

# NOVATO SANITARY DISTRICT

Meeting Date: June 8, 2026

**The Board of Directors of the Novato Sanitary District will hold a regular in-person meeting at 5:30 p.m., Monday, June 8, 2026, at the District office, 500 Davidson Street, Novato.**

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

## REGULAR MEETING AGENDA

1. **ROLL-CALL & PLEDGE OF ALLEGIANCE:**
2. **AGENDA APPROVAL (BY ACCLAMATION):**
3. **PUBLIC COMMENT (PLEASE OBSERVE A THREE-MINUTE TIME LIMIT):**

*This item is to allow anyone wishing to address the Board of Directors on matters within the District's jurisdiction but not on the posted agenda\*. Each individual will be limited to a three-minute presentation. The Board President may refer any matter to staff for follow-up, or elect to have the matter placed on a future agenda. No action will be taken by the Board at this time as a result of any public comments made.  
\*Note: Raise your hand and the Board President will recognize and notify you when it is your turn to speak.*

4. **REVIEW OF MINUTES:**
  - a. Approve minutes of the regular meeting of May 11, 2026.
  - b. Approve minutes of the special meeting of May 14, 2026.
5. **PUBLIC HEARING PURSUANT TO SECTION 5471 ET SEQ. AND 6520.5 OF THE OF THE CALIFORNIA HEALTH AND SAFETY CODE – FY 2026-27 SEWER SERVICE CHARGE REPORT, AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:**
  - a. Sewer Service Charge Report.
  - b. Open public hearing.
  - c. Consider protests regarding sewer service charge report.
  - d. Close public hearing.
6. **RESOLUTION CONFIRMING FISCAL YEAR (FY) 2026-27 SEWER SERVICE CHARGE REPORT AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:**
  - a. Adopt Resolution No. 3214 – 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 2025-26.
7. **PUBLIC HEARING: AB 2561 PRESENTATION ON DISTRICT EMPLOYMENT VACANCIES, RECRUITMENT AND RETENTION**
  - a. Open public hearing.
  - b. Receive oral presentation from staff.
  - c. Receive public comments.
  - d. Receive Board comments.
  - e. Close public hearing.

Next Page →

**8. CONSENT CALENDAR:**

*The General Manager–Chief Engineer has reviewed the following item(s) and has determined that they are routine in nature and, to his knowledge, without controversy. The item(s) 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/ratify regular disbursements, May 12 – June 8, 2026.
- b. Ratify payroll and payroll related disbursements, May 2026.
- c. Receive deposit summary, May 2026.
- d. Approve two Collection Systems Workers to attend the joint Tri-State Seminar 2026 training conference in Las Vegas, Nevada, August 3-6, 2026

**9. ANNUAL BUDGET:**

- a. Approve and adopt Preliminary Budget for Fiscal Years (FY) 26-28.

**10. SOLID/HOUSEHOLD HAZARDOUS WASTE OPERATIONS:**

- a. Approve Amendment No. 6 to Agreement No. 67500-CEE-2023-01 with Clean Earth Environmental Services, Inc. in the not-to-exceed amount of \$202,000 (thereby increasing the overall compensation amount of the Agreement from \$1,107,000 to \$1,309,000) for continuing HHW collection and disposal services at the Permanent Household Hazardous Waste Facility from July 1, 2026 through December 31, 2026, and authorize the General Manager-Chief Engineer to execute it.

**11. WASTEWATER OPERATIONS:**

- a. Receive Wastewater Operations Report for May 2026 – information only:
  - i. Collection Systems
  - ii. Treatment Facilities
  - iii. Reclamation Facilities

**12. CAPITAL PROJECTS:**

- a. Receive Capital Projects Update Report through May 2026 – information only.

**13. ADMINISTRATOR:**

- a. Per the Memorandum of Understanding (MoU) with Teamsters Local 315, and as included in the FY 26-28 Preliminary Budget, receive report on cost-of-living allowance of 3.8% for the represented employees group, effective July 1, 2026.
- b. Consistent with the Teamsters group, and as included in the FY 26-28 Preliminary Budget, approve a cost-of-living allowance of 3.8% for the non-represented Management and Confidential (M&C) group, effective July 1, 2026.
- c. Consistent with the Teamsters represented group and the non-represented Management and Confidential (M&C) group, and as included in the FY 26-28 Preliminary Budget, approve a cost-of-living allowance of 3.8% for the General Manager-Chief Engineer, effective July 1, 2026.

**14. BOARD OF DIRECTORS:**

- a. Appoint Board officers, Secretary-Treasurer and Secretary Pro-tem, and designate and authorize check signers, Fiscal Year (FY) 26-27.
- b. Other Reports and Request(s), if any.

Next Page →

**15. BOARD ELECTIONS:**

- a. Adopt Resolution No. 3215: A Resolution of the Board of Directors of the Novato Sanitary District rescinding Resolution No. 3213; Calling for a Regularly Scheduled Election and a Special Election to fill a vacancy to be held in this Jurisdiction; Requesting the Board of Supervisors to consolidate with any other election conducted on said date; And requesting election services by the Marin County Elections Department.

**16. GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:**

- a. Receive verbal report and announcements.

**17. ADJOURN:**

Next Resolution No. 3216.

**Next regular meeting: Monday, July 13, 2026, 5:30 p.m.**

**Meeting location: Novato Sanitary District office, 500 Davidson Street, Novato, CA.**

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

## NOVATO SANITARY DISTRICT

Draft Board Meeting Minutes

Meeting Date: May 11, 2026

A regular meeting of the Board of Directors of the Novato Sanitary District was held and called to order at 5:30 p.m., on Monday May 11, 2026, at the District Office, 500 Davidson Street, Novato.

**BOARD MEMBERS PRESENT:** President Jerry Peters, Directors: Dennis Bentley, Tim Fuelle, Jean Mariani. Director Dillon-Knutson joined the meeting at 5:34 p.m.

**STAFF PRESENT:** General Manager-Secretary Sandeep Karkal; Deputy General Manager Erik Brown; General Counsel/Administrative Services Manager Rachel Hundley; Environmental Programs Manager Casey Poldino; Information Technology & Security Officer Aaron Sternad; Finance Manager Tony Clark; Administrative Services Analyst II Lynda Farmery.

**ALSO PRESENT:** Derek Dill, Project Leader, Veolia Water

**ROLL-CALL & PLEDGE OF ALLEGIANCE:**

**AGENDA APPROVAL (BY ACCLAMATION):** The agenda was approved by acclamation.

**REVIEW OF MINUTES:**

**Approve minutes of the regular meeting of April 13, 2026.**

On motion of Director Mariani, seconded by Director Fuelle, and carried unanimously by those directors present, the Board approved minutes of regular meeting of April 13, 2026.

**CONSENT CALENDAR:**

- a. Approval of Board member disbursements for the month of April 2026 in the amount of \$1,246.74. Approval and ratification of operating check disbursements as follows: April 2026 second half in the amount of \$179,876.34 and May 2026 first half in the amount of \$129,519.59. Approval and ratification of capital check disbursements as follows: April 2026 second half in the amount of \$359,823.46 and May 2026 first half in the amount of \$72,752.83.
- b. Ratification of payroll and payroll related disbursements, April 2026 in the amount of \$383,672.40.
- c. Receive deposit summary, April 2026.
- d. Receive 3<sup>rd</sup> Quarter Investment Report, Fiscal Year (FY) 2025-26 – information only.
- e. Receive 3<sup>rd</sup> Quarter Financial Report, FY 2025-26 (unaudited) – information only.
- f. Approve a contract with Conservation Corps North Bay (CCNB) in the not-to-exceed amount of \$79,858 to provide residential e-waste home pickup services and monthly e-waste pickup from the Permanent Household Hazardous Waste Facility, and authorize the General Manager-Chief Engineer to execute it.
- g. Accept Wastewater Treatment Facilities Calendar Year (CY) 2025 Annual Operations and Maintenance Report.
- h. Approve the General Manager-Chief Engineer to attend the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference, 56<sup>th</sup> Annual Meeting, and Awards Ceremony in Cleveland, OH, July 14 - 17, 2026.

*On motion of Director Fuelle, seconded by Director Mariani, and carried unanimously, the Board approved the above listed consent calendar items.*

**ANNUAL BUDGET:**

**Receive Preliminary Budget for Fiscal Years (FY) 26-28.**

The General Manager noted that the Preliminary FY 26-28 Budget was included in the Agenda packet. He stated that while staff would be happy to take any Board comments at the Board meeting, there will be a special meeting on Thursday, May 14, 2026 at 2:00 p.m. dedicated to reviewing the entire budget document, and that the Board will have the opportunity to provide any comments or ask any questions at that time as well.

## WASTEWATER OPERATIONS:

### Receive Wastewater Operations Report for April 2026 – information only:

The Wastewater Operations Reports were presented via highlights of the written reports provided in the agenda packet.

- i. Collection Systems: Field Services Manager Jeff Boheim presented the April 2026 Collection Systems Report
- ii. Treatment Facilities: Veolia Project Leader Derek Dill presented the April 2026 Treatment Facilities Monthly Operations Report.
- iii. Reclamation Facilities: Field Services Manager Jeff Boheim presented the April 2026 Collection Systems Report

## CAPITAL PROJECTS:

### Annual Reclamation Facility Improvements, Account No. 72804; Purchase of a new pump for Drainage Pump Station No. 3: Approve a contract with Koffler Electrical Mechanical Apparatus Repair, Inc. in the amount of \$118,218 for the purchase of a new pump to replace the original pump #3 at Drainage Pump Station No. 3 and authorize the General Manager-Chief Engineer to execute it.

Field Services Manager Jeff Boheim stated that the District hired Koffler Electro-Mechanical Apparatus Repair (Koffler) in March 2026 to remove, repair, and inspect pump #3 at Drainage Pump Station No. 3 (DPS 3). The pump was disassembled and inspected at Koffler's facility, and it was determined that repairs to the existing pump and motor would cost at least \$89,840. Koffler also provided a proposal for a new pump and motor at a cost of \$118,218. Staff determined that the original pump #3 at DPS 3 is at least 40 years old and has exceeded industry equipment asset life expectations and is therefore recommending that the Board approve a contract with Koffler in the amount of \$118,218 for the purchase of a new pump and authorize the General Manager-Chief Engineer to execute it.

*On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved a contract with Koffler Electrical Mechanical Apparatus Repair, Inc. in the amount of \$118,218 for the purchase of a new pump to replace the original pump #3 at Drainage Pump Station No. 3 and authorized the General Manager-Chief Engineer to execute it.*

### Admin Building Upgrade - Facility Physical Security Project, Account No. 73003: Approve a contract with Portola Systems, Inc. in the amount of \$265,926 for the purchase of a centralized video surveillance and electronic access control system and authorize the General Manager-Chief Engineer to execute it.

Deputy General Manager Erik Brown stated that following a competitive selection process utilizing the State of California Multiple Award Schedules (CMAS) procurement process, Portola Systems, Inc. provided a quote for new physical site and building security. The proposed Facility Physical Security Project will greatly enhance and modernize the security and access controls for the Novato Treatment Plant property and occupied buildings. He noted that at the March 9, 2026 meeting, the Board approved Resolution No. 3212 to authorize the General Manager-Chief Engineer to procure goods and services through the State of California DGS Purchasing Agreements and Programs. Therefore, staff recommends that the Board approve a contract with Portola Systems, Inc., in the amount of \$265,926 for the purchase of a centralized video surveillance and electronic access control system and authorize the General Manager-Chief Engineer to execute it.

*On motion of Director Fvette, seconded by Director Bentley, and carried unanimously, the Board approved a contract with Portola Systems, Inc. in the amount of \$265,926 for the purchase of a centralized video surveillance and electronic access control system and authorized the General Manager-Chief Engineer to execute it.*

### Receive Capital Projects Update Report through April 2026 – information only.

The Deputy General Manager provided a brief update of the Capital Improvement Program projects for April 2026 by way of highlights of the written report in the agenda packet.

**BOARD OF DIRECTORS – COMPENSATION, TRAVEL AND MEETINGS:**

The General Manager noted that items 9.a. & 9.b. would be addressed initially as one action item.

- a. Approve eliminating Board Policy 4035 - Board of Directors' Health and Dental Insurance, and direct staff to bring forward a new Board Policy for Board Dental Insurance (only), at the June 8, 2026 Board meeting.

The General Manager provided background of Board Policy 4035, noting that in researching the board compensation policies broadly it was brought to staff's attention that an opinion of the Office of the State Attorney General, indicates that the Health insurance reimbursement provisions of this policy are inconsistent with legal requirements. In an abundance of caution therefore, staff is recommending that the Board eliminate current policy 4035 and direct staff to prepare and bring forward a new Board Policy for Board Dental Insurance only.

- b. Provide direction on preparation of a draft ordinance for an increase to Directors' Compensation from \$225/day to \$325/day for the Board's consideration at the June 8, 2026 Board meeting.

The General Manager stated that at its April 13, 2026 meeting, the Board received and reviewed information on current Board member compensation for attendance at Board meetings, including Board compensation information for comparable agencies. Upon discussion at that meeting, the Board had directed staff to bring back for its consideration, an increase in Directors' fees from the current \$225/day as set by District Ordinance No. 104, to \$325/day, for an increase of \$100/day, or about +44%. He noted that Represented employee groups for Novato area public agencies continue to monitor compensation for elected officials in the Novato area, and it could be pointed out that the proposed increase would be inconsistent with the District's standard of setting salaries for its represented employees on a "plus or minus 5% of median of comps" basis. For informational purposes, the median of applicable comparable agencies for the District indicates a Director's compensation level of about \$270/day.

The General Manager noted staff was seeking either confirmation of the Board's intent to stay with the Board's April 13, 2026 directive of a proposed increase to \$325/day, or provide further or alternate direction on this matter. He also noted that under state law, any change to Director's compensation is to be enacted by Ordinance, published at least once in a newspaper in general circulation within the District and shall not become effective for at least sixty (60) days from the date of final passage.

A discussion with Board and staff followed. General Counsel Rachel Hundley provided each Board member a copy of the California Health and Safety Code 6489 from the Sanitary District Act of 1923 – Statute authorizing Board Compensation and authorizes reimbursement of expenses and direction on the increase in compensation. She also provided each Board member a copy of the referenced Opinion of the Office of the State Attorney General. Ms. Hundley then provided an overview of the items distributed to the Board.

A brief discussion followed between the Board and staff. Director Mariani made a motion to adopt the staff recommendation of Item 9.a. to eliminate Policy 4035, and direct staff to bring forward a new Board Policy for Board Dental Insurance only. However, the motion failed for the lack of a second.

Following further discussion with staff, the Board's consensus was that items 9.a. & 9.b. be tabled to a future meeting.

The Board then requested the following to be brought to a future meeting:

- A comparison of Directors' Health and Dental insurance as well as Directors' compensation for comparable local Districts.
- An additional legal analysis and opinion from outside independent counsel to be included with items 9.a. & 9.b

*On motion of Director Dillon-Knutson, seconded by Director Bentley, to table items 9.a. and 9.b to a future meeting, the Board voted on the motion as follows: Ayes: Directors Bentley, Dillon-Knutson, and Peters; Noes: Director Mariani; Abstain: Director Fvette.*

**BREAK:** The Board took a short break at 6:40 p.m.

Director Mariani left the meeting at 6:40 p.m.

The meeting resumed at 6:55 p.m. and considered the following items:

- c. Approve modifying paragraph 4100.5 “Lodging Expenses” of Policy No. 4100 “Compensation, Meetings, and Travel” to add a “reasonableness standard” for overnight stays at events less than fifty (50) miles from the District office.
- d. Approve modifying paragraph 4100.4 “Per Diem Allowance” of Policy No. 4100 “Compensation, Meetings, and Travel” to provide an allowance for meals and incidental expenses instead of reimbursement.
- e. Approve a new provision to paragraph 4100.3 (Director Compensation) to Board Policy 4100 “Compensation, Meetings, and Travel”, to allow Directors to receive the maximum daily compensation for attendance at a multi-day conference or event, subject to a two-event maximum per year; or provide further direction.

The Board then acted by consensus of the members present to table all three items 9.c, 9.d., and 9.e. to a future meeting when all Board members could be present for discussion.

#### **BOARD ELECTIONS:**

**Adopt Resolution No. 3213: Requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Marin County Elections Department.**

The General Manager stated that Three (3) regular term (4 years) seats on the District Board of Directors are up for election in 2026 (incumbents: Division 2 - Bentley, Division 3 – Fuelle, and Division 5 – Dillon- Knutson). In order to be included in the General Election to be held on November 3, 2026, the District Board must adopt the attached Resolution 3213 and submit it to the Marin County Registrar of Voters by July 3<sup>rd</sup>, 2026. It is recommended that the Board adopt Resolution 3212 as prepared from a model resolution provided by the Marin County Elections Department.

*On motion of Director Bentley, seconded by Director Fuelle, and carried unanimously by those Directors present, the Board adopted Resolution No. 3213: Requesting the Board of Supervisors to consolidate with any other election conducted on said date, and requesting election services by the Marin County Elections Department.*

#### **BOARD MEMBER REPORTS AND REQUESTS:**

**Receive report: North Bay Watershed Association (NBWA) meeting, May 2026 – information only – (Cancelled).**

#### **GENERAL MANAGER’S REPORT AND ANNOUNCEMENTS:**

**Receive verbal report and announcements.**

- There will be a special Board meeting for the Preliminary Budget review on Thursday May 14, 2026 at 1:00 p.m. and to advise by Tuesday, May 12, 2026 if this time works.
- The next regular Board meeting is scheduled for 5:30 p.m., Monday June 8, 2026, and will be in person at the District offices.

**ADJOURNMENT:** There being no further business to come before the Board, President Peters adjourned the meeting at 7:11 p.m.

Respectfully submitted,

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Sandeep Karkal  
Board Secretary

Lynda Farmery, Recording

## NOVATO SANITARY DISTRICT

Draft Special Meeting Minutes  
Meeting Date: May 14, 2026

A special meeting of the Board of Directors of the Novato Sanitary District was held and called to order at 1:00 p.m., on Thursday May 14, 2026, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Directors: Dennis Bentley, Carole Dillon-Knutson, Tim Fuelle. Director Jean Mariani was absent (excused).

STAFF PRESENT: General Manager-Secretary Sandeep Karkal; Deputy General Manager Erik Brown; General Counsel/Administrative Services Manager Rachel Hundley; Environmental Programs Manager Casey Poldino; Information Technology & Security Officer Aaron Sternad; Finance Manager Tony Clark; Administrative Services Analyst II Lynda Farmery.

ROLL-CALL & PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL (BY ACCLAMATION): The agenda was approved by acclamation.

ANNUAL BUDGET:

Review Preliminary Budget for Fiscal Years (FY) 26-28.

The General Manager provided a summary presentation via PowerPoint of the FY 26-28 Preliminary Budget as provided in the agenda packet. He reviewed the FY 25-26 Revenues & Expenditures - Operating and Capital Improvements Budgets, the anticipated FY 26-27 preliminary operating and CIP budget elements, three-year summary, and the preliminary budget comparisons, year-over-year.

BOARD MEMBER REPORTS AND REQUESTS:

There were no Board member reports or requests.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

Receive verbal report and announcements (if any).

- Next regular Board meeting is scheduled for Monday, June 8, 2026 @ 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 1:59 p.m.

Respectfully submitted,

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Sandeep Karkal  
Board Secretary

Lynda Farmery, Recording

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Administration: Sewer Service Charges – Board Resolution No. 3214.</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEMS NO.: 5.a.-d. and 6.a.</b>
<b>RECOMMENDED ACTION: Conduct Public Hearing and Adopt Resolution No. 3214 Confirming Fiscal Year (FY) 2026-27 Sewer Service Charge Report and Electing to Collect on County Tax Rolls.</b>	
<b>SUMMARY AND DISCUSSION:</b>  <p>The Board adopted Ordinance No. 123 establishing maximum sewer service charge schedules for Fiscal Years (FY) 2022–23 through FY 2026–27 on May 9, 2022 after completing all required Proposition 218 procedures. Ordinance No. 123 provides the ceiling rates for each fiscal year and authorizes the Board to implement rates at or below those levels. Thereafter, in April 2025, the Board adopted Resolution No. 3200 to generally adjust and implement the Sewer Service Charge Schedule For FY 2025-2027, and more specifically, set sewer service charges for FY 2025-26.</p> <p>Subsequently, at its February 2026 meeting, the Board adopted Resolution No. 3211 setting the FY 26-27 average residential (EDU) charge at \$760, reflecting a \$31 increase from the FY 2025–26 level of \$729/EDU, and remaining a nominal \$2 below the maximum rate of \$762/EDU allowed under Ordinance No. 123, and with all other rate tiers and customer categories to be adjusted commensurately.</p> <p>Today’s public hearing is required to receive the FY 2025-26 Sewer Service Charge report and consider any protests on <i>individual</i> sewer service charges in the report. The District’s Consultant NBS, Inc. will be available at the meeting with the computerized database and Sewer Service Charge report via Zoom® teleconferencing, so that anyone may request their individual sewer service rate or charge for the coming year and have an opportunity to protest it.</p> <p>The attached Proof of Publication attests that this hearing was appropriately “noticed” twice in the Marin Independent Journal (Marin IJ). Following the hearing, the Board will consider adoption of Resolution No. 3214, “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 (FY) 2026-27”.</p>	
<b>ATTACHMENTS:</b>  <ol style="list-style-type: none"> <li>1. Copy of Board Ordinance No. 123: An Ordinance Of The Novato Sanitary District Establishing Sewer Service Charges For Fiscal Years 2022-23, 2023-24, 2024-25, 2025-26, And 2026-27, (adopted May 9, 2022); provided for informational purposes.</li> <li>2. Copy of Resolution No. 3211: A Resolution Adjusting Sewer Service Charge Schedule For Fiscal Year 2026-2027 Pursuant To Ordinance No. 123.</li> <li>3. <u>DRAFT</u> Resolution No. 3214: 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 (FY) 2026-27; <u>for consideration and adoption at this meeting.</u></li> <li>4. Marin Independent Journal - Proof of Publication, Notice of Public Hearing; provided for informational purposes.</li> </ol>	
<b>BUDGET INFORMATION:</b> The Preliminary FY 26-27 Budget estimates that FY 2026-27 Sewer Service Charges will result in Operating Revenue of about \$12.42 million and Capital Revenue of about \$10.16 million; the corresponding figures for FY 25-26 were about \$11.80 million and \$9.71 million, respectively.	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence), and Goal 4 (Outreach) of the latest Strategic Plan.	
<b>Prepared by:</b> ssk	<b>Reviewed by General Manager:</b> SSK

**ORDINANCE NO. 123**

**AN ORDINANCE OF THE NOVATO SANITARY DISTRICT  
ESTABLISHING SEWER SERVICE CHARGES  
FOR FISCAL YEARS 2022-23, 2023-24, 2024-25, 2025-26, AND 2026-27**

**WHEREAS**, the Novato Sanitary District has previously developed and instituted a Sewer Service Charge program to finance the services and facilities furnished by the District; and

**WHEREAS**, Ordinance No. 111, adopted by the Board of Directors on August 6, 2007, established a methodology for calculating the charges and set sewer service charge rates and amounts through fiscal year 2009-2010; and

**WHEREAS**, in adopting Ordinance No. 111, the Board relied on various studies and documents, which are available for inspection at the District offices; and

**WHEREAS**, Section 23 of Ordinance No. 111 provides that the Board may modify rates and charges by adopting new tables from time to time where there is no modification of the methodology; and

**WHEREAS**, Ordinance No. 116, adopted by the Board of Directors on June 25, 2012, set the sewer service charge rates and amounts through fiscal year 2015-16; and

**WHEREAS**, Ordinance No. 120, adopted by the Board of Directors on June 13, 2016, set the sewer service charge rates and amounts through fiscal year 2020-21; and

**WHEREAS**, on April 12, 2021, at its Regular Meeting, the Board of Directors confirmed its intent of no increase to Sewer Service Charge (SSC) per Equivalent Dwelling Unit (EDU) levels for Fiscal Year (FY) 21-22 from the prior fiscal year, citing the impacts of the COVID-19 pandemic at that time; and

**WHEREAS**, on Monday, the 9<sup>th</sup> day of May, 2022, at the hour of 5:30 p.m., and via Zoom® teleconferencing under the provisions of Assembly Bill AB 361, the Board of Directors of the District heard and considered proposed sewer service charge increases for fiscal years 2022-2023 through 2026-2027, and the Secretary published a notice of said hearing once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for

said hearing, in the Marin Independent Journal, a newspaper of general circulation printed and published in the County; and

**WHEREAS**, the Board of Directors of the District has reviewed the current schedule of sewer service charge rates and amounts and determined certain adjustments are necessary to ensure sewer service charges continue to fund but not exceed the costs of providing sewer service and are allocated proportionally; and

**WHEREAS**, necessary adjustments include an increase to the residential Service Unit rate in the average usage tier in the amount of twenty dollars (\$20) in fiscal year 22-23; twenty one dollars (\$21.00) annually each of the fiscal years 2023-24; 2024-25; 2025-26; and twenty-two dollars (\$22) in fiscal year 2026-27; and a proportional increase to non-residential rates based on square footage and variable water use charges, as authorized by Section 53756 of the California Government Code; and

**WHEREAS**, in determining that the sewer service charges should be increased, the Board of Directors also considered the "2022 Sewer Rate Study" prepared by Hildebrand Consulting LLC and dated March 8, 2022; and

**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 May 9, 2022.
- 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 May 9, 2022, 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.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Novato Sanitary District as follows:

**Section 1.** The foregoing recitals are true and correct and made a part of this Ordinance.

**Section 2.** Table 1A, Table 1, and Table 2 of Section 4 of that certain ordinance entitled "Ordinance No. 111, An Ordinance of the Novato Sanitary District "Repealing District Ordinance No. 42, and Prescribing Rates and Charges for Sewage Disposal Service and Providing Procedures and Penalties for its Enforcement", passed by the Board of Directors of the Novato Sanitary District on August 6, 2007, are hereby amended as set forth in Attachment A to this Ordinance. The examples in subdivisions (C) and (D) of Section 4 of Ordinance No. 111 illustrating the calculation of charges using prior rates and amounts are for clarification and do not affect the rates and amounts established by this Ordinance.

**Section 3.** The rates for residential customers in Table 1A of Attachment A reflect the inclusion of an annual collection fee of Two and 00/100 Dollars (\$2.00) per County Assessor's parcel billed. For each non-residential parcel whose service charges are collected on the Marin County tax roll, the rates of Tables 1 and 2 reflect an annual county collection fee of Two and 00/100 Dollars (\$2.00).

**Section 4.** Charges for users of the District's sewer system authorized by this Ordinance shall take effect on July 1 of each fiscal year in accordance with such procedures as may be required by law, and shall thereafter continue in effect until further action of the Board of Directors. To the extent this Ordinance No. 123, or the sewer service charges adopted herein, is challenged and set aside for any reason, Ordinance No. 120 and the preexisting fiscal year

2020-21 sewer service charges adopted therein shall be immediately restored and will be effective until further action of the Board of Directors.

**Section 5.** Except as provided above, all of the balance of said Ordinance No. 111 shall remain in full force and effect.

**Section 6.** Upon adoption, this ordinance shall be entered in the minutes of the Novato Sanitary District Board. The Secretary of the Board shall publish a summary of the ordinance prepared by the District Counsel one time in the Marin Independent Journal, a newspaper of general circulation published in the District, along with the names of the members of Board voting for and against and shall post a certified copy of the full text of this ordinance and the names of the members of the Board voting for and against at the District Office for one week following publication of the summary. This ordinance shall take effect on July 1, 2022.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of May, 2022, by the Board of Directors of the Novato Sanitary District by the following vote:

AYES:	Members:	Dillon-Knutson, Fvette, Mariani, Peters
NOES:	Members:	Long
ABSENT:	Members:	None

SIGNED:

SIGNATURE ON FILE

Timothy Fvette,  
President of the Board of Directors  
Novato Sanitary District

COUNTERSIGNED:

SIGNATURE ON FILE

Sandeep Karkal,  
Secretary, Novato Sanitary District

APPROVED AS TO FORM:

SIGNATURE ON FILE

Rachel Hundley,  
Counsel for the District

(See Attachment A, beginning next page) →

**ATTACHMENT A  
 SEWER SERVICE CHARGE SCHEDULE FOR  
 FISCAL YEARS 2022-23, 2023-24, 2024-25, 2025-26, 2026-27  
 AND THEREAFTER UNTIL MODIFIED BY THE BOARD**

**Table 1A – Residential Rates, annual\***

	<b>Current Charge</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
1 SU (Average Water Use)	\$657	\$677	\$698	\$719	\$740	\$762
Low Water Use	\$395	\$431	\$444	\$457	\$471	\$485
High Water use	\$1,181	\$1,210	\$1,247	\$1,284	\$1,323	\$1,362

\*Rates apply to equivalent dwelling units including, but not limited to, single family residential homes, and each unit of multi-family residential buildings. Includes \$2 County of Marin charge for collection on tax rolls.

**Table 1: Non-Residential Rates  
 Fixed Charge Per Square Foot (including flow factors)**

<b>User Type</b>	<b>Charges</b>					
	<b>Floor Area Flow Factor</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>FY 24-25</b>	<b>FY 25-26</b>	<b>FY 26-27</b>
Base Charge/square foot	1.0000	\$0.18	\$0.18	\$0.19	\$0.20	\$0.20
Warehouse/mini-storage	0.0000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Retail Public office buildings School classrooms/administration Churches	1.0000	\$0.18	\$0.18	\$0.19	\$0.20	\$0.20
Auto service stations Auditoriums, theaters Gymnasium w/showers Hotels/motels, not incl. restaurant Meeting halls with kitchens Supermarkets Mortuaries	1.3017	\$0.23	\$0.24	\$0.25	\$0.26	\$0.26
Medical offices Veterinary offices Dental offices Hospitals	2.0000	\$0.36	\$0.37	\$0.38	\$0.39	\$0.40
Cafeteria/dining area Restaurants/cafes Bakeries Delicatessens Ice cream/yogurt shops	3.0000	\$0.54	\$0.55	\$0.57	\$0.59	\$0.61
Laundries and laundromats						

**Note: The current base charge is \$0.270 per sq ft, although different flow factors may apply.**

**Table 2: Non-Residential Rates  
 Variable Charge (water use and strength factors)**

User Type	Charge Per TGAL <sup>(1)</sup>					
	Strength Factor	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Base Charge/square foot	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Warehouse/mini-storage	0.0000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Retail Public office buildings School classrooms/administration Churches Auto service stations Auditoriums, theaters Gymnasium w/showers Hotels/motels, not incl. restaurants Medical offices Veterinary offices Dental offices Hospitals	1.0000	\$7.36	\$7.58	\$7.81	\$8.04	\$8.28
Laundries and laundromats Meeting halls with kitchens	1.2052	\$8.87	\$9.14	\$9.41	\$9.69	\$9.98
Cafeteria/dining area Restaurants/cafes Supermarkets Bakeries Delicatessens Ice cream/yogurt shops Mortuaries	1.8424	\$13.56	\$13.97	\$14.39	\$14.82	\$15.26

<sup>(1)</sup> TGAL = Thousand gallons. Charges based on historical winter water consumption.

**Notes:**

1. The current base charge is \$4.77 per TGAL, although different strength factors may apply.
2. The annual volume of water use in TGAL/year is calculated based on the average winter water use. (Winter bimonthly water use x 6 = annual volume of water use).

**Notes for Tables 1 and 2: Warehouses, ministorage buildings and other storage buildings not connected to the sewers are not charged for sewer use.**

5073333.1

**NOVATO SANITARY DISTRICT**

**RESOLUTION NO. 3211**

**A RESOLUTION ADJUSTING SEWER SERVICE CHARGE SCHEDULE FOR FISCAL YEAR 2026-2027 PURSUANT TO ORDINANCE NO. 123**

**WHEREAS**, after a duly-noticed public hearing on May 9, 2022, the Board of Directors ("Board") of the Novato Sanitary District ("District") adopted Ordinance No. 123 adopting schedules of maximum sewer service charges for FY 2022-23, FY 2023-24, FY 2024-25, FY 2025-26, and FY 2026-27, the implementation of which is detailed in Board Resolution No. 3200 adopted April 14, 2025;

**WHEREAS**, the Board now desires to establish the amounts of sewer service charges for FY 2026-27 consistent with Ordinance No. 123 and applicable law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Novato Sanitary District that the sewer service charges for FY 2026-27 shall be calculated based on an Equivalent Dwelling Unit (EDU) charge of \$760 for the average residential EDU, which is a \$31 increase from the prior fiscal year and which results in a nominal savings to ratepayers of \$2 per EDU as compared to the schedules of charges in Ordinance No. 123; that other rates, rate tiers, and charges shall be adjusted commensurately; that such rates shall be in effect until the Board takes action adjusting same; and that the General Manager/Chief Engineer is authorized and directed to take such actions necessary to effect this Resolution.

Passed and adopted this 9<sup>th</sup> day of February, 2026, by the following vote:

AYES, and in favor thereof, Directors: Bentley, Dillon-Knutson, Fuelle, Mariani, Peters

NOES, Directors: None

ABSENT, Directors: None

**FILED COPY**

Signature On File

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

\* \* \* \* \*

ATTEST:

I hereby certify that the foregoing resolution was regularly introduced, passed and adopted at a Regular Meeting of the Novato Sanitary District Board of Directors this 9<sup>th</sup> day of February, 2026.

Signature On File

Sandeep Karkal,  
Secretary, Board of Directors  
Novato Sanitary District

**DRAFT RESOLUTION NO. 3214**

**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 (FY) 2026-27**

**RESOLVED**, by the Board of Directors of the Novato Sanitary District (District), Marin County, California, that:

**WHEREAS**, The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charges for the Fiscal Year (FY) 26-27, established by said District, collected on the tax roll of the County of Marin, State of California, in the manner provided pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

**WHEREAS**, Monday, the 8<sup>th</sup> day of June, 2026, at the hour of 5:30 p.m. at the regular meeting place of said District, Novato Sanitary District, 500 Davidson Street, Novato, California, was fixed as the time and place for the hearing on the sewer service charge report filed with the Secretary of this District, pursuant to law, and the Secretary published a notice of said hearing and of the filing of said report, once a week for two successive weeks with at least five days intervening between the respective publication dates, with the first publication being at least fourteen days prior to the date set for said hearing, in the Marin Independent Journal, a newspaper of general circulation printed and published in the County.

**WHEREAS**, notice was given of the time therein stated in the manner provided by law as appears by the affidavit(s) of publication on file in the office of the Secretary of said District;

**WHEREAS**, said matter came on regularly for hearing at the time fixed; and

**WHEREAS**, there were \_\_\_\_\_ (\_\_\_\_\_) written or oral protests in placing the sewer service charges on the tax roll;

**NOW, THEREFORE, IT IS ORDERED**, as follows:

1. That objections to and protests against said report were not made by the owners of a majority of the separate parcels of property described in the report against which charges for the services and facilities provided by the District were fixed.

2. \_\_\_\_\_ (\_\_\_\_) objections to, or protests against, said report were made at the hearing.

3. That said report be, and it is hereby adopted in full as revised, changed, reduced or modified by the Board, and that said charges shall be collected on the tax roll of the County of Marin, in the manner provided by law.

4. That the Secretary of this District be, and he is hereby directed to timely file a copy of said report with the Director of Finance of Marin County upon which shall be endorsed, over his signature, a statement that the report has been finally adopted by the Board of Directors of the Novato Sanitary District.

5. The Director of Finance of Marin County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2026-27.

6. For premises connected to the sewer system of the District, the average sewer service rate per Service Unit (SU) or Single-Family Unit (SFU); or Equivalent Dwelling Unit (EDU) for fiscal year 2025-26 shall be **SEVEN HUNDRED AND SIXTY AND 00/100 DOLLARS (\$760.00)** as established by Novato Sanitary District Ordinance No. 123 adopted May 9, 2022, and modified by Board Resolution No. 3211 adopted February 9, 2026. Said rate shall be subject to modification and change, from time to time, as may be required to permit the District to meet State and Federal revenue program guidelines and as the total number of Service Units and the budgetary requirements of the District change. Service Charges shall be calculated for various sewer user categories as described in Ordinance No. 111, and Ordinance No. 123 (including

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Tables 1A, 1, and 2) as modified by Board Resolution No. 3211.

For all users whose service charges are collected on the Marin County tax roll, the fiscal year 2026-27 sewer service rate includes a County collection fee of **TWO AND 00/100 DOLLARS (\$2.00)** per County Assessor's parcel billed.

\* \* \* \* \*

I hereby certify that the foregoing resolution was duly and regularly passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof duly held on the 8<sup>th</sup> day of June 2026, by the following vote:

AYES, and in favor thereof, Directors: \_\_\_\_\_

NOES, Directors: \_\_\_\_\_

ABSENT, Directors: \_\_\_\_\_

\_\_\_\_\_  
A. Gerald Peters,  
President, Board of Directors  
Novato Sanitary District

COUNTERSIGNED:

\_\_\_\_\_  
Sandeep Karkal  
Secretary, Board of Directors  
Novato Sanitary District

**Marin Independent Journal**

103 Shoreline Parkway, Suite 201  
San Rafael, CA 94901  
415-382-7335  
legals@marinij.com

Items 5.a.-d. and 6.a.  
Attachment 4  
(Pages 20 to 22)

NOVATO SANITARY DISTRICT  
500 DAVIDSON ST  
NOVATO, CA 94945-3328

Account Number: 2071871

Ad Order Number: 0006968912

Customer's Reference  
/ PO Number:

Publication: Marin Independent Journal

Publication Dates: 05/22/2026, 05/29/2026

Amount: \$125.80

Invoice Text: NOVATO SANITARY DISTRICT  
NOTICE OF PUBLIC HEARING  
SEWER SERVICE CHARGES FISCAL YEAR (FY) 2026-27

NOTICE IS HEREBY GIVEN THAT:

The Board of Directors of the Novato Sanitary District (District), at its regular meeting at or about 5:30 p.m. on Monday, June 8, 2026, at the District Office, 500 Davidson Street, Novato, California 94945, will hold a public hearing on the following matter:

Pursuant to District Ordinance No. 123, District Resolution No. 3211, and Section 5470 et seq. of the California Health and Safety Code, the Board has declared its intention to have the District's Sewer Service Charges for FY 26-27 collected on the Marin County tax roll. Prior to directing collection of the charges, the Board will hear and consider protests and objections at a noticed public hearing. A written report describing each parcel of real property receiving sanitary sewer service from the District and the amount of the Sewer Service Charge proposed for each parcel for FY 26-27 has been filed with the Secretary of the District.

By order of the Board of Directors of the Novato Sanitary District.

Dated: April 13, 2026

/s/ Sandeep Karkal

Sandeep Karkal

Secretary, Novato Sanitary District

Publish: May 22nd and May 29th, 2026

# Marin Independent Journal

103 Shoreline Parkway, Suite 201  
San Rafael, CA 94901  
415-382-7335  
legals@marinij.com

2071871

NOVATO SANITARY DISTRICT  
500 DAVIDSON ST  
NOVATO, CA 94945-3328

## PROOF OF PUBLICATION (2015.5 C.C.P.)

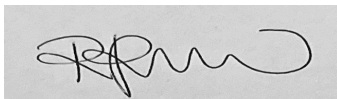
### STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25568; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**05/22/2026, 05/29/2026**

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 29th day of May, 2026.



Signature

## PROOF OF PUBLICATION

Legal No. **0006968912**

NOVATO SANITARY DISTRICT  
NOTICE OF PUBLIC HEARING  
SEWER SERVICE CHARGES FISCAL YEAR (FY)  
2026-27

**NOTICE IS HEREBY GIVEN THAT:**

The Board of Directors of the Novato Sanitary District (District), at its regular meeting at or about 5:30 p.m. on Monday, June 8, 2026, at the District Office, 500 Davidson Street, Novato, California 94945, will hold a public hearing on the following matter:

Pursuant to District Ordinance No. 123, District Resolution No. 3211, and Section 5470 et seq. of the California Health and Safety Code, the Board has declared its intention to have the District's Sewer Service Charges for FY 26-27 collected on the Marin County tax roll. Prior to directing collection of the charges, the Board will hear and consider protests and objections at a noticed public hearing. A written report describing each parcel of real property receiving sanitary sewer service from the District and the amount of the Sewer Service Charge proposed for each parcel for FY 26-27 has been filed with the Secretary of the District.

By order of the Board of Directors of the Novato Sanitary District.

Dated: April 13, 2026

/s/ Sandeep Karkal

Sandeep Karkal

Secretary, Novato Sanitary District

Publish: May 22nd and May 29th, 2026



# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Public Hearing: AB 2561</b>	<b>SPECIAL MEETING DATE: June 8, 2026</b>
<b>AGENDA ITEM NO.: 7.a.-e.</b>	
<b>RECOMMENDED ACTION(S):</b>	
<ul style="list-style-type: none"> <li>a) Open Public Hearing.</li> <li>b) Receive oral presentation from staff.</li> <li>c) Receive public comments.</li> <li>d) Receive Board comments.</li> <li>e) Close Public Hearing.</li> </ul>	
<b>SUMMARY AND DISCUSSION:</b>	
<p>Government Code Section 3502.3 added by Assembly Bill 2561 in 2024 and part of the Meyers-Millas-Brown Act ("MMBA"), requires the District to maintain certain information related to position vacancies and to do the following on an annual basis prior to adoption of the final budget:</p> <ol style="list-style-type: none"> <li>1. Present information on the status of the vacancies (such as information on the number of posted job openings, candidates interviewed, eligibility lists created, conditional offers made, etc.) and the agency's recruitment and retention efforts.</li> <li>2. Identify, during the public hearing, any policies, procedures, and recruitment activities that may present obstacles in the agency's hiring process and potential changes that may alleviate such obstacles.</li> </ol> <p>It is recommended that the Board conduct the public hearing; receive an oral presentation from staff regarding vacancies, recruitment, and retention; and receive any other comments from the public and Board before closing the public hearing.</p>	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) of the latest Strategic Plan.	
<b>Prepared by:</b> rh	<b>Reviewed by General Manager:</b> SSK

## Novato Sanitary District Board Fees For May 2026

---

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Credit</u>
<b>Jun 8, 26</b>			
06/08/2026	10508	Bentley, Dennis E	415.57
06/08/2026	10509	Dillon-Knutson, Carole	415.57
06/08/2026	10510	Fuette, Timothy G	415.57
06/08/2026	10511	Mariani, Jean M	107.78
06/08/2026	10512	Peters, Arthur Gerald	315.57
			<hr/>
<b>Jun 8, 26</b>			<b><u>1,670.06</u></b>

**Novato Sanitary District  
Operating Check Register  
May Second Half**

Name	Credit
Pacific, Gas & Electric	88,737.92
Andress, Jeff	42.61
Brown, Erik.	22.00
Karkal, Sandeep	114.35
Leon, Mayra	28.66
Aqua Science	10,710.00
AT&T internet	160.50
Automation Direct	5,207.95
Buck's Saw Service, Inc.	21.85
Caltest Analytical Lab Inc.	1,968.60
Conservation Corps North Bay	15,048.00
Datco Billing Inc.	193.50
Diego Truck Repair Inc.	40.83
Eco Imprints	2,815.55
Elan Financial Services	8,800.17
Grainger	35.95
LISRAP-Maendl	72.90
LISRAP-Nayberg	72.90
LISRAP-Nguyen-Rae	72.50
LISRAP-Waldau	130.20
Matrix	10,390.00
McMaster-Carr Supply Co.	200.25
Medical Center of Marin-Novato	170.00
Mission Communications	347.40
North Marin Water District	220.20
North Marin Water District Payroll	1,936.00
Novato Builders Supply	65.52
Pacific, Gas & Electric-non energy	13.90
Rauch Communication Consultants. Inc.	4,583.10
Recology Sonoma Marin	294.10
Red Wing Shoe Store	219.72
Reladyne/Nick Barbieri Trucking, LLC	15,317.93
Roto Rooter	19,638.04
SmartSights LLC	2,200.00
Southwest Valve & Equipment Thomson	12,279.70
Reuters	491.95
Trugrit Traction Inc	577.88
Unicorn Group	165.45
UniFirst Corporation	630.00
Veolia Water North America, Inc. Veolia	223,095.11
Water North America, Lab VWR	37,170.25
International Inc.	120.40
Woodard & Curran formerly RMC	11,037.50
<b>May 2026 Second Half Total</b>	<b><u>475,461.34</u></b>

**Novato Sanitary District  
Capital Projects Check Register  
May Second Half**

---

Name	Credit
Amazon Business	10.89
ClientFirst Consulting Group, LLC	3,206.25
Complete Paperless Solutions, LLC	6,320.00
Elan Financial Services	26.84
Fort Bragg Electric, Inc.	502,344.99
LATERAL-Gettle	2,750.00
Maggiora & Ghilotti Inc.	22,057.89
Marin H2O Inc.	55,931.29
Meyers Nave, A Professional Corp.	1,667.50
North Marin Water District	156.14
Nute Engineering Inc.	3,424.00
Psomas formerly Covello Group	28,194.00
TeamLogic IT	120.00
TerraVerde Energy	791.25
WestRock Engineering	38,669.05
<b>May 2026 Second Half Total</b>	<b>665,670.09</b>

**Novato Sanitary District  
Operating Check Register  
June First Half**

Name	Credit
Aqua Science	10,710.00
Automation Direct	157.32
Cappstone, Inc	3,199.64
CleanEarth formerly Stericycle	16,903.86
Dearborn Life	3,176.35
Diego Truck Repair Inc.	14,793.95
EEC	4,001.64
Frontier Communications	922.06
GovInvest Inc.	8,927.24
Grainger	28.20
Herc Corporation	1,209.67
Landesign Construction & Maintenance Inc.	1,854.64
LISRAP-Dias	72.90
LISRAP-Silva	72.90
Marin County Ford	296.35
Marin/Sonoma Mosquito Dist	5,594.51
North Marin Water District	1,310.82
Novato Builders Supply	46.38
Onterris Laboratories, LLC	943.00
Pacific, Gas & Electric	457.78
Shape Incorporated	2,270.93
UBEO West, LLC	737.49
UniFirst Corporation	634.44
Veolia Water North America, Inc.	1,301.33
Veolia Water North America, Lab	730.17
Veolia Water Recycled Water Oper.	7,356.00
Verizon Wireless-	301.24
WECO	1,212.24
<b>June 2026 First Half Total</b>	<b><u>89,223.05</u></b>

**Novato Sanitary District  
Capital Projects Check Register  
June First Half**

---

Name	Credit
Sternad Aaron	22.24
Beecher Engineering, Inc	3,940.00
Dudek	17,640.67
Edge A1 Solutions, Inc	2,185.28
McMaster-Carr Supply Co.	2,209.20
Nute Engineering Inc.	16,558.75
Psomas formerly Covello Group	1,387.50
TeamLogic IT	4,725.00
W.M. Lyles Company	64,346.00
<b>June 2026 First Half Total</b>	<b>113,014.64</b>

**Novato Sanitary District  
Payroll and Payroll Related Disbursements  
May 2026**

Date	Description	Amount
05/29/2026	Payroll	179,096.85
05/27/2026	CalPERS 457 Plan-EE	17,793.80
05/27/2026	CalPERS 457 Plan-ER	500.00
05/27/2026	CalPERS Health	44,924.67
05/27/2026	Delta Dental	2,579.78
05/27/2026	Expert Pay-Child Support	1,472.00
05/27/2026	Local Union 315	426.00
05/27/2026	Lincoln Financial Group-401a Plan-EE	6,817.35
05/27/2026	Lincoln Financial Group-401a Plan-ER	6,780.54
05/27/2026	Lincoln Financial Group 457-EE	7,400.00
05/27/2026	Lincoln Financial Group 457-ER	300.00
05/27/2026	MissionSquare ICMA-RC-Vantagepoint	3,395.90
05/27/2026	VSP	506.80
05/27/2026	CALPERS Retirement EE	20,187.51
05/27/2026	CALPERS Retirement ER	24,676.47
05/28/2026	Retirees Health Reimbursement	14,545.63
05/29/2026	Eft-State P/R Taxes	13,583.74
05/29/2026	Eft-Federal P/R Taxes	36,299.28
<b>Total</b>		<b>381,286.32</b>

**Novato Sanitary District**  
**Deposit Summary**  
**May 2026**

Item 8.c.  
(Pages 30 to 31)

Type	Date	Name	Account	Amount
<b>11113 · Westamerica - Operations</b>				
<b>Deposit</b>	<b>05/05/2026</b>	Ayyar Enterprise LLC	51020 · Connection Charges	6,010.83
		AR Plumbing Inc	41040 · Permit & Inspection Fee	40.00
		Rooter Hero Plumbing	41040 · Permit & Inspection Fee	40.00
		Stephanie James	41040 · Permit & Inspection Fee	40.00
		The Energy, Inc.	41040 · Permit & Inspection Fee	40.00
		Ayyar Enterprise LLC	41040 · Permit & Inspection Fee	40.00
		North Marin Water District-	11200-Accounts Receivable	<b>(1)</b> 3,374.80
		<b>TOTAL</b>		
<b>Deposit</b>	<b>05/05/2026</b>	County of Marin	51015 · Property Taxes	2,293.17
		County of Marin	41015 · Property Tax allocation	891.79
<b>TOTAL</b>			<b>3,184.96</b>	
<b>Deposit</b>	<b>05/07/2026</b>	USCG	11200-Accounts Receivable	<b>(2)</b> 18,589.51
<b>TOTAL</b>			<b>18,589.51</b>	
<b>Deposit</b>	<b>05/08/2026</b>	USCG	11200-Accounts Receivable	<b>(2)</b> 60.75
		USCG	11200-Accounts Receivable	<b>(2)</b> 18,589.51
<b>TOTAL</b>			<b>18,650.26</b>	
<b>Deposit</b>	<b>05/14/2026</b>	Jay Yinger	41040 · Permit & Inspection Fee	60.00
		John Gleason Plumbing	41040 · Permit & Inspection Fee	40.00
		Peter Levi Plumbing	41040 · Permit & Inspection Fee	40.00
		Ben Franklin Plumbing	41040 · Permit & Inspection Fee	40.00
		Marin Municipal Water District	11200-Accounts Receivable	<b>(3)</b> 6,948.46
		Roto Rooter	11200-Accounts Receivable	<b>(4)</b> 170.34
<b>TOTAL</b>			<b>7,298.80</b>	
<b>Deposit</b>	<b>05/19/2026</b>	Gopher it-Trenchless	41040 · Permit & Inspection Fee	40.00
		All Bay Sewer	41040 · Permit & Inspection Fee	40.00
		Amesos Plumbing	41040 · Permit & Inspection Fee	80.00
		Sewer Connection	41040 · Permit & Inspection Fee	40.00
		Pacific Gas and Electric Company	11200-Accounts Receivable	<b>(5)</b> 1,851.86
		BioMarin	11200-Accounts Receivable	<b>(6)</b> 107,770.65
		Verily Life Sciences	11200-Accounts Receivable	<b>(7)</b> 1,625.00
		Veolia Water	11200-Accounts Receivable	<b>(8)</b> 9,635.90
		Veolia Water	11200-Accounts Receivable	<b>(8)</b> 8,540.11
		Marin County Housing Auth	11200-Accounts Receivable	<b>(3)</b> 16,038.00
		<b>TOTAL</b>		

**Novato Sanitary District**  
**Deposit Summary**  
**May 2026**

<b>Deposit</b>	<b>05/19/2026</b>	County of Marin	51015 · Property Taxes		21.61
		County of Marin	41015 · Property Tax allocation		8.40
<b>TOTAL</b>					<b>30.01</b>
<b>Deposit</b>	<b>5/22 &amp; 5/28/26</b>	USCG	11200-Accounts Receivable	<b>(2)</b>	60.75
		USCG	11200-Accounts Receivable	<b>(2)</b>	486.00
<b>TOTAL</b>					<b>546.75</b>
<b>Deposit</b>	<b>05/26/2026</b>	Recology	11200-Accounts Receivable	<b>(9)</b>	33,826.00
		Auburn Ravine Ranch	11200-Accounts Receivable	<b>(10)</b>	2,118.28
<b>TOTAL</b>					<b>35,944.28</b>
<b>Deposit</b>	<b>05/27/2026</b>	County of Marin	51015 · Property Taxes		5,884.30
		County of Marin	41015 · Property Tax allocation		2,288.34
<b>TOTAL</b>					<b>8,172.64</b>
<b>Deposit</b>	<b>05/28/2026</b>	Rooter Hero Plumbing	41010 · Sewer Service Charges		40.00
		Voltus Inc.	41140 · Other Revenue		5,172.02
<b>TOTAL</b>					<b>5,212.02</b>
<b>Total May Deposits</b>					<b>252,876.38</b>
(1)	Collection of Recycled Water Facility billing for January & February, and the Treatment & disposal for Stafford Lake Treatment plant for the third quarter of FY25-26.				
(2)	Collection of USCG-sewer service charge for February and March 2026.				
(3)	Collection of non tax roll sewer service charges for second half of FY25-26.				
(4)	Collection of January & February 2026 billings for liquid waste hauling.				
(5)	Collection of non-domestic permit fees from PG&E.				
(6)	Collection of monitoring and analytical and surcharge fees from BioMarin.				
(7)	Collection of reimbursement for Lab sampling from Verily Life Science for April 2026.				
(8)	Collection of Veolia Water second and third quarter invoices for reimbursable expenses.				
(9)	Collection of second half of Franchise fee for FY25-26 from Recology.				
(10)	Collection of water usage reimbursement from Auburn Ravine Ranch.				

## NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Consent Calendar: Attendance at the CWEA/NWEA/AWA Tri-State Seminar - 2026.</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEM NO.: 8.d.</b>
<b>RECOMMENDED ACTION:</b> Approve two Collection Systems Workers to attend the joint Tri-State Seminar 2026 training conference in Las Vegas, Nevada, August 3-6, 2026.	
<b>SUMMARY AND DISCUSSION:</b>  <p>Since 1985, the Tri-State Seminar (TSS) has been providing affordable, high-quality education to water and wastewater operators from the Western United States through an annual three-day seminar designed to provide professional development, continuing education, and technology transfer to support the vision and missions of its partner organizations, AZ Water Association (AWA), California Water Environment Association (CWEA), and the Nevada Water Environment Association (NWEA).</p> <p>The topics covered in the TSS align well with the District’s Strategic Plan goal of achieving operational and organizational excellence.</p> <p>To ensure that District staff continue to grow professionally and increase their knowledge base by keeping up on current trends in the industry, and as out-of-state travel requires Board approval, the General Manager-Chief Engineer recommends that the Board authorize two Collection Systems Maintenance Workers to attend the CWEA/NWEA/AWA Tri-State Seminar to be held August 3-6, 2026, in Las Vegas, Nevada.</p>	
<b>BUDGET INFORMATION:</b> The cost of this attendance is estimated at approximately \$1,000 per attendee, including registration, airfare, lodging and allowable travel expenses, and would be funded from Account No. 69171, which has a preliminary FY 26-27 budget of \$45,000.	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 1 (Staff) and Goal 3 (Organizational Excellence) of the latest Strategic Plan.	
<b>Prepared by:</b> ja	<b>Reviewed by General Manager:</b> SSK



**Preliminary BUDGET**

**FOR**

**Fiscal Years 2026-28**

*Presented June 8, 2026*

**TABLE OF CONTENTS**

	Letter of Transmittal.....	i-xii
<b>SECTION I</b>	<b>Summary of Fund Balances.....</b>	<b>1-2</b>
<b>SECTION II</b>	<b>Operating Budget Summary Schedules .....</b>	<b>3</b>
	<b>Operating Budget: Summary of Revenues .....</b>	<b>4</b>
	<b>Operating Budget: Summary of Expenditures .....</b>	<b>5</b>
	<b>Operating Budget: By Cost Center and Account Category.....</b>	<b>6</b>
<b>SECTION III</b>	<b>Operating Budget by Cost Center and Account Category .....</b>	<b>7</b>
	<b>Collections .....</b>	<b>8</b>
	<b>Treatment Facilities .....</b>	<b>9</b>
	<b>Reclamation .....</b>	<b>10</b>
	<b>Laboratory .....</b>	<b>11</b>
	<b>Pump Stations .....</b>	<b>12</b>
	<b>Administration/Engineering.....</b>	<b>13</b>
	<b>- Personnel Detail.....</b>	<b>14</b>
	<b>Solid/Household Hazardous Waste .....</b>	<b>15</b>
	<b>Recycled Water .....</b>	<b>16</b>
	<b>Non-Departmental .....</b>	<b>17</b>
<b>SECTION IV</b>	<b>Capital Improvement Budget.....</b>	<b>18</b>
	<b>Capital Improvement Budget: Summary of Revenues.....</b>	<b>19</b>
	<b>Capital Improvement Budget: CIP Expenditures.....</b>	<b>20</b>
	<b>Memorandum: FY26-28 Capital Improvements (CIP) Budget</b>	
	<b>- Summary of Anticipated Project work.....</b>	<b>21-27</b>
<b>SECTION V</b>	<b>Wastewater Capital Reserve Fund.....</b>	<b>28-29</b>
<b>SECTION VI</b>	<b>Rate Stabilization Fund.....</b>	<b>30-31</b>
<b>SECTION VII</b>	<b>Debt Service Summary and Balances .....</b>	<b>32</b>
	<b>Debt Service Summary.....</b>	<b>33</b>
	<b>2017, 2019, and 2020 Wastewater Revenue Bonds – Balances.....</b>	<b>34</b>



# NOVATO SANITARY DISTRICT

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

## BOARD OF DIRECTORS

A. GERALD PETERS, Division 4, President  
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TIMOTHY FUETTE, Division 3  
(Vacant) Division 1

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

RACHEL HUNDLEY  
General Counsel

June 8, 2026

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

## Honorable Board Members:

The proposed Preliminary District Budget for fiscal year (FY) 26-27 and FY 27-28 is attached for your consideration and approval. The document is organized into the following sections:

- Section I: Summary of Fund Balances including Operating, Capital Improvement, and Reserve Funds.
- Section II: Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category.
- Section III: Operating Budget by Cost Center and Account Category.
- Section IV: Capital Improvement Budget: Revenue and Expenditures Budget.
- Section V: FY 26-27 Wastewater Capital Reserve Fund.
- Section VI: FY 26-27 Rate Stabilization Fund.
- Section VII: FY 26-27 Debt Service Summary and Balances.

Note that after completing the appropriate Proposition 218 requirements, the District Board at its May 9, 2022 meeting, held a public hearing on, and thereafter adopted Ordinance No. 123 – “An Ordinance of the Novato Sanitary District Establishing Sewer Service Charges for Fiscal Years 2022-23, 2023-24, 2024-25, 2025-26, and 2026-27”.

At its February 9, 2026 meeting, the Board adopted Resolution No. 3211, adjusting sewer service charges for FY 2026-27 pursuant to Ordinance No. 123 and rescinding Resolution No. 3200. The Board directed staff to calculate FY 2026-27 charges using an average residential Equivalent Dwelling Unit (EDU) rate of \$760, a \$31 increase from the prior fiscal year and a nominal savings of \$2 per EDU compared to Ordinance No. 123. All other rates and charges will be adjusted commensurately.

Since Ordinance No. 123 establishes rates through FY 26-27 only, the preliminary budget for FY 27-28 presented herein assumes that FY 27-28 rates will remain at FY 26-27 levels. However, it is anticipated that a cost-of-service based sewer service charge rate study will be conducted in FY 26-27 consistent with Proposition 218 requirements, and will inform implementation of updated rates (if any) to be effective July 1, 2027.

Based upon the above discussion, this Budget document utilizes the following residential rates:

	<u>FY 26-27</u>	<u>FY 27-28</u>
a. Low water use charge:	\$483/EDU	\$483/EDU
b. Average water use charge:	\$760/EDU	\$760/EDU
c. High water use charge:	\$1,358/EDU	\$1,358/EDU

Notes: 1. EDU = Equivalent Dwelling Unit.

As in prior years, the basic average annual Sewer Service Charge (SSC) is allocated between the Operating and Capital Budgets. For FY 26-27, the allocation of the average SSC of \$760/EDU to the Operating and Capital budgets is \$418 (55%) to the Operating Budget, and \$342 (45%) 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. Table 1 also provides a comparison of the adopted budget for FY 25-26 with the proposed budget for FY 26-27.

On the revenue side, total FY 26-27 Operating revenues are projected to increase by about 6.68%, primarily from approved rate increases and from interest income. On the expenditures side, the District typically uses a 55%/45% allocation of SSC revenue to the Operating and Capital Expenditures budgets. In FY 25-26, the property tax revenue allocation was 28%/72% between the Operating and Capital Funds, however, a 35%/65% allocation is assumed in FY 26-27 to better balance operating and capital cash flow requirements. Overall, Operating Expenditures are projected to rise 6.68% excluding passthrough expenditures, or 6.36% with pass-through expenditures. Three-Year Summary comparisons and significant variances in the operating budgets between the FY 25-26 and FY 26-27 budget years are provided later in this letter.

<b>Table 1: Summary of Revenues and Expenditures for FY 25/26 and FY 26/27</b>			
	<b>2025-26</b>	<b>2026-27</b>	<b>FYE 25/26 to FYE 26/27</b>
	<b>Adopted Budget</b>	<b>Proposed Budget</b>	<b>% Change</b>
Operating Revenues	\$ 15,361,578	\$ 16,387,008	6.68%
Capital Revenues	12,998,468	13,315,600	2.44%
<b>Total Revenues</b>	<b>\$ 28,360,046</b>	<b>\$ 29,702,608</b>	<b>4.73%</b>
Operating Expenditures <sup>(1)</sup>	13,972,507	14,906,214	6.68%
Operating Expenditures <sup>(2)</sup>	15,333,269	16,362,499	6.71%
CIP Expenditures <sup>(3)</sup>	15,932,700	19,081,000	19.76%
Debt Service	6,507,850	6,503,100	-0.07%
<b>Total Expenditures <sup>(1)</sup></b>	<b>\$ 37,773,819</b>	<b>\$ 41,946,599</b>	<b>11.05%</b>

1) Excludes pass through expenditures

2) With pass through expenditures

3) Includes Capital Expenditure Commitments/Encumbrances from FY 25-26 into FY 26-27.

**B. FISCAL YEAR FY 26-27 OPERATING BUDGET DETAILS**

**Operating Revenues**

The proposed FY 26-27 Operating Budget by revenue source is shown in Table 2 (and illustrated in Figure 2 at the end of this letter), along with the adopted budget amounts for the past two fiscal years. Overall, total operating revenues are budgeted to increase by 6.7 percent or \$1,025,430 from FY 25-26. Other notable items include:

**Operating SSCs** budgeted increase of 5.2 percent, or \$615,126 from approved FY 26-27 rate increases.

**Property Taxes** projected increase of 29.2 percent or \$259,593 primarily from a change in allocation between the Operating and Capital funds.

**Interest Income** budgeted increase of 1.7 percent or \$14,157 from conservative interest rate projections.

**AB 939 Collector Fees** budgeted increase of 9.4% or \$83,034 from cost recovery in the Solid/Household Hazardous Waste (S/HHW) cost center (see Table 3) from factors a new District staff position (Environmental Programs Manager) and projected Consumer Price Index (CPI) increase for HHW collection and disposal.

<b>Funding Sources by Category</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>FYE 25/26 to FYE 26/27</b>
	<b>Adopted Budget</b>	<b>Adopted Budget</b>	<b>Proposed Budget</b>	<b>% Change</b>
Operating Sewer Service Charges	11,335,309	11,802,949	12,418,075	5.2%
Property Tax Allocation	780,151	887,940	1,147,533	29.2%
Plan Check & Inspection Fee	500	500	500	0.0%
Permit & Inspection fees	6,000	6,000	6,000	0.0%
Interest Income	801,852	835,775	849,932	1.7%
Engineering/Admin Chgs	165,000	300,000	300,000	0.0%
Non-domestic Permit Fees	30,000	30,000	40,000	33.3%
Franchise Fees	65,682	67,652	69,682	3.0%
AB 939 Collector Fees	697,870	882,002	965,036	9.4%
Oil Grant and JPA Reimb	7,508	7,000	-	-100.0%
SB1383 Grant	99,184	140,160	124,000	-11.5%
Ranch Income	40,000	40,000	50,000	25.0%
Recycled Water Revenue	317,127	331,600	359,750	8.5%
Other Revenue	20,000	20,000	46,500	132.5%
Gain/Loss-disposal of assets	10,000	10,000	10,000	0.0%
<b>Total Operating Revenue</b>	<b>\$ 14,376,183</b>	<b>\$ 15,361,578</b>	<b>\$ 16,387,008</b>	<b>6.7%</b>

**Operating Expenditures**

A summary of the proposed and past two fiscal years’ Operating Expenditures is shown in Table 3.

Proposed FY 26-27 Operating Expenditures are also shown graphically in Figures 3 and Figure 4 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 6.68 percent or \$933,707 (excluding pass-through expenditures) between FY 25-26 and FY 26-27.

*Pension and Other Post-Employment Benefit Liabilities:* In FY 16-17, the District adopted a process to address its liabilities under Government Accounting Standards Board (GASB) Statement 45 (GASB 45 – Other Post-Employment Benefits or OPEB) and GASB Statement 68 (GASB 68 – Net Pension Liability or NPL) through a “restricted funds” account. The District set up and initiated funding an Internal Revenue Code (IRC) Section 115 Trust account with Public Agency Retirement Services (PARS), Irvine, CA, which incorporates separate sub-accounts for each of the District’s GASB 45 (OPEB) and GASB 68 (Pension) liabilities.

In June 2018, the District implemented GASB 75, which superseded GASB 45 for disclosure and reporting of OPEB. Consistent with Board direction (provided November 14, 2016), District budgets through FY 21-22 included budget amounts to fund each of the sub-accounts (Pension and OPEB) of this trust.

Thereafter, in October 2020, the District refinanced its CalPERS NPL by issuing the 2020 Wastewater Revenue Refunding Bonds (“2020 bonds”). This debt issuance paid off the CalPERS liability of about \$6.33 million as of FY 20-21 (which was effectively structured as 7% debt) with the new 2.87% debt, saving the District about \$2.8 million in debt service, while reducing the debt term from 23 years to 18 years. Therefore, the FY 22-23 budget did not include allowances for contributions to the PARS Pension sub-account, and subsequent budgets including the current FY 26-28 budgets do not as well.

Expenditures by Department	2024-25	2025-26	2026-27	FYE 25/26 to FYE 26/27
	Adopted Budget	Adopted Budget	Proposed Budget	% Change
Collections	1,728,120	1,872,282	1,934,873	3.34%
Treatment	4,024,230	4,074,608	4,289,058	5.26%
Reclamation	703,897	746,361	861,658	15.45%
Laboratory	734,746	733,886	776,818	5.85%
Pump Stations	1,253,999	1,309,166	1,395,578	6.60%
Administration/Engineering	3,525,505	3,872,898	4,216,808	8.88%
Hazardous Household Waste	804,562	1,029,162	1,096,536	6.55%
Recycled Water	317,127	331,600	359,750	8.49%
Non-Departmental	1,263,275	1,363,306	1,431,420	5.00%
<b>Subtotal Expenditures</b>	<b>14,355,460</b>	<b>15,333,269</b>	<b>16,362,499</b>	<b>6.71%</b>
<b>Less: Passthroughs*</b>	<b>(1,121,689)</b>	<b>(1,360,762)</b>	<b>(1,456,286)</b>	
Total Expenditures	<b>\$ 13,233,772</b>	<b>\$ 13,972,507</b>	<b>\$ 14,906,214</b>	<b>6.68%</b>

\*Passthroughs include: 1. Solid/Household Hazardous Waste (S/HHW) cost center funded by AB 939 Collector fees and Oil (\$0 for FY 26-27 & FY 27-28), Grant reimbursements, and 2. Recycled Water cost center funded by cost recovery from North Marin Water District (NMWD) through NMWD’s recycled water sales.

Significant budget variances between the FY 25-26 and FY 26-27 budgets are presented in Table 4.

Anticipated Budget Variances – Year-over-year		Budget Impact, \$	Variance, %	Budget Impact, %
1	Salaries and wages (across all cost centers)	278,982	7.89%	1.71
2	Contract Services (Operations & Lab)	151,281	4.60%	0.92
3	Employee Benefits (across all cost centers)	465,218	27.18%	2.84
4	Insurance	29,650	4.62%	0.18
5	Software Maintenance	31,315	24.63%	0.19
6	Outside Consulting	(20,906)	-4.20%	-0.13
7	IT/Misc. Electrical	17,960	14.01%	0.11
8	Research & Monitoring	23,250	13.06%	0.14
9	Gas & Electricity	112,977	7.22%	0.69
10	Permits & Fees	22,350	6.85%	0.14

In dollar terms, the most significant variances are to the Salaries and Wages and Employee Benefits categories and are explained by projected step increases and cost-of-living increase linked to the relevant Consumer Price Index (CPI) in the current inflationary environment.

The Contract Services category also reflects projected increases in the CPI factor impacting this category. Projected increases to the Insurance category are based on estimates provided by the District’s risk managers at the California Sanitation Risk Management Agency (CSRMA) and are reflective of the current insurance marketplace.

Projected increases to the Software Maintenance and IT/Misc. Electrical categories are primarily from the increasing sophistication (and thereby cost) of the business and industrial software packages utilized by the District including the cost of Enterprise Resource Planning (ERP) & Computerized Maintenance Management System (CMMS) software as well as cybersecurity products and services.

The increase in Research and Monitoring costs is primarily from increases lab testing costs and the number of required operating permits from regulatory agencies (for e.g. Regional Water Board and Bay Area Air District) as well as permit fees are estimated to increase significantly.

**C. FISCAL YEAR FY 26-27 CAPITAL BUDGET DETAILS**

**Capital Revenues**

The proposed FY 26-27 Capital Budget by Revenue source is shown in Table 5, along with the figures for the past two fiscal years. Total capital revenues for FY 26-27 are expected to increase by 2.44 percent or \$317,112 from FY 25-26. Notable items include:

**Capital SSC Revenues** budgeted increase of 4.66 percent or \$452,317, from the FY 26-27 rate increase.

**Property Taxes** projected decrease of 6.66 percent or \$152,140 which is attributable to the allocation change or 72% in FY 25-26 to 65% in FY 26-27.

**Connection Charges** projected increase of about 3.03 percent or \$17,200, assuming about 40 new connections per year consistent with the District’s most recent Capacity Fee Study.

**Interest Income** budgeted to increase by 0.18 percent or \$735 from conservative interest rate projections.

**Grant Revenue** – No new grant monies are anticipated at this time through FY 26-28, although the District continues to actively seek such funds. Prior grant amounts received from the California Public Utility Commission’s (CPUC) Self-Generation Incentive Program (SGIP) have been expended on the District’s 754 KW-hr battery storage system.

**Table 5: Capital Budget Revenue 3-year Summary**

Funding Sources by Category	2024-25	2025-26	2026-27	FYE 26 to FYE 27
	Adopted Budget	Adopted Budget	Proposed Budget	% Change
Capital Sewer Service Charges	9,268,977	9,707,926	10,160,243	4.66%
Property Taxes	2,340,452	2,283,274	2,131,133	-6.66%
Connection Charges	551,600	568,400	585,600	3.03%
Collector/Special Equalization Chgs	1,000	1,000	0	-100.00%
Interest Income	400,926	417,888	418,623	0.18%
Other Revenue	20,000	20,000	20,000	0.00%
<b>Total Capital Revenues</b>	<b>\$ 12,582,955</b>	<b>\$ 12,998,488</b>	<b>\$ 13,315,600</b>	<b>2.44%</b>

**Capital Expenditures**

The proposed FY 26-27 Capital Improvement Program (CIP) Budget is budgeted to increase by 14.01 percent or \$3,143,550 between FY 25-26 and FY26-27.

Consistent with the District’s budgeting history, FY 26-27 capital projects are funded through a combination of SSCs, property taxes, connection fees, and budgeted Capital fund carryovers from prior years. Notable items include:

**On-going major capital project work**, including Collection System Improvements, Pump Station Rehabilitation Projects, potential Cogeneration/Alternative Energy Projects, and vehicle replacements.

**Continuing work on regional efforts** including recycled water projects through the North Bay Water Reuse Authority (NBWRA); Novato Creek Watershed projects with the County of Marin; and with the State Coastal Conservancy (SCC) on the District’s Outfall pipeline in the Hamilton Wetlands area.

**Debt service** of \$6,503,100 including principal and interest payments on the District’s 2017 Revenue Refunding Bonds and 2019 Revenue Bonds.

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

Capital Expenditures	2024-25	2025-26	2026-27	FYE 26 to FYE 27
	Adopted Budget	Adopted Budget	Proposed Budget	% Change
Capital Projects	12,233,000	15,932,700	19,081,000	19.76%
Debt Service	6,505,850	6,507,850	6,503,100	-0.07%
<b>Total Capital Expenditures</b>	<b>\$ 18,738,850</b>	<b>\$ 22,440,550</b>	<b>\$ 25,584,100</b>	<b>14.01%</b>

**Debt Coverage Ratio (DCR):** In the 2011 Certificates of Participation (COPs) Installment Sale Agreement, the District agreed to collect rates and charges each fiscal year that would be 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 achieve a minimum target DCR of 1.20.

In October 2017, the District retired the 2011 COPs by issuing the 2017 Revenue Refunding Bonds (“2017 bonds”) without extending the term of the original loan, thereby saving the District over \$2 million in debt service.

In August 2019, the District refinanced the State of California Clean Water Revolving Fund loan by issuing its 2019 Wastewater Revenue Refinancing Bonds (“2019 bonds”), again without extending the original loan term, saving the District about \$3.2 million in debt service.

While neither the 2017 Revenue Refunding Bonds, the 2019 Revenue Refinancing Bonds, (or the 2020 Wastewater Revenue Refunding Bonds discussed on page iii of this letter), require disclosure of the DCR, the District has elected to continue doing so to comport with generally accepted accounting “best practices”. Accordingly, the District’s projected DCR of 2.05 for FY 26-27 serves as its commitment to “best practices” and demonstrates its continuing financial prudence and stability.

**D. STANDARD & POORS GLOBAL RATING (S&P GLOBAL RATING)**

The major portion of the District’s publicly issued non-taxable debt (i.e., the 2017 and 2019 bonds) continue to carry “AAA” ratings from Standard and Poors Global Rating (S&P Global Rating), which is the rating agency’s highest possible rating designation.

The 2020 bonds are a taxable, private issuance to California Bank and Trust (a unit of Zion’s Bank Corp.), and although an unrated issuance, achieved a favorable interest rate to the District given its other “AAA” rated debt.

At this time, the District does not anticipate any change to its “AAA” rating in the FY 26-28 period, relative to factors such as PSPS events, or broader financial market events.

**E. COMPARISON OF ANNUAL SEWER SERVICE CHARGES LEVIED BY NEIGHBORING AGENCIES**

The following table (Table 7) compares the District’s rate with those of other nearby municipal agencies that provide wastewater services (comparative agencies) in Marin County and the North Bay region.

Needless to say, the District’s rates continue to compare very favorably against the rates of the comparative agencies, as has historically been the case.

For illustrative purposes, Figure 5 (following this letter) also 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.

**Table 7: Comparative Rates of Annual Sewer Service Charges**

<b>AGENCY</b>	<b>RATE(\$/yr.)</b>
Sanitary District No. 5 - Belvedere	\$2,460
Sanitary District No. 5 - Tiburon	\$2,460
Sanitary District No. 1 - City of Larkspur	\$1,918
City of Mill Valley	\$1,434
Tamalpais Community Services District	\$1,638
Las Gallinas Valley Sanitary District	\$1,641
Ross Valley Sanitary District (SD#1)	\$1,340
Vallejo Sanitation & Flood Control District	\$1,342
City of Santa Rosa	\$1,323
City of Petaluma	\$1,108
Sausalito-Marin City Sanitary District	\$1,074
City of San Rafael	\$1,101
Sanitary District No. 2 - Town of Corte Madera	\$1,087
Napa Sanitation District	\$761
<b>NOVATO SANITARY DISTRICT</b>	<b>\$760</b>

Notes: All charges for FY 26-27 (proposed or adopted) unless otherwise noted

In conclusion, the proposed FY 26-27 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, P.E.  
General Manager – Chief Engineer

\_\_\_\_\_  
TONY CLARK  
Finance Manager

**Additional Charts for Informational Purposes:**

**Figure 1:**

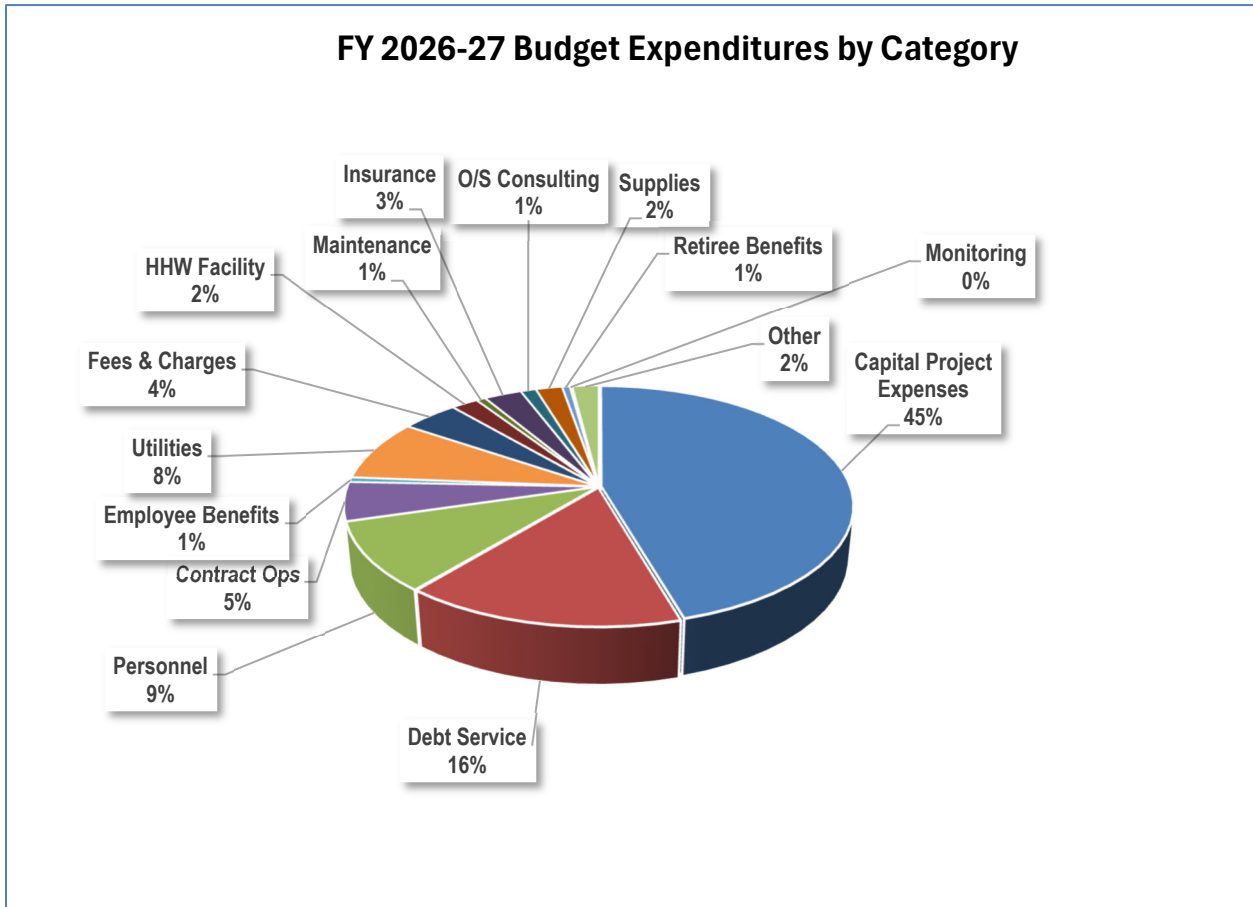


Figure 2:

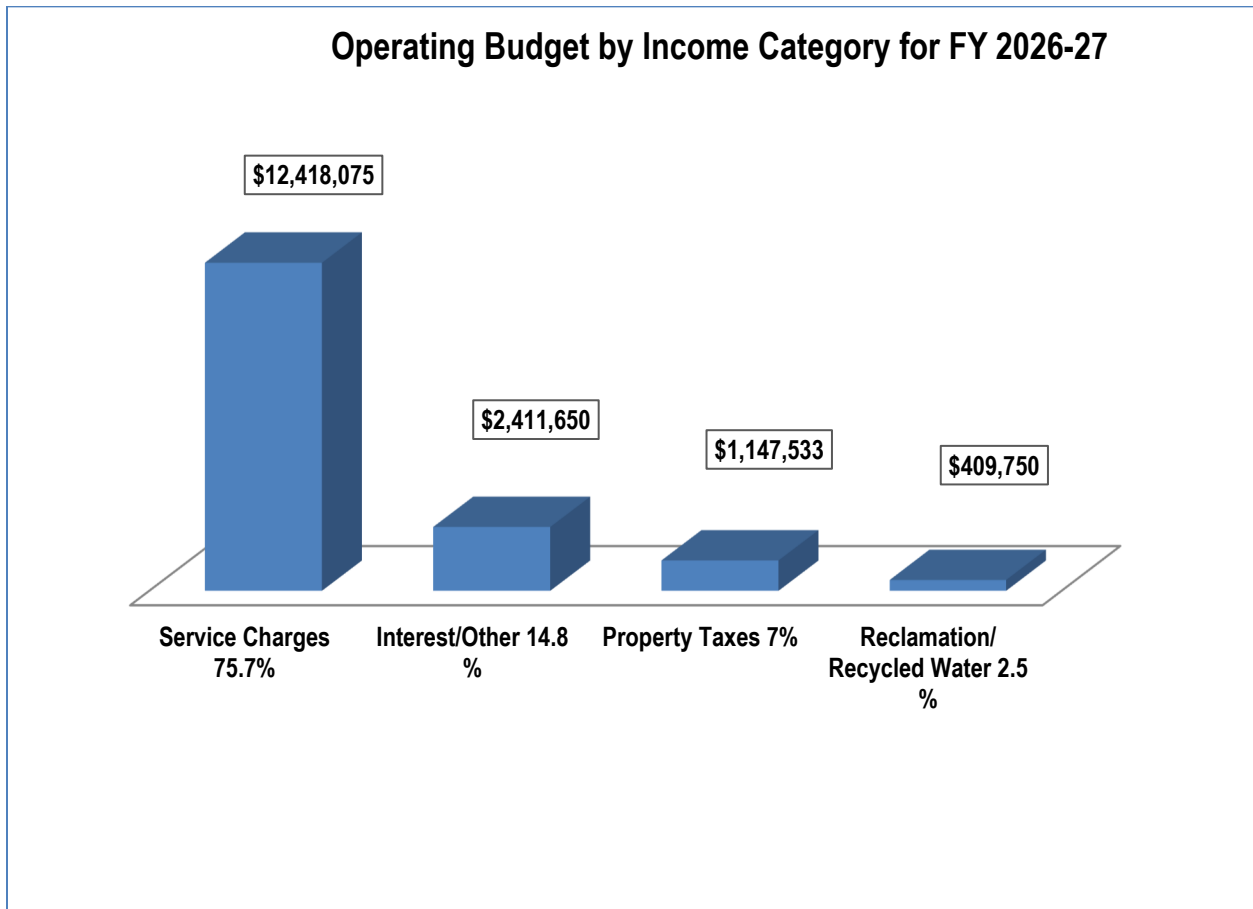


Figure 3:

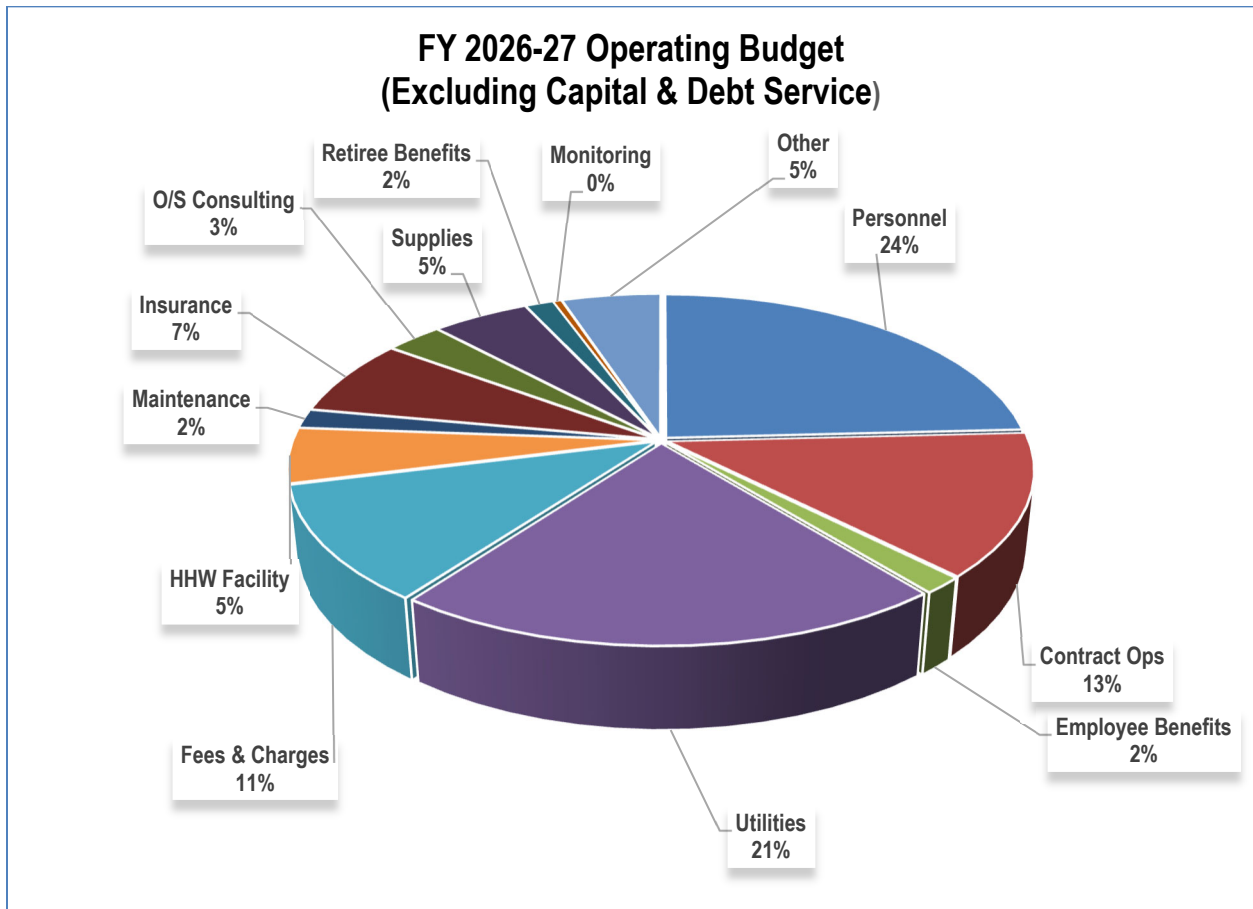


Figure 4:

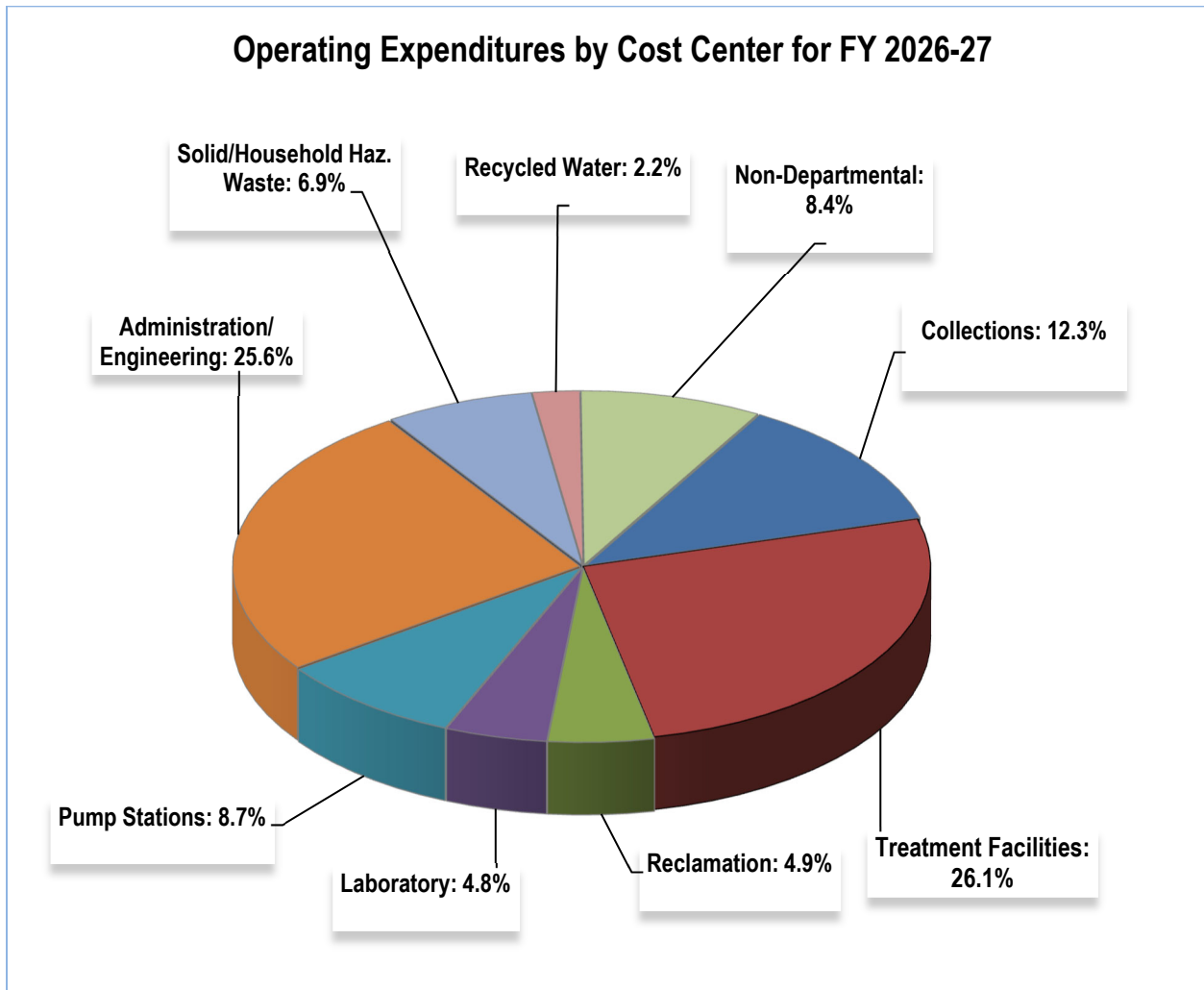
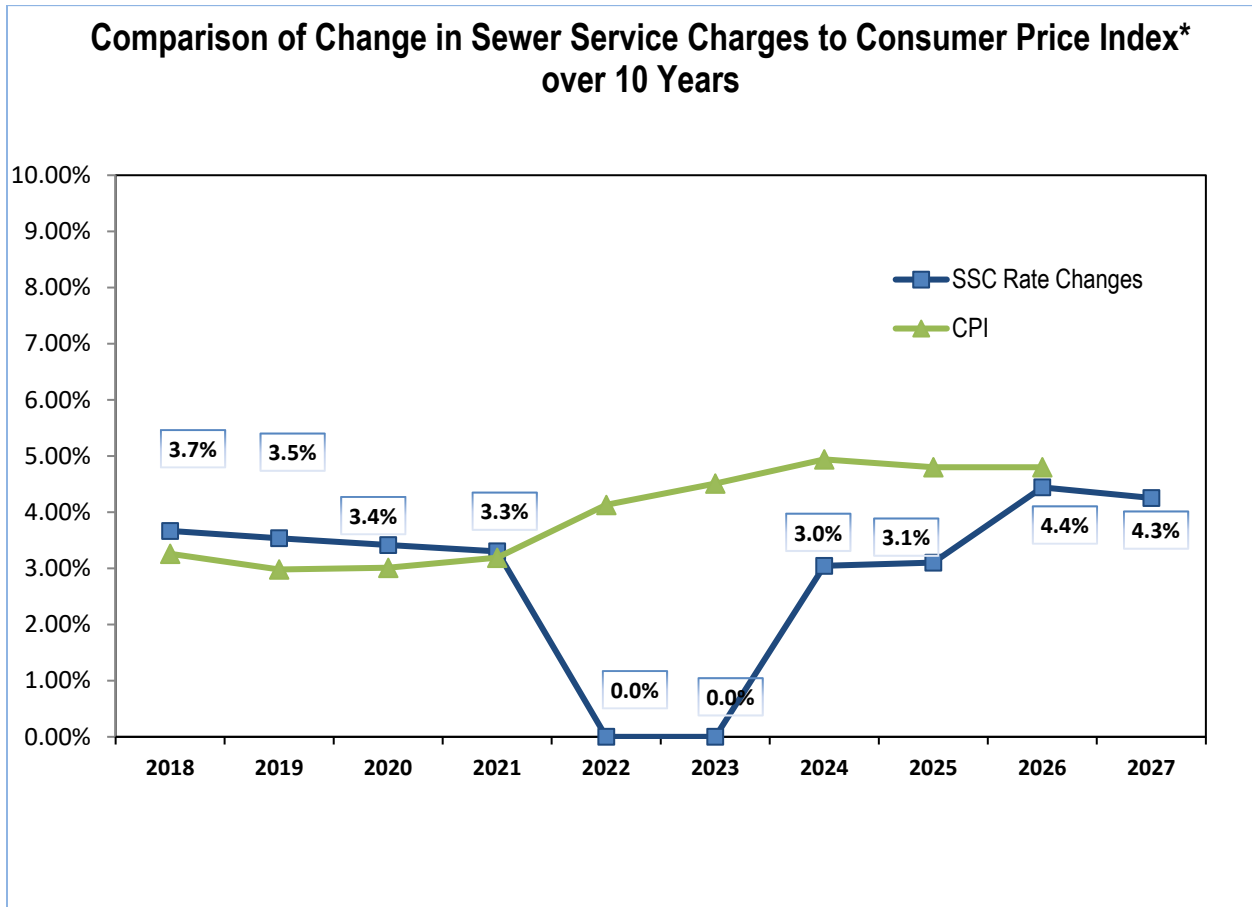


Figure 5:



***SECTION I***

***SUMMARY OF FUND BALANCES***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Summary of Fund Balances**

	<b>Adopted Budget 2025-26</b>	<b>Projected Rev/Exp 2025-26<sup>(5)</sup></b>	<b>Proposed Budget 2026-27</b>	<b>Preliminary Budget 2027-28</b>
<b>A. Operating Fund</b>				
<b>Starting Balances at Beginning of Each Year</b>	13,541,501	13,541,501	13,803,379	12,263,728
Operating Revenue (p. 4)	15,361,578	16,029,028	16,387,008	16,902,322
Operating Expenditures (p. 5)	15,333,269	14,204,860	16,362,499	16,900,607
Net Operating Revenue	28,309	1,824,168	24,508	1,716
Operating Fund Balances before transfers at Year End	13,569,810	15,365,669	13,827,887	12,265,444
Transfers Out - to OPEB <sup>(1)</sup> Trust Fund	0	0	0	0
Transfers Out - to Rate Stabilization Fund (RSF)	62,291	62,291	64,159	66,084
Transfers Out - to Capital Improvement Fund	1,500,000	1,500,000	1,500,000	1,500,000
<b>Available Operating Fund Balances after transfers at the End of Each Year</b>	<b>12,007,520</b>	<b>13,803,379</b>	<b>12,263,728</b>	<b>10,699,360</b>
<b>B. Capital Improvement Fund</b>				
<b>Starting Balances - Beginning of Each Year</b>	26,525,223	26,525,223	28,179,389	17,010,888
Capital Revenue (p. 19)	12,998,468	12,800,349	13,315,600	12,384,022
Transfers In <sup>(2)</sup>	1,500,000	1,500,000	1,500,000	1,500,000
Total Capital Revenue and Fund Transfers	14,498,468	14,300,349	14,815,600	13,884,022
Capital Expenditures <sup>(3)</sup> (p. 20)	15,932,700	5,738,333	19,081,000	17,252,725
Debt Service (p. 20 & 33)	6,507,850	6,507,850	6,503,100	6,496,350
Transfers Out <sup>(4)</sup>	400,000	400,000	400,000	400,000
Total Capital Expenditures and Fund Transfers	22,840,550	12,646,183	25,984,100	24,149,075
<b>Available Capital Improvement Fund Balances after transfers at the End of Each Year</b>	<b>18,183,141</b>	<b>28,179,389</b>	<b>17,010,888</b>	<b>6,745,835</b>
<b>Available Fund Balances at the End of Each Year</b>	<b>30,190,662</b>	<b>41,982,768</b>	<b>29,274,616</b>	<b>17,445,195</b>
<b>C. Wastewater Capital Reserve Fund (WCRF)</b>				
<b>Restricted Fund Balance at the End of Each Year (p. 28)</b>	<b>2,849,653</b>	<b>2,849,653</b>	<b>3,249,653</b>	<b>3,649,653</b>
<b>D. Rate Stabilization Fund (RSF)</b>				
<b>Restricted Fund Balance at the End of Each Year (p. 30)</b>	<b>2,138,642</b>	<b>2,138,642</b>	<b>2,202,801</b>	<b>2,268,885</b>
<b>Restricted Fund Balances at the End of Each Year</b>	<b>4,988,295</b>	<b>4,988,295</b>	<b>5,452,454</b>	<b>5,918,538</b>

**Comments:**

- <sup>(1)</sup> OPEB - Other Post-Employment Benefits.
- <sup>(2)</sup> From Operating Fund Balances.
- <sup>(3)</sup> Includes Capital Expenditure Commitments/Encumbrances from FY 25-26 into FY 26-27.
- <sup>(4)</sup> To Wastewater Capital Reserve Fund.
- <sup>(5)</sup> Reflects unaudited balances prior to final reconciliation of accounts, consistent with Generally Accepted Accounting Principles (GAAP).

***SECTION II***

***OPERATING BUDGET SUMMARY SCHEDULES***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Summary of Revenues**

Operating Revenue Center - 41000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Revenue 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
41010 · Sewer Service Charges <sup>(1)</sup>	11,335,309	11,802,949	11,953,650	12,348,597	12,418,075	12,418,075
41015 · Property Tax allocation <sup>(2)</sup>	780,151	887,940	911,121	896,819	1,147,533	1,984,329
41030 · Plan Check & Inspection Fee	500	500	2,000	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	6,000	6,000	6,000	6,000
41060 · Interest Income <sup>(3)</sup>	801,852	835,775	1,337,966	647,596	849,932	563,866
41080 · Engineering & Admin Charges	165,000	300,000	283,120	300,000	300,000	300,000
41090 · Non-domestic Permit Fees <sup>(4)</sup>	30,000	30,000	132,000	30,000	40,000	40,000
41100 · Garbage Franchise Fees	65,682	67,652	67,652	69,682	69,682	71,772
41105 · AB 939 Collector Fees	697,870	882,002	882,002	948,655	965,036	1,060,056
41107 · Oil Grant/JPA Reimb	7,508	7,000	7,000	7,000	0	0
41108 · SB1383 Grant (CalRecycle) <sup>(5)</sup>	99,184	140,160	9,918	0	124,000	0
41130 · Ranch Income	40,000	40,000	85,000	40,000	50,000	50,000
41135 · Recycled Water Revenue	317,127	331,600	331,600	341,331	359,750	377,725
41140 · Other Revenue <sup>(6)</sup>	20,000	20,000	10,000	20,000	46,500	20,000
41142 · Gain/Loss-disposal of assets	10,000	10,000	10,000	10,000	10,000	10,000
<b>Totals</b>	<b>14,376,183</b>	<b>15,361,578</b>	<b>16,029,028</b>	<b>15,666,180</b>	<b>16,387,008</b>	<b>16,902,322</b>

**Comments:**

<sup>(1)</sup> Sewer Service Charge (SSC) revenue for FY 26-27 is based on rates set by Board Resolution No. 3211 adopted February 8, 2026 with an average SSC of \$760/Equivalent Dwelling Unit (EDU) split between Operating (\$418) and Capital (\$342). For FY 27-28, SSC revenue is assumed to remain the same as in FY 26-27, pending the results of a rate study to be completed in FY 26-27. Therefore, FY 27-28 revenues are also estimated based on an average SSC of \$760/Equivalent Dwelling Unit (EDU) split between Operating (\$418) and Capital (\$342).

<sup>(2)</sup> Estimated actual FY 25-26 property tax revenue is based on estimates from the County of Marin Department of Finance and escalated 1% per year in FY 26-27 and FY 27-28. These projections are then allocated between operating (35%) and capital (65%) for FY 26-27 and 60% Operating and 40% Capital in FY 27-28.

<sup>(3)</sup> Projected based on current trends in LAIF (Local Agency Investment Fund) rates, Bank of New York money market rates, and yields on the District's portfolio of US Treasury securities.

<sup>(4)</sup> Includes application fees, permits and monitoring charges.

<sup>(5)</sup> Received (2) Cal Recycle Grants - \$75,890 in FY 21-22 & \$163,454 in FY 23-24 (\$239,344 in total); of which \$53,960 was refunded back to CalRecycle in FY 23-24.

<sup>(6)</sup> Other revenue includes septic tank hauling fees, and miscellaneous revenue.

**APPROPRIATIONS LIMIT**

The appropriations limit, pursuant to Article XIII B of the California Constitution, is determined to be \$7,717,790 for FY 25-26 and will be updated for FY 26-27 when the Final FY 26-27 Budget is presented in August 2026.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>60000 · Collections</b>	1,728,120	1,872,282	1,697,189	1,917,905	1,934,873	1,983,739
<b>61000 · Treatment Facilities</b>	4,024,230	4,074,608	4,074,608	4,270,945	4,289,058	4,492,345
<b>63000 · Reclamation</b>	703,897	746,361	712,991	778,741	861,658	897,297
<b>64000 · Laboratory</b>	734,746	733,886	706,473	764,018	776,818	778,994
<b>65000 · Pump Stations</b>	1,253,999	1,309,166	1,112,613	1,368,268	1,395,578	1,451,574
<b>66000 · Administration/Engineering</b>	3,525,505	3,872,898	3,694,725	3,861,291	4,216,808	4,382,726
<b>67000 · Solid/Household Haz. Waste</b>	804,562	1,029,162	758,063	955,655	1,096,536	1,060,056
<b>68000 · Recycled Water</b>	317,127	331,600	345,250	341,331	359,750	377,550
<b>69000 · Non-Departmental*</b>	1,263,275	1,363,306	1,102,947	1,388,300	1,431,420	1,476,150
<b>TOTALS</b>	<b>14,355,460</b>	<b>15,333,269</b>	<b>14,204,860</b>	<b>15,646,453</b>	<b>16,383,700</b>	<b>16,953,917</b>

Comments:

\*District-wide allocations

**Novato Sanitary District**  
**2026-2028 Preliminary Budget**  
**Operating Budget: By Cost Center and Account Category for FY 26-27**

Expense Categories	Cost Centers									Total	As Percent of Budget	Over/Under PY Budget	% Over/Under PY Budget
	Treatment Facilities	Recl	Lab	Pump Stations	Collection System	Admin / Engineering	S/HHW Program	Recycled Water	Non-Departmental				
Salaries and Wages		175,709		486,572	833,398	2,144,835	173,149			3,813,664	23.31%	278,982	7.89%
Contract Services (Operations & Lab)	2,848,296		494,193					100,000		3,442,490	21.04%	151,281	4.60%
Employee Benefits		99,283		308,023	527,825	1,152,487	89,136			2,176,755	13.30%	465,218	27.18%
Retiree Health Benefits									255,320	255,320	1.56%	1,014	0.40%
Directors' Fees						35,000				35,000	0.21%	11,600	49.57%
Election Expense									55,000	55,000	0.34%	20,000	57.14%
Gasoline, Oil & Fuel		1,785	500	8,400	24,150	4,400				39,235	0.24%	2,035	5.47%
Insurance	15,650									656,000	4.10%	29,650	4.62%
Ins Claims Expense										150,000	0.92%	-	0.00%
Agency Dues										74,000	0.45%	(2,000)	-2.63%
Memberships/Certifications										15,000	0.09%	(3,000)	-16.67%
Office Expense						22,018				22,018	0.13%	18	0.08%
Safety		1,000	1,000	5,500	6,500	3,500				17,500	0.11%	700	4.17%
Software Maint		2,205	1,800	15,117	90,000	49,310				158,432	0.97%	31,315	24.63%
Operating Supplies		3,150	25,200	12,128	27,300	5,000		5,000		77,778	0.48%	1,628	2.14%
Operating Chemicals								130,000		130,000	0.79%	10,000	8.33%
Sludge Disposal-Contractual		273,000								273,000	1.67%	13,000	5.00%
Accounting & Auditing						60,583				60,583	0.37%	(217)	-0.36%
Attorney									30,000	30,000	0.18%	(5,000)	-14.29%
Outside Consulting						476,965				476,965	2.91%	(20,906)	-4.20%
IT/Misc. Electrical						146,160				146,160	0.89%	17,960	14.01%
Safety & Wellness Incentive Program									10,000	10,000	0.06%	-	0.00%
Printing & Publication									5,000	5,000	0.03%	-	0.00%
Repairs & Maintenance		89,250	18,375	148,838	88,200	97,850		35,000		477,513	2.92%	5,263	1.11%
PSPS Costs				26,250						26,250	0.16%	1,250	5.00%
Small Tools		525		2,000	2,000					4,525	0.03%	25	0.56%
Outside Services				115,500	195,000					310,500	1.90%	10,500	3.50%
Ditch/Dike Maintenance		25,000								25,000	0.15%	5,000	25.00%
Research & Monitoring			185,000					16,250		201,250	1.23%	23,250	13.06%
Travel, Mtgs & Train.									95,000	95,000	0.58%	20,000	26.67%
Pollution Prevention/Pub. Ed.			35,000							35,000	0.21%	-	0.00%
Gas & Electricity	1,249,112	157,500		198,450				73,500		1,678,562	10.26%	112,977	7.22%
Water		5,250		11,800	10,000					27,050	0.17%	1,050	4.04%
Telephone				48,300	8,000	18,700				75,000	0.46%	8,900	13.46%
Other/Operational Assistance					2,500					2,500	0.02%	1,200	92.31%
Permits & Fees	176,000	28,000	15,750	8,700	120,000			0		348,450	2.13%	22,350	6.85%
Co. Collection Fees									76,100	76,100	0.47%	9,100	13.58%
Ser. Chg. System Exp									0	-	0.00%	-	0.00%
Property Tax allocation (LISRAP/SSCs)									10,000	10,000	0.06%	-	0.00%
COVID-19 Impact										-	0.00%	-	0.00%
AB 939 Solid Waste Programs							834,250			834,250	5.10%	(194,912)	-18.94%
Subtotal before Pass through expenses	4,289,058	861,658	776,818	1,395,578	1,934,873	4,216,808	1,096,536	359,750	1,431,420	16,362,499	100.00%	1,029,230	6.71%
Pass through expenses							(1,096,536)	(359,750)		(1,456,286)	-9.77%	(95,524)	
<b>Total</b>	<b>4,289,058</b>	<b>861,658</b>	<b>776,818</b>	<b>1,395,578</b>	<b>1,934,873</b>	<b>4,216,808</b>	<b>0</b>	<b>0</b>	<b>1,431,420</b>	<b>14,906,214</b>	<b>90.23%</b>	<b>933,707</b>	<b>6.68%</b>
	28.77%	5.78%	5.21%	9.36%	12.98%	28.29%	0.00%	0.00%	9.61%	100.00%			

***SECTION III***

***OPERATING BUDGET  
By Cost Center and Account Category***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
60010 · Salaries & Wages	825,265	849,749	690,523	885,240	833,398	890,746
60020 · Employee Benefits	412,555	474,813	476,667	494,477	527,825	551,693
60060 · Gas, Oil & Fuel	23,000	23,000	23,000	24,150	24,150	25,400
60085 · Safety	6,500	6,500	3,000	6,500	6,500	6,500
60091 · Software Maint	37,500	83,920	72,000	87,238	90,000	91,000
60100 · Operating Supplies	26,000	26,000	20,000	27,300	27,300	27,300
60150 · Repairs & Maint	80,000	84,000	84,000	88,200	88,200	92,500
60152 · Small Tools	2,000	2,000	2,000	2,000	2,000	2,000
60153 · Outside Services	190,000	190,000	190,000	140,000	195,000	150,000
60192 · Water	10,000	10,000	10,000	10,500	10,000	10,500
60193 · Telephone	4,000	4,000	7,700	4,000	8,000	8,400
60200 · Other (Garbage Coll)	1,300	1,300	1,300	1,300	2,500	2,700
60201 · Permits & Fees	110,000	117,000	117,000	147,000	120,000	125,000
	<b>1,728,120</b>	<b>1,872,282</b>	<b>1,697,189</b>	<b>1,917,905</b>	<b>1,934,873</b>	<b>1,983,739</b>

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Treatment Facilities**

Treatment Facilities Cost Center - 61000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>61000-1 · Fixed Fee <sup>(1)</sup></b>	2,643,568	2,744,023	2,744,023	2,831,832	2,831,832	2,939,442
<b>61000-2 · Insurance &amp; Bonds</b>	15,000	14,000	14,000	14,000	15,650	16,151
<b>61000-3 · Major Repair/Repl <sup>(2)</sup></b>	189,750	0	0	0	0	0
<b>61000-4 · Water/Permits/Phone</b>	105,000	160,000	160,000	176,000	176,000	181,632
<b>61000-5 · Gas &amp; Electricity <sup>(3)</sup></b>	1,070,912	1,156,585	1,156,585	1,249,112	1,249,112	1,349,040
	<b>4,024,230</b>	<b>4,074,608</b>	<b>4,074,608</b>	<b>4,270,945</b>	<b>4,272,594</b>	<b>4,486,265</b>

**Comments:**

- (1) Fixed fee - escalated by Consumer Price Index (CPI) as allowed by contract, where the CPI factor is based on the CPI as published by the US Bureau of Labor Statistics, Series ID: CUURS49BSA0 (April-to-April).  
 - FY 26-27: \$2,643,568 \* 1.038 = 2,744,023 (based on estimated April-to-April CPI of 3.8%)  
 - FY 27-28: \$2,744,023 \* 1.032 = \$2,831,832 (based on an assumed April-to-April CPI of 3.2)  
 CPI for FY 26/27 is 3.8%
- (2) Beginning FY 25-27, expenditures in Account No. 61000-3 are migrated to Account No. 72805-1 to better address cost capitalizations within this category.
- (3) Reflects 8% increase for purchased utility power in FY 26/27 & FY 27/28

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Treatment Facilities**

Treatment Facilities Cost Center - 61000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
61000-1 · Fixed Fee <sup>(1)</sup>	2,643,568	2,744,023	2,744,023	2,831,832	2,848,296	2,945,138
61000-2 · Insurance & Bonds	15,000	14,000	14,000	14,000	15,650	16,182
61000-3 · Major Repair/Repl <sup>(2)</sup>	189,750	0	0	0	0	0
61000-4 · Water/Permits/Phone	105,000	160,000	160,000	176,000	176,000	181,984
61000-5 · Gas & Electricity <sup>(3)</sup>	1,070,912	1,156,585	1,156,585	1,249,112	1,249,112	1,349,040
	<b>4,024,230</b>	<b>4,074,608</b>	<b>4,074,608</b>	<b>4,270,945</b>	<b>4,289,058</b>	<b>4,492,345</b>

**Comments:**

- <sup>(1)</sup> Fixed fee - escalated by Consumer Price Index (CPI) as allowed by contract, where the CPI factor is based on the CPI as published by the US Bureau of Labor Statistics, Series ID: CUURS49BSA0 (April-to-April).  
 - FY 26-27: \$2,744,023 \* 1.038 = \$2,848,296 (based on estimated April-to-April CPI of 3.8%)  
 - FY 27-28: \$2,848,296 \* 1.034 = \$2,945,138 (based on an assumed April-to-April CPI of 3.4%)
- <sup>(2)</sup> Beginning FY 25-26, expenditures in Account No. 61000-3 were migrated to Account No. 72805-1 to better address cost capitalizations within this category.
- <sup>(3)</sup> Reflects 8% increase for purchased utility power in FY 26-27 & FY 27-28

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>63010 · Salaries &amp; Wages</b>	130,493	136,242	135,559	141,146	175,709	196,520
<b>63020 · Employee Benefits</b>	50,204	55,719	53,711	56,430	99,283	104,552
<b>63060 · Gasoline &amp; Oil</b>	1,700	1,700	1,700	1,785	1,785	1,900
<b>63085 · Safety</b>	1,000	1,000	500	1,000	1,000	1,000
<b>63091 · Software Maint</b>	2,000	2,100	2,100	2,205	2,205	2,300
<b>63100 · Operating Supplies</b>	3,000	3,000	1,000	3,150	3,150	3,200
<b>63115 · Sludge Disposal</b>	260,000	260,000	260,000	273,000	273,000	275,000
<b>63150 · Repairs &amp; Maint</b>	85,000	85,000	65,000	89,250	89,250	89,500
<b>63152 · Small Tools</b>	500	500	250	525	525	525
<b>63157 · Ditch/Dike Maint</b>	20,000	20,000	21,672	21,000	25,000	27,500
<b>63191 · Gas &amp; Electricity</b>	125,000	150,000	140,000	157,500	157,500	160,000
<b>63192 · Water</b>	5,000	5,000	5,000	5,250	5,250	5,300
<b>63201 · Permits &amp; Fees</b>	20,000	26,100	26,500	26,500	28,000	30,000
	<b>703,897</b>	<b>746,361</b>	<b>712,991</b>	<b>778,741</b>	<b>861,658</b>	<b>897,297</b>

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>64010 · Contract Lab Services <sup>(1)</sup></b>	460,146	475,186	475,186	494,193	494,193	509,019
<b>64060 · Gasoline &amp; Oil</b>	500	500	500	500	500	500
<b>64085 · Safety</b>	1,000	1,000	0	1,000	1,000	1,000
<b>64091 · Software Maintenance</b>	1,600	1,700	1,787	1,800	1,800	1,900
<b>64100 · Operating Supplies</b>	23,000	24,000	20,000	25,200	25,200	25,200
<b>64150 · Repairs &amp; Maintenance</b>	17,000	17,500	15,000	18,375	18,375	18,375
<b>64160 · Research &amp; Monitoring</b>	185,500	164,000	145,000	172,200	185,000	171,000
<b>64170 · Pollution Prev/Public Ed</b>	35,000	35,000	34,000	35,000	35,000	36,000
<b>64201 · Permits &amp; Fees</b>	11,000	15,000	15,000	15,750	15,750	16,000
	<b>734,746</b>	<b>733,886</b>	<b>706,473</b>	<b>764,018</b>	<b>776,818</b>	<b>778,994</b>

**Comments:**

<sup>(1)</sup> Includes fees and charges paid for contract laboratory and environmental services provided by Veolia Water and North Marin Water District (NMWD). Budget amount includes a CPI-based fee increase of 4% in FY26/27 & 3% in FY27/28 (Veolia)

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>64010 · Contract Lab Services <sup>(1)</sup></b>	460,146	475,186	475,186	494,193	494,193	509,019
<b>64060 · Gasoline &amp; Oil</b>	500	500	500	500	500	500
<b>64085 · Safety</b>	1,000	1,000	0	1,000	1,000	1,000
<b>64091 · Software Maintenance</b>	1,600	1,700	1,787	1,800	1,800	1,900
<b>64100 · Operating Supplies</b>	23,000	24,000	20,000	25,200	25,200	25,200
<b>64150 · Repairs &amp; Maintenance</b>	17,000	17,500	15,000	18,375	18,375	18,375
<b>64160 · Research &amp; Monitoring</b>	185,500	164,000	145,000	172,200	185,000	171,000
<b>64170 · Pollution Prev/Public Ed</b>	35,000	35,000	34,000	35,000	35,000	36,000
<b>64201 · Permits &amp; Fees</b>	11,000	15,000	15,000	15,750	15,750	16,000
	<b>734,746</b>	<b>733,886</b>	<b>706,473</b>	<b>764,018</b>	<b>776,818</b>	<b>778,994</b>

**Comments:**

<sup>(1)</sup> Includes fees and charges paid for contract laboratory and environmental services provided by Veolia Water and North Marin Water District (NMWD). Budget amount includes a CPI-based fee increase of 4% in FY26/27 & 3% in FY27/28 (Veolia)

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Pump Stations**

<b>Pump Stations Cost Center - 65000</b>	<b>Adopted Budget 2024-25</b>	<b>Adopted Budget 2025-26</b>	<b>Projected Expenses 2025-26</b>	<b>Preliminary Budget 2026-27</b>	<b>Proposed Budget 2026-27</b>	<b>Preliminary Budget 2027-28</b>
<b>Accounts</b>						
<b>65010 · Salaries &amp; Wages</b>	465,090	480,881	373,244	500,977	486,572	522,374
<b>65020 · Employee Benefits</b>	224,909	256,588	252,487	267,359	308,023	323,600
<b>65060 · Gasoline &amp; Oil</b>	8,000	8,000	8,000	8,400	8,400	8,800
<b>65085 · Safety</b>	5,000	5,000	5,000	5,000	5,500	5,500
<b>65091 · Software Maintenance</b>	8,000	14,397	14,000	15,117	15,117	17,000
<b>65100 · Operating Supplies</b>	11,000	11,550	11,550	12,128	12,128	12,600
<b>65150 · Repairs &amp; Maintenance</b>	135,000	141,750	130,000	148,838	148,838	150,000
<b>65152 · Small Tools</b>	2,000	2,000	2,000	2,000	2,000	2,000
<b>65153 · Outside Services</b>	105,000	110,000	70,000	115,500	115,500	115,500
<b>65191 · Gas &amp; Electricity</b>	180,000	189,000	195,536	198,450	198,450	198,450
<b>65192 · Water</b>	11,000	11,000	11,200	11,550	11,800	12,000
<b>65193 · Telephone</b>	46,000	46,000	31,277	48,300	48,300	48,300
<b>65201 · Permits &amp; Fees</b>	8,000	8,000	8,320	8,400	8,700	9,200
<b>65301 · PSPS impacts<sup>(1)</sup></b>	45,000	25,000	0	26,250	26,250	26,250
	<b>1,253,999</b>	<b>1,309,166</b>	<b>1,112,613</b>	<b>1,368,268</b>	<b>1,395,578</b>	<b>1,451,574</b>

**Comments:**

<sup>(1)</sup> Allowance for impacts from PG&E related Public Safety Power Shutdowns (PSPS) events.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Administration and Engineering**

<b>Administration and Engineering Cost Center - 66000</b>	<b>Adopted Budget 2024-25</b>	<b>Adopted Budget 2025-26</b>	<b>Projected Expenses 2025-2026</b>	<b>Preliminary Budget 2026-27</b>	<b>Proposed Budget 2026-27</b>	<b>Preliminary Budget 2027-28</b>
<b>Accounts</b>						
<b>66010 · Salaries &amp; Wages</b>	1,887,610	2,067,810	1,959,935	2,175,520	2,144,835	2,336,186
<b>66020 · Employee Benefits</b>	914,902	924,417	928,668	934,423	1,152,487	1,222,758
<b>66030 · Director's Fees</b>	23,400	23,400	23,400	23,400	35,000	35,000
<b>66060 · Gasoline &amp; Oil</b>	4,000	4,000	4,000	4,400	4,400	4,400
<b>66085 · Safety</b>	3,300	3,300	2,000	3,500	3,500	3,500
<b>66090 · Office Expense</b>	22,000	22,000	24,000	22,000	14,150	13,660
<b>66090-1 · Copier Leases</b>	0	0	6,748	0	7,868	8,340
<b>66091 · Software Maint</b>	0	25,000	25,000	40,000	49,310	49,310
<b>66100 · Admin/Engineering Supplies</b>	5,000	5,000	4,000	5,000	5,000	5,000
<b>66121 · Accounting &amp; Auditing</b>	59,000	60,800	60,800	64,000	60,583	59,586
<b>66123 · O/S Contractual</b>	398,968	497,871	472,417	334,598	476,965	364,366
<b>66124 · IT/Misc Electrical</b>	99,225	128,200	97,120	140,000	146,160	163,320
<b>66150 · Repairs &amp; Maintenance</b>	92,000	95,000	70,000	97,850	97,850	98,000
<b>66193 · Telephone</b>	16,100	16,100	16,637	16,600	18,700	19,300
	<b>3,525,505</b>	<b>3,872,898</b>	<b>3,694,725</b>	<b>3,861,291</b>	<b>4,216,808</b>	<b>4,382,726</b>

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Personnel Detail**

FTE	Position	Cost Center	Pay Range	Salaries	Salaries
				2026-27	2027-28
1.00	General Manager-Chief Engineer	A/E		333,360	350,028
1.00	Deputy General Manager	A/E	MC122.5	262,224	275,335
1.00	General Counsel/Admin Services Manager	A/E	MC121	243,636	268,000
1.00	Field Services Manager	.25AE/.25CS/.25PS/.25R	MC119	220,992	232,042
1.00	Capital Projects Manager	.65AE/.25PS/.10Rec	MC115	173,148	190,463
0.26	Project Manager <sup>(1)</sup>	A/E	MC119	57,762	60,650
1.00	Admin Services Analyst II	A/E	MC 109.5	128,236	141,060
1.00	Admin. Services Tech	A/E	MC104	64,280	106,062
1.00	Finance Manager	A/E	MC117	189,382	208,320
0.43	Financial Services Specialist <sup>(1)</sup>	A/E	MC117	76,361	80,179
1.00	Staff Engineer	.5A/E/.5CS	47	149,580	157,059
1.00	Information Tech & Security Officer	A/E	MC116.5	195,672	205,456
1.00	Construction Inspector II	A/E	44.5	120,120	132,132
1.00	Information System Specialist II	.5A/E/.5CS	43.5	103,764	114,140
1.00	Environmental Programs Manager	Solid/HHW	MC115	164,904	181,394
1.00	Electrical/Instrumentation Tech	.34A/E/.33PS/.33Rec	46.5	146,016	153,317
1.00	Collection System Superintendent	.67CS/.33PS	MC115	181,812	190,903
1.00	Collection System Leadworker	.67CS/.33PS	47	149,580	157,059
2.00	Collection System Worker II	.67CS/.33PS	40.5	210,258	231,284
3.00	Collection System Worker I	.67CS/.33PS	38.5	280,212	294,223
1.00	Field Services Worker I	.50Rec/.25PS/.25CS	37.5	64,530	88,931
0.23	Admin Intern	A/E	N/A	7,200	7,200
0.23	Engineering Aide - temp	A/E	N/A	8,640	8,640
0.20	Electrician <sup>(1)</sup>	.25AE/.25PS/.50Rec	N/A	28,658	30,091
	Allowance for Overtime	.67CS/.33PS		27,583	28,962
	Allowance for Overtime	A/E		5,305	5,570
	Allowance for Standby Duty Pay	.67CS/.33PS		39,600	41,580
	Subtotal			3,632,815	3,940,078
	Allowance for salary adjustments (including COLA)			180,849	196,212
23.35	Total			3,813,664	4,136,290
				<b>2026-27</b>	<b>2027-28</b>
11.44	Administration and Engineering (A/E)		49%	2,144,835	2,336,186
1.00	Solid/HHW		4%	173,149	190,464
6.19	Collection System (CS)		27%	833,398	890,746
3.44	Pump Stations (PS)		15%	486,572	522,374
1.28	Reclamation Facilities (Rec)		5%	175,709	196,520
23.35	Total		100%	3,813,664	4,136,290

<sup>(1)</sup> Part-time position.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>68010 · O &amp; M Services</b>	68,310	72,000	125,000	72,000	100,000	105,000
<b>68100 · Operating Supplies</b>	6,262	6,600	4,000	6,831	5,000	5,300
<b>68101 · Operating Chemicals</b>	112,211	120,000	130,000	126,000	130,000	136,500
<b>68150 · Repairs &amp; Maintenance</b>	48,215	49,000	10,000	49,000	35,000	36,750
<b>68160 · Research &amp; Monitoring</b>	14,490	14,000	16,250	14,000	16,250	17,000
<b>68191 · Gas &amp; Electricity<sup>(1)</sup></b>	67,639	70,000	60,000	73,500	73,500	77,175
	<b>317,127</b>	<b>331,600</b>	<b>345,250</b>	<b>341,331</b>	<b>359,750</b>	<b>377,725</b>

**Comments:**

<sup>(1)</sup> Includes an estimated increase of 5% in FY 27-28 over FY 26-27 budgeted amounts.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
<b>68010 · O &amp; M Services</b>	68,310	72,000	125,000	72,000	100,000	105,000
<b>68100 · Operating Supplies</b>	6,262	6,600	4,000	6,831	5,000	5,300
<b>68101 · Operating Chemicals</b>	112,211	120,000	130,000	126,000	130,000	136,500
<b>68150 · Repairs &amp; Maintenance</b>	48,215	49,000	10,000	49,000	35,000	36,750
<b>68160 · Research &amp; Monitoring</b>	14,490	14,000	16,250	14,000	16,250	17,000
<b>68191 · Gas &amp; Electricity<sup>(1)</sup></b>	67,639	70,000	60,000	73,500	73,500	77,000
	<b>317,127</b>	<b>331,600</b>	<b>345,250</b>	<b>341,331</b>	<b>359,750</b>	<b>377,550</b>

**Comments:**

<sup>(1)</sup> Includes an estimated increase of 5% in FY 27-28 over FY 26-27 budgeted amounts.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Operating Budget - Non-Departmental**

Non-Departmental (District-wide allocations) Cost Center - 69000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
69021 · Retiree Health Benefits <sup>(1)</sup>	242,275	254,306	254,771	274,650	255,320	280,850
69022 · Pension Expense <sup>(2)</sup>	0	0	0	0	0	0
69040 · Election Expenses	35,000	35,000	0	10,000	55,000	5,000
69070 · Insurance	548,000	628,000	598,134	659,400	656,000	720,000
69071 · Insurance Claim Expense	150,000	150,000	1,000	150,000	150,000	150,000
69075 · Agency Dues	78,000	76,000	69,000	80,000	74,000	77,700
69080 · Memberships/Certifications	18,000	18,000	12,000	18,900	15,000	15,000
69122 · Attorney Fees (outside services)	35,000	35,000	35,000	30,000	30,000	30,000
69125 · Safety & Wellness Incent Prog	10,000	10,000	256	10,000	10,000	7,500
69130 · Printing & Publications	5,000	5,000	786	5,000	5,000	4,000
69170 · Board Travel & Training <sup>(3)</sup>	25,000	25,000	20,000	25,000	50,000	50,000
69171 · Staff Travel & Training	40,000	50,000	40,000	45,000	45,000	45,000
69201 · Property Tax Alloc (LISRAP/SSCs) <sup>(4)</sup>	10,000	10,000	5,000	10,000	10,000	10,000
69202 · County Fees-Property Taxes	35,000	35,000	35,000	36,750	42,500	47,500
69203 · County Fees-Sewer Ser Chg	32,000	32,000	32,000	33,600	33,600	33,600
	<b>1,263,275</b>	<b>1,363,306</b>	<b>1,102,947</b>	<b>1,388,300</b>	<b>1,431,420</b>	<b>1,476,150</b>

**Comments:**

<sup>(1)</sup> Projected contribution to current retirees' health care premiums.

<sup>(2)</sup> The District refinanced its Pension UAL with its 2020 Wastewater Revenue Refunding Bonds, thereby eliminating its GASB 68 related Pension Liability as of FY 20-21. Based on this, no further contributions into the District's PARS Trust (Pension sub-account) are anticipated. Also, bond payments for the 2020 Revenue Bonds are provisioned within the "Employee Benefits" Account in each Cost Center (as applicable), since these costs are considered as employment costs.

<sup>(3)</sup> Based on attendance at two (2) Conferences of the California Association of Sanitation Agencies (CASA) per year.

<sup>(4)</sup> Property tax allocations to annual LISRAP and/or Sewer Service Charge adjustments.

PARS = Public Agency Retirement Services

LISRAP = Low Income Sewer Rate Assistance Program

***SECTION IV***

***CAPITAL IMPROVEMENT BUDGET***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Capital Improvement Budget - Summary of Revenues**

Capital Fund Revenue Center - 51000	Adopted Budget 2024-25	Adopted Budget 2025-26	Projected Revenue 2025-26	Preliminary Budget 2026-27	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Accounts</b>						
51010 · Sewer Service Charges <sup>(1)</sup>	9,268,977	9,707,926	9,780,259	10,108,756	10,160,243	10,160,243
51015 · Property Taxes <sup>(2)</sup>	2,340,452	2,283,274	2,115,102	2,306,107	2,131,133	1,322,886
51020 · Connection Charges <sup>(3)</sup>	551,600	568,400	250,000	585,452	585,600	603,168
51040 · Special Equalization Chrg	1,000	1,000	0	1,000	0	0
51060 · Interest	400,926	417,888	425,708	323,817	418,623	277,725
51070 · Other Revenue	20,000	20,000	1,500	20,000	20,000	20,000
<b>Totals</b>	<b>12,582,955</b>	<b>12,998,488</b>	<b>12,572,569</b>	<b>13,345,132</b>	<b>13,315,600</b>	<b>12,384,022</b>

**Comments:**

<sup>(1)</sup> Sewer Service Charge (SSC) revenue for FY 26-27 is based on rates set by by Board Resolution No. 3211 adopted February 8, 2026 with an average SSC of \$760/Equivalent Dwelling Unit (EDU) split between Operating (\$418) and Capital (\$342). For FY 27-28, SSC revenue is assumed to remain the same as in FY 26-27, pending the results of a rate study to be completed in FY 26-27. Therefore, FY 27-28 revenues are also estimated based on an average SSC of \$760/Equivalent Dwelling Unit (EDU) split between Operating (\$418) and Capital (\$342).

<sup>(2)</sup> Estimated acutal FY 25-26 property tax revenue is based on estimates from the County of Marin Department of Finance and escalated 1% per year in FY 26-27 and FY 27-28 These projections are then allocated between operating (35%) and capital (65%) for FY 26-27 and 60% Operating and 40% Capital in FY 27- 28)

<sup>(3)</sup> Per District Ordinance No. 119, the connection charge beginning July 1, 2026 is \$14,640 per EDU, and increases by 3% on July 1, 2027 to \$15,080 per EDU.

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Table 1: Capital Improvement Budget - CIP Expenditures**

Capital Improvements Cost Centers - 72000, 73000, & 78500	Adopted <sup>(1)</sup> Budget 2024-25	Adopted <sup>(1)</sup> Budget 2025-26	Projected Expenses 2025-26	Preliminary Budget <sup>(2)</sup> 2026-27	Proposed Budget <sup>(2)</sup> 2026-27	Preliminary Budget <sup>(2)</sup> 2027-28
<b>Accounts</b>						
72112 · Network and SCADA Upgrades	456,000	630,700	350,000	478,208	575,500	300,500
72403 · Pump Station Rehabilitation	3,280,000	4,130,000	1,060,000	5,070,000	5,670,000	4,970,000
72508 · North Bay Water Reuse Authority (NBWRA)	5,000	5,000	5,000	5,000	10,000	10,000
72706 · Collection System Improvments	2,855,000	4,340,000	1,360,000	4,040,000	6,170,000	4,775,000
72706-1 · Lateral Replacement Program	80,000	80,000	63,000	80,000	80,000	80,000
72707 · Hamilton Wetlands/Outfall Integration	30,000	30,000	0	30,000	30,000	30,000
72708 · Cogeneration/Alt. Energy <sup>(3)</sup>	512,000	3,002,000	200,000	3,003,000	2,753,000	1,000,000
72802 · Annual Sewer Adj. for City Projects	50,000	50,000	0	50,000	50,000	50,000
72803 · Annual Collection Sys Repairs	120,000	150,000	130,000	157,500	157,500	162,225
72804 · Annual Reclamation Fac. Improvements	875,000	995,000	600,000	465,000	635,000	1,040,000
72805 · Annual Treatment Plant Improvements	525,000	180,000	75,000	126,000	100,000	100,000
72805-1 · Treatment Plant Major Repair/Repl <sup>(4)</sup>	0	350,000	260,000	210,000	300,000	315,000
72806 · Annual Pump Station Improvements	210,000	150,000	180,000	182,500	275,000	285,000
72807 · Annual Ignacio Facility Improvements	525,000	850,000	700,000	35,000	460,000	50,000
72808 · Strategic Plan Update	20,000	5,000	0	5,000	5,000	5,000
72809 · Novato Creek Watershed	5,000	5,000	0	5,000	5,000	5,000
73003 · Admin. Building Upgrade/Maint. Building	850,000	210,000	150,000	50,000	405,000	205,000
73004 · Odor Control and NTP Landscaping	200,000	55,000	0	60,000	60,000	60,000
73006 · NTP Corrosion Control	350,000	380,000	375,333	50,000	475,000	350,000
73007 · Solids Management	925,000	100,000	15,000	775,000	225,000	2,575,000
73008 · Treatment Plant Elec. Sys. Improvements	200,000	170,000	50,000	550,000	550,000	750,000
73009 · Climate Adaption Improvements	20,000	20,000	0	20,000	20,000	20,000
73090 · Vehicle Replacement	140,000	45,000	165,000	65,000	70,000	115,000
<b>Subtotal before Debt Service</b>	<b>12,233,000</b>	<b>15,932,700</b>	<b>5,738,333</b>	<b>15,512,208</b>	<b>19,081,000</b>	<b>17,252,725</b>
78500 · Interest - 2017 Rev. Refunding Bond	408,750	358,250	358,250	305,250	305,250	249,750
78501 · Principal - 2017 Rev. Refunding Bond	1,010,000	1,060,000	1,060,000	1,110,000	1,110,000	1,160,000
78500 · Interest - 2019 Refunding Bond	1,437,100	1,254,600	1,254,600	1,062,850	1,062,850	861,600
78501 · Principal - 2019 Refunding Bond	3,650,000	3,835,000	3,835,000	4,025,000	4,025,000	4,225,000
<b>Subtotal for Debt Service</b>	<b>6,505,850</b>	<b>6,507,850</b>	<b>6,507,850</b>	<b>6,503,100</b>	<b>6,503,100</b>	<b>6,496,350</b>
<b>Totals</b>	<b>\$ 18,738,850</b>	<b>\$ 22,440,550</b>	<b>\$ 12,246,183</b>	<b>\$ 22,015,308</b>	<b>\$ 25,584,100</b>	<b>23,749,075</b>

Comments:

<sup>(1)</sup>As amended and trued-up, consistent with section 3512.5 of District Policy No. 3152 "Annual Budget - Non-Personnel Related Charges to Budget Amounts"

<sup>(2)</sup>Includes amounts committed or encumbered for multi-year contracts awarded (or expenses authorized) in prior fiscal years that may be partially or fully expended in FY 26-28

<sup>(3)</sup> The FY 27-28 preliminary budget amount will be adjusted in a future budget document, based on project financing options to be considered and implemented by the fourth quarter (Q4) of FY 26-27

<sup>(4)</sup>New sub-account, with expenditures migrated from Account No. 61000-3, to better address cost capitalizations within this category.

# Novato Sanitary District

## MEMORANDUM

**TO:** District Board of Directors

**FROM:** Sandeep Karkal, General Manager-Chief Engineer  
Erik Brown, Deputy General Manager

**BOARD MEETING DATE:** April 13, 2026

**SUBJECT:** FY 26-28 Preliminary Capital Improvements Program (CIP) Budget – Summary of Anticipated Project Work

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### 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 FY 26-28.

A copy of the draft preliminary two-year FY 26-28 capital improvement expenditures is included as Table 1: Capital Improvement Budget – CIP Expenditures.

### **Account No. 72112: Network and SCADA Upgrades**

This account was established in FY 20-21 to address the need for significant upgrades to the network and Supervisory Control and Data Acquisition (SCADA) systems. The account provides for implementation of recommendations from the Information Technology (IT) Assessment Master Plan completed in FY 21-22.

This account includes funds for Cyber and Physical Security Assessments and implementation, Document Management and Digitization, Workstation Replacements, and implementation of the Enterprise Resource Planning (ERP) and Computerized Maintenance Management (CMMS) Systems in FY 26-27 and follow-on work in these high priority areas in FY 27-28.

### **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 stations. The lift stations that remain to be replaced include the two Vintage Oaks Pump Stations. However, the District experienced a multiple day power outage in October 2019 from PG&E's Public Safety Power Shutoff events (PSPS) that highlighted the need for several additional short and long-term projects to assure resiliency of District operations, including the following major projects:

1. **Marin Village Pump Station:** Project to replace the existing wetwell/dry pit type pump station with a new submersible pump-type station. Substantial completion was achieved in the 4<sup>th</sup> quarter of FY 24-25. Final completion is anticipated in the 4<sup>th</sup> quarter of FY 25-26. A placeholder amount of \$10,000 is provided in FY 26-27 for any warranty/closeout related items.

2. Ignacio Transfer Pump Station: Project to replace the generator, upgrade switchgear, and perform other site improvements. Preliminary engineering design work was completed in FY 24-25. Final engineering design work will commence in the 4<sup>th</sup> quarter of FY 25-26 and throughout FY 26-27 with construction anticipated to commence in FY 27-28.
3. Olive Pump Station: Project to replace the existing natural gas generator with a new diesel generator and upgrade electrical switchgear, HVAC, and related electrical and mechanical equipment. Construction commenced in Q3 of FY 25-26; the majority of construction will occur in FY 26-27, extending into FY 27-28.
4. Bahia Pump Station: This account includes funds in FY 27-28 for condition assessment and preliminary design for pump station upgrades.
5. Pump Station Corrosion Improvements: Project to replace conduits and other upgrades to resist corrosion at the BMK 5, Automart and Blackpoint pump stations. Preliminary engineering design and condition assessment work was completed in the 3<sup>rd</sup> quarter of FY 25-26. Final engineering design work will commence in the 4<sup>th</sup> quarter of FY 25-26, extending through FY 26-27 and construction anticipated to commence FY 27-28.
6. Force Mains Condition Assessment: This account includes funds in FY 26-27 and FY 27-28 to perform condition assessments on the District's network of force main pipelines.
7. Pump Stations Condition Assessment: This account includes funds in each of FY 26-27 and FY 27-28 for the planning, prioritization and performance of condition assessments at various pump stations throughout the District.

#### **Account No. 72508: North Bay Water Reuse Authority**

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). FY 26-27 will be the thirteenth year of the multi-year Phase 2 NBWRA program, including continuing work for currently over \$75 million in recycled water projects across all NBWRA agencies for funding under the US Bureau of Reclamation Title XVI (WaterSMART) program.

For FY 26-27, the District expects its future Phase 2 participation to be limited to a programmatic level, at least until further recycled water demands are identified by the North Marin Water District (NMWD). Also, any effort to transition the NBWRA program to a more comprehensive North Bay Water Program, would result in a limited role for the District.

Therefore, it is anticipated that the District's future participation in this expanded program will occur at a very modest level. Accordingly, the District's preliminary FY 26-28 CIP budget includes only a "placeholder" budget amount of \$10,000 for each year. The placeholder amount has been increased from \$5,000 in previous years to \$10,000 due to development of a new MOU that may result in an increase in annual dues for Associate members.

#### **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:

1. Collection System Master Plan: This account includes funds in FY 26-28 for follow up work associated with the Collection System Master Plan including additional flow monitoring.

2. **Meyers Subdivision Sewer Replacements:** Replacement of about 1,875 feet of 6-inch sewer between Mirabella Avenue and Court Road. A portion of this project (originally entitled Elm Drive to East Court) was identified as a structural rehabilitation project identified with a high priority rating in the CSMP. The project has been expanded to include the portions of sewer that were originally slated for replacement in 2005 but were never completed. This account includes funds in FY 27-28 to update the design for construction in FY 28-29.
3. **Novato Blvd. Trunk Sewer:** A new parallel trunk sewer in Novato Boulevard Trunk Sewer between Diablo Avenue and Grant Avenue in coordination with the City of Novato's Novato Blvd. Improvements Project. The District's design was completed in FY 25-26 and construction is anticipated in FY 26-27.
4. **Highway 101 Crossings:** Abandonment of the Enfrente pump station to convert to gravity flow via an underground crossing to the east side of Highway 101 and replacement of two additional Highway 101 crossings between Enfrente and HWY 37. Design work commenced in the third quarter of FY 22-23 and will extend into FY 26-27, with construction potentially starting in late FY 26-27, with the majority of construction in FY 27-28.
5. **High Priority Structural Rehab Projects:** This account includes funds for high priority structural rehab projects identified in the 2019 Collection System Master Plan. The Main Interceptor 2 Repair project was completed in FY 25-26. A placeholder amount of \$10,000 is provided in FY 26-27 for any warranty/closeout related items.

#### **Account No. 72706-1: Lateral Replacement Program**

The District established this program as a sub-account within Account No. 72706, as part of a long-term approach to reducing infiltration and inflow from private residential laterals into the District's collection system.

The program seeks to incentivize individual homeowners financially to replace the entire sewer lateral between their residence and the sewer main, and currently provides a grant for half of the replacement cost up to \$2,750 to replace a residential sewer lateral in the District's service area. In FY 25-26, the District budgeted an overall amount of \$80,000 for this program.

It is expected that about 60% of the budget funds will be expended in FY 25-26. Staff expect the same or higher level of participation in FY 26-27. In FY 25-26 the Board approved increasing the District's share, i.e., the maximum individual grant amount by 10%, from \$2,500 to \$2,750 to encourage participation in the program and to account for increased construction costs. Staff did not observe a notable increase in program participation in FY 25-26. This could be due to many factors including general economic concerns, although inflation and construction prices have been less volatile over the last few years. Staff recommend keeping the individual grant amount at the current \$2,750 level. The overall budget for the program will remain \$80,000 in each of FY 26-28.

As in prior years, the District will continue to monitor and modulate the maximum individual grant and budget amounts on a yearly basis, based on its ongoing experience, and its goal of incentivizing lateral replacement.

**Account No. 72707: Hamilton Wetlands/Outfall Integration**

Previously, the District cooperated with the California State Coastal Conservancy (SCC) in a study to examine alternatives for a long-term SCC project to integrate the District's outfall into the SCC's Hamilton Wetlands project. As noted in prior years, the SCC's goal for their project is to utilize the District's effluent as a reliable, long-term fresh water source to establish and maintain a brackish marsh habitat at the SCC's Wetlands project.

SCC completed construction on Phase I of the BMK Unit V Wetland Restoration Project. While all funding to implement subsequent phases of this project will be provided by the SCC, this account will continue to retain nominal budget amounts in FY 26-28 to meet any minor or unanticipated District expenses for coordination work with SCC staff.

**Account No. 72708: Cogeneration/Alternative Energy**

NTP Energy Recovery & Efficiency Project: This account will fund a progressive design-build project delivery method for a cogeneration project that will utilize digester gas produced in the anaerobic digestion process to produce power that may result in an offset to the District's utility power purchases. Additionally, this project will include installation of a Solar PV System, energy efficiency upgrades and a Microgrid Controller to manage and distribute power generated from the Cogeneration System, Battery Energy Storage System and Utility Power. The Design-Build team was selected in FY 25-26. The Phase I Design process will proceed in late FY 25-26 through FY 26-27 with construction commencing early FY 27-28.

Battery Energy Storage System (BESS): Installation of the BESS was completed in FY 23-24. This account will continue to retain nominal budget amounts in FY 26-28 for third party monitoring of battery performance.

Note that the budgeted amounts do not include any potential grants that may be received through programs such as the State Revolving Fund Green Project Reserve (GPR) or rebates through the California Public Utility Commission's Self Generation Incentive Program (SGIP), or loans through the Water Infrastructure Finance and Innovation Act (WIFIA).

**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 by 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, wherein 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).

Collection system staff generates the repair list during routine maintenance activities including sewer cleaning and CCTV work. The Collection System Superintendent then tracks and prioritizes repair projects in conjunction with the Field Services Manager, the Deputy General 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-inch in diameter, parcel rehabilitation work, and other miscellaneous repairs. Also included in the budget for this year is the removal of fallen eucalyptus trees, irrigation pump station strainer replacements, pasture fencing and road upgrades, drainage pump station telemetry upgrades and condition assessments, and outfall improvements based on the outfall condition assessment performed in 2022.

**Account No. 72805: Annual Treatment Plant Improvements**

This account is established to fund small projects to repair District treatment related facilities at the Novato Treatment Plant, and seeks to fund minor mechanical & electrical work, water line repairs, pavement repairs, painting, and any other small repairs or improvements.

**Account No. 72805-1: Treatment Plant Major Repairs and Replacements**

This account was established in FY 25-26 and includes funds to address major repairs and replacements at the Novato Treatment Plant and Ignacio Transfer Pump Station. Historically, these activities were accounted for in the Operating Budget- Treatment Facilities under 61000-3 Major Repairs and Replacements, and fund major repairs/replacements that exceed the \$10,000 cap established in the contract for Operations, Maintenance and Management of the Wastewater Treatment Facilities. Due to the nature of these repairs/replacements and the \$10,000 threshold, staff recommended Treatment Plant Major Repairs and Replacements be included in the CIP budget moving forward. This account includes funds for replacement of an influent pump in each of FY 26-27 and FY 27-28.

**Account No. 72806: Annual Pump Station Improvements**

This account includes funds for small projects to repair District pumping facilities at the various pump stations throughout the District, including minor mechanical & electrical work, water line repairs, pavement repairs, painting, and any other small repairs or improvements at District pump stations.

**Account No. 72807: Annual Ignacio Facility Improvements**

This includes funds for small projects to maintain the Ignacio facility (excluding the Ignacio Transfer Pump Station) or perform demolition/site clean-up work related to abandoned treatment units of the decommissioned Ignacio Treatment Plant (ITP). Additionally a placeholder amount of \$10,000 is provided in FY 26-27 for any warranty/closeout related items associated with the Ignacio Facility Potable Water Improvements Project.

**Account No. 72808: Strategic Plan Update**

This account includes funds for updating the Strategic Plan. The 2024 Strategic Plan was completed in May 2024. This account includes “placeholder” amounts for Strategic Plan implementation and annual updates.

**Account No. 72809: Novato Creek Watershed**

This account and its budget were 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 these agencies have facilities that are prone to flood impacts. The budgeted amounts are a minimal amount and function as a “placeholder,” or to meet minimal District commitments to potential, previously unidentified studies, through FY 26-28. Future work (beyond FY 26-28) 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 and Annex Buildings and updates to the Board room and engineering/admin interior. This account includes funds for a Physical Security Assessment and Implementation and Office and Open Workspace Updates in each of FY 26-27 and FY 27-28.

**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.

It is anticipated that this account will see budgeting of funds on an ongoing basis.

**Account No. 73006: NTP Corrosion Control**

This account includes funds for corrosion control projects at the Novato Treatment Plant site. As the facilities age, the effects of the aggressive nature of wastewater corrosion appear and need to be addressed. It is anticipated that this account will see budgeting of funds on an ongoing basis. This account includes funds for the protective coating of the metalwork of Secondary Clarifier No. 2 in FY 26-27 and Primary Clarifier No. 1 in FY 27-28.

**Account No. 73007: Solids Management**

This budget account was established in FY 21-22 and includes funds to address major maintenance, or capital projects associated with the District’s solids processing.

1. **Biosolids Facilities Improvements:** This account includes funds for exploring operational alternatives and upgrading the Biosolids Handling Facilities at Deer Island including the sludge lagoons, final digested sludge and return decanted pipelines and the Dedicated Land Disposal Site (DLD). The Biosolids Management Study and Solids Dewatering Alternatives Analysis was completed in FY 25-26. The recommendations from that analysis were that extending the service life of the existing Biosolids Facilities would be the most economical pathway. This account includes funds for determining the feasibility of removal and placement of accumulated biosolids in the DLD in FY 26-27 and implementation in FY 27-28.

A “placeholder” amount of \$25,000 is being budgeted for each of FY 26-28 to initiate studies to investigate the feasibility of processing the District’s biosolids further to create a Class A fertilizer or similarly saleable product.

**Account No. 73008: Treatment Plant Electrical System Improvements**

This budget account was established in FY 22-23 and includes funds to address major maintenance, or capital projects associated with the District’s plant electrical systems.

1. PLC Upgrades: This account includes funds for a scoping study in FY 26-27 and implementation of PLC Upgrades in FY 27-28 at NTP.
2. Plant Power Systems Study: This account includes funds to conduct a Plant Power Systems Study which will result in an updated software-based power analytics model, revised NFPA 70E labelling plant wide, as well as revised electrical system record drawings that will include all changes made subsequent to the 2010/11 Upgrade Project record drawings such as the recycled water system project and the digester upgrade project (beginning 2012) project, as well as the more recent battery energy storage system (BESS). The study commenced in FY 23-24 and will be completed in FY 26-27.
3. Electrical Raceway Improvements: This project will repair damage to the electrical raceways at the east end of the NTP aeration basins. A physical assessment and circuit identification and labeling will occur in Q4 of FY 25/26, with improvements anticipated in FY 26-27.

**Account No. 73009: Climate Adaptation Improvements**

This budget account was established FY 22-23 and includes funds to evaluate potential risks for District facilities associated with climate change including more frequent extreme weather events, flooding, fire, and sea level rise and identify capital projects and improve climate resilience. A “placeholder” amount of \$20,000 is budgeted for each year of FY 26-28 for initiating any Climate Adaptation studies.

**Account No. 73090: Vehicle Replacement**

This account includes budget amounts in each of FY 26-27 and FY 27-28 for a portable generator, and an EV equivalent replacement for a ¾ ton truck, in FY 27-28.

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***SECTION V***

***WASTEWATER CAPITAL RESERVE FUND***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Wastewater Capital Reserve Fund**

	Prelim	Final
<b><u>Wastewater Capital Reserve Fund</u></b>		
<b>FUND BALANCE 6/30/25 - Consists of:</b>		
Unused Bonding Capacity	3,275,000.00	
Transfers in prior years	2,449,653.00	
Balance before FY 25-26 transfer	5,724,653.00	
Transfer in FY 25-26	400,000.00	
<b>FUND BALANCE 6/30/26</b>	<b>6,124,653.00</b>	-
<b>FUND BALANCE 6/30/26 - Consists of:</b>		
Unused Bonding Capacity	3,275,000.00	
Transfers in prior years	2,849,653.00	-
Balance before FY 26-27 transfer	6,124,653.00	
Proposed Transfer in FY 26-27	400,000.00	
<b>ANTICIPATED FUND BALANCE 6/30/27</b>	<b>6,524,653.00</b>	-
<b>FUND BALANCE 6/30/27 - Consists of:</b>		
Unused Bonding Capacity	3,275,000.00	
Transfers in prior years	3,249,653.00	-
Balance before FY 27-28 transfer	6,524,653.00	
Proposed Transfer in FY 27-28	400,000.00	
<b>ANTICIPATED FUND BALANCE 6/30/28</b>	<b>6,924,653.00</b>	-

**Note:**

The District borrowed \$81,307,947 from the State Revolving Fund (2011 SRF Loan) between 2008 and 2011. The loan was repaid in full in 2019 through the issuance of the 2019 Revenue Refinancing Bonds. The 2011 SRF loan agreement terms required that the District establish and maintain a "Wastewater Capital Reserve Fund" for expansion, major repair, or replacement of the wastewater facilities for the term of the loan agreement. The District established the Wastewater Capital Reserve Fund (WCRF) by Resolution No. 2933 adopted on April 24, 2006. While the original 2011 SRF loan has been repaid, the District recognizes that it may require future SRF funding to rebuild/renew its wastewater treatment facilities. Therefore, by Policy No. 3500 (Reserves Policy) adopted February 8, 2021, the District must deposit sufficient funds to build up the WCRF at a minimum rate of 0.5% of the original SRF loan amount each year (or approximately \$400,000/year) to demonstrate good faith efforts towards meeting typical State Revolving Fund (SRF) loan covenants and position the District competitively for consideration for future SRF loans. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 General Obligation (GO) Bonds may also be used to offset, dollar for dollar, the required cash deposits to the WCRF.

***SECTION VI***

***RATE STABILIZATION FUND***

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Rate Stabilization Fund**

	Prelim	Final
<b><u>Rate Stabilization Fund</u></b>		
<b>FUND BALANCE 6/30/25</b>	<b>2,076,351</b>	-
Required Deposits/Transfers from Operating	62,291	
<b>FUND BALANCE 6/30/26</b>	<b>2,138,642</b>	-
Required Deposits/Transfers from Operating	64,159	
<b>FUND BALANCE 6/30/27</b>	<b>2,202,801</b>	-
Required Deposits/Transfers from Operating	66,084	
<b>FUND BALANCE 6/30/28</b>	<b>2,268,885</b>	-

**Note:**

This fund is maintained at a minimum balance of \$1,500,000 adjusted annually for inflation from unreserved amounts in the operating fund. Beginning FY 17-18, this Fund is also included in the Summary of Fund Balances table (Page 1) to relate the cash based methodology of the budget document with the accrual methodology of the Annual Comprehensive Financial Report (ACFR).

**SECTION VII**

**DEBT SERVICE SUMMARY AND BALANCES**

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Debt Service Summary**

**DEBT SERVICE REQUIREMENTS**

The principal of and interest payable on, the District's outstanding 2017, 2019, and 2020 Bonds, is set forth below:

Fiscal Year Ending June 30	2017 Bonds*				2019 Bonds*				2020 Bonds**				Annual Totals
	Principal	Interest	Total	Outstanding Balance	Principal	Interest	Total	Outstanding Balance	Principal	Interest	Total	Outstanding Balance	
2020	820,000	631,000	1,451,000	11,800,000	3,480,000	1,091,536	4,571,536	42,665,000					6,022,536
2021	850,000	590,000	1,440,000	10,950,000	3,005,000	2,084,350	5,089,350	39,660,000					6,529,350
2022	890,000	547,500	1,437,500	10,060,000	3,155,000	1,934,100	5,089,100	36,505,000	234,000	208,200	442,200	6,233,000	6,968,800
2023	920,000	503,000	1,423,000	9,140,000	3,310,000	1,776,350	5,086,350	33,195,000	301,000	154,342	455,342	5,932,000	6,964,692
2024	965,000	457,000	1,422,000	8,175,000	3,475,000	1,610,850	5,085,850	29,720,000	308,000	147,143	455,143	5,624,000	6,962,993
2025	1,010,000	408,750	1,418,750	7,165,000	3,650,000	1,437,100	5,087,100	26,070,000	316,000	139,765	455,765	5,308,000	6,961,615
2026	1,060,000	358,250	1,418,250	6,105,000	3,835,000	1,254,600	5,089,600	22,235,000	324,000	132,197	456,197	4,984,000	6,964,047
2027	1,110,000	305,250	1,415,250	4,995,000	4,025,000	1,062,850	5,087,850	18,210,000	330,000	124,450	454,450	4,654,000	6,957,550
2028	1,160,000	249,750	1,409,750	3,835,000	4,225,000	861,600	5,086,600	13,985,000	338,000	116,548	454,548	4,316,000	6,950,898
2029	1,220,000	191,750	1,411,750	2,615,000	4,435,000	650,350	5,085,350	9,550,000	346,000	108,456	454,456	3,970,000	6,951,556
2030	1,275,000	130,750	1,405,750	1,340,000	4,660,000	428,600	5,088,600	4,890,000	356,000	100,162	456,162	3,614,000	6,950,512
2031	1,340,000	67,000	1,407,000	0	4,890,000	195,600	5,085,600	0	364,000	91,641	455,641	3,250,000	6,948,241
2032			0				0		372,000	82,931	454,931	2,878,000	454,931
2033			0				0		382,000	74,017	456,017	2,496,000	456,017
2034			0				0		390,000	64,878	454,878	2,106,000	454,878
2035			0				0		400,000	55,537	455,537	1,706,000	455,537
2036			0				0		409,000	45,969	454,969	1,297,000	454,969
2037			0				0		419,000	35,551	454,551	878,000	454,551
2038			0				0		433,000	22,961	455,961	445,000	455,961
2039			0				0		445,000	9,968	454,968	0	454,968
<b>Total</b>	<b>\$12,620,000</b>	<b>\$4,440,000</b>	<b>\$17,060,000</b>		<b>\$46,145,000</b>	<b>\$14,387,886</b>	<b>\$60,532,886</b>		<b>\$6,467,000</b>	<b>\$1,714,716</b>	<b>\$8,181,716</b>		<b>\$85,774,602</b>

\*Source: Official statement, \$46,145,000 "Novato Sanitary District, 2019 Wastewater Revenue Refunding Bonds".

\*\* Source: 2020 UAL Bond financing documents, titled "Parity debt service coverage calculation".

**Novato Sanitary District  
2026-2028 Preliminary Budget  
Wastewater/Taxable Revenue Bonds - Balances**

	Prelim	Final
<b><u>2017 Wastewater Revenue Refunding Bonds</u></b>		
<b>DEBT BALANCE 6/30/25</b>	<b>7,165,000</b>	
Principal Payment	(1,060,000)	
Interest payments	(358,250)	
Transfer from Capital Improvement Fund	358,250	
<b>DEBT BALANCE 6/30/26</b>	<b>6,105,000</b>	<b>-</b>
Principal Payment	(1,110,000)	
Interest payments	(305,250)	
Transfer from Capital Improvement Fund	305,250	
<b>ANTICIPATED DEBT BALANCE 6/30/27</b>	<b>4,995,000</b>	<b>-</b>
<b><u>2019 Wastewater Revenue Bonds</u></b>		
<b>DEBT BALANCE 6/30/25</b>	<b>26,070,000</b>	
Principal Payment	(3,835,000)	
Interest payments	(1,254,600)	
Transfer from Capital Improvement Fund	1,254,600	
<b>DEBT BALANCE 6/30/26</b>	<b>22,235,000</b>	<b>-</b>
Principal Payment	(4,025,000)	
Interest payments	(1,062,850)	
Transfer from Capital Improvement Fund	1,062,850	
<b>ANTICIPATED DEBT BALANCE 6/30/27</b>	<b>18,210,000</b>	<b>-</b>
<b><u>2020 Taxable Wastewater Revenue Refunding Bonds <sup>(1)</sup></u></b>		
<b>DEBT BALANCE 6/30/25</b>	<b>5,308,000</b>	
Principal Payment	(324,000)	
Interest payments	(132,197)	
Transfer from Capital Improvement Fund	132,197	
<b>DEBT BALANCE 6/30/26</b>	<b>4,984,000</b>	<b>-</b>
Principal Payment	(330,000)	
Interest payments	(124,450)	
Transfer from Operating Fund	124,450	
<b>ANTICIPATED DEBT BALANCE 6/30/27</b>	<b>4,654,000</b>	<b>-</b>

	Budget 2025-26	Projected Rev/Exp 2025-26	Proposed Budget 2026-27	Preliminary Budget 2027-28
<b>Debt Coverage Ratio <sup>(2)</sup></b>				
<b>Net Operating Revenue</b>	<b>28,309</b>	<b>2,051,949</b>	<b>6,854</b>	<b>14,551</b>
<b>Capital Revenue</b>	<b>12,998,468</b>	<b>12,572,569</b>	<b>13,304,725</b>	<b>12,373,147</b>
<b>Annual Debt Service</b>	<b>6,507,850</b>	<b>6,507,850</b>	<b>6,503,100</b>	<b>6,496,350</b>
<b>Debt Coverage Ratio</b>	<b>2.00</b>	<b>2.25</b>	<b>2.05</b>	<b>1.91</b>

<sup>(1)</sup> Debt service for the 2020 Wastewater Revenue Refunding Bonds is allocated to the employee benefits account of each relevant cost center to reflect the nature of the debt issuance i.e., to pay off the CalPERS UAL of the employees' pension plan.

<sup>(2)</sup> Debt Coverage Ratio (DCR) = (Net Operating Revenue + Capital Revenue)/ Annual Debt Service  
While not required to do so by any of its debt covenants, the District elects to calculate its DCR and maintain a minimum value of 1.20 to comport with generally accepted accounting "best practices".

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Household Hazardous Waste (HHW) Collection and Disposal.	<b>MEETING DATE:</b> June 8, 2026  <b>AGENDA ITEM NO.:</b> 10.a.
<b>RECOMMENDED ACTION:</b> Approve Amendment No. 6 to Agreement No. 67500-CEE-2023-01 with Clean Earth Environmental Services, Inc. in the not-to-exceed amount of \$202,000 (thereby increasing the overall compensation amount of the Agreement from \$1,107,000 to \$1,309,000) for continuing HHW collection and disposal services at the Permanent Household Hazardous Waste Facility from July 1, 2026 through December 31, 2026, and authorize the General Manager-Chief Engineer to execute it.	
<b>SUMMARY AND DISCUSSION:</b>  Agreement 67500-CEE-2023-01 (Agreement) for HHW collection and disposal between the District and Clean Earth Environmental Services, Inc. (CleanEarth) in the amount of \$320,000, was executed August 15, 2023.  Since the original contract was executed, there have been 5 amendments over the past few years including this year when the Board authorized Amendment No. 4 extending the contract through March 31, 2026, and increasing the overall compensation amount of the Agreement by \$101,000 to \$1,006,000. The Board also authorized Amendment No. 5 extending the contract through June 30, 2026, and increasing the overall compensation amount of the Agreement by another \$101,000 to \$1,107,000 while the District worked through contract negotiations with Clean Earth and Recology and worked on establishing prevailing wage provisions for a new contract.  Staff have been working with the California Department of Industrial Regulations (DIR) to establish prevailing wage provisions for the new contract. At this time, the DIR has provided the Director's Special Prevailing Wage Assessment Determination for the contract, and staff has forwarded it to Clean Earth. In order to provide Clean Earth time to review and adjust their cost schedules, it is staff's opinion that the District's interest is best served by an additional 6-month amendment (Amendment No. 6) to extend the Agreement with CleanEarth through the calendar year to December 31, 2026 and increase the overall compensation amount of the Agreement from \$1,107,000 to \$1,309,000.  This period will also allow the District to continue negotiating the new contract with Recology (including a subcontract to Clean Earth). This also benefits the District as Clean Earth has agreed to maintain their current pricing structure through the duration of this amendment.  It is recommended that the Board approve Amendment No. 6 and authorize the General Manager-Chief Engineer to execute it.	
<b>BUDGET INFORMATION:</b> The FY 26-27 preliminary budget amount for Account No. 67500 is \$717,000.	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 2 (Facilities), and Goal 4 (Outreach) of the latest Strategic Plan.	
<b>Prepared by:</b> cp	<b>Reviewed by General Manager:</b> SSK

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

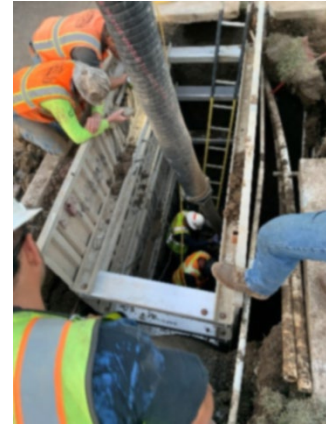
<b>TITLE:</b> Wastewater Operations Report, May 2026.	<b>MEETING DATE:</b> June 8, 2026 <b>AGENDA ITEM NO.:</b> 11.a.
<b>RECOMMENDED ACTIONS:</b> Receive Wastewater Operations Report for May 2026 – <u>information only</u> : <ul style="list-style-type: none"><li>i. Collection System</li><li>ii. Treatment Facilities</li><li>iii. Reclamation Facilities</li></ul>	
<b>SUMMARY AND DISCUSSION:</b> <p>The May 2026 Wastewater Operations Report incorporating operations reports for the collection system, wastewater treatment facilities, and the reclamation facilities is attached.</p> <p>District and Veolia staff will be present at the meeting to provide overviews of the reports for their operational areas, and will be available to discuss the reports or respond to any questions.</p>	
<b>ATTACHMENTS:</b> 1. Wastewater Operations Reports for the month of May 2026.	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 2 (Facilities) of the latest Strategic Plan.	
<b>Prepared by:</b> dd (Veolia), ja, jjb	<b>Reviewed by General Manager:</b> SSK

**Novato Sanitary District**  
**Wastewater Operations - Collection System Operations Report**  
**May 2026**

**1.0 General:**

The equivalent of about six (6) full-time employees (FTEs) worked on collection system maintenance activities during the month. The breakdown of staff time for the month in terms of equivalent FTE hours utilized, works out approximately as follows:

- 1.4 FTE for sewer maintenance (main line cleaning)
- 1.2 FTE for pump station maintenance
- 1.2 FTE for Closed Circuit Television (CCTV) work
- 0.0 FTE for Underground Service Alerts (USAs)
- 0.9 FTE for time spent on data input, training, service calls, overflow response, or any other activity that does not directly relate to the activities listed above, or special activities (for example, smoke testing of mainlines), and
- 1.3 FTE for vacation, holiday, or sick leave.



**Figure 1: Emergency Dig-up repair on Bel Marin Keys Blvd. due to a broken 8" ACP (Asbestos Concrete Pipe) by a contractor.**

**2.0 Collection System Maintenance:**

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

Line Cleaning Performance: The Computerized Maintenance Management System (CMMS) generated 587 work orders for the month. Collections staff completed 159 work orders leaving 428 work orders outstanding due to staff being out sick or on vacation and a number of unscheduled urgent repairs in May. The outstanding work orders are expected to be completed over the next few months. Completed work orders resulted in 34,396 feet of sewer pipelines being cleaned by staff, 1,789 feet of which was performed by CCTV in lieu of cleaning.

Closed Circuit Television (CCTV) Performance:

The District's CCTV equipment was in the field for seventeen (17) working days and televised a total of 21,468 feet of sewer main.

CCTV Findings:

- Infrastructure-related: CCTV-work identified one new defect this month. This is a broken piece of pipe that is located on Clausing Ave. and Lamont Ave. A repair request was submitted and added to the repair list.
- O&M related: Condition assessment through CCTV-work did not identify any new areas that would require a change in sewer line maintenance operations.

**3.0 Pump Station (PS) Maintenance:**

Collections staff conducted 137 lift station inspections this month. Of these, 38 inspections were generated through the District's JobsCal Plus CMMS system. There are zero (0) outstanding work orders for the month. A Pump Stations Statistics summary is attached.

**Novato Sanitary District**  
**Wastewater Operations - Collection System Operations Report**  
**May 2026**

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**4.0 Air Relief/Vacuum Valves (ARVs):**

Staff completed maintenance inspections of five (5) air relief/vacuum valves this month.

**5.0 Safety and Training:**

General:

Collections staff attended four (4) tailgate meetings in May.

Specialized Training:

- Heat Illness Prevention Training (Classroom)
- Vendor Pump Breakdown and rebuild training (2 CSW's in person)
- Workplace Violence Protection (Vector Solutions)
- Know B4 cybersecurity training.

Safety performance:

There were zero (0) lost time accidents in May.

**6.0 Miscellaneous Projects/Repairs:**

- Enfrente Pump Station wet well vacuumed out.
- 3210 Vactor air valve replaced.
- Bel Marin Keys area manhole coating project completed.
- East Hamilton Pump Station pump #2 replacement project in the works.
- Costco Air Relief Valve box vacuumed out.
- Manhole collar on Sunset parkway repaired.
- Emergency dig-up and repair on an 8" ACP on Bel Marin Keys Blvd. by a contractor.
- Bahia Main Pump Station fuel supply day tank pump replaced.
- Bahia Main Pump Station generator automatic voltage regulator replaced.
- Canyon Rd. Pump Station generator starting issues rectified.
- Olive Ridge Pump Station new PLC and HMI installed.
- East Hamilton Pump Station pump #1 ragged up and corrected in the field.
- CCTV Tractor Motor wheel module stopped working and in for repairs.
- Door tags distributed for upcoming root treatment project.

**7.0 Sanitary Sewer System Spills:**

The Novato Sanitary District Collection System had zero (0) Sanitary Sewer System Spills in May 2026. The No Spill certification confirmation number is 2715663.

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**Novato Sanitary District**  
**Collection System Monthly Report For May 2026 (as of May 31, 2026)**

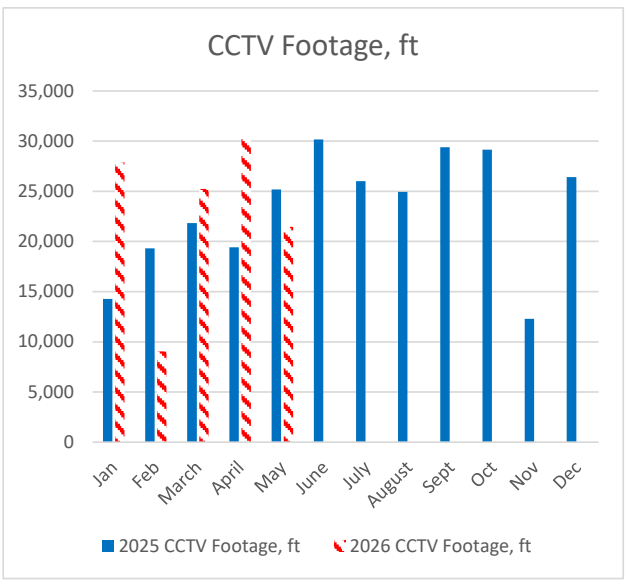
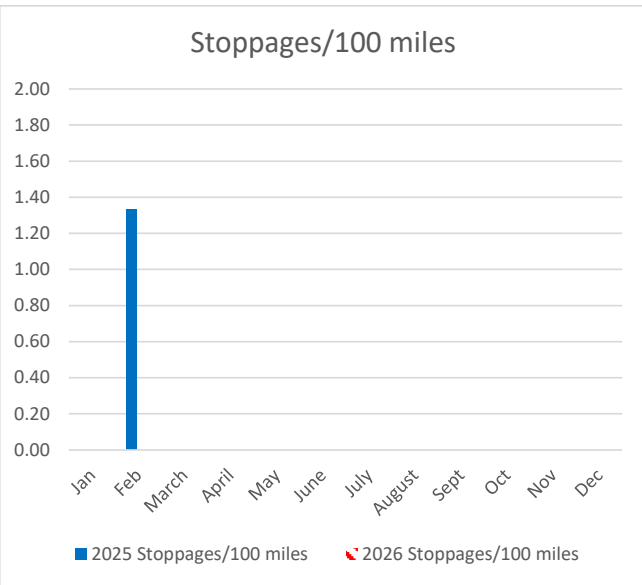
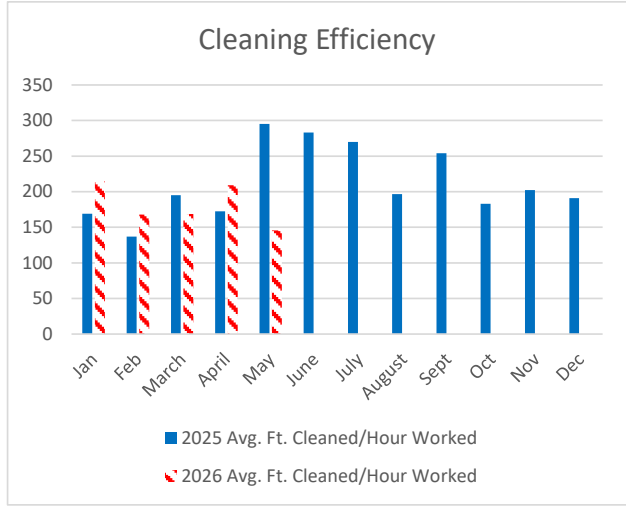
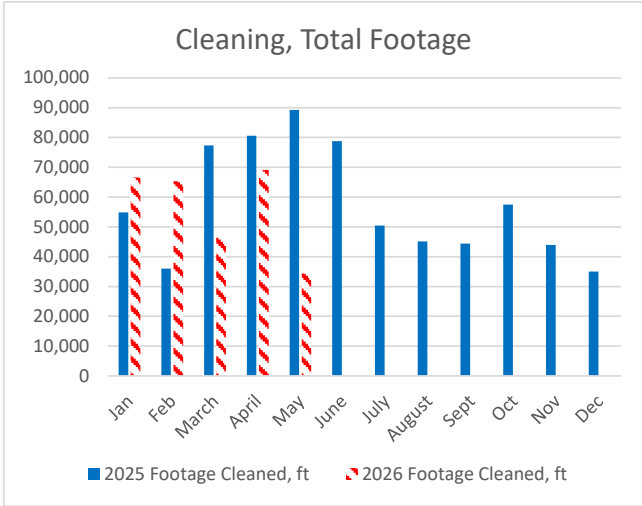
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
<b>A. Employee Hours Worked</b>														
Number of FTEs (main line cleaning)	1.8	2.4	1.6	1.9	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	1.8
Number of FTEs (other)	0.9	1.1	0.7	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.9
Number of FTEs (USAs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0
Number of FTEs (CCTV)	1.3	0.6	1.8	1.5	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	1.3
Total, FTEs	4.1	4.1	4.1	4.3	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	4.0
Regular Time Worked, (main line cleaning), hrs	311	390	275	331	236								1,542	308
Regular Time Worked on Other, hrs (1)	151	177	128	157	143								755	151
Regular Time Worked on USAs	0	0	0	0	0								0	0
Regular Time Worked on CCTV (2)	228	95	322	271	203								1,118	224
Total Regular time, worked, hrs	690	661	724	758	582	0	0	0	0	0	0	0	3,414	683
Total Vacation/Sick Leave/Holiday, hrs	134	99	126	75	226								660	132
Vacation/Sick Leave/Holiday, FTEs	0.8	0.6	0.7	0.4	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9	0.8
Overtime Worked on Coll. Sys., hrs	31	0	0	0	0								31	31.0
Overtime Worked on Other, hrs (1)	1	20	29	0	5								54	13.6
Overtime Worked on USAs, hrs	0	0	0	0	0								0	0.0
Overtime Worked on CCTV (2)	0	0	0	0	0								0	0.0
Total Overtime, hrs	32	20	29	NA	5	NA	0	NA	0	NA	NA	NA	85	21.3
<b>B. Productivity</b>														
<b>1. Line Cleaning</b>														
Rodder Work Orders generated	70	91	48	155	105								469	94
Rodder 3208 ft. cleaned	0	0	54	272	577								903	181
Rodder - outside services and handrodding, ft cleaned	730	0	0	294	0								1,024	205
Flusher Work Orders generated	537	498	288	379	482								2,184	437
Truck 3209F ft. cleaned	437	0	53	9,468	1,894								11,852	2,370
Truck 3210V ft. cleaned	18,897	24,269	8,826	4,257	150								56,399	11,280
Truck 3211V ft. cleaned	32,683	39,261	35,303	51,922	29,986								189,155	37,831
Flusher - outside services, ft. cleaned, foamed	0	0	0	0	0								0	0
CCTV Truck + Hand Cam in lieu of cleaning	13,831	1,834	2,110	2,911	1,789								22,475	4,495
Total Footage cleaned (3)	66,578	65,364	46,346	69,124	34,396	0	0	0	0	0	0	0	281,808	56,362
Work Orders completed	326	326	211	332	159								1,354	271
Work Orders backlog	281	264	125	202	428								1,300	260
<b>2. Closed Circuit Television (CCTV)</b>														
Camera Work Orders generated	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CCTV Truck 3135, ft. videoed	27,455	7,249	25,249	27,816	21,176								108,945	21,789
CCTV (hand cam), ft. videoed	423	1,790	0	2,399	292								4,904	981
CCTV Inspection - outside services, ft. videoed	0	0	0	0	0								0	0
Total CCTV footage (3)	27,878	9,039	25,249	30,215	21,468	0	0	0	0	0	0	0	113,849	22,770
<b>C. Sanitary Sewer Overflows (SSOs)</b>														
Lower Lateral/less than 50gal. (Category IV)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Minor (Category III)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category II)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Major (Category I)	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Overflow Gallons	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Volume Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	NA
Percent Recovered	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>D. Service Calls (non-SSO related)</b>														
Service Calls, (SCs), normal hours, #	0	2	4	1	4								11	2
Normal hours SC response time, mins (avg.)	0	22.5	29	20	26								98	20
Service Callouts, after hours, #	0	1	0	0	1								2	0
After Hours SC response time, mins (avg.)	0	33	0	0	35								68	14
<b>E. Benchmarks</b>														
Average Ft. Cleaned/Hour Worked	214	168	169	209	146	NA	NA	NA	NA	NA	NA	NA	NA	181
Total Stoppages/100 Miles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Average spill response time (mins)	0	0	0	0	0	0	0	0	0	0	0	0	NA	0
Callouts/100 Miles	0.0	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.1
Overtime hours/100 Miles	14	0	0	0	0	0	0	0	0	0	0	0	13.78	1
Overflow Gallons/100 Miles	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

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

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

# Collection System: 2025 & 2026 Graphs



Novato Sanitary District

Pump Station Monthly Report For May 2026 (as of May 31, 2026)

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total Year to Date	Average Year to Date
<b>Employee Hours Worked</b>														
Number of Employees (FTEs)	1.1	1.3	1.2	1.3	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A	1.2
Regular Time Worked on Pump Sta	191	201	216	235	200								1,041	208
Overtime Worked on Pump Sta	28	31	26	11	24								120	24
After Hours Callouts	2	3	3	5	1								14	3
Average Callout response time (mins)	29	36	35	34	26								160	32
<b>Work Orders</b>														
Number generated in month	38	38	45	38	38								197	39.4
Number closed in month	38	38	45	38	38								197	39.4
Backlog	0	0	0	0	0	0	0	0	0	0	0	0	0	0



June 3, 2026

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

**Subject: Veolia Water Operations Report – May 2026**

Dear Mr. Karkal:

I am pleased to provide the Monthly Operations Report for May 2026.

As always, please give me a call at 707-378-3974 should you have any questions.

Best regards,

A handwritten signature in blue ink, appearing to read "Derek Dill", written in a cursive style.

Derek Dill  
Project Manager, Veolia



**MONTHLY OPERATIONS REPORT  
May 2026**

**Prepared for**

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

**Prepared by**

**Veolia Water West Operating Services, Inc. (VWWOS)**

**TABLE OF CONTENTS**

- A: TREATMENT PLANT PERFORMANCE SUMMARY
- B: SAFETY AND TRAINING
- C: OPERATIONS AND MAINTENANCE STATUS / REVIEW
- D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY
- E: ADMINISTRATION
- F: ODORS & LANDSCAPING
- G: MISCELLANEOUS

**ATTACHMENTS**

- 1) Photos
- 2) Laboratory Data
- 3) Recycled Water Report
- 4) Annual Performance Summary - Graphs
- 5) Process Control Data / Graphs
- 6) Neighborhood Complaints Received
- 7) Jerome Meter Readings and Locations

**A: TREATMENT PLANT PERFORMANCE SUMMARY**

**San Pablo Bay May 1-31, 2026**

**Table 1.0**

Parameter	Value		Limits	
	Ave	Max		
Flow, MGD (monthly ave/max)	4.14	5.00	N/A	
<b>Influent</b>				
BOD <sub>5</sub> , lb/day (month ave/max)	10,844	13,129	N/A	
TSS, lb/day (monthly ave/max)	11,246	11,900	N/A	
<b>Effluent</b>				
BOD <sub>5</sub> , mg/L (monthly ave/max weekly ave)	<5	5	15	30
TSS, mg/L (monthly ave/max weekly ave)	<4	5	10	20
BOD <sub>5</sub> - % Removal, Average	98%		85 Minimum	
TSS - % Removal, Average	99%		85 Minimum	
Ammonia, mg/L – (monthly ave/daily max)	0.47	0.47	5.9	21
pH, su (min / max)	6.8	7.1	6.5	8.5
Enterococcus, MPN/100 ml (6 week rolling geomean, min and max)	2.7	3.5	30	
Enterococcus, MPN/100 ml (90 <sup>th</sup> percentile – highest value)	5.2		110	
Fecal Coliform, MPN/100 ml (monthly median)	<1.8		140	
Fecal Coliform, MPN/100 ml (90 <sup>th</sup> percentile)	<1.8	<1.8	430	
Total Coliform, MPN/100 ml (5 sample median) (monthly maximum)	N/A		240	
Total Coliform, MPN/100 ml (monthly maximum) Reclamation Discharge	N/A		10,000	

Monthly Total Rainfall = 0.53 inches

**Title 22 - Recycled Water Production and Quality – Table 2.0**

Description	Units	Value	Limit
Potable Water Provided	Million Gallons	4.441	N/A
Recycled Water Volume Produced	Million Gallons	16.886	N/A
Average Turbidity	NTU	0.6	2.0
Turbidity > 5 NTU (in 24 hour)	Minutes	3	72
Minimum CT (disinfection)	mg-min/L	>450	450 minimum
Maximum Total Coliform	MPN/100 ml	<1	240
Maximum Total Coliform (2 Samples 30 days)	MPN/100 ml	<1	23
Total Coliform (7 Sample Median)	MPN/100 ml	<1	2.2



**Discussion of Violations / Excursions**

- National Pollutant Discharge Elimination System Permit (NPDES) Limits - None
- Recycled Water Statewide Permit – NONE
- Reclaimed Water (WDR) – None
- Bay Area Air Quality Management District (BAAQMD) – None

**B: SAFETY AND TRAINING:**

- Monthly plant safety inspections for Novato Wastewater Treatment Plant and Ignacio Transfer Pump Station completed.
- No safety incidents for the month of May 2026.
- Monthly Safety Topics May 2026: Heat Illness/Heat Stress, CAL/OSHA Protection from Wildfire Smoke, Boiler Operation and Safety Refresher Training

**C: OPERATIONS & MAINTENANCE STATUS / REVIEW:**

**Key events for the period:**

**Wastewater Treatment Plant Power Outages**

- No power interruptions in May 2026

**Novato Wastewater Treatment Plant (NTP)**

- Routine rounds, readings, adjustments, and preventative and corrective maintenance.
- Work Orders Completed – A total of 150 work orders were completed in April 2026.
- Class II Service completed by Chart/Howden for single-stage Turblex blowers
- Quad-load testing and certification of all plant cranes
- Boiler annual preventative maintenance conducted
- Final Digested Sludge Transfer Station-discharge line reducer replaced, pumps deragged

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

- Aeration Basin #1 & #3
- Primary Clarifier #2
- Secondary Clarifier #1

**Ignacio Transfer Pump Station (ITPS) Power Outages**

- No Power Outages for the month of May 2026.

**Ignacio Transfer Pump Station**

- Routine rounds, readings, adjustments, and preventative maintenance.
- Check valve cleaning conducted for all conveyance pumps and equalization pump

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

- Sodium Hypochlorite System – Standby

**Recycled Water Plant (RWP)**

- RWP online as of May 5th
- Hypochlorite injection line replacement

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

- None

**Sludge Lagoons (and Reclamation Area)**

- Conducted routine checks and management of the feed sludge and decant piping.
- A hydroflush of the common channel and vector service of the decant pump station was coordinated with a subcontractor May 8th.
- Gorman Rupp pump-fuel leak repaired

**D: ENVIRONMENTAL SERVICES ACTIVITIES SUMMARY****Discharge to the Bay May 1-31****Wildlife Pond and Reclamation Activities****Wildlife Pond**

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

**Total Coliforms**

When effluent is discharged to reclamation the bacteriological requirement is for Total Coliforms. No samples were required in May.

**Enterococcus**

When effluent is discharged to the Bay, the bacteriological requirement is for *Enterococcus*. Ten samples were taken in May. All samples were below the regulatory limits.

**Fecal Coliforms**

Fecal Coliform sampling is required once per quarter during Bay discharge only. One Fecal Coliform sample was taken in May for the April through June Quarter. The result was below the regulatory limit.

**Whole Effluent Toxicity Testing**

May was the second month of testing of the new toxicity requirement and frequency. The test, using Larval Red Abalone (*Haliotis rufescens*) and shell development, resulted in a passing result at the instream waste concentration (IWC) of 30 percent effluent. May results: passed.

**Meetings**

Liz Falejczyk attended the Marin County Wastewater Treatment Agencies Public Education meeting hosted by Las Galinas Valley Sanitary District along with Michael Brewer.

**Wastewater Surveillance in the Bay Area**

We continued sending three influent composite samples per week to Verily. The website to see data from Novato is [http://publichealth.verily.com/?v=SC2\\_N&l=Novato%2C+CA](http://publichealth.verily.com/?v=SC2_N&l=Novato%2C+CA) . All Marin County COVID and information can be found at <https://coronavirus.marinhhs.org/surveillance#keyindicators> (scroll down for the wastewater information). A dashboard specifically for Novato information is here [WastewaterSCAN Dashboard](#) .



**Pretreatment****Permits**

- Renewed one Categorical Zero Discharge Non-Significant Industrial User Permit

**Inspections, Sampling and Documentation**

- Received support documentation from one Industrial User
- Received support documentation confirming compliance from four Food Service Establishments (FSEs)
- Inspected and sampled one Significant Industrial User

**E: ADMINISTRATION:**

- The April 2026 Self-Monitoring Report (Monthly SMR - State of California) was submitted on May 21st, 2026.

**F: ODORS & LANDSCAPING:**

- Jerome meter (H<sub>2</sub>S) parts per million (ppm) readings performed in adjacent neighborhood.
- Values reported averaged 0.000-0.000 ppm.

**G: MISCELLANEOUS:**

- Process Control Management Plan (PCMP) meetings held weekly with the Veolia staff.

**Veolia Support Staff Onsite/Remote (Various Times)**

Rodney Lance, Veolia West Region, Vice President (Remote)

Art Fagerström, PE, BCEE, Veolia Technical Manager, Corporate Technical Support (Remote)

Mark Higginbottom, Veolia Energy Efficiency Manager- Rotating Equipment (Remote)

Joe Hart, Veolia, Regional Asset Manager (Remote)

Roger Bolton, Veolia Regional Asset Manager (Remote)

Kumar Upendrakumar, Veolia Business Operations Center, Director of Engineering • Technical / Studies / Engineering (Remote)

Chandrasekar Venkatraman, Veolia President, Capital Program Management (West) • General Management (Remote)

Rodrigo Vignau, Veolia Director of Capital Program Management - West (Remote/In-person)

Jordan Hamil, Veolia Lead Talent Advisor, Municipal Water Contract Operations West (Remote)

Calvin Carnegie, Veolia Sr. Director, Technical & Performance West Region (Remote/In-person)

Yahayra Levesque, Veolia, Talent Acquisition (Remote/In-person)

Mikael Amar, Veolia, Senior Manager, Decarbonization Strategies (Remote/In-person)

Aaditya Raman, Veolia West Region, President (Remote)

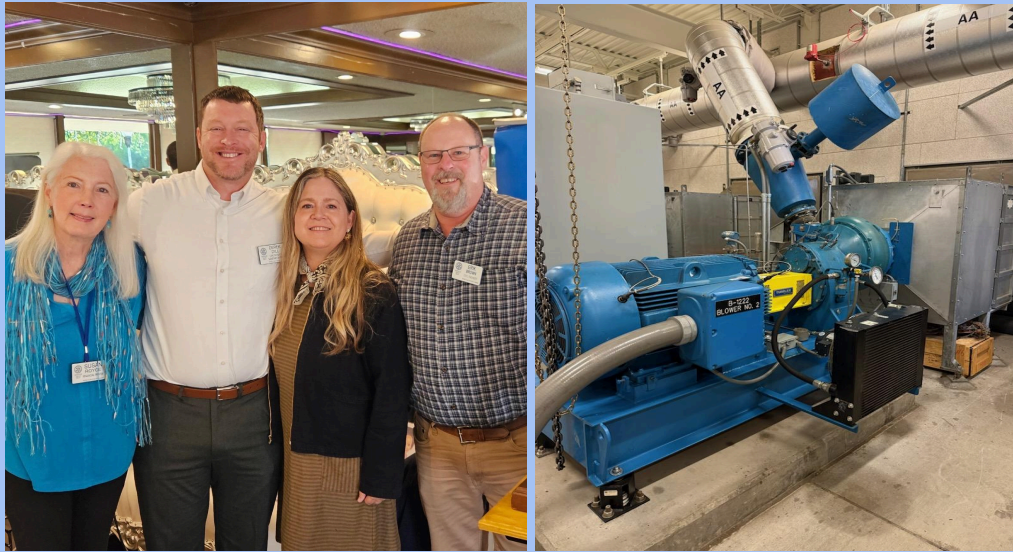
Scott Connor, Veolia Water Technologies Services, (Remote/In-person)

Luis Corrales, Veolia West Region, Environmental Health and Safety (EHS) Director (Remote/In-person)



## ***1) PHOTOS***

# PLANT OPERATION AND MAINTENANCE May 2026



Top Left –Kurt Hawkyard-Pretreatment Inspection-Bio Marin  
Top Right -Polyphemus Moth  
Bottom Left -Derek Dill and Erik Brown-White Badge Ceremony-Sunrise Rotary  
Bottom Right –"A Blower Reborn"-Class II Service Completed

## **2) *LABORATORY DATA***

Novato Sanitary District  
BOD/TSS Report



May, 2026

Date	Influent Flow MGD	Influent				Effluent				BOD % Removal PERCENT	TSS % Removal %
		BOD		TSS		BOD		TSS			
		mg/l	lb/d	mg/l	lb/d	mg/l	lb/d	mg/l	lb/d		
05/01/26	4.49										
05/02/26	4.29										
05/03/26	4.61										
05/04/26	4.90										
05/05/26	4.82										
05/06/26	4.63	340	13,129	297	11,468	<5	<193	5	193	98.5	98.3
05/07/26	5.00					5	209	4	167		
05/08/26	4.21										
05/09/26	4.37										
05/10/26	4.19										
05/11/26	4.32										
05/12/26	4.24	240	8,487	307	10,856	<5	<177	4	141	97.9	98.7
05/13/26	4.27										
05/14/26	4.02										
05/15/26	3.94										
05/16/26	3.92										
05/17/26	4.00										
05/18/26	3.85										
05/19/26	3.85										
05/20/26	3.74	350	10,917	345	10,761	<5	<114	4	91	98.6	98.8
05/21/26	3.77										
05/22/26	3.82										
05/23/26	3.64										
05/24/26	3.72										
05/25/26	3.80										
05/26/26	4.10										
05/27/26	3.92			364	11,900			<3	<74		99.2
05/28/26	4.27										
05/29/26	3.84										
05/30/26	3.83										
05/31/26	4.04										
<b>Weekly Averages</b>											
05/02/26	Week 1	210	8,792	224	9,378	5	209	4	167		
05/09/26	Week 2	340	13,129	297	11,468	5	201	5	180		
05/16/26	Week 3	240	8,487	307	10,856	5	177	4	141		
05/23/26	Week 4	350	10,917	345	10,761	5	114	4	91		
05/30/26	Week 5			364	11,900			3	74		
<b>Monthly</b>											
Minimum	3.64	240	8,487	297	10,761	<5	<114	<3	<74	98	98
Maximum	5.00	350	13,129	364	11,900	5	209	5	193	99	99
Total	128.41										
Average	4.14	310	10,844	328	11,246	<5	<173	<4	<133	98	99

Novato Sanitary District  
Conventional Pollutants Report



May, 2026

Date	INFLUENT INF-001			EFFLUENT EFF-001								
	Flow	pH	Ammonia	Bacteria			Coliform		pH	Ammonia	Temp	Rainfall
	Total			Fecal	Entero	Entero 6wk Geo Running	Total	5 Day Median				
	MGD	SU	mg/L	MPN/100 mL			MPN/100mL		SU	mg/L	Deg C	Inches
05/01/26	4.49	7.5							6.9		20.2	0.00
05/02/26	4.29					2.7						0.00
05/03/26	4.61											0.00
05/04/26	4.90			<1.8	2.9				7.0		20.3	0.21
05/05/26	4.82								7.0		20.1	0.09
05/06/26	4.63								6.9		21.4	0.00
05/07/26	5.00	7.8			4.1				6.9	0.47	20.2	0.00
05/08/26	4.21								6.8		20.5	0.00
05/09/26	4.37					3.2						0.00
05/10/26	4.19											0.00
05/11/26	4.32				1.4				7.0		20.8	0.00
05/12/26	4.24				3.1				6.9		21.3	0.00
05/13/26	4.27	7.5			1.0				6.9		20.8	0.00
05/14/26	4.02				6.1				7.1		21.3	0.00
05/15/26	3.94								7.0		21.4	0.00
05/16/26	3.92					3.3						0.00
05/17/26	4.00											0.00
05/18/26	3.85				5.1				7.1		21.5	0.00
05/19/26	3.85				4.1				6.9		22.3	0.00
05/20/26	3.74				5.2				7.1		22.4	0.00
05/21/26	3.77	7.8							6.9		22.2	0.00
05/22/26	3.82								6.9		21.7	0.00
05/23/26	3.64					3.4						0.00
05/24/26	3.72											0.00
05/25/26	3.80								7.0		21.0	0.00
05/26/26	4.10				3.2				7.1		20.7	0.00
05/27/26	3.92								7.1		22.8	0.01
05/28/26	4.27								7.0		21.7	0.22
05/29/26	3.84								6.9		21.8	0.00
05/30/26	3.83					3.5						0.00
05/31/26	4.04											0.00
Minimum	3.64	7.5		<1.8	1.0	2.7			6.8		20.1	0.00
Maximum	5.00	7.8		<1.8	6.1	3.5			7.1		22.8	0.22
Total	128.41											0.53
Average	4.14	7.7							7.0	0.47	21.3	0.02
90%					5.2							

### **3) *RECYCLED WATER REPORT***

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

	Filter Influent Flow	Recycled Water Flow to Plum Street Tank	Potable Water To Plum St Tank	Recycled Water Influent Turbidity Ave.	Minutes Over 5 NTU Turbidity	Filter Effluent 24 Hr Average Turbidity	Filter Effluent Total Coliform	Disinfection CT Value
Date	MGD	MGD	MGD	NTU	(m)	NTU	MPN/100ml	mg-min/l
5/1/2026	1.110		0.579					
5/2/2026	1.290		0.367					
5/3/2026	1.320		0.282					
5/4/2026	1.340		0.067					
5/5/2026	1.120	0.169	0.067	2.6	0	1.7	<1	>450.000
5/6/2026	1.040	0.010	0.000	0.7	0	0.7	<1	>450.000
5/7/2026	1.300	0.000	0.211	0.9	0	0.0		>450.000
5/8/2026	1.320	1.030	0.008	2.3	0	0.5	<1	>450.000
5/9/2026	1.290	0.461	0.000	1.8	0	0.5	<1	>450.000
5/10/2026	1.330	1.165	0.000	2.4	2	0.9	<1	>450.000
5/11/2026	1.460	0.778	0.000	2.5	2	0.7	<1	>450.000
5/12/2026	1.020	0.000	0.000					
5/13/2026	1.080	0.000	0.794					
5/14/2026	0.050	0.000	1.293					
5/15/2026	1.430	0.584	0.135	0.0	0	0.8	<1	>450.000
5/16/2026	1.130	1.002	0.000	1.8	0	0.8	<1	>450.000
5/17/2026	1.430	1.248	0.000	1.9	0	1.0	<1	>450.000
5/18/2026	1.460	1.069	0.000	1.6	0	1.0	<1	>450.000
5/19/2026	1.230	0.726	0.000	1.5	0	0.7	<1	>450.000
5/20/2026	1.290	1.015	0.000	0.8	3	0.6	<1	>450.000
5/21/2026	1.190	0.843	0.000	2.3	0	0.5	<1	>450.000
5/22/2026	1.320	0.748	0.000	1.6	0	0.5	<1	>450.000
5/23/2026	1.260	0.053	0.000	2.2	0	0.3	<1	>450.000
5/24/2026	1.610	0.889	0.000	0.4	0	0.3	<1	>450.000
5/25/2026	1.430	0.764	0.000	1.6	0	0.2	<1	>450.000
5/26/2026	1.530	0.788	0.000	0.7	0	0.2	<1	>450.000
5/27/2026	1.550	0.972	0.000	2.1	0	0.7	<1	>450.000
5/28/2026	0.970	0.235	0.000	3.2	0	1.2	<1	>450.000
5/29/2026	1.140	0.218	0.000	2.0	0	1.1	<1	>450.000
5/30/2026	1.170	0.333	0.000	1.6	0	0.7	<1	>450.000
5/31/2026	1.120	0.491	0.000	1.7	0	0.9	<1	>450.000
<b>Total</b>	<b>38.330</b>	<b>15.591</b>	<b>3.803</b>					
<b>Minimum</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>&lt;1</b>	<b>&gt;450.0</b>
<b>Maximum</b>	<b>1.610</b>	<b>1.248</b>	<b>1.293</b>	<b>3.2</b>	<b>3</b>	<b>1.7</b>	<b>&lt;1</b>	<b>&gt;450.0</b>
<b>Average</b>	<b>1.236</b>	<b>0.577</b>	<b>0.123</b>	<b>1.7</b>	<b>0</b>	<b>0.7</b>	<b>&lt;1</b>	<b>&gt;450.0</b>

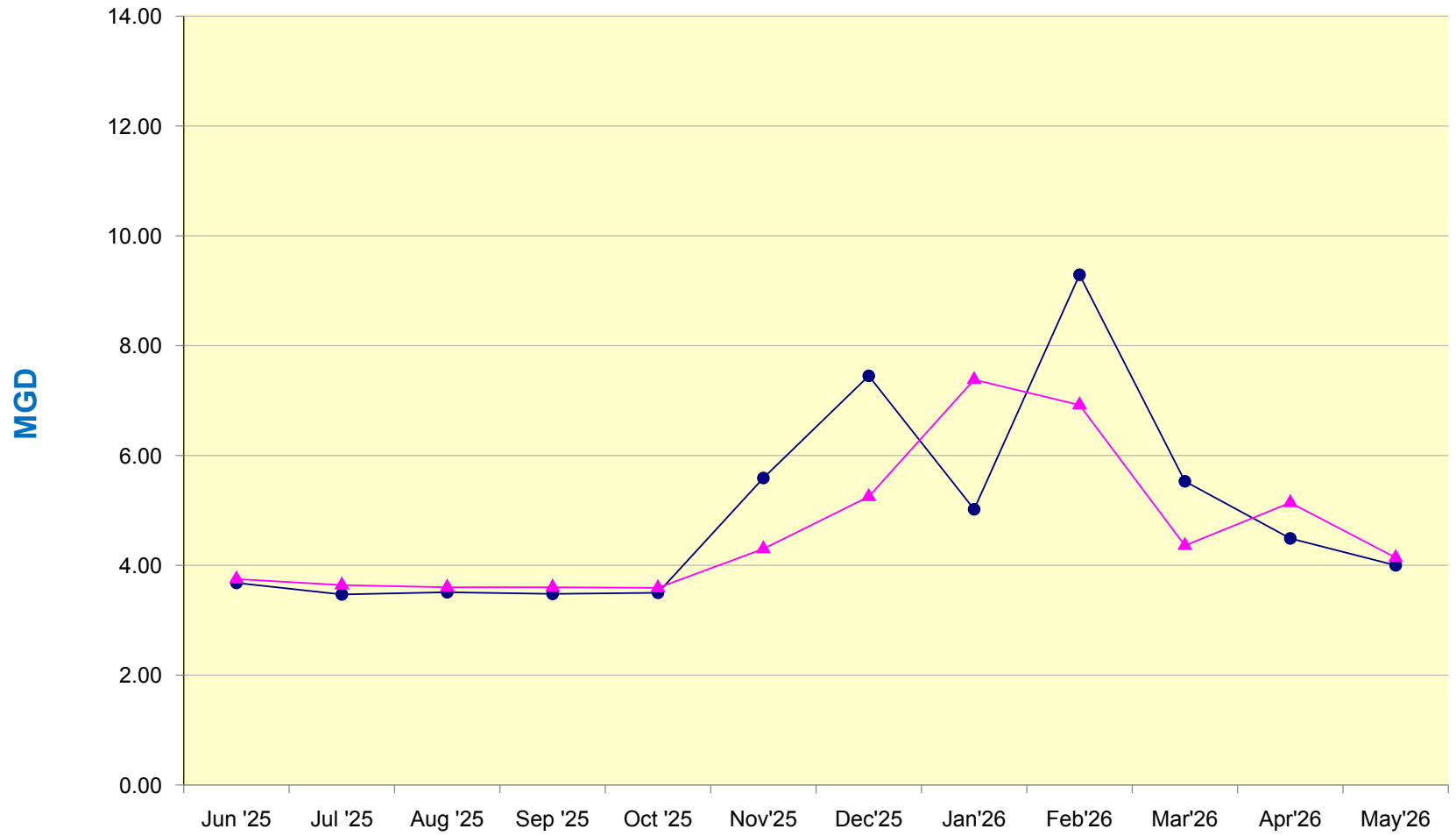
The Filter Feed pumps will shut down and be locked out by any of these criteria:

1. Turbidity >10.0 NTU for 10 seconds
2. Turbidity >5.0 NTU for 72 minutes in a 24 hour period
3. Turbidity 24 hour average >2.0 NTU

## ***4) ANNUAL PERFORMANCE SUMMARY – GRAPHS***

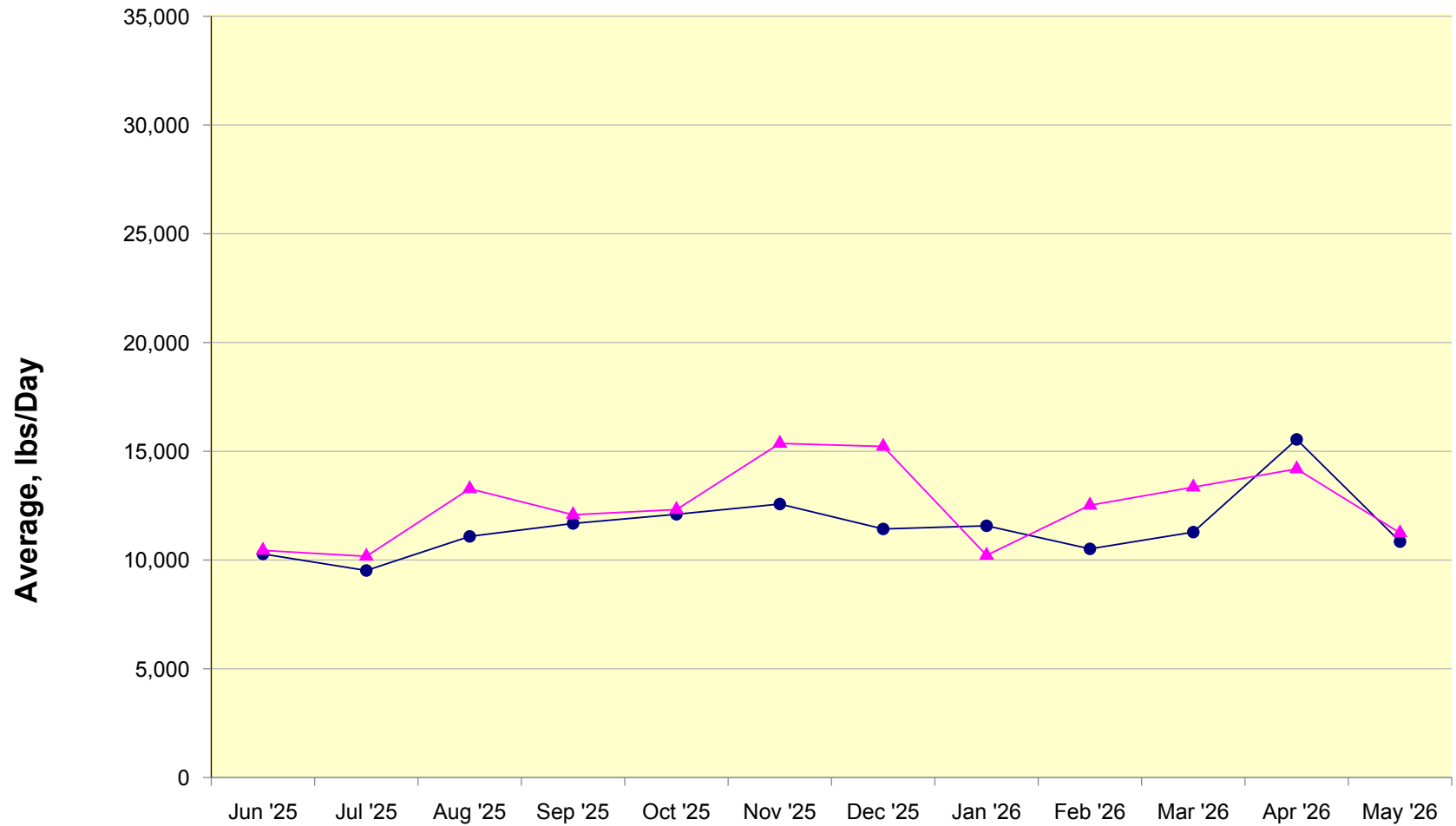
### Wastewater Influent Flow Comparison

● Previous 12 Months ▲ Last 12 Months



### Influent Load BOD / TSS lbs

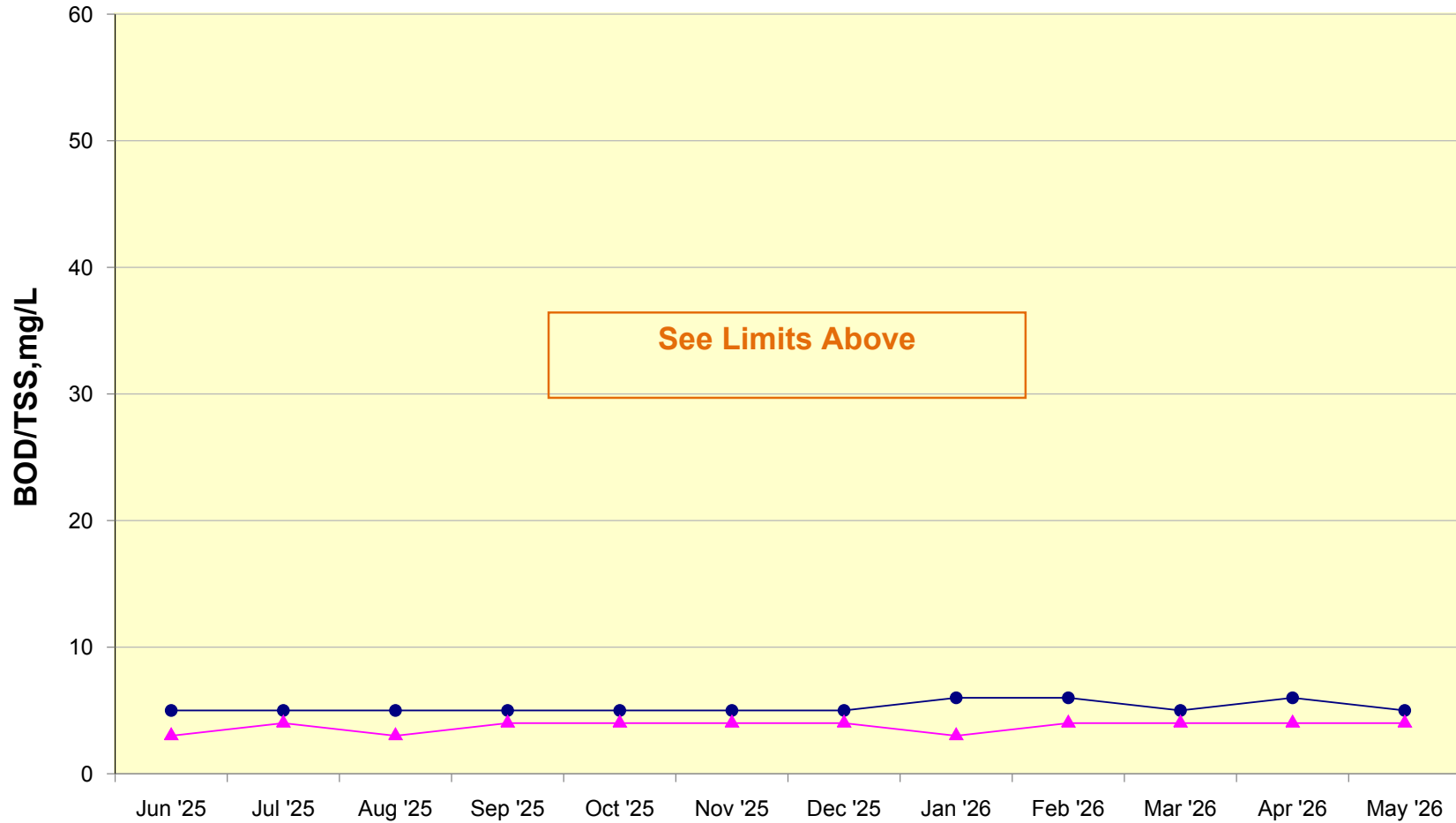
● BOD lbs ▲ TSS lbs



### Effluent BOD / TSS Concentration

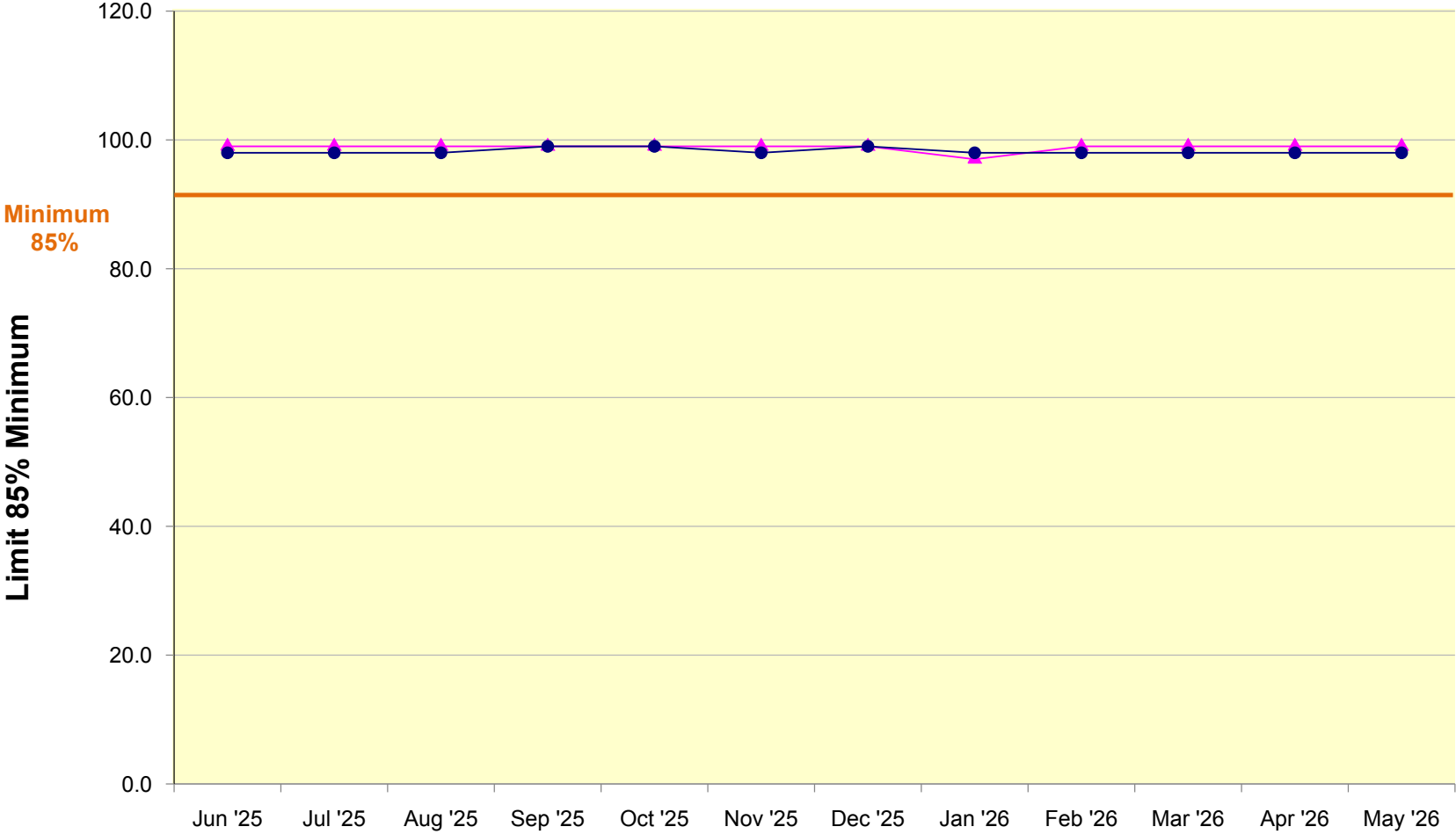
**NPDES LIMITS WET SEASON**  
BOD & TSS -25mg/L Monthly Ave. 40mg/L Weekly Ave  
**NPDES LIMITS DRY SEASON**  
BOD - 15mg/L Monthly Ave, 30mg/L Weekly Ave  
TSS - 10 mg/L Monthly Ave, 20mg/L Weekly Ave  
WDR (Waste Discharge Requirements) RECLAMATION  
BOD - 40 mg/L

● BOD ▲ TSS



### BOD / TSS Percent Removal

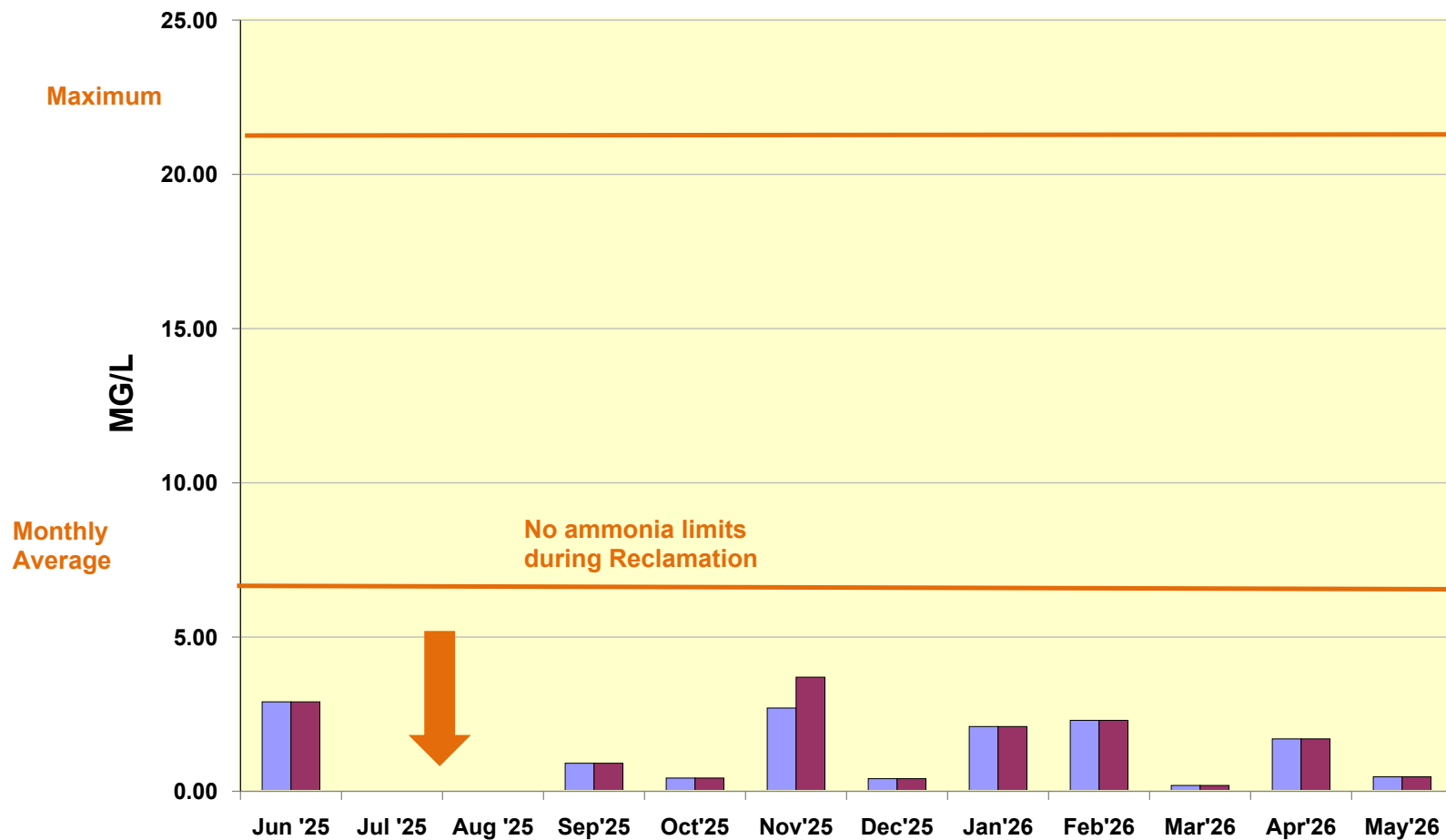
▲ TSS ● BOD



### Effluent Ammonia

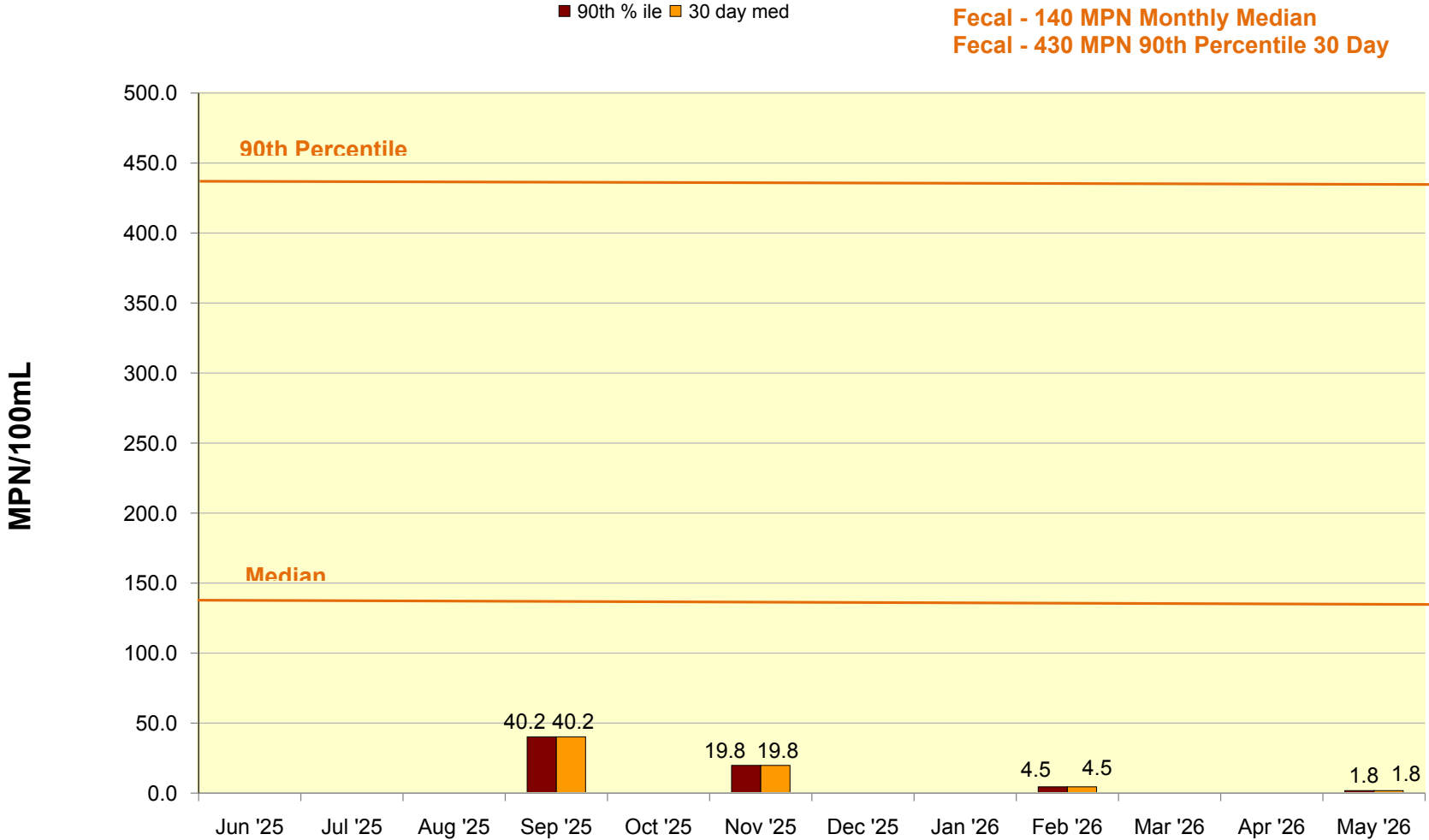
■ Average ■ Maximum

Discharge Season Limits - 5.9 mg/L  
Average-21 mg/L  
Reclamation Maximum - No Limit



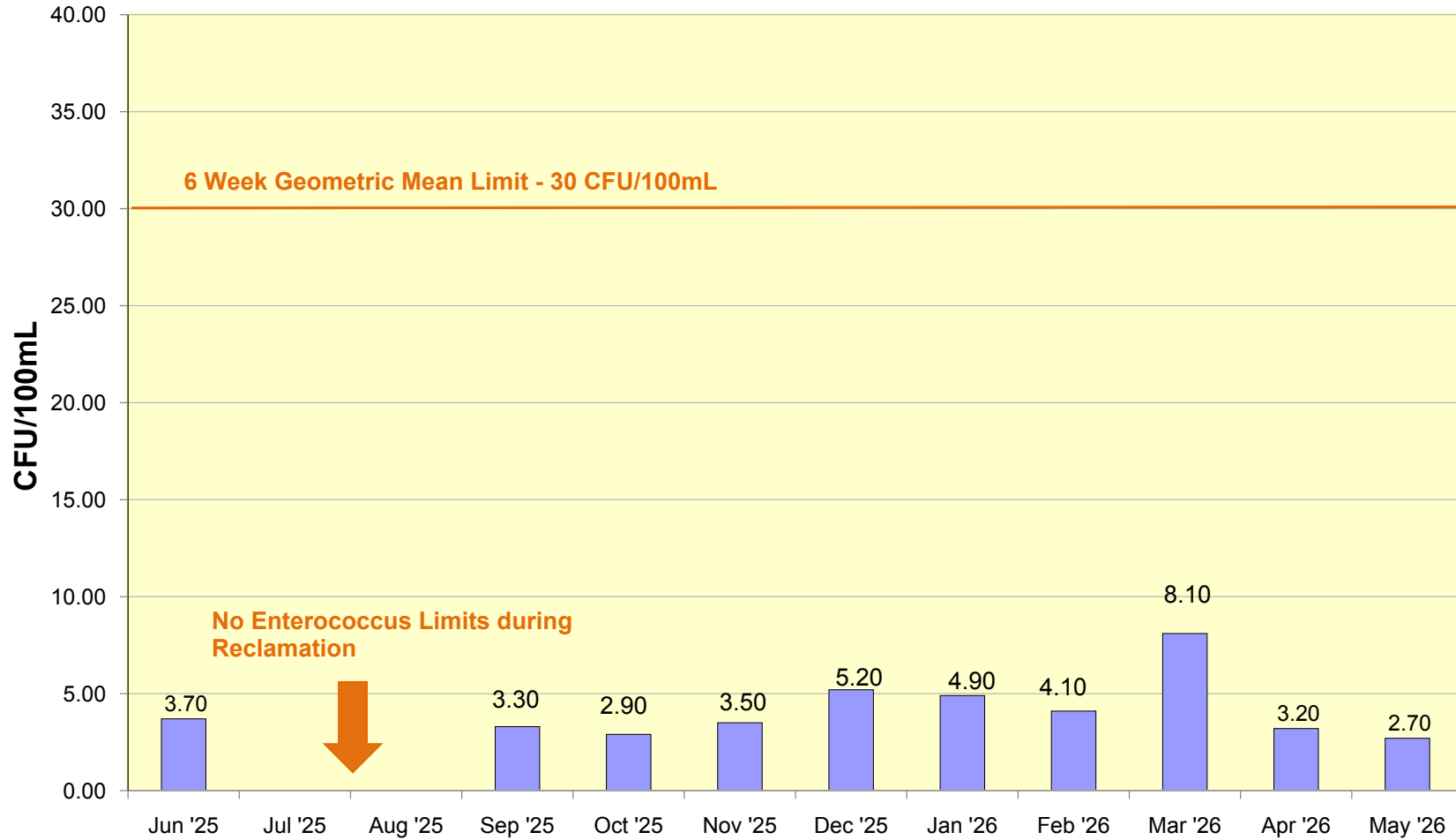
# Disinfection - Fecal Coliform

**LIMITS - NPDES**  
 Fecal - 140 MPN Monthly Median  
 Fecal - 430 MPN 90th Percentile 30 Day



### Disinfection - Enterococcus

**LIMITS - NPDES**  
Entero - Six week geometric mean  
not to exceed 30 CFU/100mL

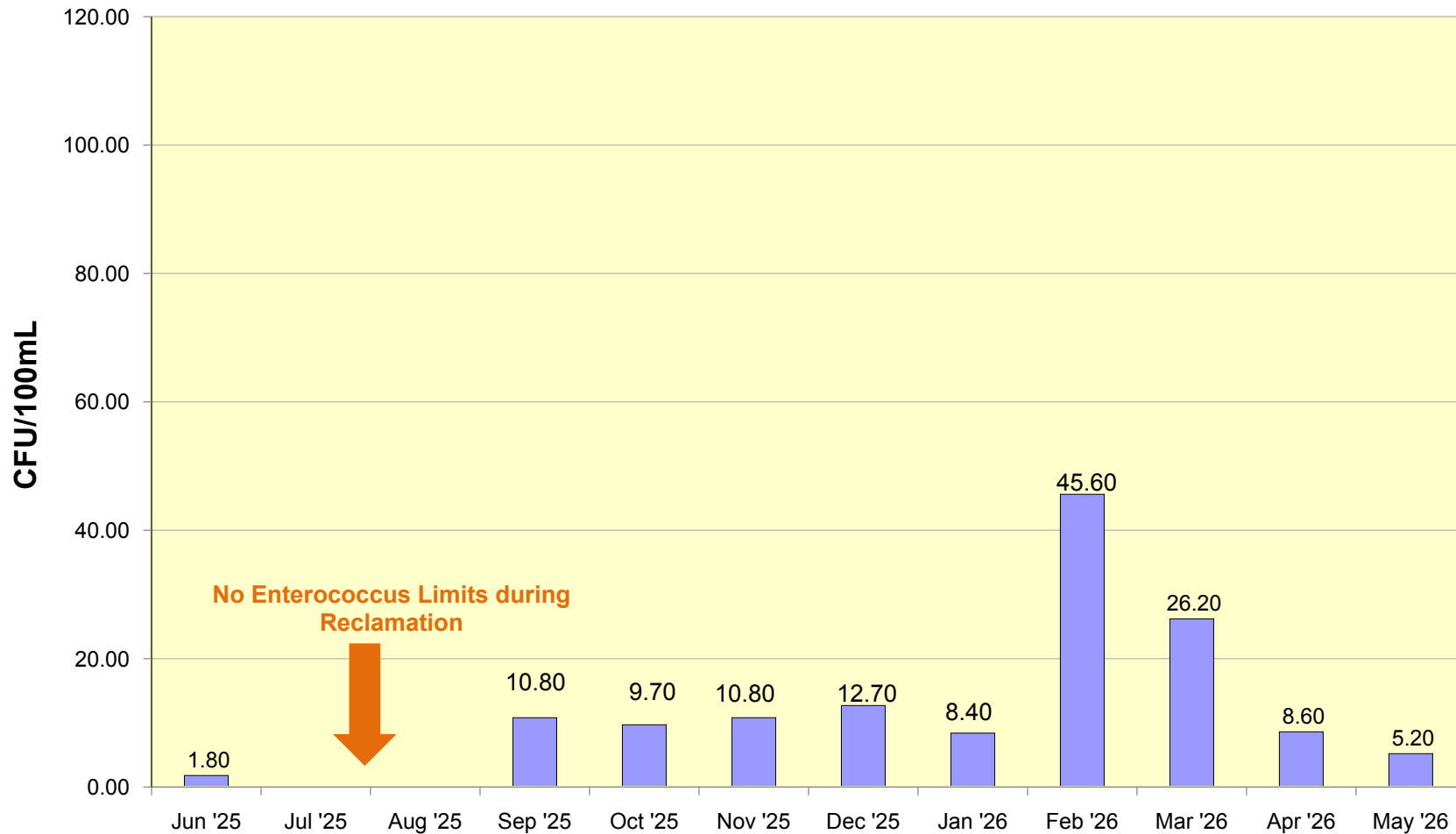


### Disinfection - Enterococcus

### LIMITS - NPDES

Enterococcus - No more than 10% of all values in a calendar month shall exceed 110 CFU/100mL.

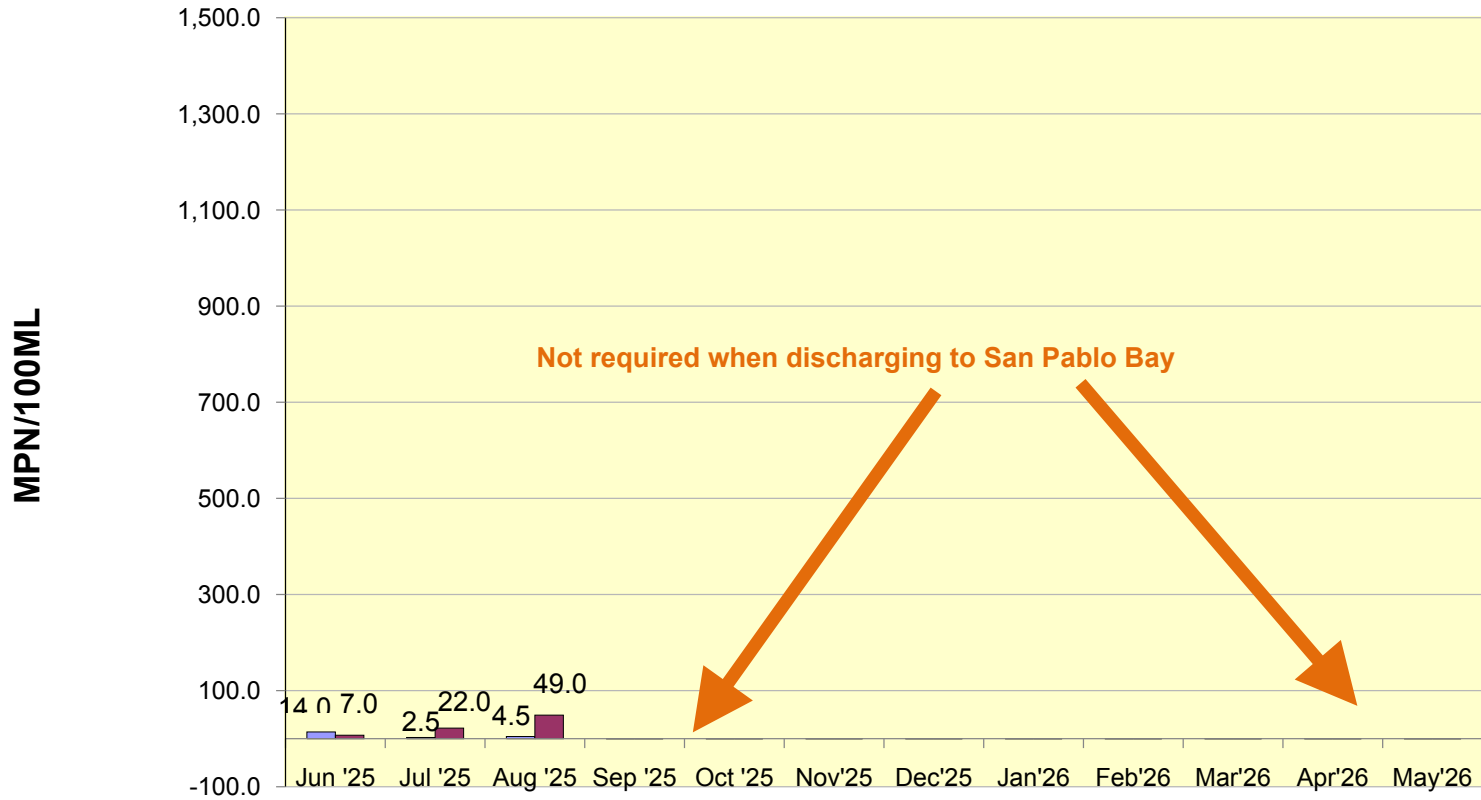
■ 90th Percentile



### Disinfection - Total Coliform

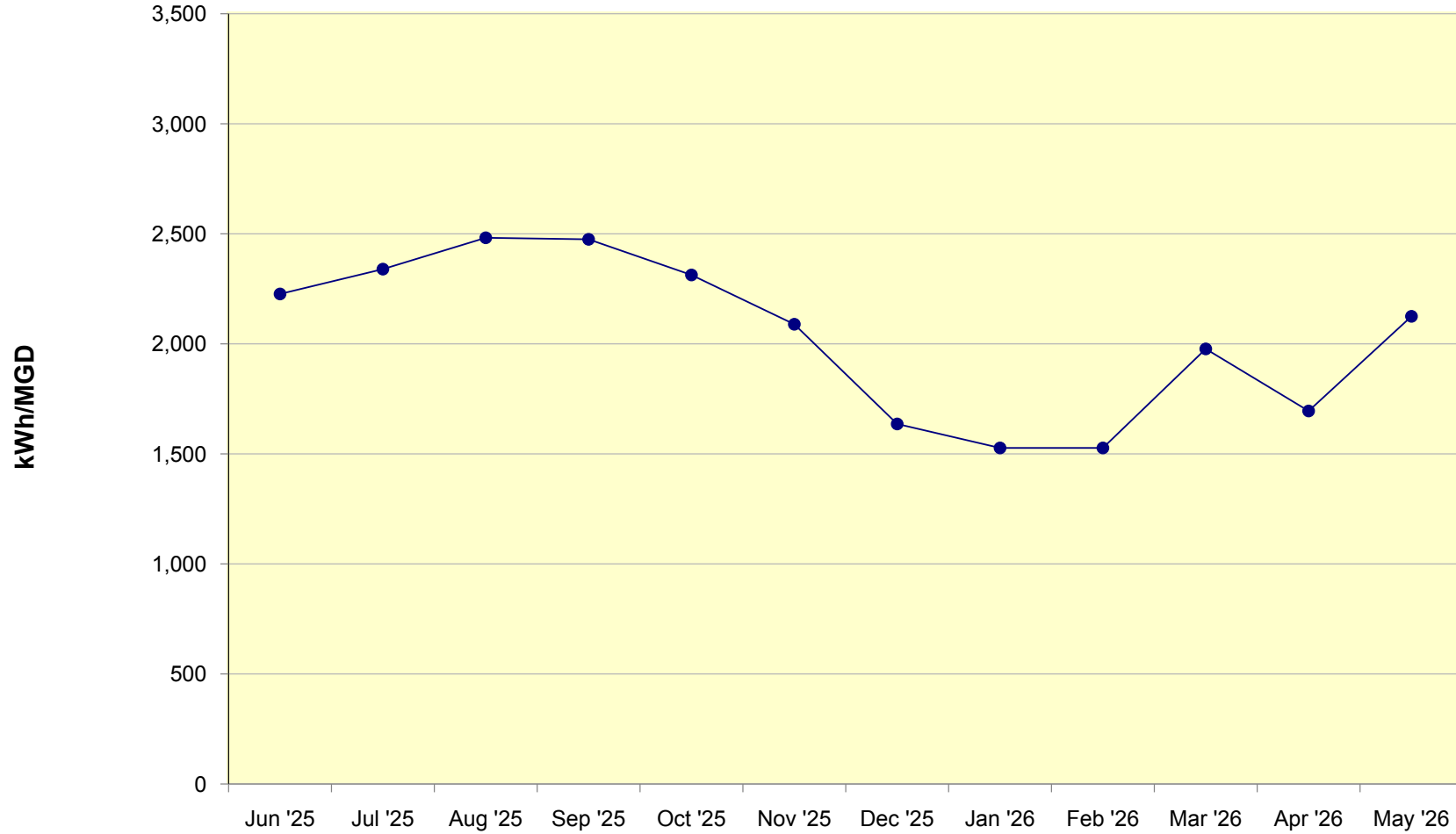
Series 1 Series 2

**TOTAL COLIFORM LIMITS - WDR**  
5 Sample Median - 240 MPN/100mL  
Maximum - 10,000 MPN/100mL



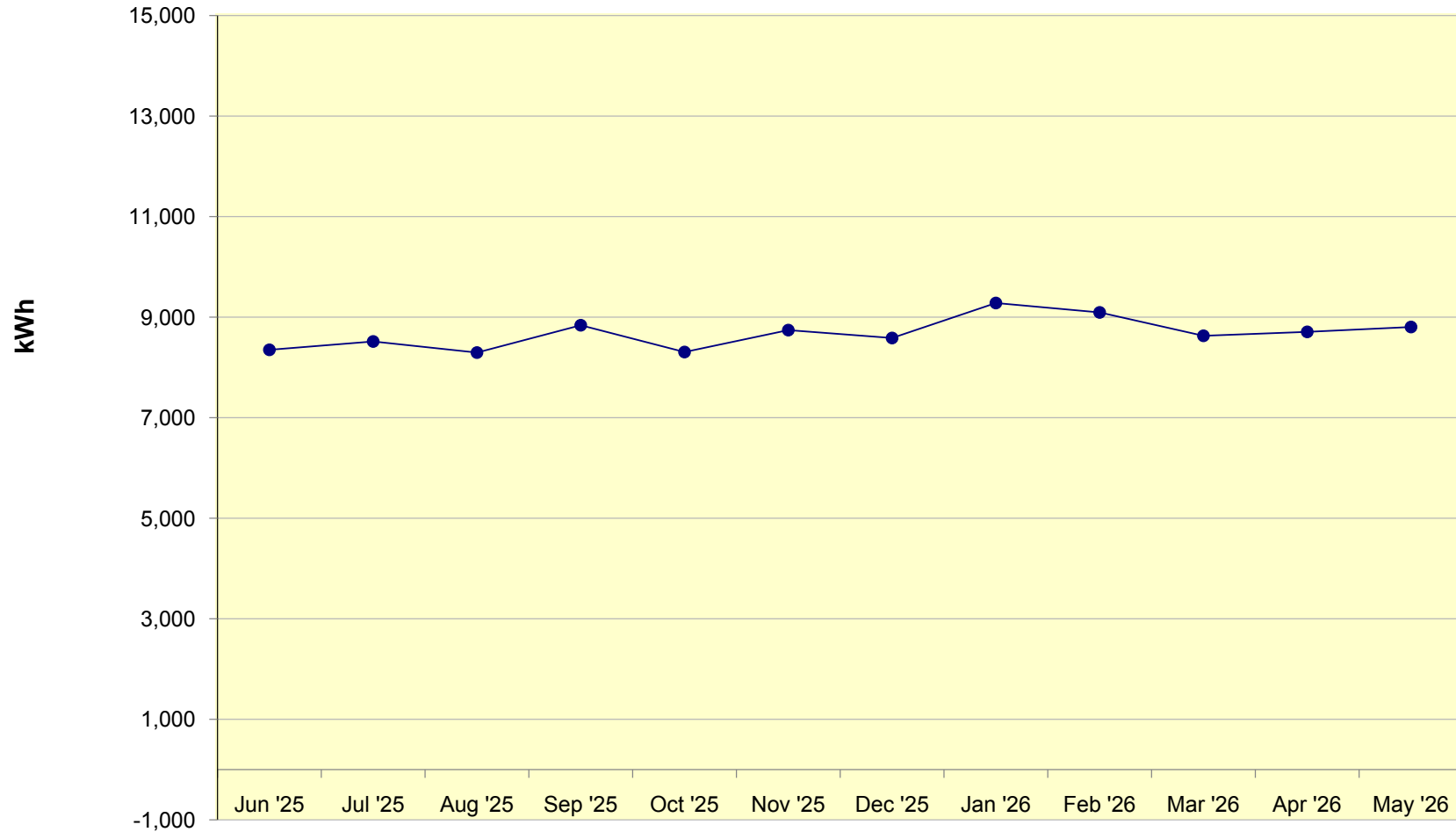
### Energy kWh/MGD

—● kWh/MG



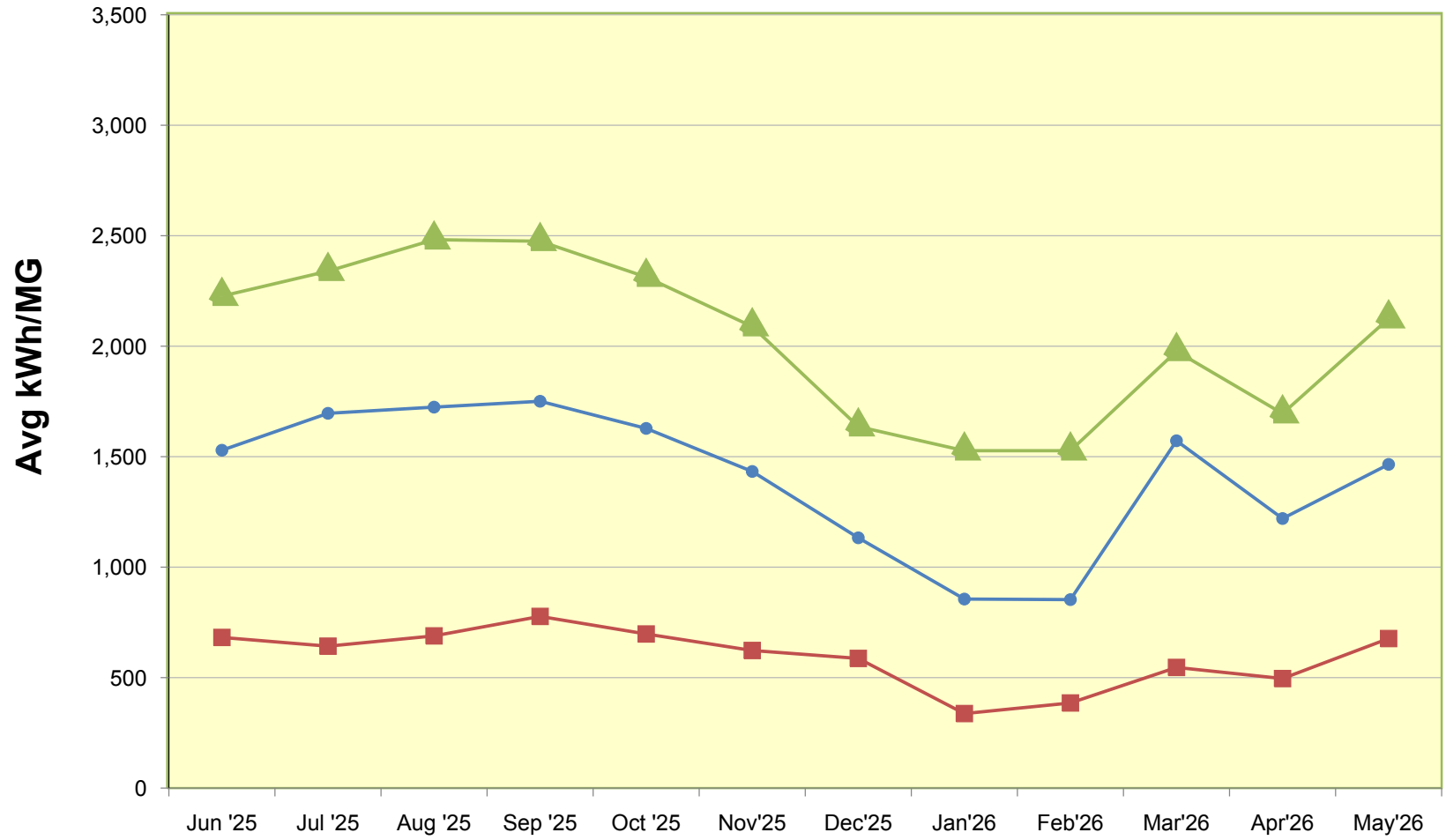
### Energy Usage, kWh (Daily Average)

—● kWh



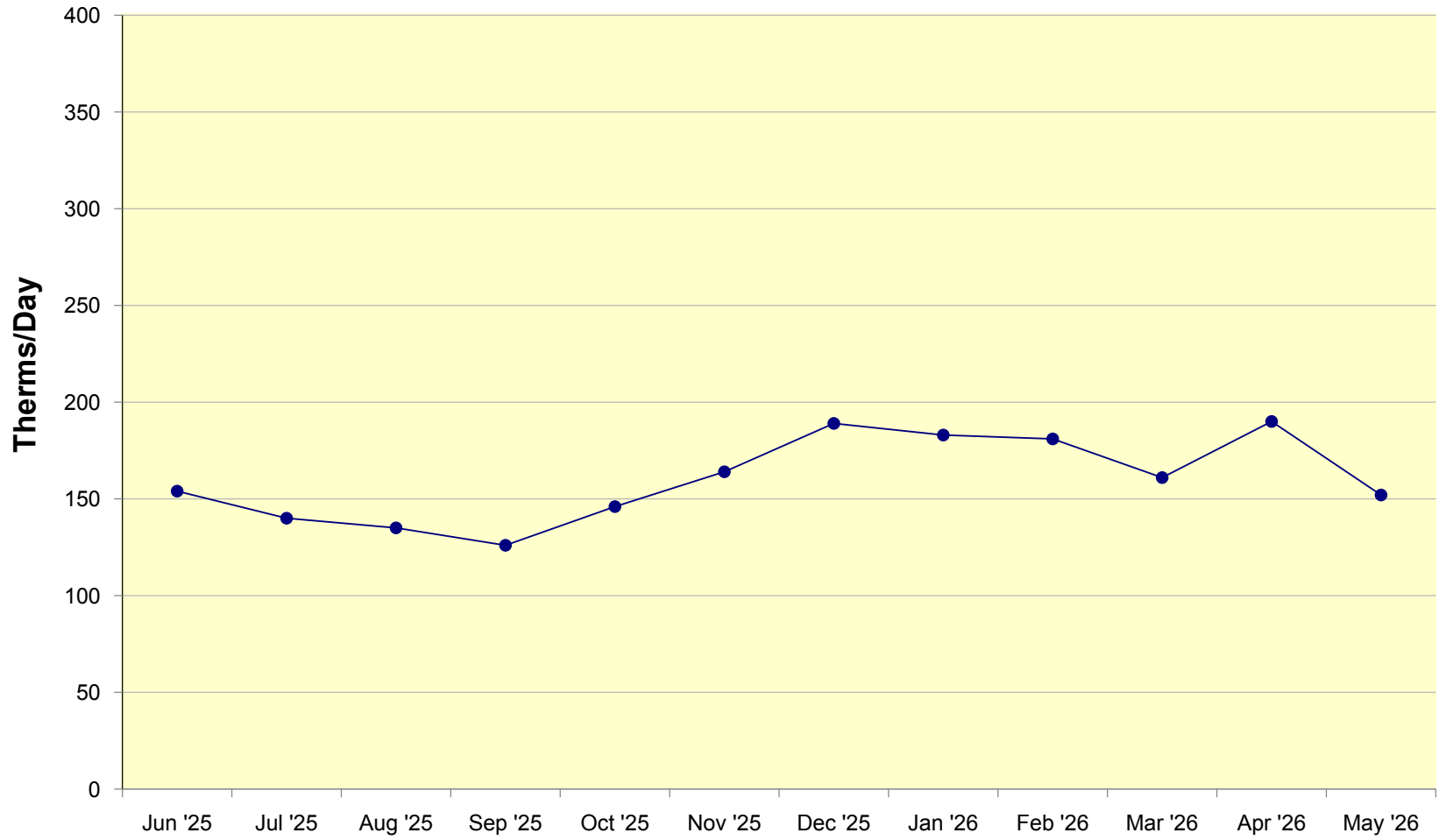
### Average Usage, kWh/MG

● Influent Pumping /Aeration Basin/Secondary Clarifier#1 & 2 ■ UV Disinfection/Effluent Pumping ▲ kWh/MG



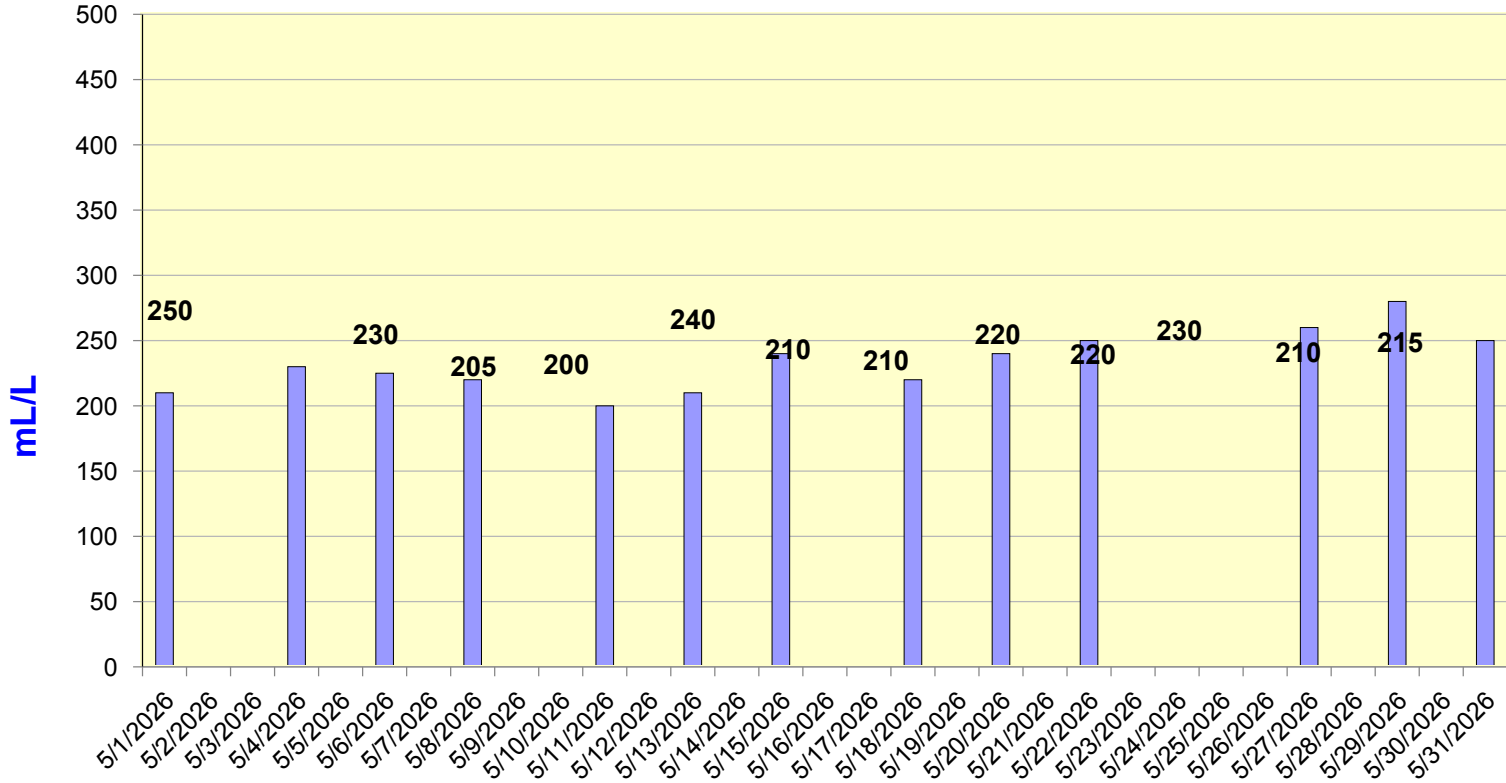
### Natural Gas Use Therms per Day

● Natural Gas

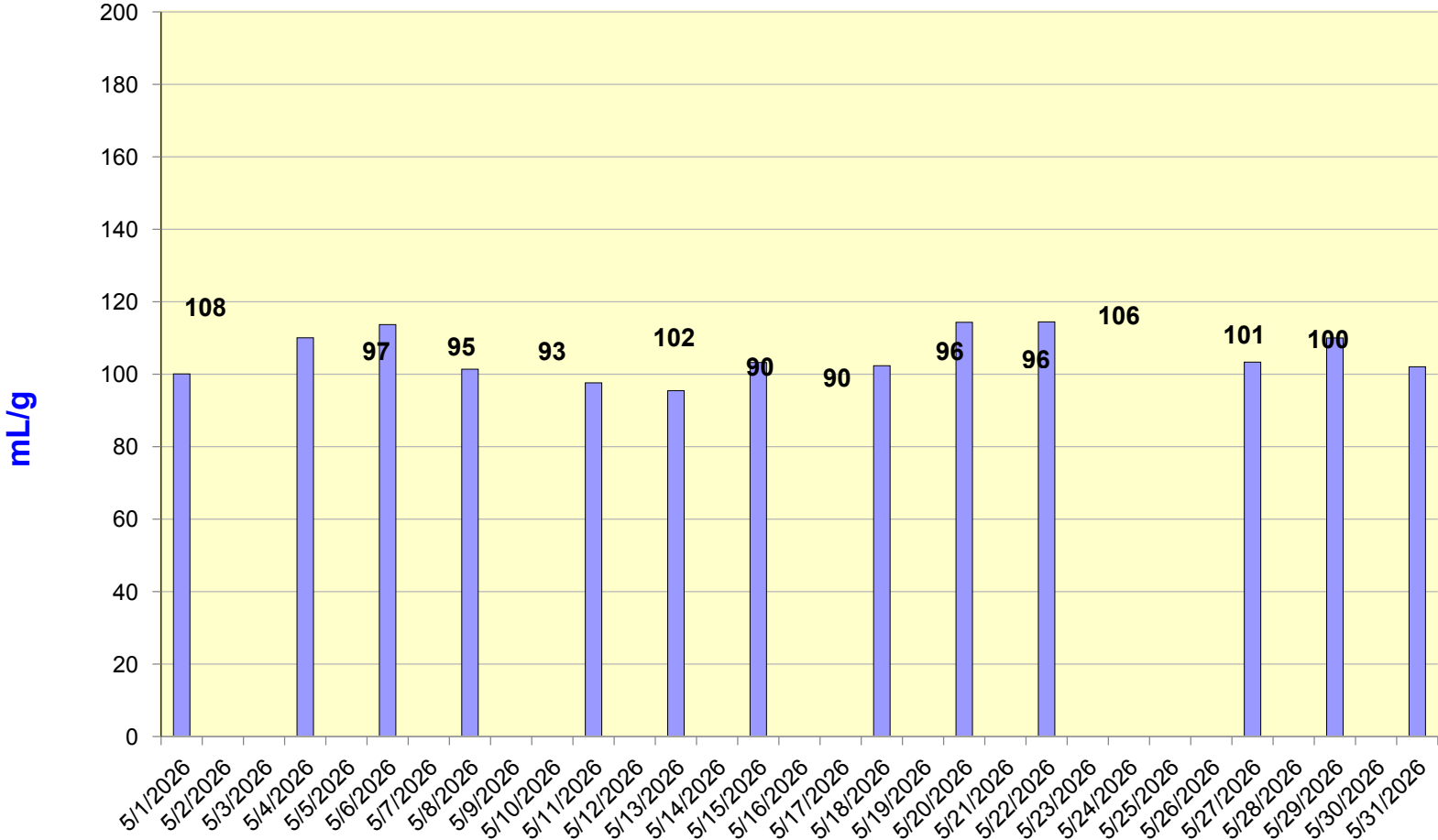


## ***5) PROCESS CONTROL DATA / GRAPHS***

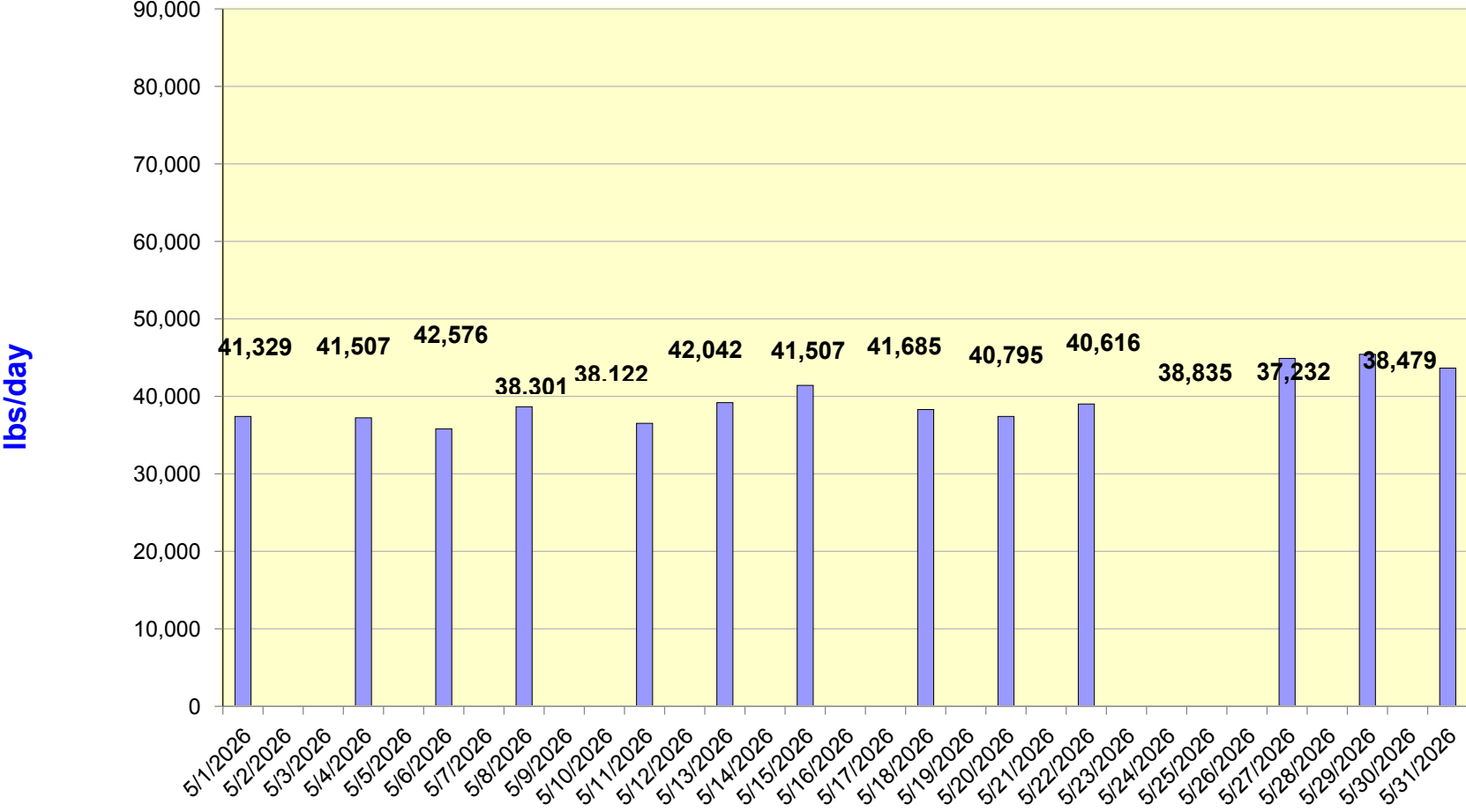
# Settleability



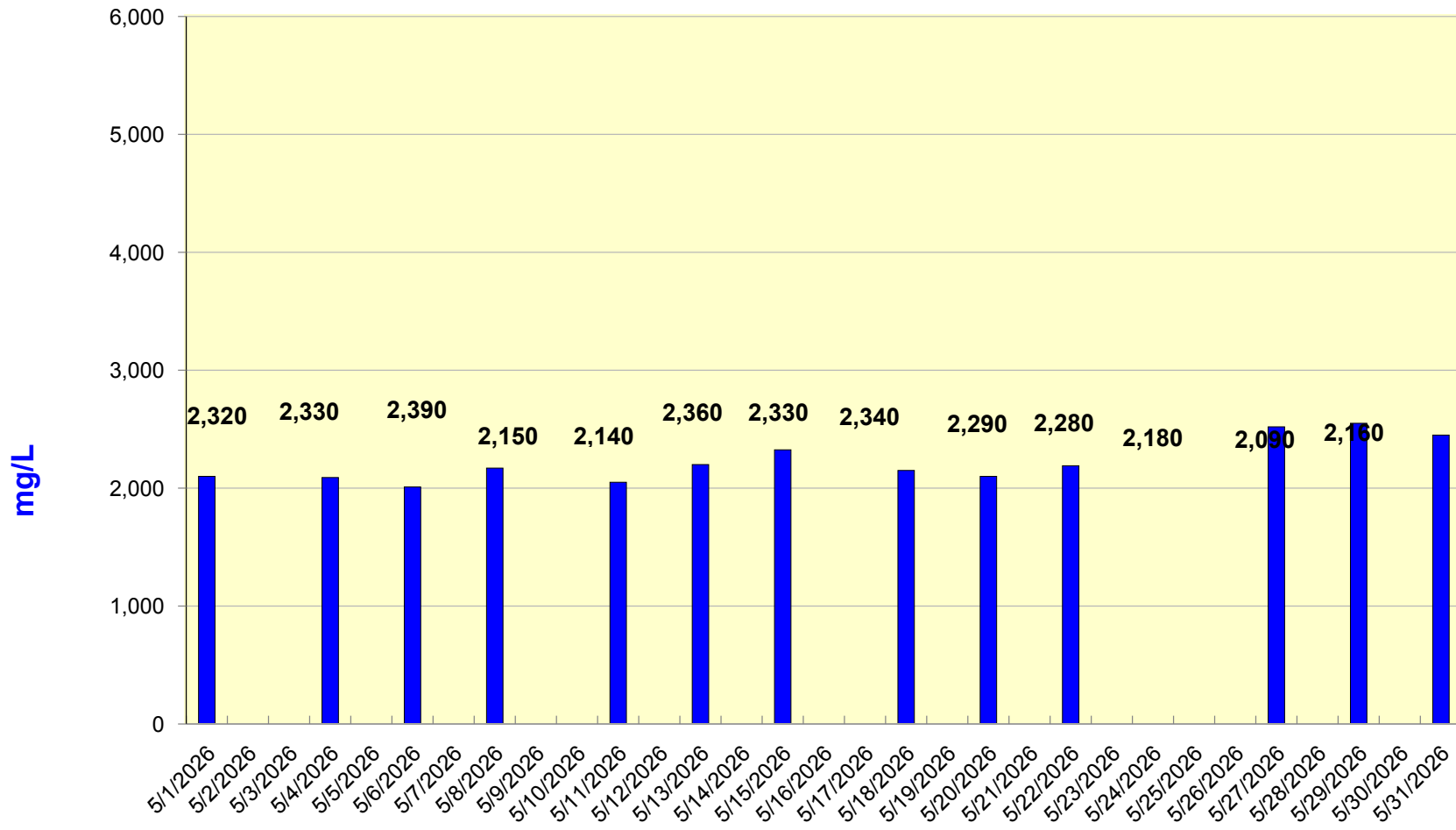
# Sludge Volume Index



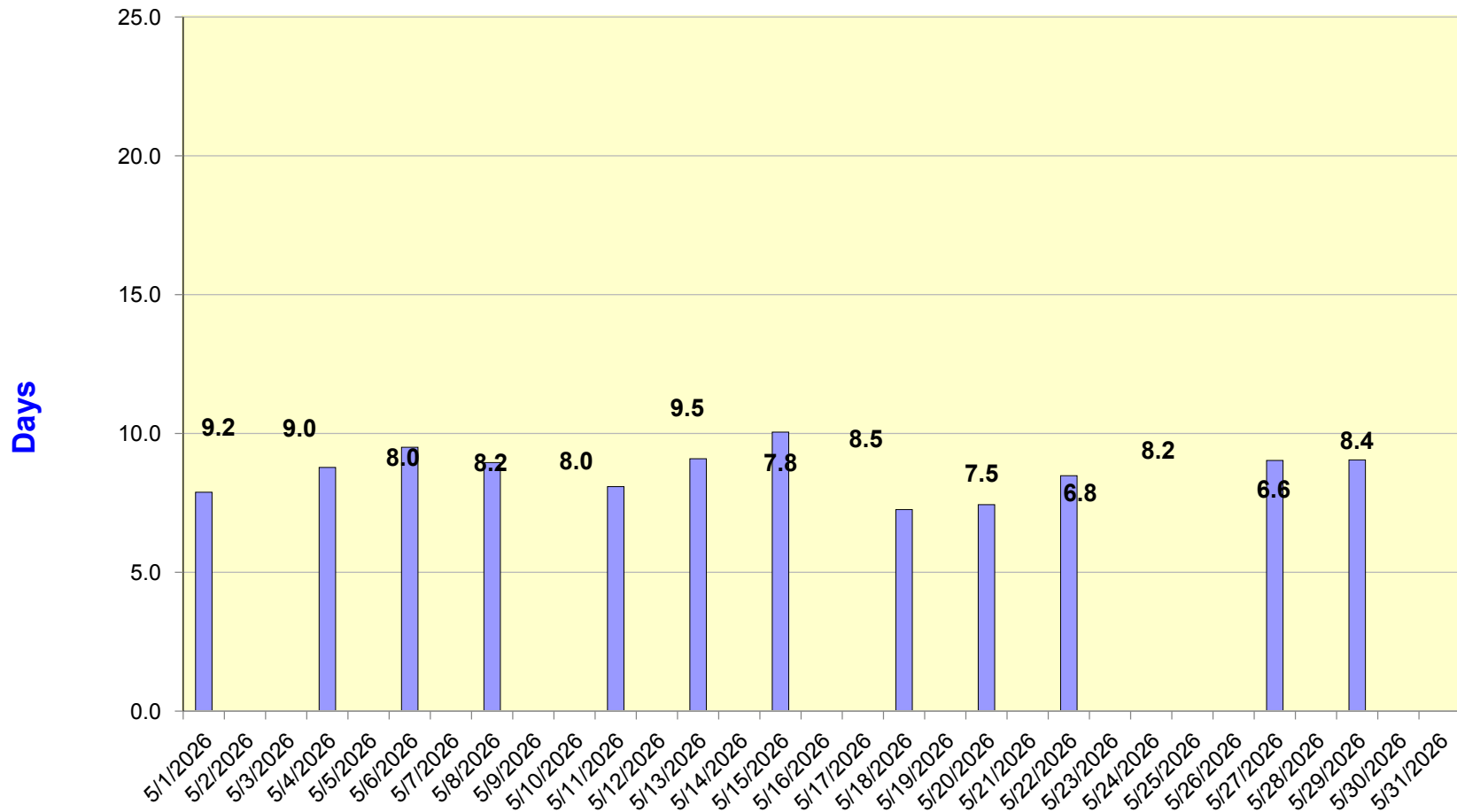
### MLSS Inventory



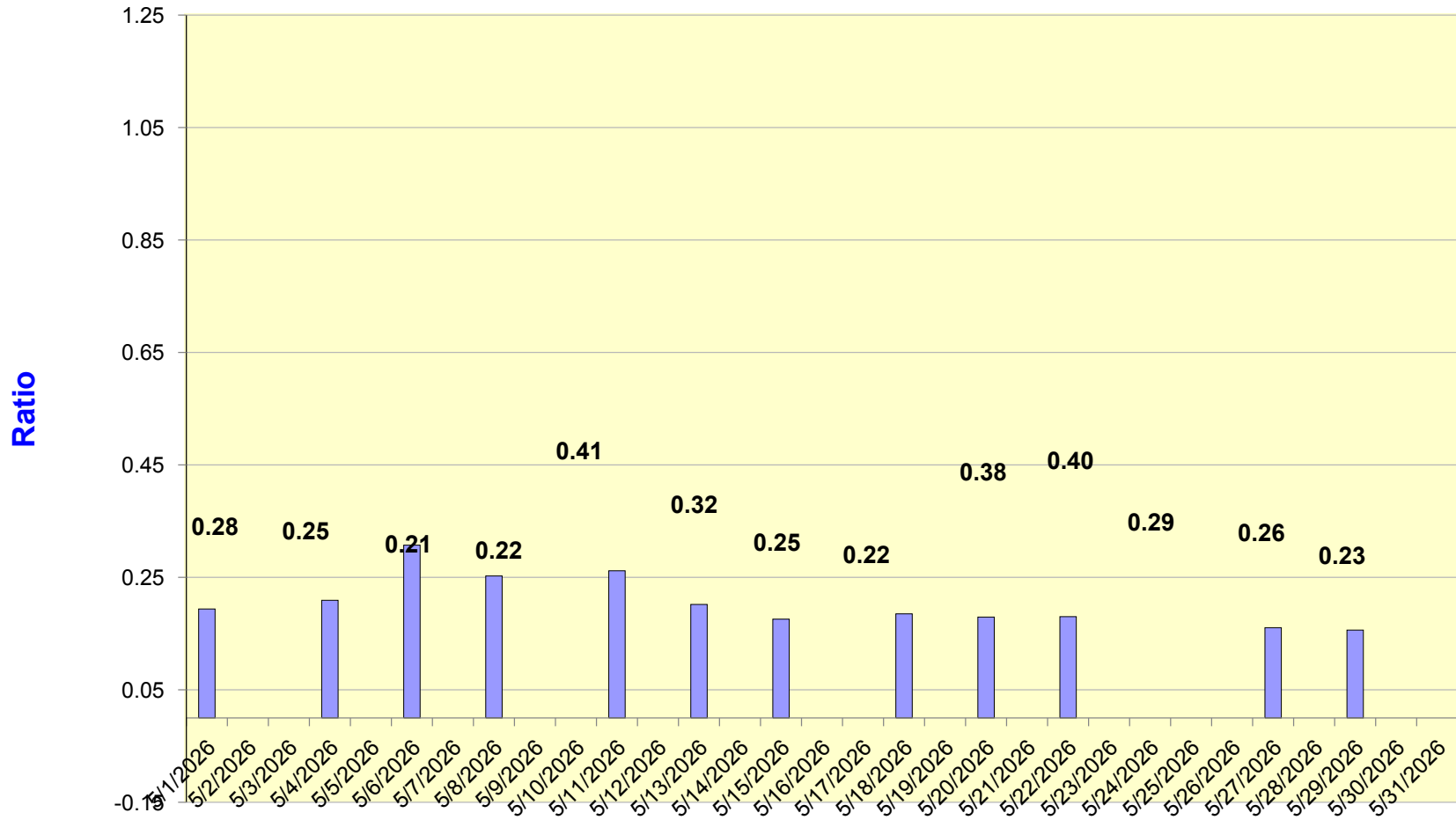
### MLSS Concentration



### Mean Cell Residence Time



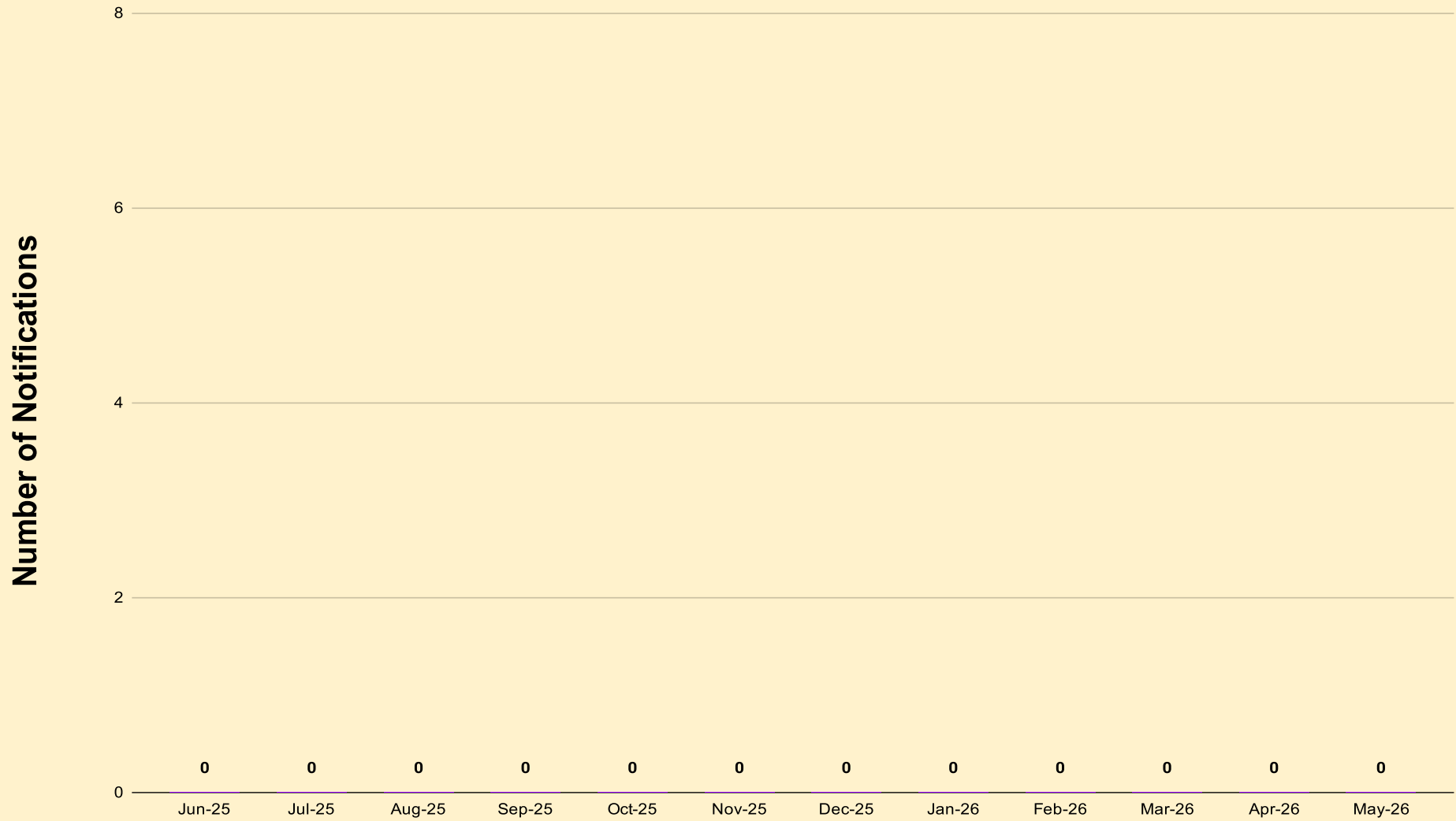
### Food : Microorganism (F/M Ratio)



Process Control Data							
Date	Influent Flow MGD	Settleability ml/L	MLSS Concentration mg/L	MLSS Inventory lbs	F:M Ratio	MCRT days	SVI mL/gram
5/1/2026	4.49	210	2,100	37,410	0.19	7.9	100
5/2/2026	4.29						
5/3/2026	4.61						
5/4/2026	4.90	230	2,090	37,232	0.21	8.8	110
5/5/2026	4.82						
5/6/2026	4.63	225	2,010	35,807	0.31	9.5	114
5/7/2026	5.00						
5/8/2026	4.21	220	2,170	38,657	0.25	9.0	101
5/9/2026	4.37						
5/10/2026	4.19						
5/11/2026	4.32	200	2,050	36,519	0.26	8.1	98
5/12/2026	4.24						
5/13/2026	4.27	210	2,200	39,191	0.20	9.1	95
5/14/2026	4.02						
5/15/2026	3.94	240	2,325	41,418	0.18	10.0	103
5/16/2026	3.92						
5/17/2026	4.00						
5/18/2026	3.85	220	2,150	38,301	0.19	7.3	102
5/19/2026	3.85						
5/20/2026	3.74	240	2,100	37,410	0.18	7.4	114
5/21/2026	3.77						
5/22/2026	3.82	250	2,190	39,013	0.18	8.5	114
5/23/2026	3.64						
5/24/2026	3.72						
5/25/2026	3.80						
5/26/2026	4.10						
5/27/2026	3.92	260	2,520	44,892	0.16	9.0	103
5/28/2026	4.27						
5/29/2026	3.84	280	2,550	45,426	0.16	9.0	110
5/30/2026	3.83						
5/31/2026	4.04						
Minimum	3.64	200	2,010	35,807	0.16	7.3	95
Maximum	5.00	280	2,550	45,426	0.31	10.0	114
Total	128.41				0.21		
Average	4.14	234	2,205	39,273	0.21	8.6	105
NOTE:							

## ***6) NEIGHBORHOOD COMPLAINTS RECEIVED***

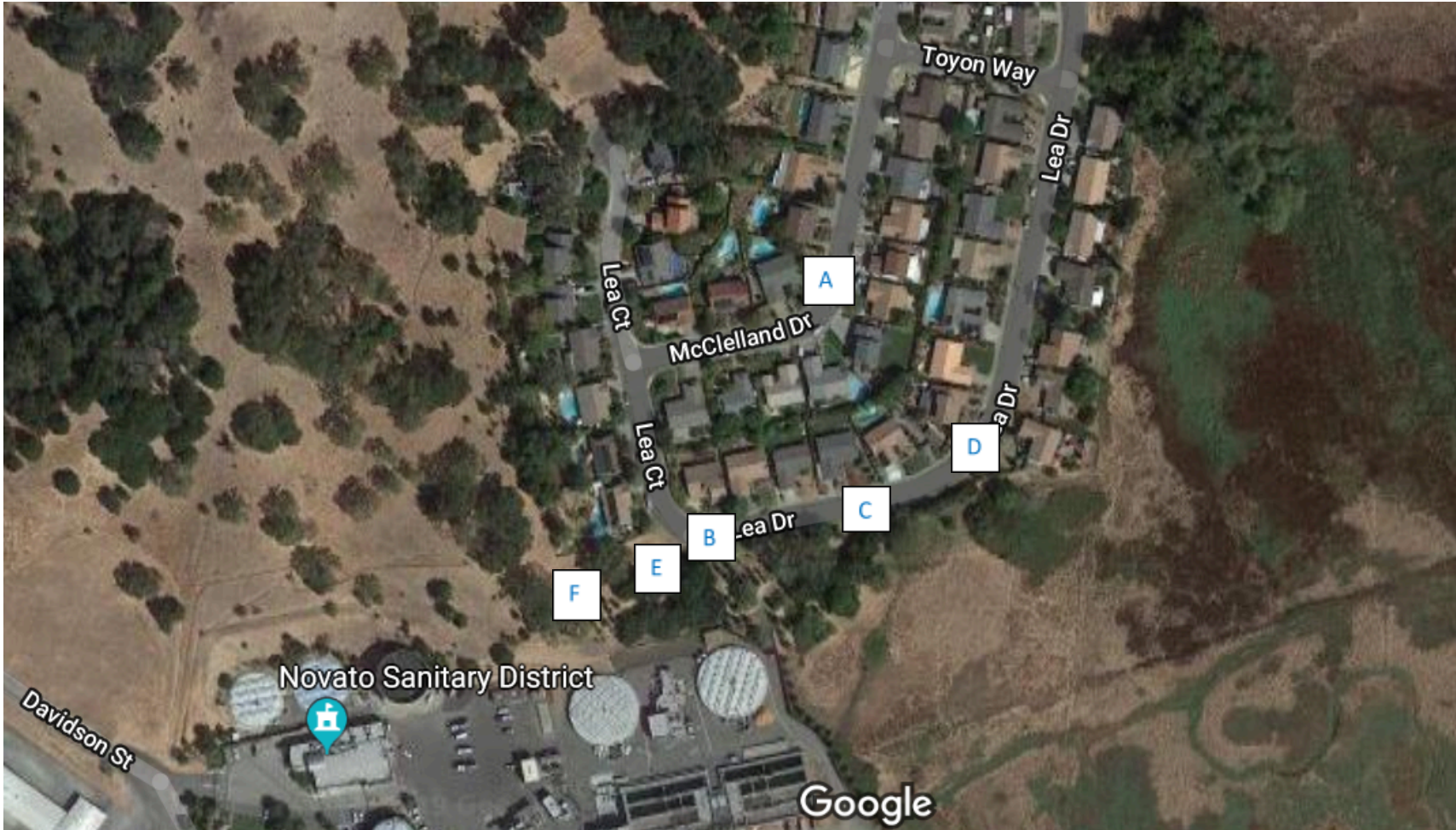
## Neighborhood Complaints Received



## ***7) JEROME METER READINGS & LOCATIONS***

JEROME METER READINGS - May 2026				
Sample Location	Min	Max	Ave	NOTES / COMMENTS
A: McLelland	0.000	0.000	0.000	Neighborhood
B: Lea 1	0.000	0.000	0.000	Neighborhood
C: Lea 2	0.000	0.000	0.000	Neighborhood
D: Lea 3	0.000	0.000	0.000	Neighborhood
E: Lea 4	0.000	0.000	0.000	Neighborhood
F: Lea 5	0.000	0.000	0.000	Neighborhood

# NEIGHBORHOOD JEROME METER LOCATIONS – Lea Drive and McClelland Drive



**NOVATO SANITARY DISTRICT**  
**Wastewater Operations - Reclamation Facilities Report**  
**May 2026**

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**1.0 Summary:**

- 1.1 During May 2026, the plant was in bay discharge mode so no treated effluent flowed from the treatment plant to the storage ponds at the Reclamation Facility.

**2.0 Ranch Operations:**

- 2.1 Drainage Pump Station #3 (DPS 3) pumped approximately 1.8 million gallons of stormwater and Drainage Pump Station 7 (DPS 7) pumped approximately 1.0 million gallons of stormwater in May 2026.
- 2.2 A new pump was ordered to replace the original pump #3 at DPS.

**3.0 Irrigation Parcels:**

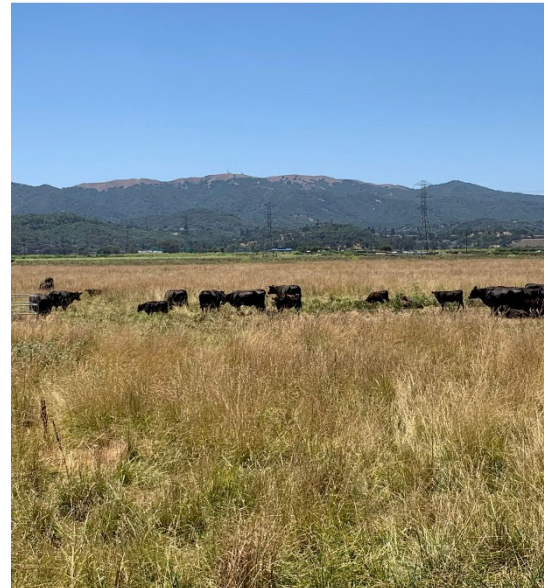
- 3.1 Cows returned to the pastures at Sites 3 and 7 in late May 2026.

**4.0 Irrigation Pump Station:**

- 4.1 Wildlife Pond fill pump was started on May 4<sup>th</sup>, 2026 which raised the pond level to 6 feet during May 2026.
- 4.2 The Reclamation Facility Monthly Statistics spreadsheet for May 2026 is attached.

**5.0 Biosolids (Sludge) Handling & Disposal:**

- 5.1 There were no biosolids activities in May 2026.



**Cows grazing the pastures at Site 7.**

**NOVATO SANITARY DISTRICT**

**Reclamation Facility - Monthly Statistics/Estimates for Calendar Year 2026, as of May 31, 2026**

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year to Date	Annualized Monthly Average
<b>Irrigation Pump Station</b>														
Plant flow to ponds (MG)	0.0	0.0	0.0	0.0	0.0								0.0	0
Irrigation (MG)	0.0	0.0	0.0	0.0	0.0								0.0	0
Irrigation Pump 1 Hours	0.0	0.0	0.0	0.0	0.0								0.0	0
Irrigation Pump 2 Hours	0.0	0.0	0.0	0.0	0.0								0.0	0
Irrigation Pump 3 Hours	0.0	0.0	0.0	0.0	0.0								0.0	0
Washdown Water Pump Hours	0.0	0.0	0.0	0.0	0.0								0.0	0
Wildlife Feed Pump Hours	0.0	0.0	0.0	0.0	648.0								648.0	54
Water Circulated through Wildlife Pond (MG)	0.0	0.0	0.0	0.0	40.8								40.8	3.402
Strainer No. 1 Hours	0.0	0.0	0.0	0.0	0.0									
Strainer No. 2 Hours	0.0	0.0	0.0	0.0	0.0									
Pond 1 Gauge @ Beginning of Month (feet)	3.6	4	4.6	4.2	5.0									
Pond 1 Gauge @ End of Month (feet)	4	4.6	4.2	5	3.4									
Pond 1 Gallons Stored @ End of Month(MG)	28	33	30	36	23.0									
Pond 2 Gauge @ Beginning of Month (feet)	3.6	4	4.6	4.2	5.0									
Pond 2 Gauge @ End of Month (feet)	4	4.6	4.2	5	3.4									
Pond 2 Gallons Stored @ End of Month(MG)	36	44	38	47	31.0									
Total Irrigation Water Stored (MG), end of mo.	64	77	68	83	54									
<b>Drainage Pump Station No. 3</b>														
Drainage Pump No. 1 Hours	281.4	233.7	0.0	0.0	0.0								515.1	42.9
Drainage Pump No. 2 Hours	0.0	88.6	143.8	80.5	5.9								318.8	26.6
Drainage Pump No. 3 Hours	421.7	122.5	0.0	0.0	0.0								544.2	45.4
Total Gallons Stormwater Pumped (MG)	210.9	133.4	43.1	24.2	1.8								413.4	34.5
<b>Drainage Pump Station No. 7</b>														
Drainage Pump No. 1 Hours	59.9	6.5	0.0	0.0	0.0								66.4	5.5
Drainage Pump No. 2 Hours	13.8	67.9	44.0	11.3	0.0								137.0	11.4
Drainage Pump No. 3 Hours	0.0	147.6	0.0	35.5	2.3								185.4	15.5
Total Gallons Stormwater Pumped (MG)	33.2	99.9	19.8	21.1	1.0								175.0	14.6

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

**TITLE:** Capital Projects Update, May 2026.

**MEETING DATE:** June 8, 2026

**AGENDA ITEM NO:** 12.a.

**RECOMMENDED ACTIONS:** Receive Capital Projects Update Report through May 2026 – information only.

**SUMMARY AND DISCUSSION:**

The May 2026 Capital Projects Update is attached.

District staff will be present at the meeting to provide an overview of the memo and be available to discuss the status of the various projects or respond to any questions.

**ATTACHMENTS:** 1. Capital Projects Update, May 2026.

**STRATEGIC PLAN INFORMATION:** This item addresses Goal 2 (Facilities) of the latest Strategic Plan.

**Prepared by:** eb

**Reviewed by General Manager:** SSK

**Novato Sanitary District  
Capital Improvement Program (CIP)  
Capital Projects Update  
May 2026**

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**Account No. 72112: Network and SCADA Upgrades.**

This account was established to address the need for significant upgrades to the District's Information Technology (IT) infrastructure and Supervisory Control and Data Acquisition (SCADA) systems. The account provides for implementation of the Information Technology (IT) Assessment/Master Plan completed in Fiscal Year (FY) 21-22.

1. Plant SCADA Project
  - District staff are finalizing a secure infrastructure management solution.
  - Next steps include quality assurance, signoffs, and a transition to the new environment.
  - Expected Go-Live before mid-year.
2. Cybersecurity & Infrastructure Modernization:
  - Over the last several months, a series of critical infrastructure refreshes were successfully completed. These include reinforcing the District's network defenses and modernizing workplace hardware.
  - The District continues to maintain a forward-looking posture around our security and technology strategy to stay ahead of the evolving threat landscape.
3. Enterprise Resource Planning (ERP) Software:
  - District staff and the ERP vendor continue to work closely on alignment, scoping and timelines as the project moves forward.
4. Computerized Maintenance Management System (CMMS) Software:
  - The Board approved a contract for a new CMMS system at its April regular meeting. Staff are negotiating an agreement with the vendor.

**Account No. 72403: Pump Station Improvements**

This ongoing, long-term account seeks to replace the District's underground-type pump stations with submersible pump-type pump stations or upgrade existing pump stations.

1. Marin Village Pump Station: Project to replace the existing wet-well/dry-pit underground type pump station with a new submersible pump-type station and replace the standby diesel generator.
    - The new pump station is substantially complete. Staff and the District's Consultant are working with the Contractor to close out the one remaining punch list item, applying electrical testing labels on the main breaker, which will require an electrical shutdown by PG&E.
  2. Olive Pump Station: Project to replace the existing natural gas standby generator with a new diesel standby generator and upgrade electrical switchgear and related electrical equipment.
    - Demolition work commenced in March.
    - Site improvements commenced in April including pouring of equipment pads and installation of electrical conduits. Electrical work continued in May.
    - Submittal review is ongoing.
  3. Ignacio Transfer Pump Station Electrical Upgrades: Project to replace the existing standby generator with a new diesel standby generator and upgrade electrical switchgear and related electrical equipment.
    - A kickoff meeting for Phase 2 design was held in March, and design work has commenced. Preliminary survey work was performed in April.
  4. Bahia Pump Station Upgrades: The initial project consists of a scoping study and preliminary design for pump station upgrades.
    - This project is budgeted for design in FY 27-28.
  5. Pump Station Corrosion Improvements: Project to replace conduits and other upgrades to resist corrosion at the BMK 5, Black Point, and Automart Pump Stations.
    - The Final Technical Memorandum and Condition Assessment Report was received in March.
    - Staff have received and are evaluating a proposal for final design.
  6. Force Mains Condition Assessment: Project includes performing condition assessments on the District's sewer force mains and prioritization of repairs/replacement based on the results of the assessments.
-

- The Board authorized the General Manager-Chief Engineer to award and execute a contract for Force Main Inspection Services at its February 9 regular meeting. Staff are working with the Contractor to finalize the contract and anticipate holding a kickoff meeting in June.
  - Staff are also negotiating a contract with our consultant to develop the scope and bidding documents for the next phase of assessments.
7. Pump Stations Condition Assessment: Project includes performing condition assessments on the District's pump stations and prioritization of repairs/replacement based on the results of the assessments.
- Project is in the planning stage.

**Account No. 72508: North Bay Water Reuse Authority (NBWRA)**

The District is a member agency of the North Bay Water Reuse Authority (NBWRA). FY 25-26 is the twelfth year of the multi-year Phase 2 program, including continuing environmental work for currently over \$75 million in recycled water projects across all NBWRA agencies for funding under the US Bureau of Reclamation Title XVI (WaterSMART) program.

- NBWRA is proposing an update to the MOU between member agencies. Staff received a draft in March and are currently reviewing.

**Account No. 72706: Collection System Improvements**

1. Collection System Master Plan (CSMP): This account includes funds for follow up work associated with the Collection System Master Plan including additional flow monitoring.
  - Staff are working on identifying areas for targeted flow monitoring to identify Inflow and Infiltration (I&I) in the collection system and further condition assessments.
2. Novato Blvd Trunk Sewer Improvements: Installation of new parallel trunk sewer in Novato Blvd. from Grant Avenue to Diablo Avenue.
  - The District's Consultant completed the plans and specifications in February, and the Board authorized the Deputy General Manager to approve the City of Novato's contract bid documents, which include the District's Trunk Sewer Improvements at their March regular meeting.
  - It is anticipated that the project will be let to bid in June and construction on the new sewer will commence in late summer to early fall of 2026.
3. Highway 101 Crossings: Replacement of two gravity sewer crossings under HWY 101 and abandonment of the Enfrente Pump Station to convert to gravity flow via an underground crossing to the east side of 101.
  - Consultant has completed the permit application package with Caltrans for the three crossings. The application is currently under review and the Consultant continues to respond to Caltrans staff questions.
  - A meeting was held with SMART in May to discuss the license agreement application for the three crossings.
  - Estimated advertisement for bids, Spring of 2027.
4. Hamilton Trunk Sewer Replacement - Roblar Dr. to BMK Blvd: Replacement of approximately 1,470 feet of sewer main with new 18-inch PVC pipe from Roblar Dr. to the easement area between the railroad right-of-way and the Humane Society off Bel Marin Keys Blvd.
  - Additional flow monitoring and hydraulic modeling was performed and the consultant submitted the results in a Technical Memo in April. Staff met with the consultant in May to discuss the results.
5. High Priority Structural Rehab Projects: Includes high priority structural rehabilitation projects identified in the 2019 Collection System Master Plan.
  - Main Interceptor 2 Repair at Novato Creek - Replacement of manhole, rerouting of associated piping and slip-lining of approximately 890 linear feet of pipeline at the main interceptor siphon crossing Novato Creek, across from the fire station on Redwood Blvd.
    - The Board granted Final Acceptance of the Project and authorized staff to file a Notice of Completion at their February regular meeting.

**Account No. 72706-1: Lateral Replacement Program**

The District established this program as a sub-account within Account No. 72706, as part of a long-term approach to reducing infiltration and inflow from private residential laterals into the District's collection system.

- The FY 25-26 budget for this account is \$80,000. As of May 31, thirteen (13) grants totaling \$35,500 were distributed in FY 25-26.

**Account No. 72707: Hamilton Wetlands/Outfall Integration**

As noted in prior reports, the State Coastal Conservancy's (SCC) goal for their project is to utilize the District's highly treated effluent as a reliable, long-term fresh water source to establish and maintain a brackish marsh habitat at the SCC's BMK Unit V Wetlands Restoration project.

- A portion of the District's outfall was relocated, in September 2021 as part of the Phase 1 project.
- Communications with Army Corps staff in February revealed that Phase 2 has been on hold since October, 2025. Army Corps staff anticipate reinitiating design work in the coming months.

**Account No. 72708: Cogeneration/Alt. Energy**

Energy Recovery and Efficiency Project: Project to upgrade self-generated biogas utilization with a combined heat and power (cogeneration) facility, new solar PV system, and upgrades to electrical equipment resulting in reduced grid demand, improved energy efficiency, and energy/climate resiliency.

- A kickoff meeting was held in May and Phase 1 design services have commenced.
- Staff continue to explore funding options including a loan from the US EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program and the Clean Water State Revolving Fund.

**Account No. 72803: Annual Collection System Repairs**

Collection system repairs are generally reported monthly in the Collection System Operations report, and annually in the Uniform Public Construction Cost Accounting Act (UPCCAA) staff report.

**Account No. 72804: Annual Reclamation Facilities Improvements**

Reclamation facilities improvements are generally reported monthly in the Reclamation Facilities Operations report, and annually in the UPCA staff report.

- The Board granted final acceptance of the Storage Pond No. 2 Levee Repair Project and authorized staff to file a Notice of Completion at their September 2025 regular meeting.
- Outfall Improvements - As a result of the Outfall Emergency Repair project, staff identified several projects to improve access for inspection, facilitate isolating flows and follow on projects to the repair. Additionally, there are several projects that were identified in the recommendations of the report of the outfall condition assessment work completed in 2022. The District's consultant submitted a draft preliminary design report in April, and a review meeting with staff was held in May.

**Account No. 72805: Annual Treatment Plant Improvements**

Treatment plant improvements are generally reported monthly as part of the Wastewater Operations report and annually in the UPCCAA staff report.

**Account No. 72805-1: Treatment Plant Major Repairs and Replacements**

This new account includes funds to address major repairs and replacements over \$10,000 at the Novato Treatment Plant and Ignacio Transfer Pump Station. Historically, these activities were accounted for in the Operating Budget - Treatment Facilities under 61000-3 Major Repairs and Replacements, and fund major repairs/replacements that exceed the \$10,000 cap established in the contract for Operations, Maintenance and Management of the Wastewater Treatment Facilities. Due to the nature of these repairs/replacements and the \$10,000 threshold, Treatment Plant Major Repairs and Replacements will be included in the CIP budget moving forward. The following Major Repairs/Replacements have been approved to date for FY 25-26:

• Influent Pump #4 Rebuild*	\$2,884
• RAS Pump #1 Replacement	\$45,823
• Ignacio Channel Grinder Replacement	\$60,754
• Utility Water Pump #3 Rebuild	\$37,565
• Influent Pump #4 Purchase	<u>\$108,975</u>
<b>FY 25/26 Total to Date:</b>	<b>\$256,001</b>

\*Superseded by Pump #4 Purchase. Crane rental for removal of pump charged to this work authorization.

**Account No. 72806: Annual Pump Station Improvements**

Pump station repairs are generally reported monthly as part of the Collection System Operations report, and annually in the UPCCAA staff report.

**Account No. 72807: Annual Ignacio Facility Improvements**

Annual Ignacio facility improvements are generally reported monthly as part of the Collection System Operations report, and annually in the UPCCAA staff report.

- This account includes funds for new water and fire service lines and hydrants at the Ignacio Facility. The Board granted final approval and authorized staff to file a Notice of Completion at their February regular meeting.

**Account No. 72808: Strategic Plan Update**

The 2024 Strategic Plan was completed in May 2024. This account includes “placeholder” amounts for Strategic Plan implementation and annual updates.

**Account No. 72809: Novato Creek Watershed**

This account and its budget were established as a result of an agreement with the Marin County Flood Control District (MCFCD). Under this agreement, the District participates in a program with the County of Marin, the City of Novato, and the North Marin Water District (NMWD) to explore alternatives to reduce flooding potential in the lower Novato Creek portion where all these agencies have facilities that are prone to flood damage.

- No update this month.

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

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

- The Board granted final acceptance of the Admin. Building Roof and HVAC Replacement Project and authorized staff to file a Notice of Completion at its November, 2025 meeting.
- The Board approved a contract for implementation of the Facility Physical Security Project at their May regular meeting. Contract execution and commencement of the Project are anticipated in June.

**Account No. 73004: Odor and Landscaping Improvements**

This account budgets for 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.

- No activity this month.

**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.

- Secondary Clarifier No. 1 Coating: The coating work was completed in July 2025. There are no outstanding items and the Project has been closed out.
- Secondary Clarifier No. 2 Coating: Staff are working with Veolia to obtain quotes for coating the metal work of Secondary Clarifier No. 2 in late summer, 2026.

**Account No. 73007: Solids Management**

This budget account, established in FY 21-22, includes funds and seeks to address major maintenance or capital projects associated with the District's treatment plant solids processing capabilities. Additionally, a "placeholder" amount is budgeted to initiate studies to investigate the feasibility of processing the District's biosolids further to create a Class A fertilizer or similarly marketable product.

1. **Biosolids Dewatering Facility:** This account includes funds for an alternatives analysis/preliminary design and engineering design in FY 25-26 for a biosolids dewatering facility located at the Novato Treatment Plant (NTP). Processing the biosolids at NTP would replace the current practice of piping digested sludge out to the Deer Island facility sludge lagoons and returning the decanted sludge back to NTP.
  - The Final Draft Biosolids Management and Solids Dewatering Report was received in August and has been reviewed by staff.
  - Staff are evaluating the recommendations and prioritizing projects for integration into the capital improvement plan.
2. **Final Digested Sludge and Decant Pipeline Major Repairs:** This account includes \$300,000 in FY 25-26 for major repairs.
3. **Advanced Biosolids Processing:** A "placeholder" amount is budgeted to initiate studies to investigate the feasibility of processing the District's biosolids further to create a Class A fertilizer or similarly marketable product.
  - Staff continue to explore technologies and opportunities to further process the District's biosolids to create a marketable product.
4. **Struvite Control System:** This account includes funds for implementation of a struvite control system at the Deer Island Facility, consisting of a skid mounted ferric-chloride dosing system to alleviate struvite formation in the return decant pipeline.
  - Staff are evaluating a solution.
  - As an interim measure, Veolia has placed one of the old Sodium Hypochlorite tanks near the sludge lagoons to be repurposed as a water tank. The water will be used to flush the decant return line to aid in mitigating the formation of struvite.

**Account No. 73008: Treatment Plant Electrical System Improvements**

This account was established in FY 22-23 and includes funds to address major maintenance, or capital projects associated with the District's plant electrical systems.

- Plant Power Systems Study: The Consultant conducted field verifications in March. Completion of the study is anticipated Q1 FY 26-27.

**Account No. 73009: Climate Adaptation Improvements**

This account was established in FY 22-23 and includes funds to evaluate potential risks for District facilities associated with climate change including more frequent extreme weather events, flooding, fire, and sea level rise and identify capital projects and improve climate resiliency. A placeholder amount is budgeted for initiating any Climate Adaptation Studies.

- In January 2025, staff attended a meeting with Marin County staff and their consultants to discuss participation in a County funded Sea Level Rise study. Participation in the study may fulfill requirements of SB 272 (Sea Level Rise - Planning and Adaptations) for local agencies to develop Sea Level Rise Adaptation Plans. Recent conversations with Marin County staff revealed that the effort had been put on hold, but is restarting in 2026.

**Account No. 73090: Vehicle Replacement**

This account includes a FY 25-26 budget amount for the purchase of two medium duty trucks, one of which may be an electric vehicle (EV), and miscellaneous equipment.

- The District received a new portable pump in September that was purchased in FY 24-25.
- The District issued a purchase order (P.O.) in April in the amount of \$43,600 to Elk Grove Auto for a light duty 4-wheel drive truck.

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# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Administration: Cost-of-living increase, represented employees group.</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEMS NO.: 13.a.</b>
<b>RECOMMENDED ACTION:</b> Per the Memorandum of Understanding (MoU) with Teamsters Local 315, and as included in the FY 26-28 Preliminary Budget, receive report on cost-of-living allowance of 3.8% for the represented employees group, effective July 1, 2026.	
<b>SUMMARY AND DISCUSSION:</b>  <p>In 2025, the District negotiated a five-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2025 through June 30, 2030.</p> <p>Section 21.02 (“Compensation”), paragraph (c) (“Cost of Living Increase”) of the MOU has provisions to grant a cost-of-living increase effective July 1, 2026 as follows:</p> <p><i>“(c) Cost of Living Increase</i></p> <p style="padding-left: 20px;"><i>(2) Effective July 1, 2026, and at the beginning of each contract year (7/1), the salaries for all classifications In the Bargaining Unit will be Increased by the actual Consumer Price Index change (82/84=100 All Urban Consumers San Francisco-Oakland Bay Area) for the period of April through April of the preceding year however they will be limited by utilizing a floor and ceiling application (Minimum and Maximum).</i></p> <p style="padding-left: 20px;"><i>(3) The minimum increase and a maximum increase are set forth as follows:</i></p> <p style="padding-left: 40px;"><i>7 /1/26    3.0% - 5.0% - Wage only reopener at 6% or higher”</i></p> <p>The actual Consumer Price Index change (82/84=100 All Urban Consumers San Francisco-Oakland Bay Area) for the period of April 2025 through April 2026 is 3.8%.</p> <p>Therefore, TBU District employees will receive a 3.8% cost-of-living increase effective July 1, 2026.</p>	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) and Goal 4 (Outreach) of the latest Strategic Plan.	
<b>BUDGET INFORMATION:</b> The Fiscal Year (FY) 26-28 Preliminary Budget includes provisions for a 3.8% cost-of-living increase in FY 26-27.	
<b>Prepared by:</b> ssk	<b>Reviewed by General Manager:</b> SSK

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE:</b> Administration: Cost-of-living increase, non-represented group (Management and Confidential personnel).	<b>MEETING DATE:</b> June 8, 2026  <b>AGENDA ITEMS NO.:</b> 13.b.
<b>RECOMMENDED ACTION:</b> Consistent with the Teamsters group, and as included in the FY 26-28 Preliminary Budget, approve a cost-of-living allowance of 3.8% for the non-represented group Management and Confidential (M&C) group, effective July 1, 2026.	
<b>SUMMARY AND DISCUSSION:</b>  <p>As discussed in the prior item 13.a., in 2025, the District negotiated a five-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2025 through June 30, 2030. Per the terms of the MOU, the represented TBU group will receive a cost-of-living increase of 3.8% effective July 1, 2026.</p> <p>In terms of annual cost of living salary increases, it is customary for the non-represented group Management and Confidential (M&amp;C) personnel to receive the same annual increase granted to the Represented Group.</p> <p>Therefore, it is recommended that the Board approve a cost-of-living increase for the non-represented group M&amp;C of 3.8%, effective July 1, 2026.</p>	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) and Goal 4 (Outreach) of the latest Strategic Plan.	
<b>BUDGET INFORMATION:</b> The Fiscal Year (FY) 26-27 Preliminary Budget includes a provision for a 3.8% cost-of-living increase in FY 26-27.	
<b>Prepared by:</b> ssk	<b>Reviewed by General Manager:</b> SSK

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Administration: Cost-of-living increase, General Manager-Chief Engineer.</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEMS NO.: 13.c.</b>
<b>RECOMMENDED ACTION:</b> Consistent with the Teamsters represented group and the non-represented Management and Confidential (M&C) group, and as included in the FY 26-28 Preliminary Budget, approve a cost-of-living allowance of 3.8% for the General Manager-Chief Engineer, effective July 1, 2026.	
<b>SUMMARY AND DISCUSSION:</b>  <p>As discussed in the prior item 12.a., in 2025, the District negotiated a five-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). The MOU term is July 1, 2025 through June 30, 2030. Per the terms of the MOU, the represented TBU group will receive a cost-of-living increase of 3.8% effective July 1, 2026.</p> <p>In the past, the Board has had a practice of providing to the General Manager-Chief Engineer the same cost-of-living increase that has been granted to the non-represented Management and Confidential group (M&amp;C) personnel. It is recommended that if the Board approves a 3.8% cost-of-living increase for the M&amp;C Group as per Agenda Item 12.b., that it also approve a 3.8% increase for the General Manager-Chief Engineer, effective July 1, 2026.</p>	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) and Goal 4 (Outreach) of the latest Strategic Plan.	
<b>BUDGET INFORMATION:</b> The Fiscal Year (FY) 26-27 Preliminary Budget includes a provision for a 3.8% cost-of-living increase in FY 26-27.	
<b>Prepared by:</b> reh	<b>Reviewed by Deputy General Manager:</b> EB

# NOVATO SANITARY DISTRICT

## BOARD AGENDA ITEM SUMMARY

<b>TITLE: Board of Directors: Board Officers, Secretary-Treasurer and Secretary Pro-tem, and check signers, Fiscal Year (FY) 26-27.</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEM NO.: 14.a.</b>
<b>RECOMMENDED ACTION: Appoint Board officers, Secretary-Treasurer and Secretary Pro-tem, and designate and authorize check signers, Fiscal Year (FY) 26-27.</b>	
<b>SUMMARY AND DISCUSSION:</b>  <u>Election of Officers:</u> The District Board traditionally acts in June to appoint individual Directors to serve as Board President and President Pro-Tem for the following fiscal year. Information on Board officers for prior years is provided in Attachment 1 - List of Board Officers and Authorized Check Signers. It has been longstanding practice to have the Board President and President Pro-tem typically serve two (2) year periods as long as the Board member in either position is not up for re-election in that term.  Directors Peters and Bentley were appointed President and President Pro-tem respectively in FY 25-26. Director Peters seat is not up for re-election in FY 26-27, so he can continue as President in FY 26-27 in accordance with the above practice. Director Bentley's seat will be up for re-election in FY 26-27. However, since the other three remaining seats will also be up for re-election (2 as regular-term seats in Electoral Divisions 3 and 5, and the third as a short-term seat in Electoral Division 1), the Board could make an exception to the practice in this instance.  That said, it is recommended that the Board appoint a President and President Pro-tem.  <u>Secretary/Treasurer and Secretary Pro-tem:</u> The Board traditionally appoints the General Manager-Chief Engineer as the Secretary-Treasurer, and the Administrative Services Analyst that normally attends Board meetings serves as the Secretary Pro-tem. It is recommended that the Board retain Sandeep Karkal as Secretary-Treasurer and Lynda Farmery as Secretary Pro-tem for FY 26-27.  <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-Chief Engineer. It is recommended that this practice be maintained.	
<b>ATTACHMENTS:</b> 1. List of Board Officers and Check Signers FY 16-17 to FY 25-26.	
<b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) of the latest Strategic Plan.	
<b>Prepared by:</b> ssk	<b>Reviewed by General Manager:</b> SSK

**NOVATO SANITARY DISTRICT**  
**LIST OF BOARD OFFICERS**  
**AND CHECK SIGNERS**  
**Fiscal Year (FY) 2016-17 to FY 2025-26**

**OFFICERS, 2025-26:**

President: Jerry Peters  
President Pro-Tem: Dennis Bentley  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Lynda Farmery  
Check Signers: Jerry Peters, Dennis Bentley, Jean Mariani, Sandeep Karkal

**OFFICERS, 2024-25:**

President: Jean Mariani  
President Pro-Tem: Jerry Peters  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Lynda Farmery  
Check Signers: Jean Mariani, Jerry Peters, Tim Fuelle, Sandeep Karkal

**OFFICERS, 2023-24:**

President: Jean Mariani  
President Pro-Tem: Jerry Peters  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Lynda Farmery  
Check Signers: Tim Fuelle, Jean Mariani, Carole Dillon-Knutson, Sandeep Karkal

**OFFICERS, 2022-23:**

President: Tim Fuelle  
President Pro-Tem: Jean Mariani  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Julie Hoover  
Check Signers: Tim Fuelle, Jean Mariani, Carole Dillon-Knutson, Sandeep Karkal

**OFFICERS, 2021-22:**

President: Tim Fuelle  
President Pro-Tem: Jean Mariani  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Julie Hoover  
Check Signers: Tim Fuelle, Jean Mariani, Carole Dillon-Knutson, Sandeep Karkal

**OFFICERS, 2020-21:**

President: Carole Dillon-Knutson  
President Pro-Tem: William Long  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Julie Hoover  
Check Signers: Carole Dillon-Knutson, Jean Mariani, Sandeep Karkal (also Tim Fuelle due to COVID-19)

**OFFICERS, 2019-20:**

President: Carole Dillon-Knutson  
President Pro-Tem: William Long  
Secretary/Treasurer: Sandeep Karkal  
Secretary Pro-Tem: Julie Hoover  
Check Signers: Carole Dillon-Knutson, Jean Mariani, Sandeep Karkal (also Tim Fuelle due to COVID-19)

**OFFICERS, 2018-19:** (Jan 2019 mtg)

President:	Carole Dillon-Knutson
President Pro-Tem:	Brant Miller (resigned June 10, 2019)
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Hoover
Check Signers:	Carole Dillon-Knutson, Brant Miller, Jean Mariani, Sandeep Karkal

**OFFICERS, 2018-19:**

President:	Jerry Peters
President Pro-Tem:	Jean Mariani
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Hoover
Check Signers:	Jean Mariani, Jerry Peters Carole Dillon-Knutson, Sandeep Karkal

**OFFICERS, 2017-18:**

President:	Jerry Peters
President Pro-Tem:	Carole Dillon-Knutson
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Hoover
Check Signers:	Jean Mariani, Jerry Peters, Carole Dillon-Knutson, Sandeep Karkal

**OFFICERS, 2016-17:**

President:	Jerry Peters
President Pro-Tem:	Carole Dillon-Knutson
Secretary/Treasurer:	Sandeep Karkal
Secretary Pro-Tem:	Julie Swoboda (Hoover)
Check Signers:	Jean Mariani, Jerry Peters, Carole Dillon-Knutson, Sandeep Karkal

# NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

<b>TITLE: Board of Directors- Elections: November 2026 Elections</b>	<b>MEETING DATE: June 8, 2026</b>  <b>AGENDA ITEM NO.: 15.a.</b>
<p><b>RECOMMENDED ACTION:</b> Adopt Resolution No. 3215: A Resolution of the Board of Directors of the Novato Sanitary District rescinding Resolution No. 3213; Calling for a Regularly Scheduled Election and a Special Election to fill a vacancy to be held in this Jurisdiction; Requesting the Board of Supervisors to consolidate with any other election conducted on said date; And requesting election services by the Marin County Elections Department.</p>	
<p><b>SUMMARY AND DISCUSSION:</b></p> <p>At its May 11, 2026 regular meeting, the Board adopted Resolution No. 3213, Resolution of the Governing Body of the Novato Sanitary District – A Regularly Scheduled Election Be Held In This Jurisdiction; Requesting the Board of Supervisors to Consolidate with Any Other Election Conducted on Said Date, and Requesting Election Services by the Marin County Elections Department.</p> <p>A vacancy has since occurred on the Board, and the Board held a special meeting on June 4, 2026, and acted to solicit applications and fill the vacancy by appointment until the vacant seat could be filled by election at the November 3, 2026 general election. This two-step process conforms with California Government Code Section 1780, which requires vacant seats with at least half of the term remaining be placed on the ballot at the next general District election.</p> <p>Resolution No. 3215 would replace Resolution No. 3213 by similarly calling an election for the three (3) regular term (4 years) seats on the District Board of Directors that are up for election in 2026 (incumbents: Division 2 - Bentley, Division 3 – Fuelle, and Division 5 – Dillon- Knutson) and requesting consolidation and election services by the County. The Proposed Resolution would also call an election for the vacant seat of former Director Jean Mariani (Division 1) with a term expiring in 2028 and request consolidation and election services by the County.</p> <p>By adopting Resolution No. 3215, the three Board seats with terms expiring in 2026 and the vacant seat with a term expiring in 2028 would be on the ballot for the November 3, 2026 election with other local and State elections held that day. The Proposed Resolution and related election filing documents must be filed with the Marin County Registrar of Voters by July 3<sup>rd</sup>, 2026. The filing period for candidates for all seats is July 13 through August 7, 2026, which period will be extended to August 12, 2026, if an incumbent does not seek reelection.</p> <p>It is recommended the Board adopt the attached Resolution No. 3215.</p>	
<p><b>ATTACHMENT(S):</b></p> <ol style="list-style-type: none"> <li>1. Resolution No. 3215: Resolution of the Board of Directors of the Novato Sanitary District rescinding Resolution No. 3213; Calling for a Regularly Scheduled Election and a Special Election to fill a vacancy to be held in this Jurisdiction; Requesting the Board of Supervisors to consolidate with any other election conducted on said date; And requesting election services by the Marin County Elections Department.</li> </ol>	
<p><b>BUDGET INFORMATION:</b> Election costs would be funded from Account No. 69040 – Election Expenses, which includes a Preliminary FY 26-27 budget of \$55,000.</p>	
<p><b>STRATEGIC PLAN INFORMATION:</b> This item addresses Goal 3 (Organizational Excellence) and Goal 4 (Outreach) of the latest Strategic Plan.</p>	
<p><b>Prepared by:</b> reh</p>	<p><b>Reviewed by General Manager:</b> SSK</p>

**NOVATO SANITARY DISTRICT**

**DRAFT RESOLUTION NO. 3215**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO SANITARY DISTRICT RESCINDING RESOLUTION NO. 3213; CALLING FOR A REGULARLY SCHEDULED ELECTION AND A SPECIAL ELECTION TO FILL A VACANCY TO BE HELD IN THIS JURISDICTION; REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE; AND REQUESTING ELECTION SERVICES BY THE MARIN COUNTY ELECTIONS DEPARTMENT**

**WHEREAS**, the Board of Directors (“Board”) of the Novato Sanitary District previously adopted Resolution No. 3213 on May 11, 2026, calling for a regularly scheduled election to be held on November 3, 2026; and

**WHEREAS**, a vacancy now exists on the Board for a seat with a term ending in 2028; and

**WHEREAS**, as required by Government Code Section 1780, subdivision (d)(2), the Board desires to fill said vacancy at the next regularly scheduled election by placing a short-term seat on the ballot for the unexpired balance of the term; and

**WHEREAS**, it is the determination of the Board that the regularly scheduled election and an election to fill a vacancy be held on the 3<sup>rd</sup> day of November, 2026, at which election the issues to be presented to the voters shall be to elect the following members to the Board of Directors:

Number of Regular Term Positions (4-year): 3

Number of Short-Term Positions (2-year): 1

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Novato Sanitary District that Resolution No. 3213 is hereby rescinded.

**BE IT FURTHER RESOLVED** by the Board of Directors of the Novato Sanitary District, pursuant to Elections Code §10002, the Board of Supervisors of the County of Marin is hereby requested to:

- 1) Consolidate said election with any other applicable election conducted on the same day, and hold and conduct it in the manner prescribed in Elections Code §10418;
- 2) Authorize and direct the Marin County Elections Department at District expense, to provide all necessary election services and to canvass the results of said election.

[Continued on next page]

Draft Resolution No. 3215

Rescinding Resolution No. 3213; Calling for a Regularly Scheduled Election and a Special Election to fill a vacancy to be held in this Jurisdiction; Requesting the Board Of Supervisors to consolidate with any other Election conducted on said date; And requesting election services by the Marin County Elections Department.

Page 2 of 2

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I hereby certify that the foregoing resolution was passed and adopted by the Board of Directors of the Novato Sanitary District, Marin County, California, at a meeting thereof held on the 8<sup>th</sup> day of June, 2026, by the following vote of the members thereof:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
A. Gerald Peters,  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Sandeep Karkal,  
Secretary, Board of Directors

DRAFT