

Novato Sanitary District/Veolia Water Partnership: A Progressive Approach to a Public Policy Issue of Critical Importance



Veolia Water applauds the Novato Sanitary District (NSD) Board and staff for the forward-thinking approach represented by their decision to issue an RFP for the operation of the District's wastewater treatment plant. Some of the most progressive communities in California – Palm Springs, for example – have taken this step. Doing so provided their residents with improved environmental compliance and world-class service at an affordable price, all the while leaving funding, policy, capital and other critical decisions in the hands of local elected officials, where they belong. Like so many other programs that have been adopted by other states, contract wastewater operations originated in California when the City of Burlingame entered into a contract with us in 1972 to operate their wastewater treatment plant, a partnership that continues today.



We hope the information contained within this Proposal convinces you that the services the NSD seeks to ensure a compliant, safely operated and economically managed treatment plant for the residents of Novato are best provided by Veolia Water. By partnering with us, the District will receive the following unique advantages:

- The largest network of regional projects and operations personnel to support the District.** Veolia Water's resources in the Bay Area are second to none (Figure ES-1), with over 65 operations and technical employees, four wastewater projects, and our regional company headquarters within one hour or less of Novato. This means that 24/7, the District will have access to qualified and experienced support from projects with similar treatment processes and regulatory environments, in addition to those assigned directly to the project.
- The most experienced startup and transition team for a seamless transition.** Veolia Water invites the District to contact our clients to validate our ability to successfully transition public-sector projects and staff. Our program is transparent and sensitive to the needs of stakeholders and has produced positive results, whether done in two months or two weeks, whether the staff is unionized or not.
- Successful track record in implementing and utilizing Asset Management approaches and systems.** Veolia Water is the only private wastewater operator with a comprehensive Asset Management program that has been implemented successfully at several municipal projects. Our programs, JOB Cal® Plus or an option for a more advanced Oracle WAM, will be vital in protecting the District's valuable assets.
- Extensive experience with co-generation projects.** Veolia Water has implemented co-generation systems at several of our projects, including Burlingame and Gresham, Oregon. We are experienced in the financial, regulatory, and operational issues involving co-generation and have experts on staff available to assist the District in implementing and operating such systems.



Figure ES-1
VEOLIA WATER
Work Experience in the Bay Area

Experience and Qualified Team Supported by Local Resources

Veolia Water will assign some of its best managers and staff to this facility, both on site and in support positions. As our long-term organization chart (Figure ES-2, next page) shows, our team will consist of O&M professionals

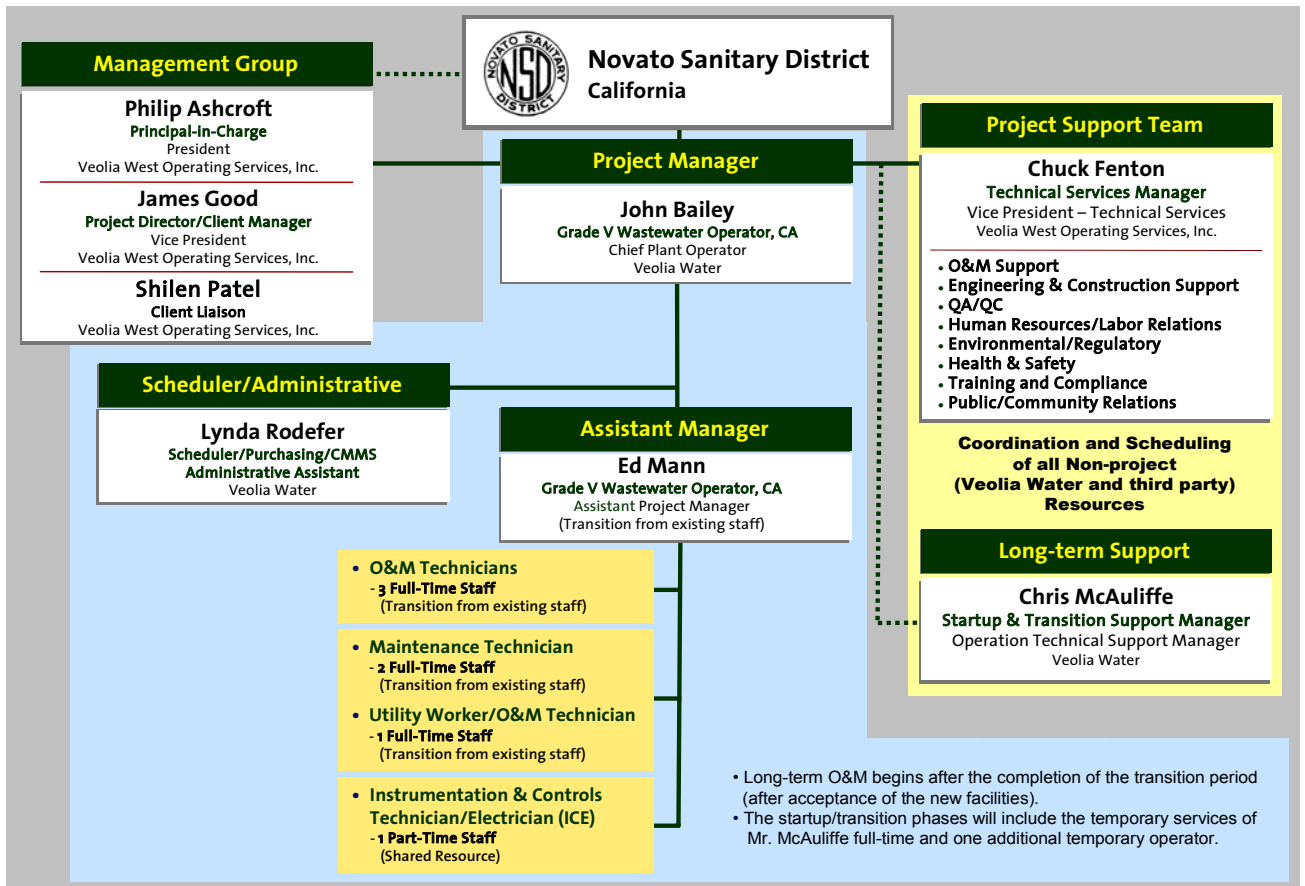


Figure ES-2. Veolia Water Team – Organization Chart – Long-Term O&M and Support Team
 Novato Sanitary District, California

from your existing staff, supplemented with our management and staff who transfer from other Veolia Water projects.

Our team will be led by **Project Manager John Bailey**, who lives less than 35 miles from Novato. Mr. Bailey is a California Grade V wastewater treatment plant operator with over 30 years of public and private wastewater operations experience. He currently is the Assistant Project Manager for our Discovery Bay project and is supporting the City of Petaluma with decommissioning its old wastewater treatment facility. Mr. Bailey will be committed full-time to the Novato wastewater treatment facilities.

Reporting to John Bailey, we propose NSD’s **Ed Mann** as our **Transition Manager** and eventual **Assistant Project Manager**. Mr. Mann is a California Grade V wastewater treatment plant operator, and he has significant historical knowledge of NSD’s wastewater operations. Mr. Mann has worked with Mr. Bailey and our startup manager on several CWEA-related programs. Mr. Mann’s established working relationships with both the existing personnel and Veolia Water’s incoming management staff will create a vital bridge to help join the two teams for a smooth transition and long-term operations and management success.

To support the District during the startup, we propose **Chris McAuliffe**, as the **Startup Manager**. Mr. McAuliffe has more than 25 years of wastewater operations and startup experience. He is a California Grade V wastewater treatment plant operator and lives less than 25 miles from the Novato wastewater treatment facility.

We have found that no other single activity sets the tone for the relationship between the client and the service provider than the transition. The partnership can be ruined or cemented during this period. That is why we are assigning Mr. McAuliffe to this sensitive task. He has led or participated in three complicated transitions during the last few years, including Richmond (City staff transferred to Veolia Water), Rio Vista (transition from a previous operator that left no staff for Veolia Water) and, most recently, Discovery Bay (transition of previous operator’s staff to Veolia Water).

Furthermore, the Novato transition is so important and complex that the cost for Mr. McAuliffe is not included in our price charged to the District. Instead, it will be absorbed by regional overhead. We chose this approach to ensure that that our manager is singularly focused on a successful transition, rather than on when the budget for his services will be exhausted.

To support the District maintenance activities during startup and transition, we propose **John O'Hare**. Mr. O'Hare has more than 32 years of wastewater operations, maintenance and startup experience. He is a California Grade V wastewater treatment plant operator, lives close to the Novato facility and recently was the Project Manager for our Petaluma operations. John will report to Mr. Bailey.

Lynda Rodefer, our proposed **Administrative Assistant/Scheduler**, currently is the Purchasing Expeditor for the West Business Center in Pleasant Hill. Over the past seven years with Veolia Water, she has performed in a variety of capacities, including Administrative Assistant, Planner/Scheduler, and Safety Coordinator at our Richmond project. Ms. Rodefer has experience in data management for CMMS and wastewater plant operations software systems. She is proficient in the use of a number of operations and maintenance management programs, including the JOB Cal® Plus and ICOMMM CMMS programs, as well as the ArcGIS® program.

The following staff from Veolia Water's West operations group will constitute the key support resources for this project and the District:

- **Chuck Fenton**, Veolia Water's Vice President and Manager of Technical Services in the West, will lead the technical support team for this new contract. His primary role is to work with transition teams to ensure that the array of technical, management and other resources needed are available. This role remains the same as the project moves into the operations phase, during which Mr. Fenton and his team act as senior-level consultants for the O&M team. Mr. Fenton has over 25 years of experience in water and wastewater treatment operations, maintenance and laboratory supervision. This includes extensive experience in operations, training, troubleshooting, laboratory analysis and new plant startups. He is a certified instructor who has taught water and wastewater courses and holds ABC Grade IV water and wastewater certifications, which are recognized in 27 states.
- **Bryce Behnke** is another key member of the Technical Support Group that will be assigned to support the Novato project. He is our Technical Services Manager and Regional Asset Management Specialist. Mr. Behnke is a Grade IV water and distribution system operator in Oregon and has more than 30 years of experience in treatment facility O&M. In addition to specialized expertise with system automation, process control, CMMS and electrical systems, he has experience in facility startups, regulatory reporting and compliance, along with equipment maintenance and troubleshooting.
- **James Good**, our Vice President of California Operations, based in the Bay Area, manages the delivery of O&M and related services to clients in California. He will work directly with Mr. Bailey and Mr. McAuliffe to secure the regional and corporate resources to ensure successful operations. Mr. Good will also meet periodically with District staff to verify that we are meeting your expectations. He has nearly two decades of experience in the wastewater and water industry.
- **Philip Ashcroft**, President of Veolia West Operating Services, Inc., manages the O&M and capital project teams in the West for a 15-state service area. Prior to joining the Veolia Water operations group in North America, he managed the operations of Three Valleys Water (a subsidiary of Veolia Water), a water supply system that serves more than 3.3 million people in communities north of London, England. Mr. Ashcroft has 40 years of business and corporate management experience, which includes work experience in plumbing fixtures and cement manufacturing.
- **Shilen Patel**, Veolia Water's Business Development Manager, will be our Client Officer for this partnership. In this role, he is charged with leading our team throughout the procurement phase. He has a decade of business and management experience in both the public and private sectors. Client satisfaction and public advocacy will be his primary focus subsequent to the award of this contract, ensuring Veolia Water meets and exceeds your expectations.

These staff form a team that will bring Veolia Water’s best and most experienced managerial and technical support to the District. Veolia Water will make other support staff available, whether from the regional, national or international level as outlined in our staffing plan for the District. In addition, as needed to support the District’s polices, we will make our Capital Program Management team (CPM) available. The CPM group, led by **John Herron**, is composed of senior-level engineering, design and construction professionals who can effectively manage and implement design and construction projects.

NSD’s Current Employees: a Critical Resource for a Successful Operation

Our goal is to fill every available operator and maintenance position from your existing staff. Existing staff will be offered a wage and benefits package that is comparable to what they currently receive. They will be treated in a caring, honest, and fair manner. We realize that this is an extremely sensitive part of the transition and are keenly aware that any change related to a person’s job can result in concerns and questions for the employees.

To ensure that all employees and their families fully understand our compensation and benefits packages, we will organize a lunch or dinner meeting so that our Human Resources (HR) representative can present a summary of our compensation and benefits package and address questions. Additionally, our HR representative will be available to meet individually with each family as necessary to ensure that every transitioned employee is fully apprised of their choices and can select the best benefits. We have found this practice to be especially effective in providing accurate and clear communication regarding compensation and benefits. Our proposal includes on-going training, educational opportunities, safety and compliance training and career advancement prospects with our firm.

Tested and Proven O&M Plan

Veolia Water’s O&M Plan is central to our objective of ensuring overall facility reliability while delivering unparalleled customer service. As your partner, we will bring value to you and your customers by providing compliant and cost-effective operations that will help keep wastewater rates stable, minimize service disruptions from startup to long-term operations and protect your investment. The key components of our O&M plan and approach are highlighted in the table below.

Veolia Water Team Achieves and Exceeds District’s Goals	
A Project Plan that Delivers World-Class Results	
Technical Excellence	<ul style="list-style-type: none"> • <u>Startup/Transition</u> – Our Startup and Transition Plans will be led by a dedicated Startup Manager whose sole focus is to ensure its success. • <u>Operations</u> – We will meet the regulatory requirements set forth by the NPDES permits of both wastewater treatment facilities, the applicable EPA and CRWQCB biosolids disposal regulations, noise and odor limits. • <u>Maintenance</u> - We will implement and expand on a proven computerized maintenance management program (CMMS) that focuses on predictive/preventive maintenance. The use of JOB Cal Plus CMMS software is an invaluable tool that will help us minimize costly corrective maintenance occurrences, thereby ensuring dependable and reliable services. We will track life-cycle costs to forecast repairs. • <u>Planning</u> - We will actively assist the District with both long- and short-term planning relative to life-cycle analysis of the managed assets and furnish information with recommendations for any capital improvements, major maintenance and policy issues. • <u>Training</u> - We will implement ongoing training for our employees for all critical aspects of unit operations/process control, safety and environmental health, emergency response, maintenance management, odor mitigation and control. Training will focus toward professional growth and advancement. • <u>Safety & Security</u> – We set the nation’s standard for safety in the wastewater sector, and will continue to concentrate on bettering this record. Our goal is that each day, every Veolia Water employee goes home in the same condition they arrived to work in.

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	A Project Plan that Delivers World-Class Results
	<ul style="list-style-type: none"> • <u>Community Relations</u> – We will align with the District’s odor goal and minimization of all other nuisance factors, such as noise levels. We will implement meaningful public education and successful community outreach activities. We pledge open and crystal clear communications with the public to foster confidence in and support for the District’s wastewater program.

Building Positive Community Relations

Veolia Water is committed to open and transparent operations in the communities we serve. We propose a communications program from startup through long-term operations that includes:

- Monthly reporting of analytical data charting our operations.
- Monthly meetings with community stakeholders to provide a summary of our operations and address questions or concerns.
- Annual public report that summarizes our overall operations and plan for the following year.
- Public tours of our facility and operations.
- Commitment of our project and senior management team to address community questions, educate the community about our operations and attend local meetings.



Leading Services Provider in the Bay Area

The core business of Veolia Water companies is providing water and wastewater services to municipal and industrial clients. In North America alone, we provide water and wastewater O&M services to some 650 communities, including the day-to-day operation of almost 200 municipal wastewater plants.

Our firm also has a well-established presence in the State of California, where we originated the contract O&M approach in the Bay Area for municipal facilities in 1972. Today our firm has 17 contracts with governmental and private clients in the State, under which we provide O&M services for 11 wastewater treatment plants (ranging in size from less than 1 MGD to 25 MGD), including tertiary treatment systems similar to the District’s wastewater plant. In addition to our 13 municipal contracts, we have four industrial projects. Staff at these sites are trained in Veolia Water’s policies and procedures and represent additional support and emergency assistance in times of crisis, such as an earthquake or other disaster that requires a heroic response.

The table below captures many of the capabilities and benefits we’ve delivered to communities like Novato.

Veolia Water Team Achieves and Exceeds District’s Goals	
	A Project Team that Possesses World-Class Experience
Qualifications & Key Reference Projects	<ul style="list-style-type: none"> • <u>O&M Contracts</u> – Veolia Water has some 45 O&M contracts in the West of which 35 include wastewater treatment facilities. All but a few of these contracts required staff transitions; 17 projects must comply with California’s stringent environmental quality regulations. • <u>Transition from Construction to Operations</u> – Veolia Water has multiple experiences with transitioning services of treatment plants from design/build or construction phases to long-term operations and maintenance. Such key project references include Richmond, Arvin, and Lathrop. • <u>Community Relations</u> – Veolia Water takes pride in participating in meaningful public education and community outreach activities. A few examples of our community participation includes sponsoring youth sports teams, leading community cleanup days, giving plant tours and hosting open houses, providing

Veolia Water Team Achieves and Exceeds District's Goals	
	A Project Team that Possesses World-Class Experience
	<p>speakers for environmental fairs, offering internships and scholarships to students pursuing environmental careers.</p> <ul style="list-style-type: none"> • Similar Size Treatment Plants – Veolia Water has multiple local projects with very similar-size wastewater treatment plants and systems which we have operated for five years or longer: <ul style="list-style-type: none"> – Atwater, CA – 6-MGD WWTP, biosolids disposal, effluent reuse – Richmond, CA – 16-MGD WWTP, collection system, capital improvements – Burlingame, CA – 5.5-MGD WWTP, storm water pollution prevention program, power co-generation, biosolids land application program – Rialto, CA – 11.6-MGD WWTP, collection system, capital improvements, Asset Management • Similar Technologies – Veolia Water has multiple projects with similar or in many cases, identical treatment technologies: <ul style="list-style-type: none"> – Activated sludge processes – 200+ wastewater treatment plants – Biological nutrient removal (BNR) using selector zones – 12 treatment plants, including two at Vancouver, WA – Ultraviolet disinfection systems – 19 treatment plants, including Vancouver, Discovery Bay, Rialto and Rio Vista – Effluent reuse projects – 34 wastewater projects, including Arvin and Atwater • Key Reference Projects – These projects serve as our key O&M references. Their average regulatory compliance record for the last five-years is 99.6%. <ul style="list-style-type: none"> – Burlingame, CA – 5.5 MGD, operated since 1972 – Richmond, CA – 20 MGD, operated since 2004 – Gresham, OR – 16 MGD, operated since 2005 – Vancouver, WA – three facilities totaling 42.5 MGD, since 1978 – Rio Vista, CA – two facilities totaling 1.65 MGD, since 2005

The Best Choice for the Novato Sanitary District

By choosing to partner with Veolia Water, the District will reap the benefits of not only our extensive local resources, but also those of our entire company, regardless of where in the world they might reside. From staff training and transition to long-term O&M and customer satisfaction, Veolia Water is prepared to provide a comprehensive range of services to the District. We will set the groundwork for achieving a successful relationship by focusing from day one on building mutual trust and respect.

Recapping the key points of our proposal, if chosen by the District as its partner, Veolia Water will provide you with:

- Some of the most accomplished and respected wastewater managers in the Bay Area assigned to the District.
- A value- based proposal that includes access to regional Veolia Water resources to supplement the local staff working at the Novato Sanitary District.
- A partner with demonstrated experience in plant startup, transitioning, and long-term operations.
- A proven asset management and repair plan focused on preserving your investment.
- Considerable risk transfer and protection for Novato Sanitary District.
- Automation and a staffing plan that significantly enhances reliability and customer service.

We look forward to working with you to develop a strong partnership based on proven management practices, trust, innovation and the willingness to meet the long-term needs of the rate payers of the Novato Sanitary District.

We want to be your partner. Thank you for your consideration.