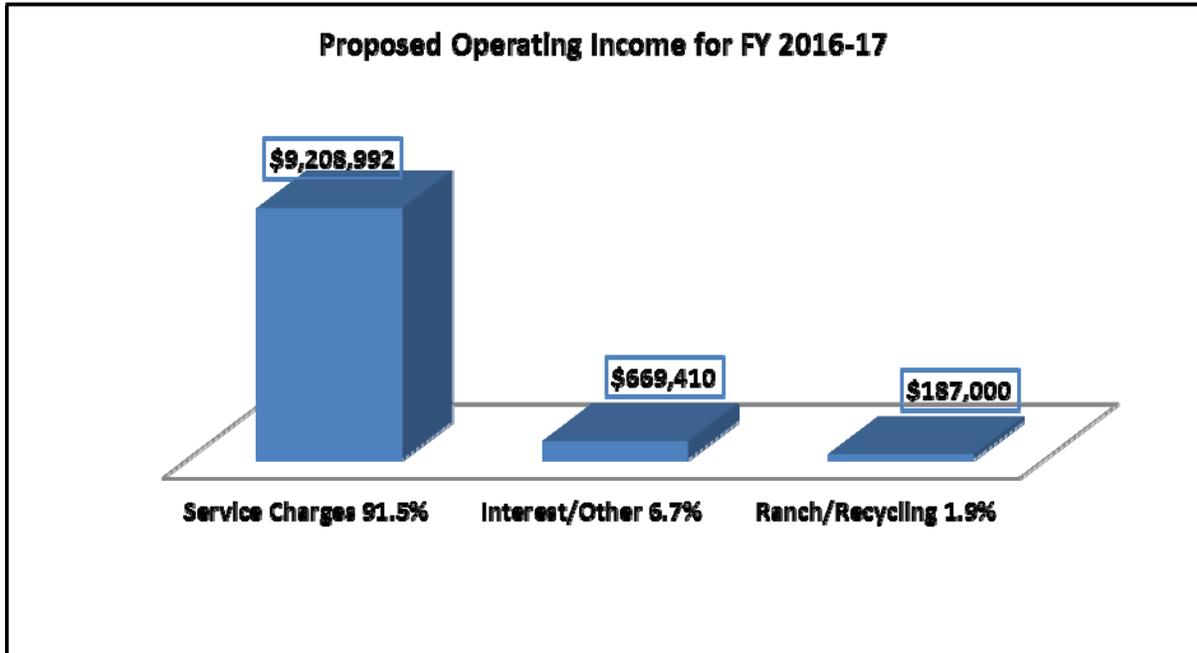


Figure 3:

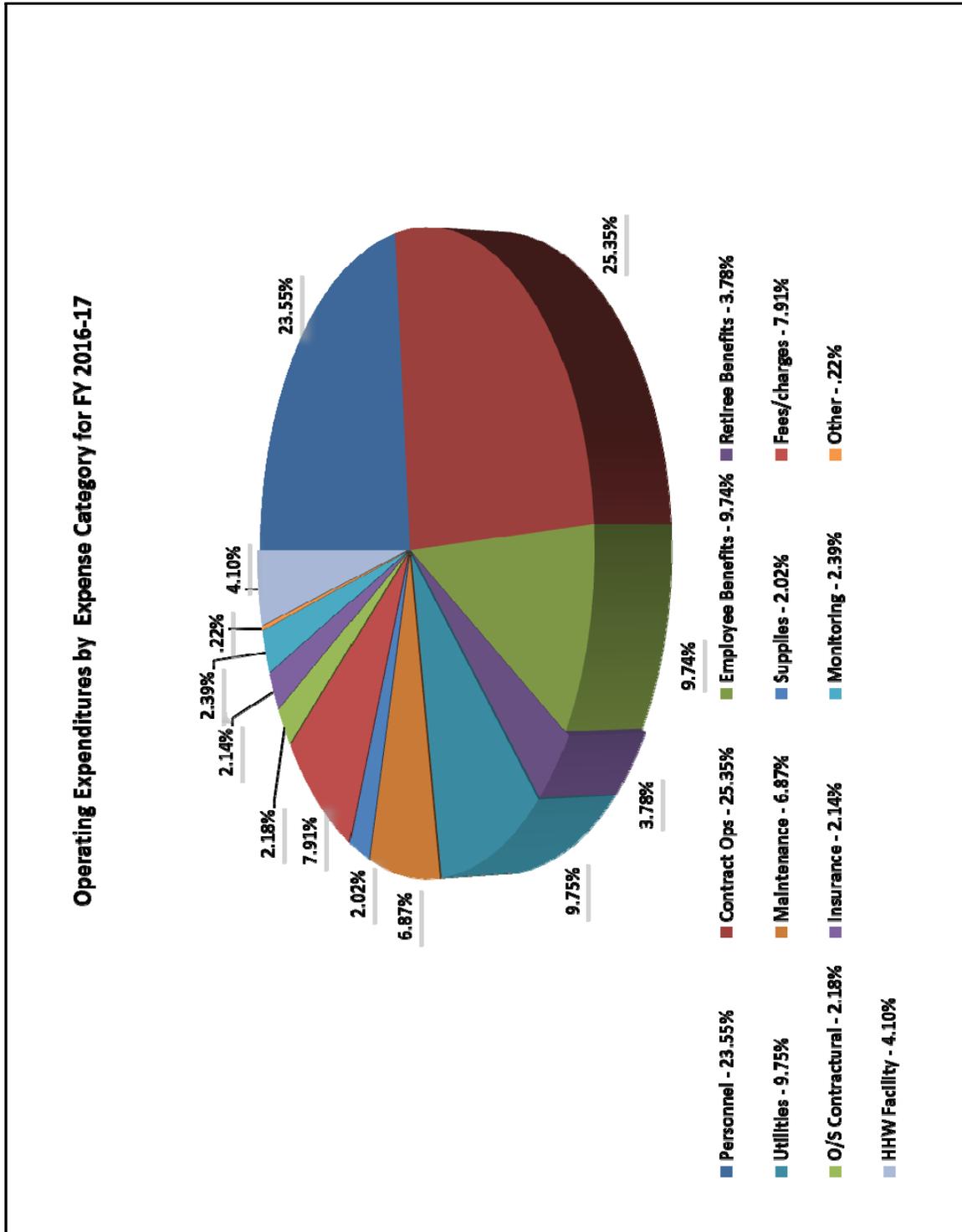


Figure 4:

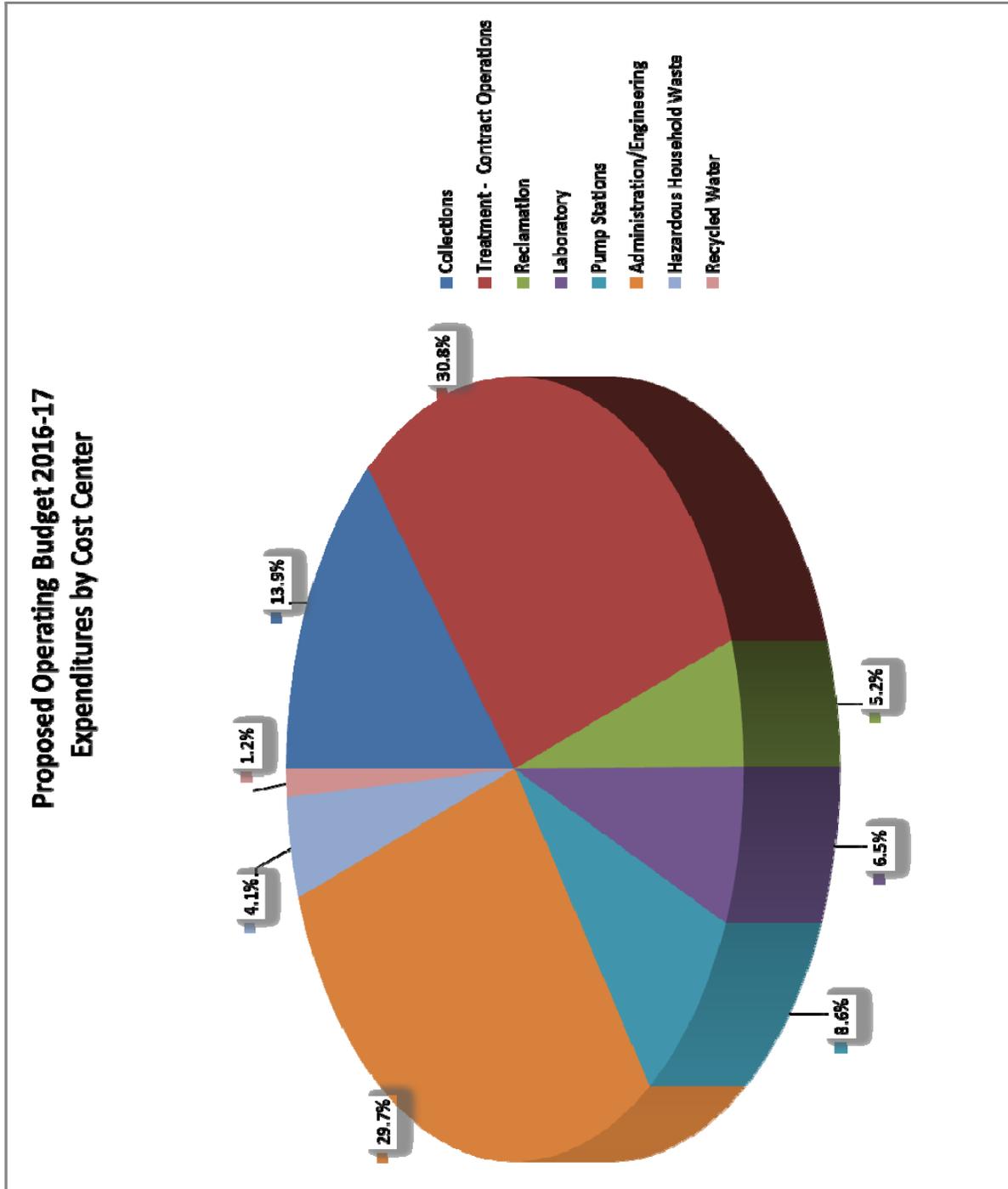
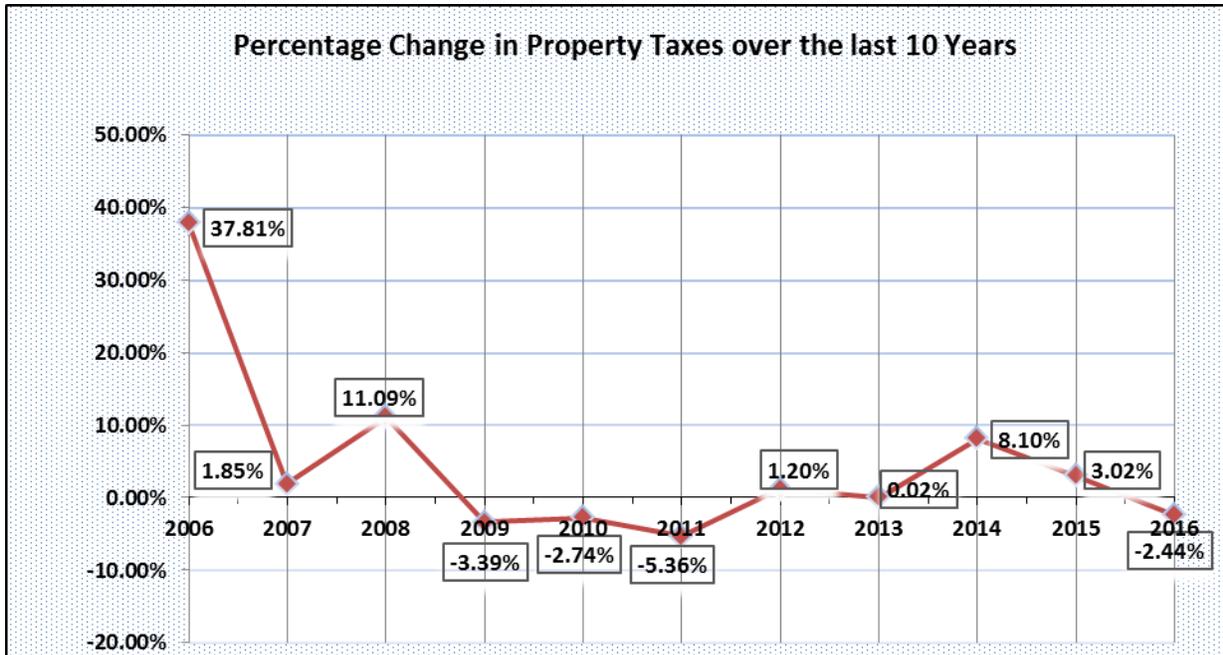
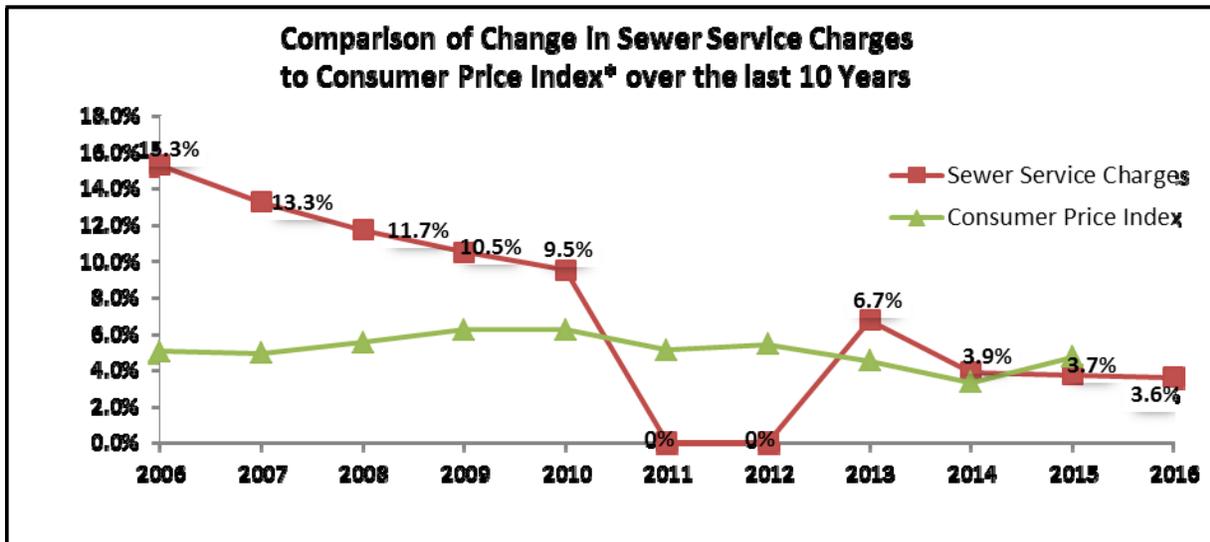


Figure 5:



Note: Based on actual revenues received and not adopted budget values.

Figure 6:



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

**Novato Sanitary District
2016-18 Preliminary Budget
Summary of Operating Fund
And Capital Improvement Fund Balances**

	Adopted Budget 15/16	Projected Rev/Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Operating Fund at July 1st Beginning of Each Year	10,635,267	10,641,247	11,639,919	11,752,625
Operating Revenue (p. 2)	10,006,483	9,861,583	10,105,402	10,415,315
Operating Expenditures (p. 3)	9,763,464	8,862,911	9,992,696	10,364,248
Net Operating Revenue	243,019	998,672	112,706	51,067
Operating Fund at the End of Each Year	10,878,286	11,639,919	11,752,625	11,803,692
Capital Improvement Fund at July 1st Beginning of Each Year	6,047,581	6,047,580	6,142,898	4,573,545
Capital Revenue (p. 15)	9,901,040	9,485,000	10,015,352	10,397,720
Total Capital Revenues	9,901,040	9,485,000	10,015,352	10,397,720
Capital Expenditures (p. 16)	3,360,500	2,314,578	4,525,000	2,990,000
Debt Service (p. 19)	7,075,104	7,075,104	7,059,705	7,043,504
Total Capital Expenditures	10,435,604	9,389,682	11,584,705	10,033,504
Capital Improvement Fund Balance at the End of Each Year	5,513,017	6,142,898	4,573,545	4,937,761
Reserved	1,693,343	1,693,470	1,693,620	1,693,770
Unreserved	14,697,960	16,089,347	14,632,550	15,047,683
Operating and Capital Improvement Fund Balances at The End of Each Year	16,391,303	17,782,817	16,326,170	16,741,453

SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

**Novato Sanitary District
2016-18 Preliminary Operating Budget
Revenue Summary**

Operating Fund Revenue Center - 41000	Adopted Budget 14-15	Adopted Budget 15-16	Projected Revenues 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
41010 · Sewer Service Charges (1)	8,776,815	9,121,520	9,000,000	9,208,992	9,515,232
41030 · Plan Check & Inspection Fee	500	500	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	7,500	6,000	6,000
41060 · Interest Income	15,000	18,000	20,000	20,000	20,000
41080 · Engineering & Admin Charges	165,000	165,000	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (2)	25,000	25,000	30,000	25,000	25,000
41100 · Garbage Franchise Fees	49,768	50,962	50,962	52,186	53,438
41105 · AB 939 Collector Fees	297,586	342,621	342,621	350,844	359,264
41107 · Oil/Bev/Tire Grants (3)	50,187	59,880	60,000	59,880	59,880
41130 · Ranch Income	70,000	70,000	70,000	70,000	70,000
41135 · Recycled Water Revenue	116,000	117,000	75,000	117,000	111,000
41140 · Other Revenue (4)	20,000	20,000	20,000	20,000	20,000
41142 · Loss on disposal of assets	10,000	10,000	20,000	10,000	10,000
Totals	9,601,856	10,006,483	9,861,583	10,105,402	10,415,315

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on a proposed FY16-17 SSC charge of \$573 per EDU and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For FY2016-17, the proposed charge of \$573 per EDU is split between operations (\$314) and capital (\$259), based on an estimate of 29,328 EDUs, which is a decrease from the FY15-16 estimate of 30,005 EDUs.
 - For FY2017-18, the proposed charge of \$594 per EDU is split between operations (\$324) and capital (\$270), based on an estimate of 29,368 EDUs.
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants \$28,896/ JPA Reimb Fees \$30,984.
- (4) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMIT

The appropriations limitation, pursuant to Article XIII B of the California Constitution, will be determined prior to submission of the final budget in August.

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Collections	1,389,859	1,386,100	1,140,776	1,390,906	1,408,137
Treatment - Contract Operations	2,827,499	3,018,331	2,920,141	3,076,191	3,200,472
Reclamation	484,649	487,029	355,989	522,409	532,118
Laboratory	593,829	601,633	599,133	648,636	648,520
Pump Stations	807,072	814,633	645,208	854,044	891,327
Administration/Engineering	2,818,610	2,936,237	2,738,212	2,967,723	3,144,017
Hazardous Household Waste	368,698	402,501	363,581	415,787	419,157
Recycled Water	116,000	117,000	99,870	117,000	120,500
	9,406,216	9,763,464	8,862,911	9,992,696	10,364,248

Novato Sanitary District 2016-17 Preliminary Operating Budget Operating Budget Detail by Account Category													Over/ Under PY	% Over/ Under PY
	Treatment Facilities	Recd	L-M	Pump Stations	Collection System	A-E	HHW Program	Recycled Water	Total	As Percent of Budget	Over/ Under PY	% Over/ Under PY		
Salaries and Wages		92,151		344,502	627,152	1,190,391			2,254,198	22.56%	104,026	4.84%		
Contract Services (Operations & Lab)	2,113,278		368,136					50,000	2,531,414	25.33%	65,081	2.64%		
Employee Benefits		37,257		154,542	285,254	465,834			962,887	9.64%	82,319	9.35%		
Retiree Health Benefits						377,348			377,348	3.78%	2,088	0.56%		
Directors' Fees						38,000			38,000	0.38%	(5,000)	-11.63%		
Election Expense						0			-	0%	(50,000)	100.00%		
Gasoline, Oil & Fuel		4,000	2,500	6,000	28,000	10,000			50,500	0.51%	500	1.00%		
Insurance	14,000					150,000			164,000	1.64%	17,000	11.56%		
Ins Claims Expense						50,000			50,000	0.50%	10,000	25.00%		
Agency Dues						62,000			62,000	0.62%	7,000	12.73%		
Memberships						10,000			10,000	0.10%	1,000	11.11%		
Office Expense						27,000			27,000	0.27%	2,000	8.00%		
Safety		500	1,000	2,000	3,500	2,000			9,000	0.09%	(3,500)	-28.00%		
Software Maint		2,000	4,000	12,000	75,000				93,000	0.93%	50,000	116.28%		
Operating Supplies		2,000	20,000	10,000	30,000	10,000		2,000	74,000	0.74%	2,000	2.78%		
Operating Chemicals				15,000				26,000	41,000	0.41%	-	0.00%		
Sludge Disposal-Contractual									190,000	1.90%	(20,000)	-9.52%		
Accounting & Auditing									27,000	0.27%	3,000	12.50%		
Attorney									50,000	0.50%	(40,000)	-44.44%		
Outside Consulting									218,000	2.18%	(52,000)	-19.26%		
IT/Misc. Electrical						45,000			45,000	0.45%	9,000	25.00%		
Safety & Wellness Incentive Program						10,000			10,000	0.10%	-	100.00%		
Printing & Publication						22,000			22,000	0.22%	-	0.00%		
Repairs & Maintenance		70,000	25,000	115,000	85,000	50,000		22,000	367,000	3.67%	39,500	12.06%		
Unusual Equipment Maint	150,000								150,000	1.50%	-	0.00%		
Small Tools		500		2,000	2,000				4,500	0.05%	1,000	28.57%		
Outside Services				35,000	175,000				210,000	2.10%	(47,000)	-18.29%		
Ditch/Dike Maintenance		20,000							20,000	0.20%	-	0.00%		
Research & Monitoring			182,000					14,000	196,000	1.96%	19,000	10.73%		
Travel, Mtgs & Train.						50,000			50,000	0.50%	(5,000)	-9.09%		
Pollution Prevention/Pub. Ed.			43,000						43,000	0.43%	3,000	7.50%		
Gas & Electricity	708,913	95,000		110,000				2,000	915,913	9.17%	21,783	2.44%		
Water		3,000		7,000	12,000				22,000	0.22%	-	0.00%		
Telephone				24,000	2,000	10,000			36,000	0.36%	-	0.00%		
Other/Operational Assistance					1,000			1,000	1,000	0.01%	-	0.00%		
Permits & Fees			3,000	17,000	65,000			1,000	182,000	1.82%	-	0.00%		
Co. Collection Fees	90,000	6,000				68,000			68,000	0.68%	(1,000)	-1.45%		
Ser. Chg. System Exp						5,150			5,150	0.05%	150	3.00%		
AB 939 Solid Waste Programs							415,787		415,787	4.16%	13,286	3.30%		
Total	3,076,191	522,409	648,636	854,044	1,390,906	2,967,723	415,787	117,000	9,992,696	100.00%	229,233	2.35%		

SECTION III

OPERATING BUDGET
By Cost Center and Account Category

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
60010 · Salaries & Wages	604,357	634,609	504,328	627,152	671,037
60020 · Employee Benefits	262,502	269,491	207,998	285,254	313,599
60060 · Gas, Oil & Fuel	28,000	28,000	20,000	28,000	28,000
60085 · Safety	2,000	7,000	7,000	3,500	3,500
60091 · Software Maint	25,000	25,000	25,000	75,000	20,000
60100 · Operating Supplies	30,000	30,000	30,000	30,000	30,000
60150 · Repairs & Maint	85,000	85,000	85,000	85,000	85,000
60152 · Small Tools	2,000	2,000	2,000	2,000	2,000
60153 · Outside Services	275,000	225,000	225,000	175,000	175,000
60192 · Water	8,000	12,000	12,000	12,000	12,000
60193 · Telephone	2,000	2,000	1,250	2,000	2,000
60200 · Other(Garbage Coll)	1,000	1,000	500	1,000	1,000
60201 · Permits & Fees	65,000	65,000	20,700	65,000	65,000
	1,389,859	1,386,100	1,140,776	1,390,906	1,408,137

Comments:

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Treatment Facilities Contract Operations**

Treatment Facilities - Contract Operations Cost Center - 61000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
61000-1 · Fixed Fee(1)	1,957,529	2,059,201	2,059,201	2,113,278	2,170,668
61000-2 · Insurance & Bonds	42,570	12,000	11,544	14,000	14,000
61000-3 · Major Repair/Replacement	150,000	150,000	65,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	90,000	86,193	90,000	90,000
61000-5 · Gas & Electricity(2)	587,400	707,130	698,203	708,913	775,804
	2,827,499	3,018,331	2,920,141	3,076,191	3,200,472

Comments:

(1) Fixed fee - 3.5% increase from prior year, and an allowance for contractual incentive payment.

(2) Assumes 10% increase for purchased utility power based on actual expenditures for 2015/16, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between District and Veolia.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
63010 · Salaries & Wages	60,549	75,400	35,723	92,151	97,478
63020 · Employee Benefits	22,500	28,629	14,987	37,257	41,640
63060 · Gasoline & Oil	4,000	4,000	2,000	4,000	4,000
63085 · Safety	500	500	500	500	500
63091 · Software Maint	3,100	2,000	0	2,000	2,000
63100 · Operating Supplies	2,500	2,000	2,000	2,000	2,000
63115 · Sludge Disposal	200,000	210,000	147,039	190,000	190,000
63150 · Repairs & Maint	70,000	50,000	50,000	70,000	70,000
63152 · Small Tools	500	500	500	500	500
63157 · Ditch/Dike Maint	20,000	20,000	6,000	20,000	20,000
63191 · Gas & Electricity	90,000	85,000	91,345	95,000	95,000
63192 · Water	5,000	3,000	3,000	3,000	3,000
63201 · Permits & Fees	6,000	6,000	2,895	6,000	6,000
	484,649	487,029	355,989	522,409	532,118

Comments:

**Novato Sanitary District
2016-18 Preliminary Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
64010 · Contract Lab Services (1)	194,138	357,133	357,133	368,136	381,020
64020 · Employee Benefits	72,191	0	0	0	0
64060 · Gasoline & Oil	3,000	3,000	1,500	2,500	2,500
64085 · Safety	1,000	1,000	0	1,000	1,000
64091 · Software Maintenance	4,000	4,000	4,000	4,000	4,000
64100 · Operating Supplies	25,000	20,000	20,000	20,000	20,000
64150 · Repairs & Maintenance	9,500	10,500	10,500	25,000	12,000
64160 · Research & Monitoring	247,000	163,000	163,000	182,000	182,000
64170 · Pollution Prev/Public Ed	35,000	40,000	40,000	43,000	43,000
64201 · Permits & Fees	3,000	3,000	3,000	3,000	3,000
	593,829	601,633	599,133	648,636	648,520

Comments:

(1) This account previously titled "Salaries and Wages", is renamed to reflect fees paid for contract laboratory and environmental services provided by Veolia Water and NMWD.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
65010 · Salaries & Wages	316,295	337,753	245,523	344,502	369,814
65020 · Employee Benefits	137,777	141,880	92,756	154,542	166,512
65060 · Gasoline & Oil	5,000	5,000	5,000	6,000	6,000
65085 · Safety	2,000	2,000	2,000	2,000	2,000
65091 · Software Maint/Update	12,000	12,000	3,631	12,000	12,000
65100 · Operating Supplies	10,000	10,000	10,000	10,000	10,000
65101 · Operating Chemicals	30,000	15,000	12,424	15,000	15,000
65150 · Repairs & Maintenance	115,000	110,000	110,000	115,000	115,000
65152 · Small Tools	1,000	1,000	1,000	2,000	2,000
65153 · Outside Services, Elect.	40,000	32,000	25,000	35,000	35,000
65191 · Gas & Electricity	90,000	100,000	100,875	110,000	110,000
65192 · Water	7,000	7,000	7,000	7,000	7,000
65193 · Telephone	24,000	24,000	24,000	24,000	24,000
65201 · Permits & Fees	17,000	17,000	6,000	17,000	17,000
				0	
	807,072	814,633	645,208	854,044	891,327

Comments:

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Administration**

Administration and Engineering Cost Center - 66000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
66010 · Salaries & Wages	983,222	1,102,409	1,024,731	1,190,391	1,267,141
66020 · Employee Benefits	375,733	440,568	423,583	485,834	534,651
66021 · Retiree Health Benefits	396,155	375,260	375,260	377,348	368,225
66030 · Director's Fees	45,000	43,000	34,050	38,000	38,000
66040 · Election Expense	0	50,000	250	0	50,000
66060 · Gasoline & Oil	10,000	10,000	6,000	10,000	10,000
66070 · Insurance	186,000	135,000	135,000	150,000	150,000
66071 · Insurance Claim Expense	45,000	40,000	40,000	50,000	55,000
66075 · Agency Dues	60,000	55,000	55,000	62,000	62,000
66080 · Memberships	8,500	9,000	9,000	10,000	10,000
66085 · Safety	1,000	2,000	2,000	2,000	2,000
66090 · Office Expense	29,000	25,000	25,000	27,000	28,000
66100 · Engineering Supplies	9,000	8,000	8,000	10,000	10,000
66121 · Accounting & Auditing	18,000	24,000	24,000	27,000	29,000
66122 · Attorney Fees	120,000	90,000	50,000	50,000	50,000
66123 · O/S Contractual	275,000	270,000	270,000	218,000	217,000
66124 · IT/Misc Electrical	40,000	36,000	36,000	45,000	42,000
66125 · Safety & Wellness Incentive Prog	0	10,000	10,000	10,000	10,000
66130 · Printing & Publications	22,000	22,000	22,000	22,000	25,000
66150 · Repairs & Maintenance	45,000	50,000	50,000	50,000	53,000
66170 · Travel, Meetings & Training	70,000	55,000	55,000	50,000	50,000
66193 · Telephone	15,000	10,000	9,340	10,000	10,000
66202 · County Fees-Property Taxes	25,000	27,000	27,000	26,000	26,000
66203 · County Fees-Sewer Ser Chg	35,000	42,000	42,000	42,000	42,000
66250 · Service Charge Sys Exp	5,000	5,000	5,000	5,150	5,000
	2,818,610	2,936,237	2,738,212	2,967,723	3,144,017

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Comments:

Novato Sanitary District						
Preliminary Operating Budget 2016-18						
PERSONNEL DETAIL						
Number	Position	Cost Center	Pay Range	Salaries		
				2016-17	2017-18	
1.00	General Manager-Chief Engineer.....	A/E		206,016	214,051	
1.00	Technical Services Manager.....	A/E	MC119	137,698	150,222	
1.00	Field Services Manager25AE/.25CS/.25PS/.25Rec	MC119	150,552	156,424	
1.00	Senior Engineer.....	.65AE/.25PS/.10Rec	MC116.5	133,320	138,519	
0.46	Administrative Services Specialist	A/E	MC117.5	64,608	67,128	
1.00	Administrative Services Officer	A/E	MC115	123,871	128,702	
1.00	Administrative Assistant	A/E	MC103	46,431	67,539	
1.00	Administrative Secretary.....	A/E	MC106	79,848	82,962	
1.00	Finance Officer.....	A/E	MC115	117,972	128,702	
1.00	Staff Engineer.....	.5AE/.5CS	47	101,904	105,878	
1.00	Construction Inspector.....	A/E	44.5	90,228	93,747	
1.00	Information System Specialist II.....	.5AE/.5CS	43.5	85,932	89,283	
1.00	Electrical/Instrumentation Tech in Training.....	.34A/E/.33PS/.33Rec	40.5	55,979	66,364	
0.00	Environmental Services Supervisor...(Note 1)	L/M	MC115.5	-	-	
0.00	ECA II...(Note 1)	L/M	45.5	-	-	
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	112,354	122,573	
1.00	Collection System Leadworker.....	.67CS/.33PS	47	66,024	96,039	
1.00	Collection System Worker III.....	.67CS/.33PS	43.5	21,483	-	
2.00	Collection System Worker II.....	.67CS/.33PS	40.5	140,763	149,713	
5.00	Collection System Worker I.....	.67CS/.33PS	38.5	303,301	334,476	
1.00	Admin Intern	A/E	N/A	8,640	8,640	
1.00	Engineering Aide - temp	A/E	N/A	17,280	17,280	
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	40,000	40,000	
	Allowance for Overtime.....	C/S		35,000	35,000	
	Allowance for Overtime.....	A/E		7,500	7,500	
	Allowance for Standby Duty Pay.....	C/S		28,000	28,000	
	Subtotal			2,174,704	2,328,739	
	Allowance for Possible COLA - across the board	3.90%		79,493	76,731	
		3.50%				
				2,254,197	2,405,470	
24.86	Administration and Engineering (A/E)		1,190,391	1,267,141		
Note 1:	Laboratory and Monitoring (L/M)		-	-		
	Collection System	67%	627,152	671,037		
	Pump Stations	33%	344,502	369,814		
	Reclamation Facilities		92,151	97,478		
	Total/Check		2,254,197	2,405,470		
Note 1:	Work for these positions now performed through contract services with Veolia Water and NMWD.					

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Hazardous Household Waste**

HHW Cost Center - 67000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
67400 · Management Services	130,161	131,464	100,555	134,750	138,120
67500 · Household Hazardous Waste	164,000	211,500	211,500	220,000	220,000
67530 · Used Oil Grant	11,963	11,269	11,013	11,269	11,269
67530-1 Beverage Container Grant	10,574	11,268	11,013	11,268	11,268
67540 · Education/Public Outreach	37,000	22,000	16,000	23,500	23,500
67600 · Other	5,000	5,000	3,500	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000
	368,698	402,501	363,581	415,787	419,157

Comments:

Per Proposed budget by HHW Coordinator.

**Novato Sanitary District
2016-2018 Preliminary Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Projected Budget 2016-17	Preliminary Budget 2017-18
Accounts					
68010 · O & M Services	50,000	50,000	40,695	50,000	50,000
68100 · Operating Supplies	3,000	2,000	2,000	2,000	2,000
68101 · Operating Chemicals	34,000	26,000	26,000	26,000	27,300
68150 · Repairs & Maintenance	18,000	22,000	19,175	22,000	24,200
68160 · Research & Monitoring	0	14,000	10,000	14,000	14,000
68191 · Gas & Electricity	10,000	2,000	2,000	2,000	2,000
68201 · Permits & Fees	1,000	1,000	0	1,000	1,000
	116,000	117,000	99,870	117,000	120,500

Comments:

SECTION IV

CAPITAL IMPROVEMENT BUDGET

**Novato Sanitary District
2016-18 Preliminary Budget
Capital Improvement Budget - Revenue Summary**

			Projected	Proposed	Preliminary
Capital Fund	Adopted	Adopted	Revenue	Budget	Budget
Revenue Center - 51000	Budget 14/15	Budget 15/16	2015-16	2016/17	2017-18
Accounts					
Capital Improvement Income					
51010 · Sewer Service Charges(1)	7,183,200	7,435,040	7,300,000	7,595,952	7,929,360
51015 · Property Taxes	1,750,000	1,900,000	1,950,000	1,938,000	1,976,760
51020 · Connection Charges(2)	493,500	518,000	200,000	434,400	447,600
51030 · Collector Sewer Charges	2,000	2,000	0	1,000	1,000
51040 · Special Equalization Chrg	4,000	4,000	0	1,000	1,000
51060 · Interest	30,000	22,000	25,000	25,000	22,000
51070 · Other Revenue	20,000	20,000	10,000	20,000	20,000
Total Capital Improvement Income	9,482,700	9,901,040	9,485,000	10,015,352	10,397,720
Comments:					
(1) Sewer Service Charge (SSC) revenue is based on a proposed FY16-17 SSC charge of \$573 per EDU and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:					
- For FY2016-17, the proposed charge of \$573 per EDU is split between operations (\$314) and capital (\$259), based on an estimate of 29,328 EDUs, which is a decrease from the FY15-16 estimate of 30,005 EDUs.					
- For FY2017-18, the proposed charge of \$594 per EDU is split between operations (\$324) and capital (\$270), based on an estimate of 29,368 EDUs.					
(2) Connection Charges projected at 40 new connections each year.					
- Per Ordinance 119, the connection charge beginning July 1, 2016 is \$10,860 per EDU, and increases by 3% on July 1, 2017 to \$11,190 per EDU.					

**Novato Sanitary District
2016-2018 Preliminary Budget
Capital Improvement Budget - CIP Expenditures**

Capital Improvements Cost Centers - 72000 & 73000	Adopted Budget 14/15	Adopted Budget 15/16	Projected Exp 2015-16	Proposed Budget 2016-17	Preliminary Budget 2017-18
Accounts					
72110 · Drainage PS 3&7 Outfall Rehab	265,000	5,000	0	0	0
72403 · Pump Station Rehabilitation	1,082,185	50,000	13,152	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	355,000	403,000	247,162	440,000	100,000
72611 · Bayside Sewer	45,000	0	0	0	0
72706 · Collection System Improvments	1,600,000	1,050,000	850,000	1,050,000	1,700,000
72706-1 · Lateral Replacement Program	50,000	50,000	25,000	60,000	75,000
72707 · Hamilton Wetlands/Outfall Integration	36,542	22,500	0	10,000	10,000
72708 · Cogeneration	40,000	20,000	7,000	45,000	20,000
72802 · Annual Sewer Adj. for City Proj	10,000	10,000	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	200,000	200,000	200,000	200,000	200,000
72804 · Annual Reclamation Fac Improvements	150,000	100,000	75,000	100,000	100,000
72805 · Annual Treatment Plant Improvements	200,000	300,000	250,000	100,000	100,000
72806 · Annual Pump Station Improvements	0	0	0	100,000	100,000
72808 · Strategic Plan Update	0	10,000	14,264	20,000	20,000
72809 · Novato Creek Watershed	50,000	15,000	0	10,000	10,000
73001 · WWTP Upgrade - Contract C (Solids handling)	461,396	10,000	10,000	0	0
73002 · WWTP Up-Contract D-Recycled Water	10,000	0	0	0	0
73003 · Admin Building Upgrade/Maint. Building	1,000,000	740,000	545,000	350,000	50,000
73004 · Odor Control and NTP Landscaping	0	50,000	13,000	75,000	50,000
73005 · RWF Expansion	0	150,000	25,000	1,300,000	20,000
73006 · NTP Corrosion Control	0	150,000	30,000	180,000	150,000
73090 · Vehicle Replacement	180,000	25,000	0	425,000	25,000
Subtotal before Debt Service	5,735,123	3,360,500	2,314,578	4,525,000	2,990,000
78500 · Interest - SRF Loan	1,784,785	1,698,525	1,698,525	1,610,195	1,519,744
78500 · Principal - SRF Loan	3,594,171	3,680,431	3,680,431	3,768,762	3,859,212
78500 · Interest - COP Bond	836,798	811,148	811,148	775,748	739,548
78500 · Principal - COP Bond	855,000	885,000	885,000	905,000	925,000
Subtotal for Debt Service	7,070,754	7,075,104	7,075,104	7,059,705	7,043,504
Totals	12,805,877	10,435,604	9,389,682	11,584,705	10,033,504

Comments:

SECTION V

***WASTEWATER CAPITAL RESERVE FUND &
CERTIFICATE OF PARTICIPATION (COP)
RESERVE FUND***

**Novato Sanitary District
2016-18 Preliminary Budget
Wastewater Capital Reserve Fund**

		2016-17 Budget	
		Prelim	Final
Wastewater Capital Reserve Fund			
FUND BALANCE 6/30/15		3,275,000	3,275,000
Required Deposits		0	0
FUND BALANCE 6/30/16		3,275,000	3,275,000
Required Deposits		0	0
ANTICIPATED FUND BALANCE 6/30/17		3,275,000	3,275,000
Note:	Per the SRF Loan agreement, the District must deposit sufficient funds to build up the Wastewater Capital Reserve Fund (WCRF) at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten years. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 GO Bonds may be used to offset, dollar for dollar, the required cash deposits to the WCRF. The maximum required WCRF balance is \$3,599,654 on June 30, 2019, of which \$3,275,000 is satisfied.		

**Novato Sanitary District
2016-18 Preliminary Budget
COP Reserve Fund**

		2016-17 Budget			
		Preliminary	Final		
Certificates of Participation Reserve Fund					
FUND BALANCE 6/30/15		1,639,343	1,693,470		
	Interest Income	127	150		
FUND BALANCE 6/30/16		1,639,470	1,693,620		
	Interest Income	150	150		
ANTICIPATED FUND BALANCE 6/30/17		1,639,620	1,693,770		
Summary of COP Activity:		14/15	15/16	16/17	17/18
Beginning balance each year		4,804,012	1,693,343	1,693,470	1,693,620
COP proceeds		-	-	-	-
Less withdrawals		(3,117,265)	-	-	-
Interest earned and reinvested		6,596	127	150	150
Cash balance for COP expenditures		1,693,343	1,693,470	1,693,620	1,693,770
Note: The Trust Agreement established a reserve fund in October 2011.					
The reserve fund is funded based on the upcoming annual debt service payment which is currently at \$1.6 million, and is held by the Trustee. This amount will be used to make the final payment on the COP and the Reserve Fund will be closed out at that time.					

SECTION VI

DEBT SERVICE FUND SUMMARY

**Novato Sanitary District
2016-18 Preliminary Budget
State Revolving Fund Loan
and
COP Bond Fund**

		2016-17 Budget		
		Preliminary	Final	
State Revolving Fund Loan				
DEBT BALANCE 6/30/15		70,771,875		
Principal Payment 2015-16		(3,680,431)		
Interest payments 2015-16		(1,698,525)		
Transfer from Capital Improvement Fund 2015-16		1,698,525		
DEBT BALANCE 6/30/16		67,091,444		
Principal Payment 2016-17		(3,768,762)		
Interest payments 2016-17		(1,610,195)		
Transfer from Capital Improvement Fund 2016-17		1,910,195		
ANTICIPATED DEBT BALANCE 6/30/18		63,622,682		
COP Bond Financing Issued October 2011				
DEBT BALANCE 6/30/15		19,265,000	-	
Principal Payment 2015-16		(885,000)		
Interest payments 2015-16		(811,148)		
Transfer from Capital Improvement Fund 2015-16		811,148		
DEBT BALANCE 6/30/16		18,380,000	0	
Principal Payment 2016-17		(905,000)		
Interest payments 2016-17		(775,748)		
Transfer from Capital Improvement Fund 2016-17		775,748		
ANTICIPATED DEBT OWED 6/30/17		17,475,000	0	
		Projected	Preliminary	Preliminary
		Rev/Exp	Budget	Budget
Debt Coverage Ratio(1)		Budget 15/16	2015-16	2016-17
				2017-18
Net Operating Revenue		243,019	998,672	118,706
Capital Revenue		9,901,040	9,485,000	10,015,352
Annual Debt Service		7,075,104	7,075,104	7,059,705
Debt Coverage Ratio		1.43	1.48	1.44
Net revenues covenant requires a 1.20 coverage ratio				
(1)Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio				

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Cost-of-living increase, represented employee group.	MEETING DATE: June 27, 2016 AGENDA ITEMS NO.: 8.a.
RECOMMENDED ACTION: Review cost-of-living increase, represented employee group, effective July 1, 2015 – informational item.	
SUMMARY AND DISCUSSION: <p>In 2014, the District negotiated a four-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2014 through June 30, 2018. The MOU has a provision for a cost-of-living increase effective July 1, 2016 as determined by the April 2015 to April 2016 Consumer Price Index (CPI) (SF Bay Area 82-100) movement plus one percent (Exhibit B of the MOU).</p> <p>The US Bureau of Labor Statistics (BLS) value for the April-April CPI (SF Bay Area 1982-84=100) – Urban Wage Earners and Clerical Workers change is +2.6%, therefore the corresponding increase would be 3.6%.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The preliminary FY16-17 budget includes a provision for a projected 3.9% salary increase; the final FY16-17 budget will be adjusted to reflect a 3.6% increase.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Cost-of-living increase, Management and Confidential employee group.	MEETING DATE: June 27, 2016 AGENDA ITEMS NO.: 8.b.
RECOMMENDED ACTION: Approve cost-of-living increase, Management and Confidential (M&C) employee group effective July 1, 2016.	
SUMMARY AND DISCUSSION: <p>In 2014, the District negotiated a four-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2014 through June 30, 2018. The MOU has a provision for a cost-of-living increase effective July 1, 2016 as determined by the April 2015 to April 2016 Consumer Price Index (CPI) (SF Bay Area 82-100) movement plus one percent. The US Bureau of Labor Statistics (BLS) value for the April-April CPI (SF Bay Area 1982-84=100) – Urban Wage Earners and Clerical Workers is 2.6%, therefore the corresponding increase would be 3.6%.</p> <p>The Management and Confidential (M&C) group has agreed to the same terms as the represented employee group in terms of a cost-of-living increase. Therefore, it is recommended that the Board approve a 3.6% increase for the Management and Confidential group effective July 1, 2016.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The preliminary FY16-17 budget includes a provision for a projected 3.9% salary increase; the final FY16-17 budget will be adjusted to reflect a 3.6% increase.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Cost-of-living increase, General Manager-Chief Engineer.	MEETING DATE: June 27, 2016 AGENDA ITEMS NO.: 8.c.
RECOMMENDED ACTION: Approve cost-of-living increase, General Manager-Chief Engineer, effective July 1, 2016.	
SUMMARY AND DISCUSSION: <p>In 2014 the District negotiated a four -ear Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2014 through June 30, 2018. The MOU has a provision for a cost-of-living increase effective July 1, 2015 as determined by the April 2015 to April 2016 Consumer Price Index (CPI) (SF Bay Area 82-100) movement plus one percent. The US Bureau of Labor Statistics (BLS) value for the April-April CPI (SF Bay Area 1982-84=100) – Urban Wage Earners and Clerical Workers is 2.6%, therefore the corresponding increase would be 3.6%.</p> <p>The terms of the Manager-Engineer’s agreement stipulate that he shall be eligible for cost-of-living increases which shall be no greater than that authorized for the Management and Confidential (M&C) staff. Therefore, if a 3.6% increase is approved for the M&C Group as per Agenda item 8.b., it is requested that the Board also approve a 3.6% increase for the General Manager-Chief Engineer effective July 1, 2016.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The preliminary FY16-17 budget includes a provision for a projected 3.9% salary increase; the final FY16-17 budget will be adjusted to reflect a 3.6% increase.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Resolution to CalPERS regarding Member Contributions.	MEETING DATE: June 27, 2016 AGENDA ITEM NO. : 8.d.
RECOMMENDED ACTION: Adopt Resolution No. 3099 for Paying and Reporting the Value of Employer-Paid Member Contributions to CalPERS.	
<p>SUMMARY AND DISCUSSION:</p> <p>At their meeting of October 13, 2014, the Board of Directors adopted a Memorandum of Understanding (MOU) between Novato Sanitary District and Teamsters Local 315 for the period July 1, 2014 through June 30, 2018. One of the provisions of the MOU is a change in the formula for payment and reporting of Employer Paid Member Contributions (EPMC), from 2.5% to 1.5% effective July 1, 2015, from 1.5% to 0.5% effective July 1, 2016, and from 0.5% to 0.0% effective July 1, 2017. Each modification requires adoption of a resolution by the District Board for submission to CalPERS. The most recent modification to 1.5% was implemented by adoption of Resolution No. 3087 on June 22, 2015. Resolution No. 3099 is being presented for Board adoption to modify the District's EPMC from 1.5% to 0.5%. As in prior years, the language and format of the Resolution are as mandated by CalPERS. A summary of the revised formula, effective July 1, 2016, follows:</p> <p><i>Effective July 1, 2016, for all employees hired before January 1, 2012, the District will contribute 0.5% of base pay as Employer Paid Member Contributions, reported as Special Compensation. Employees in this group will pay the remaining 6.5% of base pay towards employee (or Normal) contributions.</i></p> <p><i>For employees hired on or after January 1, 2012, the District will contribute 0% towards employee (Normal) contributions. Employees in this group will pay the full employee contribution to the CalPERS retirement system.</i></p> <p>Although the MOU applies to the District's represented employees, this Board action will also include all non-represented employees for conformity with CalPERS law.</p>	
<p>ATTACHMENTS:</p> <p>1. Resolution No. 3099 – Resolution for Paying and Reporting the Value of Employer Paid Member Contributions.</p>	
<p>STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.</p>	
<p>BUDGET INFORMATION: This action will result in a savings of approximately \$13,200 in CalPERS contributions for Fiscal Year 2016-17.</p>	
<p>DEPT. MGR.: lc, ssk</p>	<p>GENERAL MANAGER: SSK</p>

RESOLUTION NO. 3099

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

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

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

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

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

- 1. This benefit shall apply to all employees of Novato Sanitary District hired prior to January 1, 2012.**
- 2. This benefit shall consist of paying One Half Percent (0.5%) of the normal contributions as EPMC, and reporting the same One Half Percent (0.5%) of compensation earnable {excluding Government Code Section 20636(c) (4)} as additional compensation.**

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

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

The effective date of this Resolution shall be July 1, 2016.

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

BY

Jean Mariani, President
Board of Directors

Sandeep S. Karkal
General Manager-Chief Engineer

Adopted and approved on June 27, 2016

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Report on CalPERS Health Plan Premium Rates for 2017.	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 8.e.																											
RECOMMENDED ACTION: Information only. Receive report on CalPERS Health Plan Premium Rates for 2016.																												
SUMMARY AND DISCUSSION: <p>The District has received notification of health plan premiums for calendar year 2017 from CalPERS as follows:</p> <p style="text-align: center;">CalPERS Health Plan (Kaiser North rates):</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">2016 Rates</th> <th style="text-align: center;">2017 Rates</th> </tr> <tr> <th style="text-align: left;"></th> <th colspan="2" style="text-align: center;">(for comparison only)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Basic Premium rates – Bay Area:</td> </tr> <tr> <td style="padding-left: 20px;">Subscriber</td> <td style="text-align: right;">\$746.47/mo.</td> <td style="text-align: right;">\$733.39/mo.</td> </tr> <tr> <td style="padding-left: 20px;">Subscriber +1</td> <td style="text-align: right;">\$1,492.94/mo.</td> <td style="text-align: right;">\$1,466.78/mo.</td> </tr> <tr> <td style="padding-left: 20px;">Family Rate</td> <td style="text-align: right;">\$1,940.82/mo.</td> <td style="text-align: right;">\$1,906.81/mo.</td> </tr> <tr> <td colspan="3">Medicare Eligible Retiree:</td> </tr> <tr> <td style="padding-left: 20px;">Single Supplemental Medicare</td> <td style="text-align: right;">\$297.23/mo.</td> <td style="text-align: right;">\$300.48/mo.</td> </tr> <tr> <td style="padding-left: 20px;">2-Party Supplemental Medicare</td> <td style="text-align: right;">\$594.46/mo.</td> <td style="text-align: right;">\$600.96/mo.</td> </tr> </tbody> </table> <p>This represents a decrease of approximately 1.75% for regular health coverage and a 1.09% increase in Medicare rates. The preliminary FY16-17 budget had projected an increase of 7% across both sets of rates. The Final FY2016-17 budget will be revised to reflect actual rates.</p>			2016 Rates	2017 Rates		(for comparison only)		Basic Premium rates – Bay Area:			Subscriber	\$746.47/mo.	\$733.39/mo.	Subscriber +1	\$1,492.94/mo.	\$1,466.78/mo.	Family Rate	\$1,940.82/mo.	\$1,906.81/mo.	Medicare Eligible Retiree:			Single Supplemental Medicare	\$297.23/mo.	\$300.48/mo.	2-Party Supplemental Medicare	\$594.46/mo.	\$600.96/mo.
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2-Party Supplemental Medicare	\$594.46/mo.	\$600.96/mo.																										
BUDGET INFORMATION: The Preliminary FY2016-17 Budget had projected a seven percent (7%) increase in these rates. The Final FY 2016-17 Budget will be adjusted to reflect the actual rates.																												
DEPT. MGR.: lc, ssk	GENERAL MANAGER: SSK																											

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Administration: Notification of Cyber Enhancement Option to Property Insurance Program.	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 8.f.
RECOMMENDED ACTION: Information only.	
SUMMARY AND DISCUSSION: <p>As a member of the California Sanitation Risk Management Authority (CSRMA), the District participates in the Alliant Property Insurance Program (APIP). The existing policy provided through APIP includes some Cyber Liability coverage. Currently, the Cyber Liability coverage provides \$2 million in cyber limits to include services related to a data breach, with a sublimit of \$1 million for Privacy Notification Costs. In the event of a cyber-attack the District's deductible is \$50,000, and the District is responsible for managing the process and submitting claims individually, with limited assistance from the insurance company's in-house Breach Response Services Team.</p> <p>With the dramatic increase in cyber-attacks in recent years, the District has enrolled in the Cyber Enhancement Option (CEO) now being offered by Alliant as an addition to their current policy. The enhancement option increases coverage and services. Three major benefits to the District through the Cyber Enhancement Option include:</p> <ol style="list-style-type: none"> 1. A Dedicated Breach Response Team that handles claims from start to finish, has preferred rates with vendors on retainer, and are experts in the industry. 2. Lower deductibles for coverages: for example, Legal Services/Computer Expert Services/Public Relations, and Crisis Management Expenses. The combined deductible for these four coverages is \$10,000 as opposed to \$50,000 under the current policy. 3. The District would still have \$2 million coverage limit and would not be subject to the \$25 million APIP program aggregate for all members in Alliant's property insurance program. In addition, notification services (to affected individuals/records) would not erode the \$2 million coverage for the initial 50,000 records. <p>For informational purposes, the additional premium for this enhanced coverage for fiscal year 2016-2017 is \$1,514.98 and will be met from Account No. 66070 - Insurance.</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) of the latest Strategic Plan Update.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Capital Projects: Collection System Improvements (Bel Marin Keys Trunk Sewer Main Rehabilitation Project), Account No. 72706, Phase K

MEETING DATE: June 27, 2016

AGENDA ITEMS NO.: 9.a.

RECOMMENDED ACTION: Account 72706: Collection System Improvements: Make CEQA findings, approve plans and specifications, and authorize General Manager-Chief Engineer to advertise for bids – Bel Marin Keys Trunk Sewer Rehabilitation Project.

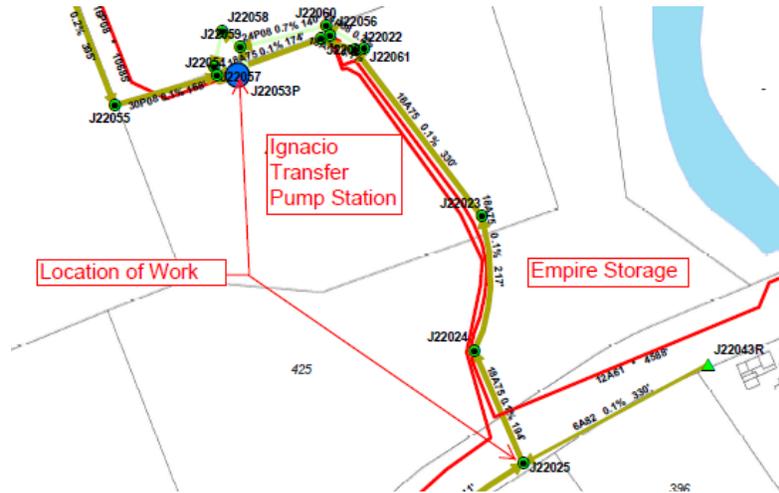
SUMMARY AND DISCUSSION:

At the February 8, 2016 Board meeting, staff reported that a section of the Bel Marin Keys Trunk Sewer at the Ignacio Transfer Pump Station (ITPS) site had failed on January 19th, and that the District initiated emergency repairs to restore sewage flow to the pump station. Further investigation revealed that the 18-inch Asbestos Cement Pipe (ACP) trunk sewer was deteriorating, potentially from hydrogen sulfide corrosion. After repairs were completed, the District requested proposals from two engineering firms experienced in large diameter pipe lining systems to repair the remainder of the pipe, and awarded the design work to GHD Engineers (GHD) of Santa Rosa for \$36,000.00.

GHD has completed the plans and specifications for this project and the project is ready for bid. The project consists of rehabilitating 909 feet of 18" diameter trunk sewer and 5 manholes, all located at the Ignacio Transfer Pump Station (ITPS) site, through the installation of a cured-in-place pipe liner.

The Engineer's Estimate for this work is \$390,000. 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 rehabilitation of an existing facility.

Staff recommends that the Board approve the CEQA findings, approve the plans and specifications, and authorize the General Manager-Chief Engineer to advertise for bids. Bids are expected to be received on July 28, 2016 and will be presented to the Board at a subsequent meeting.



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

BUDGET INFORMATION: This work will be funded from the budget for Account No. 72706: Collection System Improvements, which has a preliminary FY16-17 budget amount of \$1,050,000.

DEPT. MGR.: srk, ssk

GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Wastewater Operations: Major Repair/Replacement, Account No. 61000-3	MEETING DATE: June 27, 2016 AGENDA ITEM NO. 10.a.
RECOMMENDED ACTION: <i>Major Repair/Replacement, Account No. 61000-3: Authorize the General Manager-Chief Engineer to issue purchase order(s) in an amount up to \$66,000 to Shape, Inc. to purchase a spare/replacement conveyance pump for the Ignacio Transfer Pump Station (ITPS).</i>	
SUMMARY AND DISCUSSION: <p>The Ignacio Transfer Pump Station (ITPS) is equipped with three large 90 Hp conveyance pumps and one smaller 25 Hp equalization pump. The pump station has been in continuous operation since about late 2007. All pumps are submersible type pumps manufactured by Xylem, Inc./Flygt.</p> <p>At this time, staff deems it prudent that the District consider purchasing a spare/replacement conveyance pump for this pump station, given the following considerations:</p> <ul style="list-style-type: none"> • The severe operating service conditions for the pumps (24/7 operation in high head sewage pumping service), • The mission critical nature of the pump station, in that it handles about one-third of the District's raw wastewater flow including all of the Ignacio and Hamilton areas, • The pumps have been in service for almost ten years (although it should also be noted that the rotating assemblies on all three existing were replaced in the 2013-14 time period), and • Regulatory expectations for such mission critical facilities to possess robust operational characteristics including the availability of spare parts up to and including the availability of spare operating units. <p>Given these considerations, staff recommends that the Board authorize General Manager-Chief Engineer to issue a purchase order(s) in an amount of up to \$66,000 to Shape, Inc. to purchase a spare/replacement conveyance pump for the Ignacio Transfer Pump Station (ITPS).</p>	
STRATEGIC PLAN INFORMATION: This item addresses Goal 1 (Operational Excellence) and Goal 2 (Build and Maintain Safe, Reliable, and Efficient Facilities) of the latest Strategic Plan Update.	
BUDGET INFORMATION: The FY15-16 budget amount for this account is \$150,000 and no funds have been expended as of May 31, 2016.	
DEPT.MGR.: jb (Veolia), eb	GENERAL MANAGER: SSK

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Election of officers, designate and authorize check signers, and appoint Committee members	MEETING DATE: June 27, 2016 AGENDA ITEM NO.: 11.a.,b.,c.,d.
RECOMMENDED ACTION: Elect/appoint officers, designate and authorize check signers, and appoint committee members.	
<p>SUMMARY AND DISCUSSION:</p> <p><u>Election of Officers:</u> The District Board traditionally elects members to serve as President and President Pro-Tem at the second meeting in June. Typically, these officers serve two consecutive terms, with ratification for the second term. Information on Board Officers for prior years is provided in Attachment 1 - List of Board Officers and Authorized Check Signers.</p> <p>Traditionally, prior Boards have elected or appointed the President Pro-tem as President. The current President Pro-tem is Board Member Peters. If President Pro-tem Peters becomes President, the Board will elect or appoint a President Pro-tem. At its option, the Board may choose to appoint the President Pro-tem at this meeting or defer it to a subsequent meeting. In that event, and in the absence of the President, the immediate Past President may be called upon to chair Board meeting(s).</p> <p>The Board also appoints the Secretary-Treasurer and the Secretary Pro-tem. Currently, the General Manager-Chief Engineer serves as the Secretary-Treasurer, and the Administrative Secretary that normally attends Board meetings serves as the Secretary Pro-tem. It is recommended that the Board re-appoint Sandeep Karkal as Secretary-Treasurer and Julie Swoboda as Secretary Pro-tem for FY16-17.</p> <p><u>Check signers:</u> Information on authorized check signers for prior years is also in Attachment 1. The authorized signers are typically the Board President, President Pro-tem, another Board member, and the General Manager. It is recommended that this practice be maintained.</p> <p><u>Committee Appointments:</u> Current committee appointments are provided in Attachment 2. The President appoints the committee members at the second meeting of June. At his/her option, the President may choose to retain the prior year committee appointments, and modify them at a subsequent Board meeting.</p>	
<p>ATTACHMENTS:</p> <ol style="list-style-type: none"> 1. List of Board Officers and Authorized Check Signers. 2. List of current Committee Appointments. 	
STRATEGIC PLAN INFORMATION: This item addresses Goal 5 (Effective Governance and Administration) of the latest Strategic Plan Update.	
DEPT. MGR.: ssk	GENERAL MANAGER: SSK

**NOVATO SANITARY DISTRICT
LIST OF BOARD OFFICERS
AND CHECK SIGNERS**

FY2008-09 TO FY2015-16

1. OFFICERS, 2015-16:

President:	Jean Mariani
President Pro-Tem:	Jerry Peters
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Swoboda
Check Signers:	Jean Mariani, Brant Miller, Jerry Peters Sandeep Karkal

2. OFFICERS, 2014-15:

President:	Jean Mariani
President Pro-Tem:	Jerry Peters
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Swoboda
Check Signers:	Jean Mariani, Brant Miller, Jerry Peters Sandeep Karkal

3. OFFICERS, 2013-14:

President:	Michael Di Giorgio
President Pro-Tem:	Jean Mariani
Secretary/Treasurer:	Sandeep Karkal — effective April 1, 2014
Secretary Pro-Tem:	Julie Swoboda
Check Signers:	Michael Di Giorgio, Jean Mariani, Brant Miller, Beverly B. James, Sandeep Karkal

4. OFFICERS, 2012-13:

President:	Michael Di Giorgio
President Pro-Tem:	Jean Mariani
Secretary/Treasurer:	Beverly B. James
Secretary Pro-Tem:	Julie Swoboda
Check Signers:	Michael Di Giorgio, Jean Mariani, Dennis Welsh, Beverly B. James, Sandeep Karkal

5. OFFICERS, 2011-12:

President:	William C. Long
President Pro-Tem:	Michael Di Giorgio
Secretary/Treasurer:	Beverly B. James
Secretary Pro-Tem:	Julie Borda
Check Signers:	Michael Di Giorgio, William C. Long, Dennis Welsh, Beverly B. James, June Penn Brown

6. OFFICERS, 2010-11:

President:	William C. Long
President Pro-Tem:	James D. Fritz/ Michael Di Giorgio
Secretary/Treasurer:	Beverly B. James
Secretary Pro-Tem:	Julie Borda
Check Signers:	Michael Di Giorgio, William C. Long, James D. Fritz, Beverly B. James, June Penn Brown

7. OFFICERS, 2009-10:

President:	Michael Di Giorgio
President Pro-Tem:	William C. Long
Secretary/Treasurer:	Beverly B. James
Secretary Pro-Tem:	June Penn Brown
Check Signers:	Michael Di Giorgio, William C. Long, James D. Fritz, Beverly B. James, June Penn Brown

8. OFFICERS, 2008-09:

President:	Michael Di Giorgio
President Pro-Tem:	William C. Long
Secretary/Treasurer:	Beverly B. James
Secretary Pro-Tem:	June Penn Brown
Check Signers:	Michael Di Giorgio, William C. Long, James D. Fritz, Beverly B. James, June Penn Brown

**NOVATO SANITARY DISTRICT
LIST OF BOARD COMMITTEE ASSIGNMENTS
FISCAL YEAR (FY)2015-16**

A. Standing Committees:

1. Joint City/District Solid Waste Committee:
Jean Mariani
Carole Dillon-Knutson (appointed Dec 2015)
Brant Miller, Alternate
2. Wastewater Operations Committee:
Brant Miller
Jerry Peters
Jean Mariani, Alternate
3. Strategic Planning and New Facilities Committee:
Carole Dillon-Knutson (appointed Dec 2015)
William C. Long
Brant Miller, Alternate
4. Finance Committee:
William C. Long
Jerry Peters
Carole Dillon-Knutson, Alternate (appointed Dec 2015)

B. Regular Committees:

1. California Association of Sanitation Agencies:
Jean Mariani, Delegate
Jerry Peters, Alternate
2. California Sanitation Risk Management Authority:
Sandeep Karkal, Delegate
Brant Miller, Alternate
3. North Bay Water Reuse Authority:
William C. Long, Delegate
Jerry Peters, Alternate
4. North Bay Watershed Association:
Brant Miller, Delegate
Sandeep Karkal, Alternate