

NOVATO SANITARY DISTRICT

Meeting Date: May 28, 2019

The Wastewater Operations Committee of Novato Sanitary District will hold a meeting at 3:00 PM, Tuesday, May 28, 2019, at the District offices, 500 Davidson Street, Novato.

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

AGENDA

1. 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. ANNUAL OPERATING BUDGET:

- a. Review FY19-21 proposed preliminary operating budget, and subject to minor changes and edits, recommend its adoption by the Board of Directors.

4. 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.

NOVATO SANITARY DISTRICT WASTEWATER OPERATIONS COMMITTEE AGENDA ITEM SUMMARY

TITLE: Wastewater Operations Committee: FY 19-21 Preliminary Operating Budget.	MEETING DATE: May 28, 2019 AGENDA ITEM NO.: 3.a.
RECOMMENDED ACTION: Review FY 19-21 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 13, 2019 Board meeting, staff presented the District's Preliminary Budget for Fiscal Years 2019-21 to the Board.</p> <p>The Wastewater Operations Committee (Committee) is being presented the proposed preliminary Operating budget for the Committee's review, and subject to minor changes and edits, requested to present its recommendation for adoption to the full Board. Similarly, the preliminary Solid Waste budget and the preliminary Capital Improvements Program Budget are being separately presented to the Solid Waste Committee, and the Capital Improvements Committee, respectively, with the request that each committee recommend adoption of their respective budgets to the full Board.</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 10, 2019 meeting.</p>	
ATTACHMENTS: 1. Preliminary operating budget for Fiscal Years FY 2019-21.	
DEPT. MGR.: lc, eb	GENERAL MANAGER: SSK



Preliminary Operating Budget

FOR

FISCAL YEARS 2019-21

Wastewater Operations Committee
May 28, 2019

**Abstracted from
Preliminary Budget for Fiscal Years 2019-21
as presented to the District Board on May 13, 2019**

**Novato Sanitary District
2019-21 Preliminary Operating Budget
Summary of Revenues**

Operating Revenue Center - 41000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Revenues 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
41010 · Sewer Service Charges (1)	9,691,440	10,145,760	10,145,760	10,306,800	10,645,168
41030 · Plan Check & Inspection Fee	500	500	100	500	500
41040 · Permit & Inspection Fee	6,000	6,000	6,000	6,000	6,000
41060 · Interest Income(2)	43,000	120,000	160,000	240,000	252,000
41080 · Engineering & Admin Charges	165,000	165,000	100,000	165,000	165,000
41090 · Non-domestic Permit Fees (3)	20,000	25,000	42,000	30,000	30,000
41100 · Garbage Franchise Fees	53,438	55,041	55,041	56,692	58,393
41105 · AB 939 Collector Fees	376,426	400,772	400,772	441,640	449,140
41107 · Oil/Bev/Tire Grants (4)	62,729	62,729	62,729	44,629	44,629
41130 · Ranch Income	70,000	70,000	70,000	40,000	70,000
41135 · Recycled Water Revenue	135,500	202,000	180,000	231,870	237,000
41140 · Other Revenue (5)	20,000	20,000	20,000	20,000	20,000
41142 · Gain/Loss - disposal of assets	10,000	10,000	25,000	10,000	10,000
Totals	10,654,033	11,282,802	11,267,402	11,593,131	11,987,830

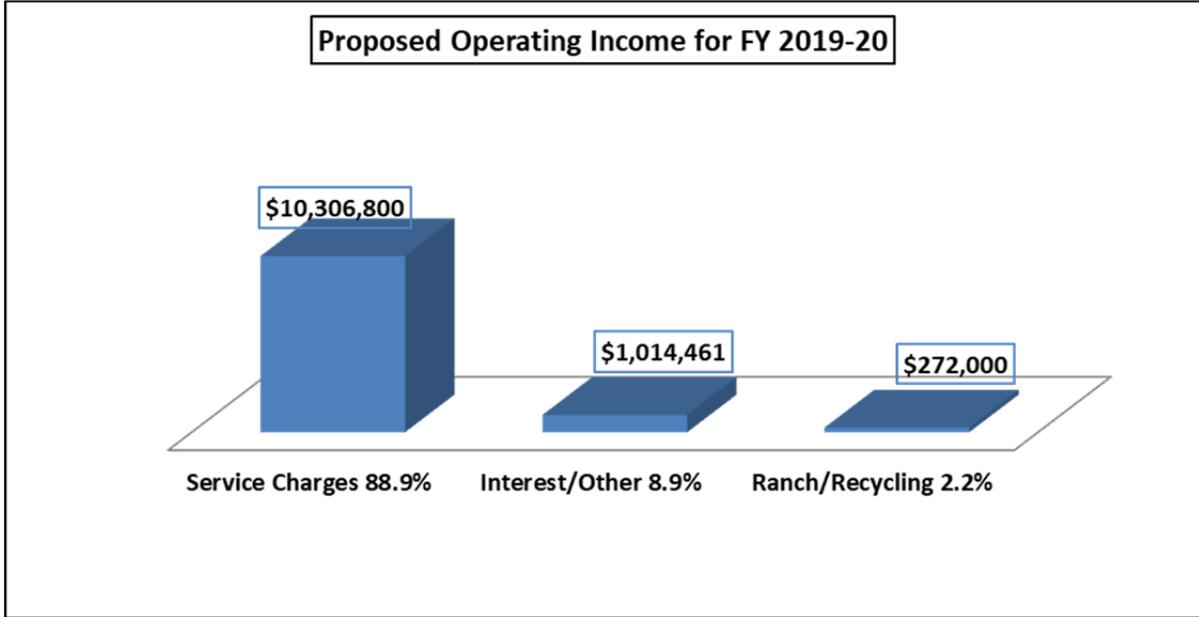
Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For 2019/20 the charge is \$636 split between operating (\$350) and capital (\$286).
 - For 2020/21 the charge is \$657 split between operating (\$361) and capital (\$296).
- (2) Reflects higher interest rates.
- (3) Includes application fees, permits and monitoring charges.
- (4) Oil/Bev/Tire Grants ~ \$11,629/ JPA Reimb Fees \$33,000
- (5) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMITATION

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

Figure 1:



**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
60000 · Collections	1,359,767	1,371,942	1,248,661	1,417,481	1,476,682
61000 · Treatment Facilities	3,160,475	3,266,628	3,241,629	3,406,609	3,602,046
63000 · Reclamation	521,554	490,972	446,861	513,066	527,560
64000 · Laboratory	599,461	583,410	524,625	596,348	630,153
65000 · Pump Stations	836,309	835,226	711,117	853,053	898,398
66000 · Administration/Engineering	2,174,699	2,188,599	2,008,865	2,556,757	2,629,675
67000 · Solid/Household Haz. Waste	439,155	463,501	458,501	486,269	493,769
68000 · Recycled Water	135,500	202,000	232,000	231,870	237,000
69000 · Non-Departmental*	1,102,315	1,338,212	1,232,914	1,399,493	1,452,836
TOTALS	10,329,235	10,740,490	10,105,173	11,460,946	11,948,118

*District-wide allocations

Figure 2:

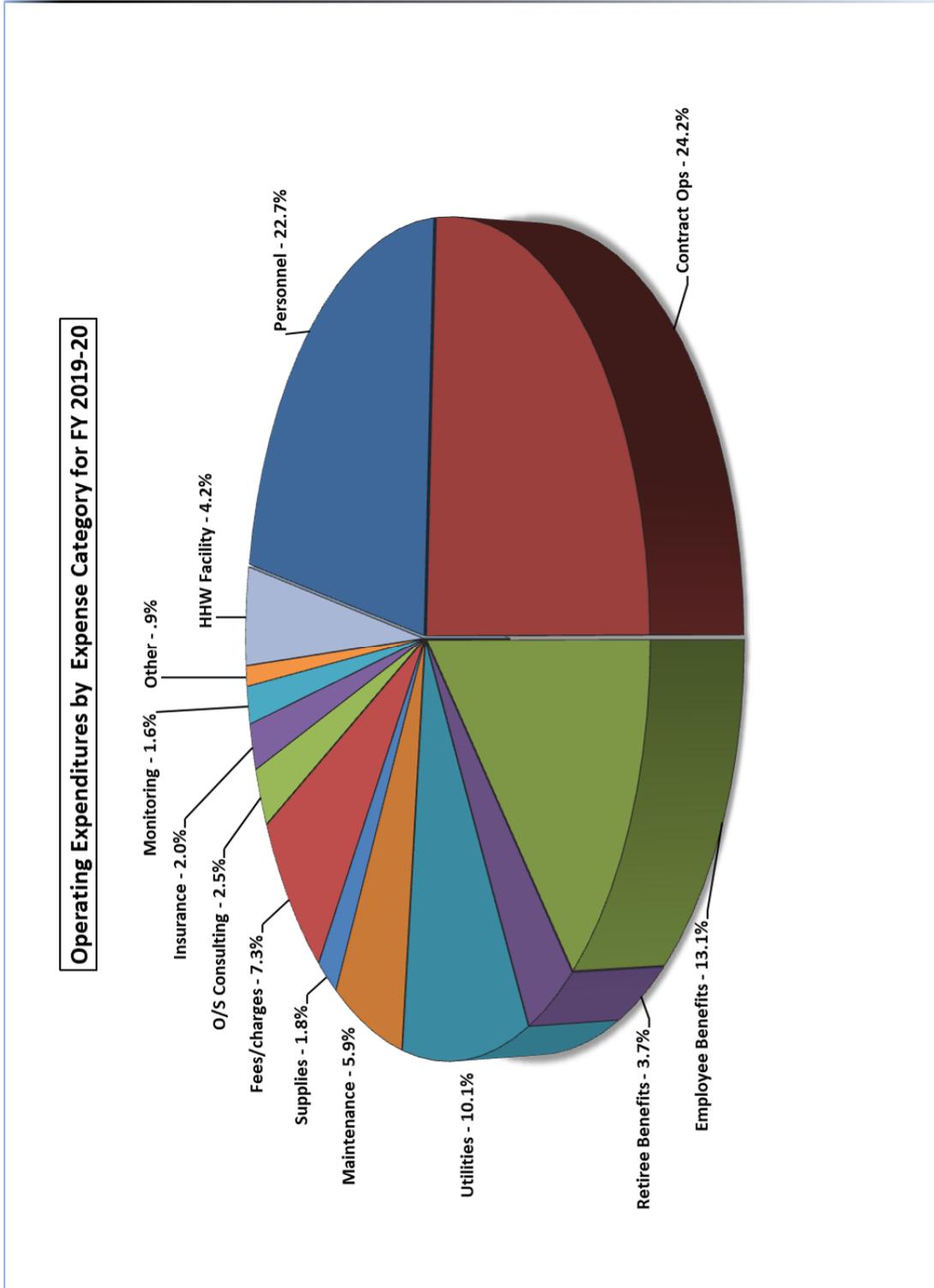
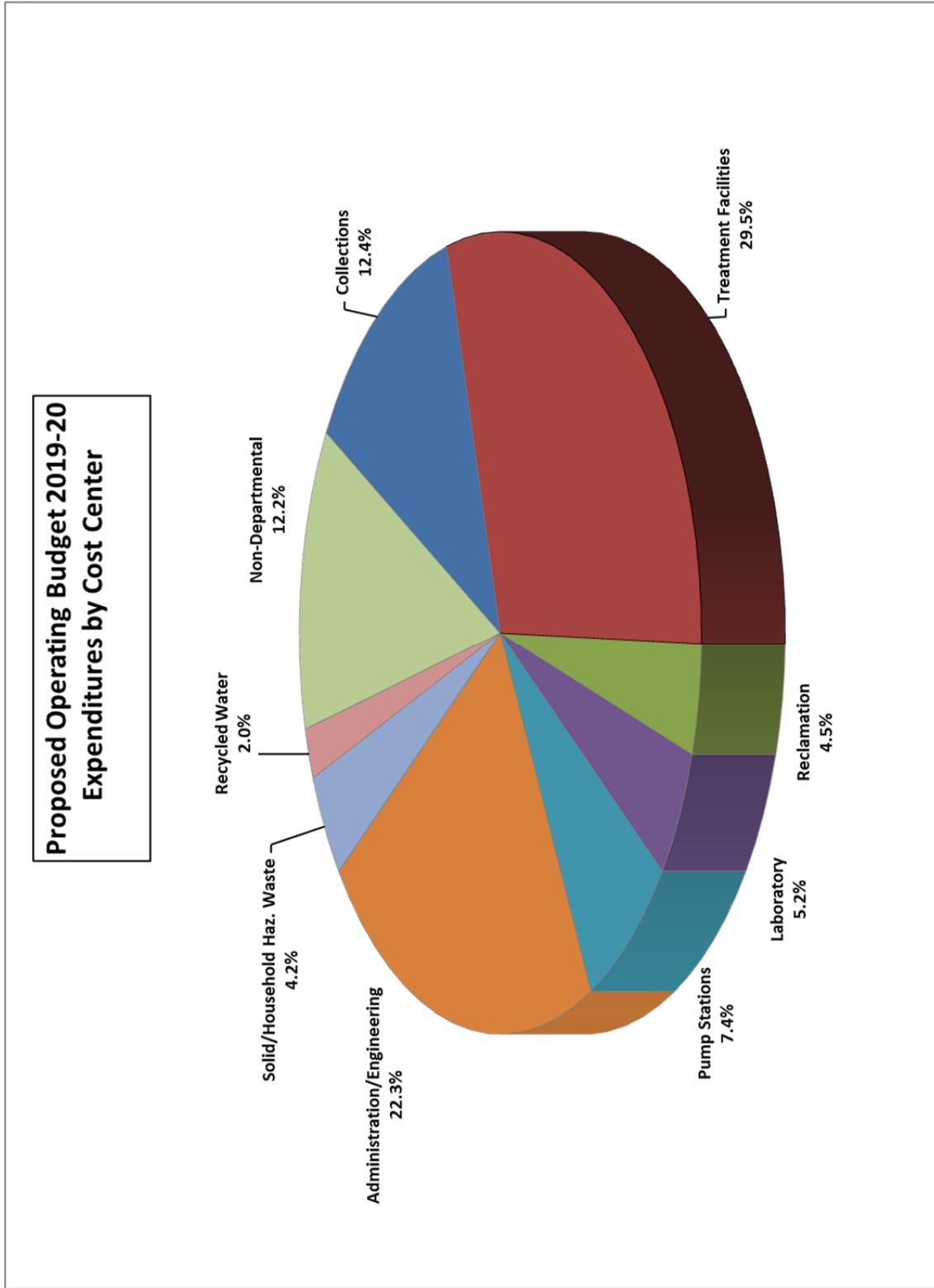


Figure 3:



Novato Sanitary District													
2019-20 Preliminary Operating Budget													
Operating Budget:By Cost Center and Account Category													
												Over/	% Over/
	Treatment			Pump	Collection		HHW	Recycled	Non-		As Percent	Under PY	Under PY
	Facilities	Recl	L-M	Stations	System	A-E	Program	Water	Departmental	Total	of Budget	Budget	Budget
Salaries and Wages		86,909		337,492	679,353	1,383,416				2,487,170	21.70%	181,908	7.89%
Contract Services (Operations & Lab)	2,321,464		385,148					66,000		2,772,612	24.19%	76,659	2.84%
Employee Benefits		24,657		140,661	333,428	634,141				1,132,887	9.88%	105,611	10.28%
Retiree Health Benefits									428,334	428,334	3.74%	(2,362)	-0.55%
Pension Expense(Trust)									361,359	361,359	3.15%	71,343	24.60%
Directors' Fees						23,400				23,400	0.20%	(10,600)	-31.18%
Election Expense									75,000	75,000	1%	(15,000)	0.00%
Gasoline, Oil & Fuel		1,000	500	6,400	18,000	2,600				28,500	0.25%	-	0.00%
Insurance	14,000								167,000	181,000	1.58%	(13,500)	-6.94%
Ins Claims Expense									45,000	45,000	0.39%	-	0.00%
Agency Dues									74,800	74,800	0.65%	8,800	13.33%
Memberships/Certifications									10,000	10,000	0.09%	(4,000)	-28.57%
Office Expense						28,000				28,000	0.24%	-	0.00%
Safety		500	1,000	2,000	3,500	2,200				9,200	0.08%	200	2.22%
Software Maint		2,000	1,000	8,500	35,000					46,500	0.41%	(13,500)	-22.50%
Operating Supplies		2,000	20,500	10,000	25,000	5,000		4,400		66,900	0.58%	500	0.75%
Operating Chemicals				0				72,120		72,120	0.63%	10,020	16.14%
Sludge Disposal-Contractual		225,000								225,000	1.96%	5,000	2.27%
Accounting & Auditing						30,000				30,000	0.26%	2,000	7.14%
Attorney									50,000	50,000	0.44%	-	0.00%
Outside Consulting						283,000				283,000	2.47%	52,000	22.51%
IT/Misc. Electrical						57,000				57,000	0.50%	14,000	32.56%
Safety & Wellness Incentive Program									10,000	10,000	0.09%	-	0.00%
Printing & Publication									24,000	24,000	0.21%	-	0.00%
Repairs & Maintenance		70,000	12,200	120,000	75,000	95,000		33,550		405,750	3.54%	60,250	17.44%
Unusual Equipment Maint	150,000									150,000	1.31%	-	0.00%
Small Tools		500		2,000	2,000					4,500	0.04%	-	0.00%
Outside Services				55,000	145,000					200,000	1.75%	25,000	14.29%
Ditch/Dike Maintenance		11,000								11,000	0.10%	1,000	10.00%
Research & Monitoring			130,000					14,000		144,000	1.26%	5,000	3.60%
Travel, Mtgs & Train.									84,000	84,000	0.73%	14,000	20.00%
Pollution Prevention/Pub. Ed.			40,000							40,000	0.35%	-	0.00%
Gas & Electricity	831,145	80,000		115,000				41,800		1,067,946	9.32%	94,360	9.69%
Water		5,000		7,000	12,000					24,000	0.21%	-	0.00%
Telephone				42,000	3,500	13,000				58,500	0.51%	17,500	42.68%
Other/Operational Assistance					700					700	0.01%	-	0.00%
Permits & Fees	90,000	4,500	6,000	7,000	85,000			0		192,500	1.68%	9,500	5.19%
Co. Collection Fees									65,000	65,000	0.57%	2,000	3.17%
Ser. Chg. System Exp									5,000	5,000	0.04%	-	0.00%
AB 939 Solid Waste Programs							486,269			486,269	4.24%	22,768	4.91%
Subtotal before Pass through expenses	3,406,609	513,066	596,348	853,053	1,417,481	2,556,757	486,269	231,870	1,399,493	11,460,946	100.00%	720,456	6.71%
Pass through expenses							(486,269)	(231,870)		(718,139)	-6.68%	(52,638)	
Total	3,406,609	513,067	596,348	853,053	1,417,481	2,556,756	0	0	2,798,986	10,742,807	93.32%	667,818	6.63%
	31.71%	4.78%	5.55%	7.94%	13.19%	23.80%	0.00%	0.00%	26.05%	100.00%			

OPERATING BUDGET
By Cost Center and Account Category

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
60010 · Salaries & Wages	650,120	666,060	698,159	679,353	715,183
60020 · Employee Benefits	299,148	318,682	268,302	333,428	363,750
60060 · Gas, Oil & Fuel	15,000	15,000	15,000	18,000	18,450
60085 · Safety	3,500	3,500	3,500	3,500	3,600
60091 · Software Maint	20,000	50,000	32,500	35,000	75,000
60100 · Operating Supplies	28,000	25,000	20,000	25,000	28,000
60150 · Repairs & Maint	80,000	75,000	60,000	75,000	80,000
60152 · Small Tools	2,000	2,000	2,000	2,000	2,000
60153 · Outside Services	175,000	120,000	120,000	145,000	155,000
60192 · Water	12,000	12,000	12,000	12,000	12,000
60193 · Telephone	4,000	4,000	3,500	3,500	4,000
60200 · Other(Garbage Coll)	1,000	700	700	700	700
60201 · Permits & Fees	70,000	80,000	13,000	85,000	19,000
	1,359,767	1,371,942	1,248,661	1,417,481	1,476,682

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Treatment Facilities**

Treatment Facilities - Cost Center - 61000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
61000-1 · Fixed Fee(1)	2,173,976	2,262,042	2,262,043	2,321,464	2,433,787
61000-2 · Insurance & Bonds	14,000	14,000	14,000	14,000	14,000
61000-3 · Major Repair/Replcmnt	150,000	150,000	125,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	85,000	85,000	90,000	90,000
61000-5 · Gas & Electricity(2)	732,499	755,586	755,586	831,145	914,259
	3,160,475	3,266,628	3,241,629	3,406,609	3,602,046

Comments:

(1) Fixed fee - 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 2018/19, 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
2019-2021 Preliminary Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
63010 · Salaries & Wages	71,693	86,021	58,582	86,909	91,864
63020 · Employee Benefits	24,860	22,951	12,425	24,657	26,695
63060 · Gasoline & Oil	2,000	2,000	2,000	1,000	1,000
63085 · Safety	500	500	500	500	550
63091 · Software Maint	2,000	2,000	2,000	2,000	2,100
63100 · Operating Supplies	2,000	2,000	1,500	2,000	2,000
63115 · Sludge Disposal	240,000	220,000	208,815	225,000	225,000
63150 · Repairs & Maint	65,000	60,000	60,000	70,000	72,000
63152 · Small Tools	500	500	500	500	550
63157 · Ditch/Dike Maint	10,000	10,000	8,540	11,000	11,300
63191 · Gas & Electricity	95,000	75,000	85,000	80,000	85,000
63192 · Water	3,000	5,000	3,000	5,000	5,000
63201 · Permits & Fees	5,000	5,000	4,000	4,500	4,500
	521,554	490,972	446,861	513,066	527,560

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
64010 · Contract Lab Services (1)	363,761	378,910	357,631	385,148	413,628
64060 · Gasoline & Oil	1,500	1,500	1,700	500	500
64085 · Safety	1,000	1,000	0	1,000	1,000
64091 · Software Maintenance	1,000	1,000	0	1,000	1,000
64100 · Operating Supplies	20,000	20,000	20,000	20,500	21,115
64150 · Repairs & Maintenance	19,200	10,000	10,000	12,200	12,710
64160 · Research & Monitoring	147,500	125,000	100,000	130,000	134,000
64170 · Pollution Prev/Public Ed	41,500	40,000	30,000	40,000	40,000
64201 · Permits & Fees	4,000	6,000	5,294	6,000	6,200
	599,461	583,410	524,625	596,348	630,153

Comments:

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

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
65010 · Salaries & Wages	358,335	345,078	194,159	337,492	357,007
65020 · Employee Benefits	153,974	144,149	110,458	140,661	151,532
65060 · Gasoline & Oil	5,000	5,000	5,000	6,400	6,560
65085 · Safety	2,000	2,000	1,500	2,000	2,000
65091 · Software Maintenance	8,000	7,000	10,000	8,500	9,000
65100 · Operating Supplies	10,000	10,000	7,500	10,000	10,000
65101 · Operating Chemicals	2,000	2,000	0	0	0
65150 · Repairs & Maintenance	115,000	120,000	120,000	120,000	125,000
65152 · Small Tools	2,000	2,000	1,500	2,000	2,100
65153 · Outside Services, Elect.	30,000	55,000	55,000	55,000	57,500
65191 · Gas & Electricity	115,000	105,000	105,000	115,000	118,000
65192 · Water	7,000	7,000	70,000	7,000	7,200
65193 · Telephone	24,000	24,000	24,000	42,000	45,000
65201 · Permits & Fees	4,000	7,000	7,000	7,000	7,500
	836,309	835,226	711,117	853,053	898,398

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Administration/Engineering**

Administration and Engineering Cost Center - 66000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
66010 · Salaries & Wages	1,235,744	1,208,103	1,170,395	1,383,416	1,454,105
66020 · Employee Benefits	504,956	541,496	494,556	634,141	704,304
66030 · Director's Fees	40,000	34,000	20,250	23,400	23,400
66060 · Gasoline & Oil	5,000	5,000	6,000	2,600	2,665
66085 · Safety	2,000	2,000	2,000	2,200	2,200
66090 · Office Expense	26,000	28,000	28,000	28,000	28,000
66100 · Admin/Engineering Supplies	10,000	5,000	5,000	5,000	5,000
66121 · Accounting & Auditing	26,000	28,000	28,000	30,000	30,500
66123 · O/S Contractual	223,000	231,000	140,000	283,000	226,000
66124 · IT/Misc Electrical	40,000	43,000	43,000	57,000	45,000
66150 · Repairs & Maintenance	50,000	50,000	60,000	95,000	95,000
66193 · Telephone	12,000	13,000	11,664	13,000	13,500
	2,174,699	2,188,599	2,008,865	2,556,757	2,629,675

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
68010 · O & M Services (1)	50,000	55,000	85,000	66,000	66,000
68100 · Operating Supplies (2)	2,000	4,400	4,400	4,400	5,280
68101 · Operating Chemicals (2)	27,300	60,100	60,100	72,120	74,000
68150 · Repairs & Maintenance(3)	24,200	30,500	30,500	33,550	35,000
68160 · Research & Monitoring	14,000	14,000	14,000	14,000	14,000
68191 · Gas & Electricity (2)	17,000	38,000	38,000	41,800	43,000
68201 · Permits & Fees	1,000	0	0	0	0
	135,500	202,000	232,000	231,870	237,000

**Novato Sanitary District
2019-21 Preliminary Budget
Operating Budget - Non-Departmental**

Non-Departmental (District-wide allocations) Cost Center - 69000	Adopted Budget 2017-18	Adopted Budget 2018-19	Projected Exp 2018-19	Proposed Budget 2019-20	Preliminary Budget 2020-21
Accounts					
69021 · Retiree Health Benefits(1)	224,377	218,550	218,550	221,291	239,894
69021-1 · Retiree Health Benefits(2)	162,786	212,146	212,146	207,043	195,612
69022 · Pension Expense (3)	223,152	290,016	290,016	361,359	410,800
69040 · Election Expenses	0	90,000	67,271	72,000	40,000
69070 · Insurance	150,000	180,500	155,000	167,000	180,000
69071 · Insurance Claim Expense	45,000	45,000	5,000	45,000	45,000
69075 · Agency Dues	54,000	66,000	66,000	74,800	78,530
69080 · Memberships/Certifications	10,000	14,000	8,896	10,000	11,000
69122 · Attorney Fees	65,000	50,000	50,000	50,000	55,000
69125 · Safety & Wellness Incent Prog	10,000	10,000	4,175	10,000	10,000
69130 · Printing & Publications	22,000	24,000	17,860	24,000	24,000
69170 · Board Travel & Training	17,000	19,000	22,000	24,000	23,000
69171 · Staff Travel & Training	48,000	51,000	48,000	63,000	67,000
69202 · County Fees-Property Taxes	26,000	33,000	33,000	33,000	35,000
69203 · County Fees-Sewer Ser Chg	40,000	30,000	30,000	32,000	33,000
69250 · Service Charge Sys Exp	5,000	5,000	5,000	5,000	5,000
	1,102,315	1,338,212	1,232,914	1,399,493	1,452,836

Comments:

- (1) Projected contribution to current retirees' health care premiums.
 - (2) Represents FY19-21 Unfunded Actuarial Liability (UAL) contributions into the PARS Trust (OPEB sub-account) established in November 2016.
 - (3) Represents FY19-21 projected contributions to PARS Trust (Pension sub-account).
- *PARS = Public Agency Retirement Services.
OPEB = Other Post-Employment Benefits.