

# NOVATO SANITARY DISTRICT

## Board Meeting Minutes

Meeting Date: March 18, 2019

A special meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, March 18, 2019, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Carole Dillon-Knutson, Directors William Long, Jean Mariani, Brant Miller, and Jerry Peters.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, and Administrative Secretary Julie Hoover.

ALSO PRESENT: Laura Creamer, Finance Officer, Novato Sanitary District  
Erik Brown, Deputy General Manager, Novato Sanitary District  
John O'Hare, Project Manager, Veolia  
Dale Thrasher, Administrative Services Officer, Novato Sanitary District  
Jeff Boheim, Field Services Manager, Novato Sanitary District  
Dee Johnson, Solid and Household Hazardous Waste Program Coordinator  
Garen Kazanjian, Waste Zero Specialist, Recology  
Celia Furber, Waste Zero Manager, Recology  
Will Rogers, Client Services Coordinator, Public Agency Retirement Services (PARS)  
Andrew Brown, Senior Portfolio Manager, HighMark Capital Management  
Joe Moreno, Collection System, Novato Sanitary District (arrived at 7:32 p.m.)

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the February 11, 2019 regular meeting.

*On motion of Director Peters, seconded by Director Miller, and carried unanimously, the February 11, 2019 Board meeting minutes were approved.*

CONSENT CALENDAR:

President Dillon-Knutson called for a motion on the Consent Calendar items as follows:

- a. Approve Board member disbursements in the amount of \$1,237.16, capital project disbursements in the amount of \$35,203.37, and regular disbursements in the amount of \$329,701.62. Ratification of February 25<sup>th</sup> capital project disbursements

in the amount of \$31,199.80, and regular disbursements in the amount of \$112,021.17.

- b. Ratification of February payroll and payroll related disbursements in the amount of \$278,561.49.
- c. Receive deposit summary, February 2019.
- d. Receive report on the District's Government Compensation in California (GCC) statement for Calendar Year 2018, as filed with State Controller's Office (SCO).
- e. Receive Proposed Schedule for Approval of Preliminary and Final Budget, Appropriations Limit, and Sewer Service Charges.

*On motion of Director Peters, seconded by Director Long, and carried unanimously, the Board approved the above listed Consent Calendar items.*

#### ADMINISTRATION/FINANCE:

- Approve transfer of \$120,000 from unspent funds in the "Salaries and Benefits" categories of the FY18-19 Operating Budget as of December 31, 2018, to the Net Pension Liability (NPL) sub-account of the District's PARS Trust account. The General Manager stated that at the February 11<sup>th</sup> Board meeting, staff presented the Fiscal Year 2018/19 Second Quarter Financial Report. He stated that one of the items the report identified was that as of December 31, 2018, the "Salaries and Benefits" categories of the Operating Budget were approximately five percent (5%) underspent. He stated that staff recommends that the Board consider transferring \$120,000 from the approximately \$144,000 in unspent "Salaries and Benefits" category to its Public Agency Retirement Services (PARS) Trust account. The General Manager stated that staff recommends that this \$120,000 amount be directed to the Net Pension Liability (NPL) sub-account of the District's PARS Trust account.

*On motion of Director Miller, seconded by Director Peters, and carried unanimously, the Board approved a transfer of \$120,000 from unspent funds in the "Salaries and Benefits" categories of the FY18-19 Operating Budget as of December 31, 2018, to the Net Pension Liability (NPL) sub-account of the District's PARS Trust account*

- Receive update on the District's combined Post-Employment Benefits Trust from Public Agency Retirement Services (PARS) representatives. The General Manager introduced Will Rogers, Client Services Coordinator at PARS, and Andrew Brown, Senior Portfolio Manager with High Mark Capital. Mr. Rogers began his PowerPoint presentation and provided a summary of the District's OPEB (Other Post-Employee Benefits) and Pension plans. He provided details of both plan's contributions, disbursements, and total assets as of February 28, 2019, and concluded his presentation with a discussion of the pension funding status and projected employer contributions. Mr. Brown continued the presentation, discussing highlights and investment objectives of the District's OPEB and Pension funds. He outlined the funds past performance, projected outlook, and asset allocations as of February 28, 2019.

Mr. Rogers and Mr. Brown left the meeting at 6:00 p.m.

SOLID/HOUSEHOLD HAZARDOUS WASTE (HHW) OPERATIONS:

- Receive Recology – 4<sup>th</sup> Quarter 2018 report. Solid and Household Hazardous Waste Program Coordinator Dee Johnson introduced Garen Kazanjian, Waste Zero Specialist with Recology Sonoma Marin. Mr. Kazanjian reviewed Recology's 4th Quarter Report (2018) and detailed their on-going green waste, food waste, and compost outreach efforts. Celia Furber, Garen Kazanjian, and Dee Johnson responded to questions from the Board.

- Receive verbal report on Marin County JPA and Local Task Force. The Solid and Household Hazardous Waste Program Coordinator discussed her attendance at the Marin County AB939 Local Task Force meeting held on February 6<sup>th</sup>. She also commented on her attendance at the Marin County JPA Board meeting on January 24<sup>th</sup> where issues regarding landfill capacity and the FY2018/19 budget were discussed.

- Receive Disposal/Diversion reports for 2018. The Solid and Household Hazardous Waste Program Coordinator discussed Recology's Disposal and Diversion report for 2018 and a comparative report for 2017 and 2018. She stated that the numbers provided were only those of Recology, and did not include details from the Redwood Landfill or the Marin Resource Recovery Center (MRRC) in San Rafael.

- Receive 2018 Annual HHW and E-waste report. The Solid and Household Hazardous Waste Program Coordinator provided the 2018 Annual HHW and E-waste report. She stated that the facility served a total of 4,400 Novato residents, and that 36 Novato businesses participated. She continued, stating that the HHW facility had a 3% increase in participation from 2017, and a 57% increase overall in the last five years. Ms. Johnson stated that one E-Waste event was held in 2018, and stated that she is working with North Bay Conservation Corps (Corps) to help publicize the Corps' free E-Waste pick-up service for Novato residents.

- Receive presentation from Solid/HHW Coordinator Dee Johnson on Senate Bill SB1383 (Lara). Ms. Johnson provided an overview of the SB1383 legislation, noting that this bill was adopted in September 2016. She stated that SB1383 deals with Short Lived Climate Pollutants (SLCP) and Organic Waste Methane Emissions Reductions. She stated that the legislation sets forth State-wide targets to reduce organic waste disposal and methane gas emissions, and to increase edible food waste recovery. She discussed the key implementation dates, and reviewed the CalRecycle collection and planning requirements.

- Article from MSN/The Atlantic: "Is this the end of recycling?" – Information only. The General Manager stated that the article was a topic of current interest and provided for informational purposes only.

At 7:02 p.m., President Dillon-Knutson declared a 10 minute break.

The following individuals left the meeting: Dee Johnson, Garen Kazanjian, Celia Furber, and Laura Creamer.

At 7:10 p.m., President Dillon-Knutson reconvened the meeting.

As part of the Solid Waste discussion, the General Manager provided a PowerPoint slide that presented residential solid waste disposal rates (by Recology and other service providers) of Novato and the surrounding service areas, for informational purposes.

#### WASTEWATER OPERATIONS:

##### - Receive Wastewater Operations Reports, February 2019.

Collection System Report: The General Manager stated that the Collection System Superintendent was on vacation, and therefore Deputy General Manager Erik Brown would provide the Collections System Report for February 2019. Mr. Brown began, stating that the Collection Department cleaned 52,213 lineal feet of sewer pipelines, and that 4,061 feet of sewer main were televised. He noted that CCTV (closed circuit TV) work identified two locations with possible repair needs, and that these locations would be investigated further before being added to the repair lists as needed. He stated that staff completed 306 maintenance work orders, leaving zero (0) work orders outstanding. Furthermore, he noted that staff conducted 159 lift station inspections and completed maintenance inspections on four (4) air relief/vacuum valves.

The Deputy General Manager then outlined the training provided in February, noting that the Collection Department staff attended four (4) safety tailgate meetings. He stated that Collections Staff participated in two specialized training events, and that there were no lost time accidents in the month. He concluded his presentation, stating that there were no sanitary sewer overflows in February. He commended the Collections crew and supporting staff on their diligent efforts during the heavy rain events of the Winter season, keeping sewer mains clear with no overflows.

Treatment Facilities Report: Veolia Project Manager John O'Hare provided the February 2019 Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance, stating that the flow for February was high, with an average monthly flow of 12.82 MGD (million gallons per day). He commented that there were 15 days in February when the flow exceeded 10 MGD. He continued, stating that there were no discharge violations in the month, and that the Recycled Water Facility (RWF) produced 0.324 million gallons of recycled water.

The Project Manager stated that Veolia staff participated in weekly tailgates in February, and attended a Fire Prevention & Response and Fire Extinguisher Use training. He reviewed the monthly routine inspections, maintenance activities, and key events for the Novato treatment facility, the Ignacio transfer pump station, and the recycled water facility. He stated that he and Lynda Farmery, Veolia Water Administrative/Safety, attended the Novato Senior Health Day at the Margaret Todd Center on February 20<sup>th</sup>.

The Project Manager discussed pretreatment and pollution prevention activities, and concluded his report, stating that no odor contacts were received in February.

Reclamation Facilities Report: Field Services Manager Jeff Boheim summarized the Reclamation Facilities report for February. He stated that a levee failure near the intersection of Novato Creek and the SMART tracks flooded Sites 2 and 3 with water from Novato creek, and he proceeded to show an aerial video of the flooded areas. He stated

that drainage pump stations No. 3 and 7 pumped approximately 535 million gallons (MG) and 263.4 MG, respectively, in February, and that the pumps operated continuously through the flooding events with no failures. He stated that eucalyptus trees that fell onto ranch roads mid-January during storms were cleared, cut, and piled on February 12<sup>th</sup>. He continued, stating that additional eucalyptus trees have fallen on the roads at Site 2, but cannot be managed until the waters from the levee breach recede.

- Reclamation-Pasture Lease: The General Manager stated that the District currently leases a total of approximately 790 acres of irrigated pasture property to a single rancher who has leased the property for the past 10 years. He noted that this lease expires March 31, 2019, and that the rancher has indicated he is not interested in continuing to lease the property. He stated that the District has determined that the pasture property is not needed for District purposes during the term of a lease equal to or less than 10 (ten) years, and requested that the Board direct staff to schedule a public hearing to consider a new proposed lease agreement with a new lessee.

*On motion of Director Peters, seconded by Director Long, and carried unanimously, the Board determined that the Pasture Property is not needed for District purposes during the term of a lease equal to or less than 10 (ten) years. Furthermore, the Board directed staff to schedule a Public Hearing for April 8, 2019, to consider a proposed lease agreement document.*

#### CAPITAL PROJECTS:

- Collection System Improvements, Account 72706-Bel Marin Keys Boulevard Sewer Rehabilitation; Project No. 72706-2017-09: Review Bids received, and authorize the General Manager-Chief Engineer to award the construction contract to Michels Pipeline Construction, and to execute it in the bid amount of \$279,970. The Deputy General Manager stated that on March 5, 2019, two (2) bids were received for the Bel Marin Keys Blvd. sewer rehabilitation project: Michels Pipeline Construction at \$279,970, and Insituform Technologies, LLC, at \$595,401. He stated that Michels Pipeline, with the apparent low bid, was well below the engineer's estimate of probable cost at \$564,000. He stated that staff had contacted Michels to discuss their bid, and that they were comfortable and confident with the bid amount. Therefore, he recommended that the Board authorize the General Manager-Chief Engineer to award the construction contract to Michels Pipeline Construction, and to execute it in the bid amount of \$279,970.

*On motion of Director Peters, seconded by Director Miller, and carried unanimously, the Board authorized the General Manager-Chief Engineer to award the Bel Marin Keys Boulevard Sewer Rehabilitation; Project No. 72706-2017-09, to Michels Pipeline Construction, for the bid amount of \$279,970.*

- Receive Capital Projects Update, February 2019. The Deputy General Manager provided an update of the current capital projects involved with the Capital Improvement Program (CIP) at the District. He began by reviewing three Collection System Improvement projects that are currently active. He stated that the Lateral Replacement Grant Program continues to be administered, and nine (9) grants have been distributed this fiscal year, for a total of \$18,000. He discussed the Hamilton Wetlands/Outfall Integration project, and stated that

the State Coastal Conservancy (SCC) has indicated that construction of the first phase may advance as early as Summer 2019.

The Deputy General Manager continued his report and provided an update of the District's Cogeneration/Alternative Energy project. He stated that the District's consultant, Woodard and Curran, had submitted a Final Draft Cogeneration Evaluation Technical Memo Update. He stated that staff was currently reviewing the recommendations and expects to present results to the Board in the next few months. He provided an update of the administration building upgrades/maintenance building, noting that two of the three modules have arrived. He anticipated that the units would be ready for move-in by late spring. He concluded his report with a discussion of the Recycled Water Facility (RWF) Expansion at the Novato Treatment plant site, stating that the District had received the final grant reimbursement payment of \$382,987.78 from the North Bay Water Reuse Authority (NBWRA) Title XVI WaterSMART Agreement.

#### BOARD MEMBER REPORTS AND REQUESTS:

- California Association of Sanitation Agencies (CASA) Washington DC Policy Forum, February 25-27, 2019. Director Long discussed his attendance at the CASA Policy Forum. He stated that CASA had once again called on legislators to advocate on several issues including new funding for the State Revolving Funds (SRF), a time extension for NPDES permit renewals, and new funding for infrastructure projects.

The General Manager, who also attended the Forum, commented on proposed NPDES permit extension legislation.

- North Bay Watershed Association (NBWA) meeting, March 1 2019 (cancelled). The General Manager stated that this meeting was cancelled due to the rain event.

- North Bay Water Reuse Authority, Phone Conference, February 27 2019: President Dillon-Knutson discussed her participation in a phone conference where recycled water funding was reviewed.

#### GENERAL MANAGER'S REPORTS AND ANNOUNCEMENTS:

- California Association of Sanitation Agencies (CASA) Washington DC Policy Forum, February 25-27, 2019. The General Manager provided an overview of the Policy Forum, noting that the Program Guide from the conference was included in the Board packet, along with talking points on legislative actions. He stated that there was an impressive line-up of speakers as well as the opportunity to engage with Congressional staff on CASA's priority issues.

- Announcements:

- A reminder that all 2018 Form 700 filings are due to the District office by the end of March. Staff will submit the forms to Dan Miller, at the County of Marin Election's office.
- The next Board meeting will be a Regular meeting, held on Monday, April 8<sup>th</sup> at 5:30 p.m.

## PUBLIC EMPLOYEE EVALUATION:

- Receive Revised Survey – March 2019, General Manager Salaries. The General Manager stated that a revised General Manager-Chief Engineer salary survey was presented in the Board packet. He stated that the survey was revised to include Board member comments brought forward at the February 11<sup>th</sup> Board meeting. The General Manager asked that the Board be mindful that surveys of this nature are never meant to serve as an absolute basis for setting salary or compensation levels, but as a guide to inform decisions that the Board makes in meeting equity and compensation type goals across competitive, not comparable, agencies. He continued, stating that if these surveys are expanded across the agency as a whole, they can also serve as a tool to attract and retain employees in a competitive market place. He stated that this current survey considers a diverse list of larger, medium, and smaller agencies that are competitive agencies for the General Manager position. He noted that the survey includes competitive agencies in the Marin, Sonoma, Napa, Solano, and Contra Costa Counties.

The General Manager stated that while he welcomed the opportunity to meet in closed session to discuss his performance, he felt it would not be appropriate or proper for him to participate in discussions on appropriate salary or compensation levels for his position. Accordingly, he stated that he would excuse himself from further discussion on this item.

At 8:16 p.m., President Dillon-Knutson declared a short break.

- Closed Session: Public Employee Evaluation: General Manager-Chief Engineer, (Government Code Section 54957). At 8:25 p.m., President Dillon-Knutson reconvened the Board meeting and the Board immediately went into closed session. Those in attendance for closed session: President Dillon-Knutson, Directors Long, Mariani, Miller, and Peters.

At 8:50 p.m., President Dillon-Knutson announced that the closed session had ended. Those in attendance when the Board meeting resumed:

Board Members present: President Carole Dillon-Knutson, Directors William Long, Jean Mariani, Brant Miller, and Jerry Peters.

Staff present: General Manager-Secretary Sandeep Karkal, and Administrative Secretary Julie Hoover.

Also Present: Joe Moreno and Dale Thrasher.

- Report from closed session: President Dillon-Knutson stated that there was no reportable action.

- Consider salary adjustment for General Manager-Chief Engineer and provide direction, if any. Director Peters stated that no salary adjustment discussion took place during the closed session. He then proposed a salary adjustment increase of 5% for the General Manager-Chief Engineer, and Director Mariani seconded the motion. Discussion followed, regarding the effective date of the proposed salary increase. Director Mariani stated that she wanted the proposed increase to be effective at the beginning of the current fiscal year,

July 1, 2018. Director Peters proposed the increase begin effective January 1, 2019. Director Mariani withdrew her second of the motion. Director Long expressed his support of the motion with the effective date of January 1, 2019.

*On motion of Director Peters, seconded by Director Long, and carried unanimously, the Board directed staff to prepare a Resolution for a merit/salary increase of 5% (five percent), over-and-above the annual Cost of Living Adjustment (COLA) increase, for the General Manager-Chief Engineer, with an effective date of January 1, 2019.*

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 8:56 p.m.

Respectfully submitted,

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Sandeep Karkal  
Secretary

Julie Hoover, Recording