

April 18, 2016

A regular meeting of the Finance Committee of Novato Sanitary District was held at 10:05 a.m., Monday, April 18, 2016, at the District office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Martin Rauch, Rauch Communication Consultants
Tom Gaffney, PE, CIPMA, Bartle Wells Associates
Alison Lechowicz, Senior Financial Analyst & Vice President, Bartle Wells Associates

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES: The November 30, 2015 meeting minutes were approved as presented.

2016 SEWER SERVICE CHARGE STUDY:

- Review the Draft 2016 Sewer Service Charge Study report by Bartle Wells Associates (BWA), and direct staff to finalize the report. The General Manager stated that the District had retained Bartle Wells Associates (BWA) to review its sewer service charges, as BWA and its Principal Consultant, Tom Gaffney, have performed this work for the District over the last forty years. He noted that the results of BWA's work were included in the Board packet as the Draft 2016 Sewer Rate Study report. He stated that Mr. Gaffney and Ms. Lechowicz would present the report.

Mr. Gaffney reviewed the current sewer service charge details from the 2011 financing plan and discussed the draft 2016 Sewer Rate Study report. He stated that the report analyzed the District's projected operating and capital expenditures for the next five years, and made the recommendation for a modest rate increase of \$21/year/EDU, or \$1.75/month/EDU in each of the next five years from FY2016-17 through FY2020-21. He stated that this corresponds to an average increase of about 3.5% per year over the five-year period.

Discussion followed between Mr. Gaffney, Ms. Lechowicz, the General Manager and the Committee members.

The General Manager stated that, if approved, the average sewer service charge for FY2016-17 would be a maximum of \$573/EDU, with subsequent maximum annual increases being established by the Board of Directors at the rates outlined in the 2016 Sewer Rate Study report.

- Recommend that the District Board accept the final report at its April 25, 2016 meeting.

Committee Members Long and Peters stated that it was their consensus to recommend that the District Board accept the final report by BWA at its regular April 25, 2016 meeting.

- Recommend that the Board approve a maximum rate increase of \$21 per year per Equivalent Dwelling Unit (EDU) in each of the five Fiscal Years FY 2016-17 through FY2020-21, at its April 25, 2016 meeting.

Committee Members Long and Peters stated that it was their consensus to recommend that the District Board approve a maximum rate increase of \$21 per year per Equivalent Dwelling Unit (EDU) in each of the five Fiscal Years FY 2016-17 through FY2020-21, at its regular April 25, 2016 meeting.

INFORMATIONAL ITEMS:

- Correspondence from North Marin Water titled "Notice of Proposed Rate Increase".

ADJOURNMENT: There being no new business to come before the Committee, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording