

NOVATO SANITARY DISTRICT

July 13, 2009

A regular meeting of the Board of Directors of the Novato Sanitary District will be held at 4:30 p.m., Monday, July 13, 2009, at the District Office, 500 Davidson Street, Novato.

Materials related to items on this agenda are available for public inspection in the District Office, 500 Davidson Street, Novato, during normal business hours.

AGENDA

1. PLEDGE OF ALLEGIANCE:

2. AGENDA APPROVAL:

3. PUBLIC COMMENT (Please observe a three-minute time limit):

This item is to allow anyone present to comment on any subject not on the agenda, or to request consideration to place an item on a future agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Board at this time as a result of any public comments made.

4. BOARD MEMBER REPORTS:

5. REVIEW OF MINUTES:

- a. Consider approval of minutes of June 22, 2009 meeting.

6. PUBLIC HEARING – CONSIDER THE COLLECTION OF SEWER SERVICE CHARGES ON THE TAX ROLLS OF THE COUNTY OF MARIN PURSUANT TO SECTION 5473 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA.

- a. Open public hearing.
- b. Public comments.
- c. Board comments.
- d. Close public hearing.

Consider action on:

- f. Adoption of a Resolution to collect sewer service charges on the tax rolls.

7. CONSENT CALENDAR:

The Manager-Engineer has reviewed the following items. To her knowledge, there is no opposition to the action. The items 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. Consider acceptance of a proposal to inject waste biosolids into the Dedicated Land Disposal Area at the Reclamation Facility.
- b. Consider approval of a contract for consulting services for the Household Hazardous Waste and AB 939 programs.
- c. Schedule July 27th Board meeting for 6:30 p.m. at Hill Community Room, Margaret Todd Senior Center.
- d. Approve disbursements.

8. BOARD OF DIRECTORS:

- a. Consider Committee appointments for 2009-10.

9. COLLECTION SYSTEM IMPROVEMENTS: PROJECT 72706, PHASE A - CENTER ROAD/WILSON AVE. SEWER PROJECT:

- a. Consider adoption of a resolution making CEQA findings, approving plans and specifications, and authorizing advertising for bids.

10. MANAGER'S ANNOUNCEMENTS:

11. ADJOURNMENT:

Next resolution no. 3005

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.

June 22, 2009

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, June 22, 2009, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, William C. Long and George C. Quesada.

BOARD MEMBERS ABSENT: Member Arthur T. Knutson.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager Engineer Sandeep Karkal and Administrative Secretary Julie Borda.

ALSO PRESENT: Pete Talbot, HDR Engineering Inc.
Heidi Heffelfinger, Novato resident
William Grant, Novato resident
Jane Walter
Flora Maurak, Novato resident
John Quinley, Sustainable Novato, Novato resident
Colleen Rose, Novato resident
Jo Heffelfinger, Novato resident
Dean L. Heffelfinger, Novato resident
Dennis Welsh, former NSD employee, Novato resident
Pam Welsh, Novato resident
Phil Tucker
Beth Garber
Barbara Matas, Novato resident
Dean B. Heffelfinger, NSD employee, Novato resident
Russell Rice
Paul Eisenhardt, The Eisenhardt Group
Austris Rungis, IEDA Group

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The Manager stated that there were two changes to the mailed agenda: 1) Item 7c. on the Consent Calendar: **Meeting schedule** would be pulled from the Consent Calendar and would be added as a discussion item; and 2) Item 10: **Preliminary Budget 2009-10** was removed from the Agenda and will be returned to the July 13th Agenda. She requested the Agenda be approved as amended.

On motion of Member Quesada, seconded by Member Fritz, and carried unanimously by those members present, the Agenda was approved as amended.

WASTEWATER TREATMENT PLANT STARTUP:

Peer review of report on staff operations and startup of new facility. The Manager pointed out that at the May 18th Regular Board meeting, members of the public requested a Peer Review of the Eisenhardt Report: *Novato Sanitary District Staff and Operations Assessment for New Facility Startup, Transition and Operation, February 2009, Final Report*. She stated that two firms had been chosen by the District and had completed their reviews: HDR Engineering, Inc. (HDR) and EMA, Inc.

Pete Talbot, HDR Engineering, Inc. gave a Power Point presentation to the Board titled: *Peer Review, Staff and Operations Assessment for New Facility, June 22, 2009*. Mr. Talbot discussed the focus of the review as requested by the Novato Sanitary District as well as his qualifications, background and past experience. He stated that HDR used a staff estimating tool which was developed by the New England Interstate Water Pollution Control Commission titled *The Northeast Guide for Estimating Staffing at Publicly and Privately Owned Wastewater Treatment Plants, November 2008 (the Northeast Guide)*. He stated he used the Northeast Guide approach to determine staffing needs while taking into account the District's design drawings. He reported that with the New England Guide Results, the public sector operational staffing required 14.2 full-time equivalent (FTE) employees and the private sector onsite operational staffing required 10.6 FTE (which is 75% of the public sector staffing).

He went on to discuss a second model that was used to determine staffing costs which was based on actual data. This model is the WaterCo\$t Model and is an estimating tool originally developed by HDR for the Environmental Protection Agency (EPA). He explained that the purpose of the WaterCo\$t Model was to estimate steady state operation and capital costs of water treatment plants and wastewater treatment plants. He stated that for this portion of the review, he used the O&M staffing (FTE's). The results of the WaterCo\$t model showed that the public sector staffing required 15.8 FTE while the private sector onsite operational staffing required 11.9 FTE (which is 75% of public sector staffing). He reported HDR's final determination to be: the Eisenhardt report's conclusion that the Contract Operation alternative can provide the service most cost efficiently is valid.

Mr. Talbot went on to discuss HDR's analysis of the transition cost review process as outlined in the Eisenhardt report. He stated he reviewed the appendices to the Eisenhardt report comparing the hours required for the 14 tasks under the two scenarios and examined the hourly rates used to develop the cost estimates. His presentation showed numerous tables which broke out how the costs were attained. At the conclusion of his presentation, he discussed three findings regarding the Eisenhardt transition services cost estimates: 1) the 14 transition tasks and the associated hours are reasonable; 2) the hourly rates used to cost these tasks are within industry norms; and 3) the Contract Operation alternative provides the most cost efficient means of delivering most of the transition tasks. He stated that based on HDR's limited review, the Eisenhardt Report findings and conclusions are reasonable.

Member Long commented on the difference in manpower needs based on public service hours versus private contract operator hours. He felt this was because private contract operations are typically more automated and also have off-site staff with more experience that can assist in consulting capacities.

President Di Giorgio opened the meeting to public comment.

John Quinley, Sustainable Novato, discussed the wages and labor hours as presented in HDR's analysis report. He felt the wages and labor hours were inflated based on real-life industry standards. Mr. Talbot of HDR explained how the information in his report was obtained, noting that the wages and labor hours were normal.

Heidi Heffelfinger of the Alliance of Concerned Citizens of Novato expressed her concern over several issues that she felt were not yet resolved. She questioned why the Eisenhardt report used data which showed consultants would be on staff for a full five years. She felt the information in the Eisenhardt report was inflated and consultants would not need to be on staff for five years. She noted that the new treatment plant facility was not coming on-line all at once but in stages. Because of this, she felt the current Novato Sanitary District operators could be adequately trained to operate the new equipment.

Pam Welsh, Chairperson of the Alliance of Concerned Citizens of Novato asked for clarification of who in the public requested the peer review. Manager Beverly James stated it was Mr. Art Ribbel who had requested the Board perform a peer review of the Eisenhardt report. Ms. Welsh felt Mr. Ribbel intended for an "independent" peer review be performed by a company who was completely unbiased on the contract operator option and did not have a pre-existing relationship with the Novato Sanitary District. Ms. Welsh felt that using HDR for the peer review gave an appearance of inappropriateness. Manager Beverly James clarified the definition of a peer review as it is widely accepted in this field.

Deal L. Heffelfinger, Novato resident, discussed some comments Mr. Talbot made in his report regarding automation of the new facility and the number of employees needed. Mr. Talbot gave an explanation of why a private contract operator can staff at a lower level. Mr. Heffelfinger repeated his request for a public hearing on the matter of the private contract operators being used to staff the upgraded wastewater treatment facility. He noted that his request was for an open forum of discussion between the Board, the Eisenhardt Group, and members of the public where discussion could be ongoing, without time limits. President Di Giorgio stated that the board meetings are such a public forum and discussion on the issue is taking place.

Deputy Manager-Engineer Sandeep Karkal discussed with the Board the second peer review report which was conducted by EMA, Inc. Due to the fact that no representative from EMA, Inc. was available to attend the Board meeting, Mr. Karkal read the report titled: "Cost Estimate Validation of Assessment Report for New Facility Start-up". The

report gave a background of the alternatives the District is considering as well as the qualifications of EMA, Inc. The findings of the EMA, Inc. report focused on three things: 1) Is the approach and the scope reasonable in keeping with industry standards; 2) Are the consulting rates for the outside experts reasonable; and 3) Is the cost estimate reasonable. The report also evaluated consulting rates as stated in the Eisenhardt report. EMA, Inc. concluded that, "Our evaluation finds that the work called out and the hours estimated for each of the tasks and the rates used to estimate the costs are reasonable for what you would expect in a successful startup of a new treatment facility in California."

Pam Welsh noted there would be a presentation of the documentary, "Thirst" on Thursday, June 25th at the Hill Community Center. She invited everyone to attend. She stated that initially she was concerned for the current operators whose jobs were in jeopardy, but upon further research, she felt the private contract operators would disrupt the community. She stated that requests have been made repeatedly for a public forum to discuss the issue of private contract operators and such forum has not taken place. She made an official request to the Board to hold their meetings at 6:30 p.m. instead of the current time of 4:30 p.m. She requested written responses to her questions and concerns.

President Di Giorgio pointed out that when the bids are obtained for the contract operations, they may reveal a cost savings to the District.

Jo Heffelfinger, Novato resident, stated that Mr. Di Giorgio should not be commenting during Public Comment. She reminded the Board that they are voted in as public servants and should act in the public's best interest at all times. She requests respect is given for all who wish to speak at public comment.

Russell Rice, San Anselmo resident, stated he is at the Board meeting as a citizen who is concerned about privatization. He stated he wanted the Board to be aware of what happens when a public utility is operated by a private contract operator. He discussed his personal experience with contract operators, noting that maintenance was deferred and that problems developed due to spills and overflows. He stated that treatment facilities operated by private operators are not as safe as one might think they are.

John Quinley, Sustainable Novato, discussed private operator's rate charges and stated they seemed very high. He felt the information contained in the Eisenhardt report in regards to the Statement of Operations and Performance (SOP) was directly taken from the South Bayside System Authority's SOP. Mr. Eisenhardt stated that indeed the South Bayside System Authority's SOP was used as an illustration.

Heidi Heffelfinger, Alliance for Concerned Citizens of Novato, expressed her concerns that the Eisenhardt report stated current Novato Sanitary District employees were unable to perform functions as required in the upgraded facility. She discussed the required response time for a current employee if there is an emergency or a sewage

spill. She noted that all Novato Sanitary District operators are required to live within thirty minutes of the District's wastewater treatment plant so they can respond quickly to any emergency. She asked that with a private contract operator, would they be able to arrive for an emergency within thirty minutes or would there be a longer delay, thus adversely affecting the community. She urged the Board to make the right decision because this will ultimately affect the entire community.

The Manager noted that the proposals from the three contract operators were due in the District office on June 26th. She stated that the bids would be reviewed at the Board meeting on July 20th.

Member Long thanked HDR Engineering, Inc. and EMA, Inc. for their fast and thorough response to the District's request for a peer review.

PUBLIC COMMENT: There was no further public comment.

BOARD MEMBER REPORTS: None.

REVIEW OF MINUTES:

Consider approval of minutes of the June 8th Regular Board meeting:

On motion of Member Quesada, seconded by Member Long, and carried unanimously by those members present, the minutes of the June 8th regular Board meeting were approved.

MEETING SCHEDULE:

The Manager noted the following Board meeting schedule: July 13th and 27th, August 10th and 24th, September 14th and 28th. She requested an additional Board meeting to take place on July 20th and requested the meetings on July 13th and July 20th be relocated to a larger facility, such as the Hill Community Room at the Margaret Todd Community Center. She noted that it was the Board's decision to schedule the meetings at a later time, such as 6:30 p.m.

Member Fritz made a motion to schedule the July 13th and 20th Board meetings at a larger facility with a starting time of 6:30 p.m. The Manager stated that due to a pre-scheduled Public Hearing, the July 13th meeting would need to be at the District office at the regular time of 4:30 p.m. She stated that this was due to the fact that the Public Hearing was previously scheduled and noticed in the Independent Journal newspaper, as required, and the location and time could not be changed at this point.

On motion of Member Fritz, seconded by Member Long, and carried with the following vote, the Board meeting schedule would be: July 13th at 4:30 p.m. at the District office,

July 20th at 6:30 p.m. at a larger facility (to be determined and announced), and meetings on July 27th, August 10th and 24th, and September 14th and 28th at 4:30 p.m. at the District office. Vote: Ayes: Di Giorgio, Fritz, Long; Noes: Quesada; Absent: Knutson.

Member Quesada stated that he voted no because he felt the meetings should be held at 7 p.m.

CONSENT CALENDAR:

On motion of Member Fritz, seconded by Member Long, and carried unanimously by those members present, the following Consent Calendar Items were approved:

- a. Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for fiscal year 2008/09.
- b. Accept sewer main extension improvements for De Long Ave Sewer Main Extension (Whole Foods). **(Note: The Board Agenda Item Summary incorrectly noted the project as the Mill Road SME. Changes were made to this summary to show the project as the De Long Ave. project.)**
- c. Approval of regular disbursements in the amount of \$389,850.32, and upgrade project disbursements in the amount of \$189,724.88.

BOARD OF DIRECTORS:

Election of officers for 2009/10.

Member Long nominated Member Di Giorgio as President. Vote: all ayes.
Member Quesada nominated Member Long as President Pro-Tem. Vote: all ayes.

Appointment of Secretary/Treasurer and Secretary/Treasurer Pro-tem for 2009/10.

Member Quesada nominated Manager Beverly James as Secretary/Treasurer. Vote: all ayes.
Member Long nominated Administrative Services Manager June Penn Brown as Secretary Pro-Tem. Vote: all ayes.

Designate and authorize Board Members to sign District checks.

Member Long nominated the following individuals as check signers: Michael Di Giorgio, William C. Long, James D. Fritz, Beverly B. James and June Penn Brown. Vote: all ayes.

PERSONNEL:

Consider authorizing promotion of Ben Northcroft from Collection System Worker I to Collection System Worker II. The Manager requested the Board approve the promotion of Ben Northcroft from CSW I to CSW II due to his hard work and dedication in his position. Member Fritz stated it was with pleasure that he moved this promotion.

On motion of Member Fritz, seconded by Member Quesada, and carried unanimously by those members present, Ben Northcroft was promoted to Collection System Worker II.

President Di Giorgio sent his congratulations to Mr. Northcroft.

STAFF REPORTS:

Special Districts' Institute Training. The Manager noted that she, President Di Giorgio and Member Long attended an Administration Seminar presented by the Special Districts Institute. The seminar was held in Monterey on June 18th and 19th. The Manager stated that she and President Di Giorgio received a Certificate of Completion in Special District Leadership and Management after completing the necessary three class series.

Member Long discussed his attendance at the seminar. He requested that every two months an item be placed on the agenda to address the District's strategic plan and issues that relate to the District's long-term goals.

President Di Giorgio discussed his attendance at the seminar also. In addition, he explained why the Board is proceeding at their current speed to determine the best method for running the treatment facility after the upgrades are completed. He suggested the District might consider sending staff members to some of the classes offered by the Special Districts' Institute.

MANAGER'S ANNOUNCEMENTS:

The Manager noted that the Preliminary Budget would be presented to the Board at their July 13th regular Board meeting. She also noted that is the date set for the Public Hearing for the collection of sewer service charges on the tax rolls of the County of Marin.

President Di Giorgio called for a five minute break at 6:05 p.m.

The Board meeting reconvened at 6:12 p.m.

CLOSED SESSION:

Conference with labor negotiators, Government Code Section 54957.6.

At 6:50 p.m. President Di Giorgio reconvened the Board meeting. There was no reportable action from the closed session.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 6:51 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording

DRAFT

RESOLUTION NO. 3005

**A RESOLUTION PRESCRIBING AND PROVIDING FOR THE COLLECTION OF SEWER
SERVICE CHARGES FOR NOVATO SANITARY DISTRICT
ON THE TAX ROLLS OF THE COUNTY OF MARIN
FOR THE FISCAL YEAR 2009-2010**

NOVATO SANITARY DISTRICT

RESOLVED, by the Board of Directors of the Novato Sanitary 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 2009-10, 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 13th day of July, 2009, at the hour of 4:30 p.m. at the regular meeting place of said District, Novato Treatment Plant, 500 Davidson Street, Novato, California, was fixed as the time and place for 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 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 affidavits 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, all written protests and other written communications, if any, were publicly read

at said meeting and all persons desiring to be heard were fully heard;

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. No 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 she is hereby, directed to file a copy of said report with the County Controller of Marin County on or before the 10th day of August, 2009, upon which shall be endorsed, over her signature, a statement that the report has been finally adopted by the Board of Directors of the Novato Sanitary District.

5. The County Controller 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 2009-10.

6. For all premises connected to the sewer system of the District, the sewer service rate per Service Unit for fiscal year 2009-10 shall be **FOUR HUNDRED AND SIXTY-TWO AND 00/100 DOLLARS (\$462.00)** per year as established by Novato Sanitary District Ordinance No. 106, adopted August 1, 2005. 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 Units shall be calculated for various types of sewer users as described in Novato Sanitary District Ordinance No. 111 adopted August 6, 2007.

Said charges are established pursuant to Article 13B of the Constitution, as amended and statutory provisions relating thereto.

In addition to the rate per Service Unit, all users whose service charges are collected on the Marin County tax roll, shall pay an annual collection fee amounting to **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 13th day of July 2009, by the following vote:

AYES, and in favor thereof, Directors:	Di Giorgio, Fritz, Knutson, Long, Quesada
NOES, Directors:	None
ABSENT, Directors:	None

Secretary, Novato Sanitary District

APPROVED:

President Pro Tem

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Reclamation Facility Biosolids Disposal, Account No. 63115	MEETING DATE: July 13, 2009 AGENDA ITEM NO.: 7 a
RECOMMENDED ACTION: Consider acceptance of a Proposal to inject waste biosolids into the Dedicated Land Disposal Area at the Reclamation Facility.	
SUMMARY AND DISCUSSION: <p>Under the terms of its discharge permit, the District is required to dispose of digested biosolids generated from each treatment plant at its dedicated land disposal (DLD) site off of Highway 37, in accordance with Title 40 Code of Federal Regulations (CFR) Part 503. Options for final disposal historically have been either by spreading or by injection into the DLD in summer.</p> <p>Last year the District contracted with Custom Tractor Service (CTS) of Petaluma to perform this work. CTS has been performing this work satisfactorily for the Las Gallinas Valley Sanitary District for the past several years, and they are the only contractor in this area that has the type of equipment to adequately perform this work. CTS performed this work last season for 0.032 cents per gallon.</p> <p>Staff recently requested and received a proposal from CTS to perform the full-scale injection this year. Under their proposal, CTS proposes to inject the biosolids for 0.033 cents per gallon plus a one time setup fee of \$2,500. The setup fee will be waived if one million gallons are injected this season. Staff estimates that close to 1.75 million gallons will be injected and the amount of the work should not exceed \$60,000.00. Staff estimates that additional work such as ripping and leveling will be necessary for a cost not to exceed \$10,000.00. Staff recommends accepting the CTS proposal, and authorize the Manager-Engineer to enter into an agreement with CTS for a not-to-exceed amount of \$70,000.00</p>	
ALTERNATIVES: NA	
BUDGET INFORMATION: This work is budgeted in the FY09-10 Preliminary Budget under Account No. 63115 - Reclamation Facilities (Biosolids Disposal) at an amount of \$75,000.00.	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Household Hazardous Waste and AB 939 Programs	MEETING DATE: July 13, 2009 AGENDA ITEM NO.: 7 b										
RECOMMENDED ACTION: Approve proposal to provide consulting services.											
SUMMARY AND DISCUSSION: Dee Johnson has been serving as the District's coordinator for the Household Hazardous Waste, Used Oil, and AB 939 programs for a number of years. She is proposing to perform the following services on a time and materials basis with the following not-to-exceed limits: <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Administer the HHW Facility and Operations</td> <td style="text-align: right; padding-right: 20px;">\$58,000</td> </tr> <tr> <td style="padding-left: 20px;">Administer the Used Oil Block Grant</td> <td style="text-align: right; padding-right: 20px;">\$4,500</td> </tr> <tr> <td style="padding-left: 20px;">Administer the AB 939 Program</td> <td style="text-align: right; padding-right: 20px;">\$17,500</td> </tr> <tr> <td style="padding-left: 20px;">DOC Beverage Container Recycling</td> <td style="text-align: right; padding-right: 20px;"><u>\$2,964</u></td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; padding-right: 20px;">\$82,964</td> </tr> </table> <p>The Used Oil Block Grant services are funded by a grant from California Integrated Waste Management Board. The HHW Facility and AB 939 services are funded by AB 939 collector fees and Marin County JPA reimbursement.</p>		Administer the HHW Facility and Operations	\$58,000	Administer the Used Oil Block Grant	\$4,500	Administer the AB 939 Program	\$17,500	DOC Beverage Container Recycling	<u>\$2,964</u>	Total	\$82,964
Administer the HHW Facility and Operations	\$58,000										
Administer the Used Oil Block Grant	\$4,500										
Administer the AB 939 Program	\$17,500										
DOC Beverage Container Recycling	<u>\$2,964</u>										
Total	\$82,964										
ALTERNATIVES: Do not accept the proposal.											
BUDGET INFORMATION: This work will be funded from the 2009-10 budget, which has an item for Solid Waste Consulting Services of \$82,964.											
DEPT.MGR.:	MANAGER:										

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Board of Directors: Committee Appointments	MEETING DATE: July 13, 2009 AGENDA ITEM NO.: 8 a
RECOMMENDED ACTION: Presidential appointment of committee members	
SUMMARY AND DISCUSSION: <p><i>Current Committees:</i></p> <p>Standing Joint City/District Solid Waste Committee: George C. Quesada, Arthur T. Knutson. Michael Di Giorgio, Alternate</p> <p>California Association of Sanitation Agencies: Michael Di Giorgio, Delegate. William Long, Alternate</p> <p>California Sanitation Risk Management Authority: Beverly B. James, Delegate. Michael Di Giorgio, Alternate</p> <p>North Bay Water Reuse Authority: Beverly B. James, Delegate. William C. Long, Alternate</p> <p>North Bay Watershed Association: Beverly B. James, Delegate. George C. Quesada, Alternate</p> <p>North Bay Watershed Association Lateral Committee: Michael Di Giorgio, Delegate</p> <p><i>Ad Hoc Committees:</i></p> <p>Ad Hoc Solid Waste Rates: William C. Long, Michael Di Giorgio</p> <p>Ad Hoc Personnel: William C. Long, Michael Di Giorgio</p> <p>Ad Hoc Wastewater Facility Upgrade: James D. Fritz, William C. Long</p> <p>Ad Hoc Recycled Water: James D. Fritz, William C. Long</p> <p>Ad Hoc Collection System: Michael Di Giorgio, James D. Fritz</p>	
DEPT.MGR.:	MANAGER:

NOVATO SANITARY DISTRICT BOARD AGENDA ITEM SUMMARY

TITLE: Collection System Improvements; Project 72706, Phase A - Center/Wilson Sewer Project	MEETING DATE: July 13, 2009 AGENDA ITEM NO.: 9 a
RECOMMENDED ACTION: Consider adoption of a resolution making CEQA findings, approving plans and specifications and authorizing advertising for bids.	
SUMMARY AND DISCUSSION: Nute Engineering has completed the plans and specifications for this project and the project is ready for bid. This project is the first of four expected to be bid this year and consists of approximately 690 feet of 24-inch sewer in Wilson Avenue and approximately 890 feet of 18" sewer in Center Road. The purpose of this project is to relieve surcharge conditions in the existing sewer which runs in easements behind the homes along Center Road through to Monte Vista. The Engineer's Estimate for this work is \$777,002.00. District staff has completed the California Environmental Quality Act (CEQA) documentation and determined that the project is categorically exempt. This determination is made because the work relates to the operation or minor alteration of existing public sewerage facilities involving no expansion of an existing use, and addition of safety or health protection features for relief provisions to existing sewerage facilities. Staff recommends adoption of a resolution making CEQA findings, approving plans and specifications and authorizing advertising for bids. Bids are expected to be received on August 6, 2009 and be presented to the Board at the August 10 th meeting.	
ALTERNATIVES: Do not bid the project.	
BUDGET INFORMATION: The FY 09-10 Preliminary Budget for this work is \$4,000,000.00.	
DEPT.MGR.:	MANAGER:

RESOLUTION NO. 3006

**A RESOLUTION APPROVING PLANS AND SPECIFICATIONS,
MAKING DETERMINATIONS ON ENVIRONMENTAL IMPACT,
ESTABLISHING PREVAILING WAGE SCALE,
CALLING FOR PROPOSALS, AND PROVIDING FOR NOTICE THEREOF**

**COLLECTION SYSTEM IMPROVEMENTS: PROJECT 72706, PHASE A –
CENTER ROAD/WILSON AVENUE SEWER PROJECT**

NOVATO SANITARY DISTRICT

RESOLVED, by the Board of Directors of the Novato Sanitary District, Marin County, California, that

1. The Novato Sanitary District's Collection System Improvements; Center Road/Wilson Avenue Sewer Upgrade Project 72706-01, is proposed to be conducted in accordance with the plans and specifications heretofore submitted to this Board and hereinafter approved.

2. In accordance with the District's Local Guidelines Implementing the California Environmental Quality Act (Local CEQA Guidelines), the District staff has conducted a preliminary environmental assessment and concluded that the project does not require further environmental assessment because it is categorically exempt pursuant to Section 15301 (b) (f), Class I, of State CEQA Guidelines, inasmuch as the work will consist of installation of 693 feet of 24-inch sewer and 888 feet of 18-inch sewer in areas located in Wilson Avenue between Monte Vista and Center Road and in Center Road between Wilson Avenue and Rica Vista in Novato, California. The purpose of the project is to reduce surcharged conditions in the tributary sewer system during inclement weather. The work will not expand the capacity of the existing sewer system.

3. On recommendation of District staff, the Board of Directors hereby authorizes the preparation of a Notice of Exemption, pursuant to Section 15301 of said State CEQA Guidelines.

4. That the specifications for the Collection System Improvements; Center Road/Wilson Avenue Sewer Upgrade Project 72706-01, prepared by Nute Engineering, dated July 2009, and filed with the Secretary of said District this date, be, and the same are hereby, approved.

5. That the Secretary be, and she is hereby, directed to give notice inviting sealed proposals for the Collection System Improvements; Center Road/Wilson Avenue Sewer Upgrade Project, by publishing the same at least twice, not less than five (5) days apart, in the Marin Independent

Journal, a daily newspaper of general circulation, circulated within the District, the first publication to be at least ten (10) days before the date of opening the bids.

6. Sealed proposals will be publicly opened, examined and declared at the office of the District, Novato Sanitary District, 500 Davidson Street, Novato, California 94945 at the hour of 2:00 p.m. on Thursday, August 6, 2009, to be reported to the Board at its next meeting on Monday, August 10, 2009, at the hour of 4:30 p.m. for the Collection System Improvements; Center Road/Wilson Avenue Sewer Upgrade Project 72706-01, in accordance with the specifications therefor.

7. Payments for said equipment and work to be done by the Contractor shall be made in cash by said District to the Contractor on an itemized estimate duly certified and approved by the District Manager-Engineer and the Board of Directors of said District, based on labor and materials furnished, but said District shall retain ten percent (10%) of the amount of such estimate and the amount so retained will be paid to said Contractor thirty-five (35) days after completion and acceptance of said work by said District Manager-Engineer and the Board of Directors.

Except as provided in the specifications, any amount retained by District from such estimate so retained will be paid as hereinabove provided.

8. Pursuant to Section 1773 of the Labor Code of the State of California, the District has obtained from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate for holidays and overtime work for each craft, classification, or type of worker required to execute the contract. A copy of said prevailing rate of per diem wages is on file in the office of the District, as well as generally available on-line at www.dir.ca.gov/DLSR/PWD, to which reference is hereby made for further particulars. Said prevailing rate of per diem wages will be made available to any interested party upon request, and a copy thereof shall be posted at the job site.

9. All proposals shall be accompanied by a cashier's or certified check payable to the order of the Novato Sanitary District, for not less than ten percent (10%) of the amount of the bid, or by a bond in said amount and payable to said District, signed by the bidder and a corporate surety. Said check shall be forfeited or said bond shall become payable to said District in case the bidder depositing the same does not, within fifteen (15) days after written notice that the contract has been awarded to him or her, enter into a contract with the District, the faithful performance of which shall be secured by an undertaking in the amount of one hundred percent (100%) of the amount so bid,

with sureties satisfactory to the District Board of Directors and which shall be accompanied by a labor and materials bond in a sum equal to one hundred percent (100%) of the amount so bid, under the provisions of Title 15 (commencing with Section 3083), Part 4, Division 3 of the Civil Code and furnish certificates of insurance as provided in the specifications.

* * * * *

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 13th day of July, 2009, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSENT, Directors:

Secretary
Novato Sanitary District

APPROVED:

President

s:\board resolutions\coll sys imps. center-wilson project bid 72706-01.doc



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Sierra Club Marin Group
P.O. Box 3058, San Rafael, CA 94912
<http://sanfranciscobay.sierraclub.org/marin/>

Novato Sanitary District
500 Davidson Street
Novato, CA 94947

June 17, 2009

Dear Board of Directors:

The Sierra Club Marin Group has recently become aware of a plan for "partial privatization" of the Novato Sanitary District (NSD). The Sierra Club has serious concerns about the privatization of public utilities, particular entities like NSD that have shown leadership on important environmental issues like water recycling.

It is our understanding that you are considering a plan that would privatize almost 33% of the operations of NSD and that its entire process is proceeding without adequate public input. We are therefore requesting the following actions from NSD:

- (a) NSD should hold a public hearing on the planned partial privatization at a time when the public is able to attend: i.e. on an evening and not at 4:30 PM the customary time for routine NSD Board Meetings.
- (b) At this meeting there should be a full explanation of the plan and time allowed for public discussion and reaction to it.
- (c) NSD should clarify to the public whether it is planning to move toward full privatization of the utility or not. There is great public concern, not only in Novato but, throughout California and the rest of the United States about the trend toward privatization of public utilities.

We believe it is in the public interest and the interests of NSD to make the maximum effort to allow for public participation in such important decisions. Thank you for consideration of our suggestions and we look forward to working with you on the difficult environmental and financial issues facing public utilities in Marin County.

Sincerely,

Elena Belsky

Elena Belsky,
Chair, Sierra Club Marin Group
Elena_scmg@comcast.net

PLEASE COPY
AND DISTRIBUTE
TO BOARD MEMBERS.
THANK YOU
VERY MUCH.

RECEIVED
JUN 19 2009

NOVATO SANITARY DISTRICT

3:15 P.M. J.B.

June 22, 2009

Board of Directors
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

Dear Members of the Board:

This is to offer comment on the potential contract between Novato Sanitary District and a private company for operation of the treatment facility. It is a very bad idea.

A Gift of Public Funds

That \$90 million in public funding will have been spent in order to turn the system over to a private company is irresponsible. None of the companies bidding will have invested any of their own funds but, instead, will receive a gift of public funds from the citizens of Novato. In turn, the profit from whichever company is chosen for this business venture will go to private investors and syndicates. This is little different than shoveling public funds to private investment banks, so recent in the news. A difference is that Novato Sanitary District has a choice to retain a public service already paid for by public funds.

Novato a Bit Player in a Private, Global Market

You will be entering Novato into the water stock exchanges, as a bit player. The investors will be the part owners of Novato's sanitary system much like worldwide holders of syndicated U.S. mortgages. They can check their investment on various stock exchanges such as Palisade Water Index or Claymore S&P Global Water ETF. The investors expect a profit and the company must meet their expectations. As the manger of a water equity fund has said: water is the only 'product' people can't live without and for which there is no substitute.

Private Decision-making Removed from Public Control

Novato will have supplied the capital, inverting the usual business model of a private company putting up its own funds and evaluating the investment against the potential return on that investment. Novato's gift will be in exchange for: Loss of direct accountability, aka loss of local control. Chasing executives in foreign countries to comply with water quality (see Clean Water Act information, below) and other regulations or to pay any indemnity for regulatory fines. Loss of a voice in rate decisions because citizens certainly will not be allowed into the board meeting of a private company or its "local" office. Who will a private company consider first—its investors or citizens in a small town, one of many that have a slight impact on its global business?

Reduced Need for Public Board of Directors

The purpose in having a local board of directors is that it represents the community, not that it turns its authority over to a private firm. Competitiveness, the hallmark of a free market, will be gone when a company, with no roots in Novato or interest in its community life, obtains monopoly control of the operating system, unlike now where the community's voice matters in deciding on key issues over the life of the system. What is

the point in continuing the board if decisions will be made elsewhere and in private? If the Board continues on this path, then members now and in the future should personally disclose their private investments now and during the term of the contract to allow citizens to be sure there is no conflict of interest. That is minimal transparency.

Merely having a bidding system, even if the process is managed appropriately, is no substitute for the 'competition' of different community opinions being heard locally so that a decision is made by those who have to face their neighbors the next day. This will not matter if a private board decides from afar while overseeing its bottom line with Novato as one of many investments.

Novato as part of the 'Third World Agenda'

Private water companies, foreign and domestic, are united under a lobbying umbrella. One of their legislative goals is to weaken federal Clean Water Act standards. Why should they wish to reduce environmental protection? Because profit is reduced by maintaining equipment and operations at levels that meet CWA standards. The company you invite in will be seeking to reduce local protections.

Finally, in 2002, the private water lobby sought federal legislation to require any U.S. community that accepts federal funds for its water system to turn that system over to a private company. So, by giving access Novato will be improving 'market share,' making the company a bigger player in Congress. The next time Novato seeks funding to improve, for example, its drinking water system, it will have to avoid federal funds unless it wants to privatize that system, as well. This is known as the 'third world agenda,' as today countries seeking funds from global treasuries such as the World Bank must privatize their water systems.

This is the new meaning think globally, act locally. The Novato Sanitary District board should maintain local control and accountability of its own system. I am a Marin citizen concerned that Novato not allow the water and the Bay we all share to be risked by private control. Thank you for receiving these comments.

Yours truly,

Lynn Axelrod, Esq.
PO Box 44
Kentfield, CA 94914

Michael DiGiorgio
President

John Quinley, Retired Consulting Engineer

June 24, 2009

TO: BOARD MEMBERS, NOVATO SANITARY DISTRICT

Re: CHARGES OF \$180/HOUR BY CONSULTANTS TO NSD

HDR Engineering explained on June 22 that it was reasonable for them to charge a client two to three times the cost of a technician provided by a consultant. They were justifying Eisenhardt's use of \$180 and \$170 per hour rates for time spent by technical employees provided by the consultant or by NSD whose cost to NSD IS roughly \$75 per hour. This raises the cost of Alt. 2, NSD w/Consultants to an unrealistically high level and makes the use of a private contractor look far more attractive than it should be. To understand the "un-reality" of this reasoning, let's look at one job to be done during the startup of the new NSD plant, completing the Process Control Plan.

Under Alt. 1, NSD alone, where 360 hours are spent for an O&M Supervisor at a cost to NSD of \$74/hour, the cost is \$26.6K (K = 1,000). In addition, the analysis assumes limited effectiveness by the Supervisor by requiring 33% added hours for an added cost of \$11.4K. (Page 68 of the Eisenhardt Report)

Under Alt 2, NSD w/Consultants, the added 33% of hours are not required because of aid from a consultant. We would certainly compensate the consultant for this saving but I assume the compensation would be less than the \$11.4K saved. But, under Alt. 2 the O&M Specialist in charged to NSD at a rate of \$180/hour which, for 360 hours, is \$64.8K. This is an increase to NSD of \$26.8K over their cost of 360 hours at \$74/hour plus a 33% added effectiveness factor. Why would NSD pay a consultant \$38.2K more money (\$64.8K less \$26.6K) to save only \$11.4K?

I could go on with other examples where the Alt. 2 costs are exaggerated, but I don't see a need for this. I have never heard of a consultant charging a client three times the cost of a worker brought in by the consultant. Neither do I believe consultants should expect to be paid \$180/hour for 40 hours per week. As a consultant, billing 30 hours in one week was a great week. My remaining time was spent in maintaining my skills as an expert, including attending conferences and trade shows. I have seen many filings before the California Public Utilities Commission by lawyers and consultants for ratepayer funded compensation for their work on behalf of underprivileged customers. The top person always lists their hours spent on the proceedings and their hourly rate and then lists lower paid workers at their lower pay rates. No padding allowed.

John Quinley, Sustainable Novato

3:00 PM JTB

RECEIVED
JUN 24 2009

NOVATO SANITARY DISTRICT

Julie Borda

From: Harry Moore [hmoore@marincounty.net]
Sent: Tuesday, June 30, 2009 11:09 AM
To: Information
Subject: Wastewater Treatment Plant

Regarding your recent letter how best to operate the new plant, I really do not know enough to advise on that. I do think, however, that you need to change the payment structure for the plant.

Charging people over \$700.00 on their property tax bill which is paid twice a year is very regressive for old people like me. Unfortunately, we do have an acre of land and a pool which I can't get rid of at this time. Some cities and counties charge for wastewater on the bimonthly or monthly water bill. In this way, renters will also be charged. I do know that landlords can pass this on to renters, but it does not always work that way. Renters should also be aware of water usage. (I do not have any rental property). Sincerely, Callita Moore

Julie Borda

From: Eugene Spake [espake@care2.com]

Sent: Monday, July 06, 2009 8:45 PM

To: Information

Subject: contracting out sewer treatment operation

You need to ask the question of why a private company would bid on this contract? Would they bid on such an operation if they were not going to make a profit on it? Second question to ask when considering such a matter is: If they use the same number of personnel to staff it, will these people be paid at the same salary of current staff? Sometimes a company will bid, even at no profit or even a loss, in order to establish itself and at some later point in time, they find ways to cut staff expenses either in hours, or rate of pay, or of benefits. Look, nobody does something for nothing

and somebody will lose in the process, perhaps it will be in new fees to the users in the district. At the time when the other shoe drops, when the "needs" increase, profit creep will begin. I suggest you

not be fooled by this easy process of just handing over the new facility to a private owned company. Even if the board intends to monitor carefully all these issues, the operational costs can get rather

murky and hard to really see what is going on. In my view, it would be foolish to contract out. It always sounds good, but there are serious pitfalls. Yes, there are private garbage companies as well

as public garbage facilities. In the East they are mostly public run garbage companies. I have personal knowledge of the private garbage company in Tam Valley which used to be the contractor with

the Tam Community Services District. The TCSD took over the operation when Henry's stopped. Even though private companies wanted to come in and contract with us, we decided to buy trucks and do it ourselves. This turned out to be the right move as we developed one of the best, most efficient, and well run garbage collection around. A positive feature was the direct connection that the citizens

have with this service and the flexibility of service this has brought to the community. The fact is though, every private service has to have a profit in the long run and that profit has to come from somewhere. My advice is for you to keep those profit dollars so your agency, and really the user-based public for their own needs.

Private corporations love to get into areas where there is a monopoly market, in effect. They like to say they can do it cheaper, but let's be honest, there are a lot of inefficiencies in private industry

as they may be in public institutions. The main difference is that a private company does not have to reveal everything and have ways of keeping things secret, whereas by contrast public entities

by law have to be transparent and their books wide open. All you have to do is look at scandals on Wall Street, and Enron, and a host of dirty tricks that have ripped off the public. I protested a sudden

huge increase in my PGE bill back when all the hanky panky was going on with rates....and this was PRIVATE enterprise doing it to us as it was revealed, all the while laughing at the "little old grandmas"

out there. Ha-Ha. Don't betray your constituency and get sucked into this trap.

The option contracting for some experts to do the training for this new plant on a temporary basis might be fine, but then keep your staff and let them run it! Sincerely, Gene Spake

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Julie Borda

From: Garril Page [obility@comcast.net]
Sent: Monday, July 06, 2009 12:52 PM
To: Information
Subject: Beverly James

I am not in your district, but wanted to say that was an excellent piece you wrote for Marin Voice.

God luck!

Garril Page,
san Anselmo (RVSD)