



Comparison of Options for Operating and Managing the New Treatment Plant

Novato Sanitary District is evaluating the best way to operate and manage its new treatment plant, scheduled to begin operation late this year.

District treatment plant operators and managers have done an impressive job keeping the District’s aging treatment plant operating. To continue quality service, the District must provide additional resources: more certified operators, and training in new operating techniques, advanced management systems, computer systems and warranty protection systems.

Two options have been identified for providing these resources: (a) hire a single contractor to manage the plant, including our current operating staff, or (b) retain teams of consultants to provide the needed resources, training, computer systems, etc. Below is a brief comparison of the two options:

	Retain a Single Contractor	Retain Multiple Consultants
Cost	Estimated \$3 million savings over five years at a guaranteed fixed cost	Higher cost. No cost guaranteed
Regulatory Guarantees	Provides regulatory guarantees and pays any fines	No guarantees
Quality Service	Guarantees to meet quality benchmarks	Presumed quality service, but multiple consultants won't provide guaranteed service.
Fair Treatment for Employees	Guaranteed comparable salary, seniority and benefits to employees	Continued same salary, seniority and benefits.
Employee opportunities	May have additional career opportunities as part of a larger organization	Limited to onsite opportunities unless obtain outside employment
Public Control and Ownership	District permanently retains all governance control, ownership, rate setting, etc.	District permanently retains all governance control, ownership, rate setting, etc.
Future Flexibility	District retains all future options	District retains all future options
Accountability	Contractor guarantees, insurance and bonds increase accountability and limit liability	Good accountability but no third party guarantees

The option of retaining teams of consultants to assist the District is doable, but is expected to cost more than a single contract operator, require more time and management attention, and could lead to unclear lines of responsibility.

A number of steps must be taken this summer before final decisions are made about how to manage the new wastewater treatment plant. To date, it appears that contract operations provides the best balance: the opportunity to combine our current skilled operator staff with the resources of a highly qualified utility management firm with the experience, skills, certified staff, training opportunities and financial guarantees.

For more information, please go to www.novatosan.com