

February 11, 2008

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, February 11, 2008, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, Administrative Assistant Julie Borda, and District Counsel Kent Alm.

ALSO PRESENT: No members of the public were present.

PLEDGE OF ALLEGIANCE:

CLOSED SESSION: President Fritz announced that the Board would meet in closed session for the items listed on the Closed Session agenda. Closed session began at 4:31 p.m.

- Pursuant to Government Code Section 54957.6, confer with District's labor negotiators regarding meet and confer with District's "General" bargaining unit, represented by Teamsters Local 490, for fiscal year 2007-08.

- To discuss significant exposure to litigation – Government Code Section 54956.9 (b)(3)(C)

CLOSED SESSION REPORT: No reportable action was taken in closed session and the meeting reconvened in open session at 5:25 p.m.

AGENDA APPROVAL: *On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the agenda was approved as mailed.*

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS: Member Quesada gave a personal medical update.

REVIEW OF MINUTES:

Consider approval of minutes for the January 14 and January 28, 2008 meetings: *On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously, the January 14 and January 28, 2008 Board meeting minutes were approved as written.*

CONSENT CALENDAR: *On motion of Member Long, seconded by Member Quesada, and carried unanimously, the following consent calendar item was approved:*

- a. Approval of regular disbursements in the amount of \$303,396.17, Wastewater Treatment Facilities Upgrade Project disbursements in the amount of \$1,109,308.12 and Board Member Disbursements in the amount of \$2,677.90.

#### REVENUE AND EXPENDITURE REPORT:

The Manager discussed a memo regarding revenues and expenditures for the operating and capital funds through the second quarter of Fiscal Year 2007-08. In addition, she discussed with the Board items that vary significantly from the final budget, explaining the reasons for the variance.

#### 2008 COLLECTION SYSTEM IMPROVEMENTS PROJECT 2007-06: GRANT AVENUE IMPROVEMENT PROJECT

- Consider approval of expenditure in the amount of \$106,937.79 for final payment on City Project. On November 5, 2002 the District entered into an Agreement with the City of Novato to replace the gravity sewer system in the downtown area as part of the City's Grant Avenue Reconstruction Project. The majority of the street and sewer work has been completed for some time now but the City has been working hard with the contractor to finish miscellaneous items and tie up loose ends from the project.

The project is now complete and the District has received the final invoice in the amount of \$106,937.79. The current budget does not include any monies for this project and the Manager recommends paying the invoice from the budget for the 2008 Collection system Improvement Project. To date, there have been no expenditures from this budget.

*On motion of Member Di Giorgio, seconded by Member Long, and carried unanimously, the expenditure in the amount of \$106,937.79 for final payment on City of Novato's Grant Ave. Improvement Project was approved.*

#### NPDES PERMIT No. CA0037958 VIOLATIONS BETWEEN DEC. 2005 AND OCT. 2007:

- Consider waiver of right to a hearing and authorize payment of mandatory minimum penalties and/or agree to undertake a SEP.

The Manager discussed a notice received by the Regional Water Quality Control Board (RWQCB), San Francisco Bay Region. The Complaint (No. R2-200-0081) alleges that during the period between Dec. 2005 and Oct. 2007, the District had 57 violations of its discharge limits. Furthermore, the notice stated that the RWQCB will consider imposing Mandatory Minimum Penalties against the District in the amount of \$153,000 at its meeting on March 11 -12, 2008.

The Manager discussed the three options available to the District to satisfy the Complaint and suggested the following option: Waive the right to a hearing and agree to pay a penalty of \$69,000 and fund a Supplement Environmental Project (SEP) of \$84,000.

District Counsel Kent Alm discussed with the Board the undertaking of a SEP and the Manager noted she would like to incorporate the SEP with a Novato Unified School District project.

*On motion of Member Di Giorgio, seconded by Member Knutson, and carried unanimously, Novato Sanitary District waived the right to a hearing and authorized payment of mandatory minimum penalties and agreed to undertake a SEP.*

#### GRAND JURY REQUEST:

On January 18<sup>th</sup>, Grand Jury Members Ralph Johnson and Sonny Armada met with District Manager Beverly James and requested a number of documents covering a wide range of topics. Staff requested written clarification of their request and on January 22<sup>nd</sup> an email was subsequently received with a list of 12 items.

The Manager discussed with the Board the District's written response and the itemized items provided to the Grand Jury.

#### NORTH BAY WATER REUSE AUTHORITY:

- Consider authorizing travel to Washington DC for the legislative meetings and CASA DC conference for Board Member William Long and Deputy Manager-Engineer Sandeep Karkal. The Manager gave an overview of the conference and the request for attendance by Member Long and Deputy Manager-Engineer Karkal.

Senate Bill 1472 which would fund recycled water projects in Novato as well as other areas in Marin, Sonoma, and Napa Counties is being considered by the Senate. Board member Bill Long serves as chairman of the North Bay Water Reuse Authority (NBWRA) Coordinating Committee and he would represent NBWRA in meetings with Senate staff and legislators scheduled from March 10-12<sup>th</sup>.

The CASA conference is being held on March 10-12<sup>th</sup> at the Hotel Monaco in Washington DC and Deputy Manager-Engineer Sandeep Karkal would like to attend on behalf of the District.

*On motion of Member Di Giorgio and seconded by Member Knutson, Member William Long and Deputy Manager-Engineer Sandeep Karkal are authorized to travel to Washington DC for the legislative meetings and CASA conference from March 10-12<sup>th</sup> with the following vote: Ayes: President Fritz, Members Knutson, Di Giorgio and Quesada. Noes: none Abstain: Member Long.*

MANAGERS ANNOUNCEMENTS: The Manager discussed with the Board the North Bay Watershed Association Conference being held on April 4<sup>th</sup> at the Petaluma Sheraton Hotel.

She noted that if any Board members are interested in attending they should let the District know as soon as possible.

The Manager noted the following upcoming meetings and events:

Solid Waste Committee meeting, March 3<sup>rd</sup> at the District office. Directors Knutson and Quesada are members of this committee.

North Bay Water Reuse Authority will hold a meeting on February 25<sup>th</sup> at 10 a.m. at the Las Gallinas Valley Sanitary District.

CASA will be holding their Spring Conference in Lake Tahoe on April 23<sup>rd</sup> – 26<sup>th</sup>. Board Members are requested to contact the District office as soon as possible if they plan to attend.

The Manager noted that she met with Steve McCaffrey of Novato Disposal and Sue Davis of the Novato Unified School District and conducted a waste audit at Sinaloa Middle School. She sees an opportunity to increase the School Districts recycling efforts. In addition, she has noted that many Novato groups are showing an interest in assisting the Novato schools in their waste reduction efforts. The Manager will meet with Mr. McCaffrey and Ms. Davis again on March 13<sup>th</sup>.

ADJOURNMENT: There being no further business to come before the Board, President Fritz declared the meeting adjourned at 6:07 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Borda, Recording