

June 8, 2009

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, June 8, 2009, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, and William C. Long. Member George C. Quesada arrived at 4:35 p.m. and Member Arthur T. Knutson arrived at 4:40 p.m.

BOARD MEMBERS ABSENT: None.

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

ALSO PRESENT: Sam Renati, former Board Member, Novato resident
Dean L. Heffelfinger, Novato resident
Heidi Heffelfinger, Novato resident
Jo Heffelfinger, Novato resident
Pam Welsh, Novato resident
Norman Stone, Novato resident
Lynne Wasley, Novato resident
Tom Pierce, Novato resident
Beth Garber, Vallejo resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The Manager stated there was a change to the mailed agenda: item 5a. should read: *Consider approval of minutes of May 18 and May 26, 2009 meetings.*

On motion of Member Fritz, seconded by Member Long, and carried with the following vote, the agenda was approved as amended: Ayes: President Di Giorgio, Members Fritz and Long. Noes: None. Absent: Members Knutson and Quesada.

PUBLIC COMMENT:

Lynne Wasley, Novato resident, stated she felt the majority of Novato residents are unable to attend the Board meetings because they are held at 4:30 p.m. and requested the Board change their meetings to a later time. In addition she felt that the Novato residents are not being informed of the District's activities. She believes the Board needs to be more transparent.

BOARD MEMBER REPORTS: None.

REVIEW OF MINUTES:

Consider approval of minutes of the May 18th and May 26th Regular Board meetings:

On motion of Member Long, seconded by Member Quesada, and carried with the following vote, the minutes of the May 18th and May 26th regular Board meetings were approved. Ayes: President Di Giorgio, Members Fritz, Long & Quesada. Noes: None. Absent: Member Knutson.

CONSENT CALENDAR: *On motion of Member Quesada, seconded by Member Long, and carried with the following vote, the consent calendar items were approved: Ayes: President Di Giorgio, Members Fritz, Long & Quesada. Noes: None. Absent: Member Knutson.*

- a. Consider acceptance of sewer improvements for Mill Road Sewer Main Extension project.
- b. Approval of regular disbursements in the amount of \$147,964.71, Board member disbursements in the amount of \$3,319.49 and upgrade project disbursements in the amount of \$2,173,955.50. Ratification of May 2009 payroll and payroll related disbursements in the amount of \$320,702.00.

PRIVATE LATERAL REPLACEMENT PILOT PROGRAM:

Consider approval of a Consulting Services Agreement with Whitley Burchett & Associates in an amount up to \$20,000 to establish a private lateral grant pilot program. The Manager noted that the District had entered into a Settlement Agreement with Northern California Riverwatch in which the District agreed to perform Supplemental Environmental Projects including implementing a pilot program to provide \$50,000 to fund grants for private lateral inspection and repair. This could take place in a focused area, called Sub-basin 2, and would likely be in conjunction with the District's public sewer repair and replacement program. She noted that because of other demands on District staff time, the District requested a proposal from Whitley Burchett & Associates to develop the grant program and assist the District in its implementation.

The Manager discussed some conceptual details with the Board. As an example, within the pilot program for private lateral inspection and repair, the District could potentially provide a grant of up to 50% of repair costs, to a maximum of \$1,500.00 per residential line.

On motion of Member Long, seconded by Member Fritz, and carried unanimously, the Board approved the Consulting Services Agreement from Whitley Burchett & Associates in the amount of up to \$20,000 to establish a private lateral grant pilot program.

Member Long suggested an ad hoc committee be formed to meet with the consultants to discuss issues the public may bring up in regards to a lateral inspection/repair mandate. In addition, he stated he would like to meet with the consultants.

COLLECTION SYSTEM IMPROVEMENTS PROJECT 72706:

Consider approval of a Consulting Services Agreement with Whitley Burchett & Associates to peer review the Collection System Master Plan. Amount of contract not to exceed \$26,900. The Deputy Manager-Engineer stated the District has consultant Larry Rugaard from RMA Management, Inc. under contract preparing a Collection System Master Plan (CSMP). He stated that Mr. Rugaard has presented a draft CSMP that has been preliminarily reviewed by District staff. The Deputy Manager-Engineer stated staff would like to have the CSMP peer reviewed by another consulting firm with expertise in the subject area, for any potential data and/or information gaps. He stated that Whitley Burchett & Associates would perform the following four tasks: 1) review existing draft CSMP and system information; 2) perform gap analysis, and present a technical memorandum (TM) of findings; 3) review findings with staff; and 4) perform peer review and present a technical memorandum (TM) of findings.

The Manager clarified for Member Fritz the scope of work that Mr. Rugaard has accomplished. She stated that Whitley Burchett & Associates would be a good choice for this matter due to their expertise in this area. Member Fritz expressed his concerns over a potential difference in opinion between the consultants. The Manager gave a few examples of successful peer review processes the District has gone through. In addition, she stated we needed to bring in another firm who could be up to speed on our CSMP as Mr. Rugaard plans to retire. The new firm would partially be able to take up where Mr. Rugaard leaves off.

On motion of Member Long, seconded by Member Quesada, and carried unanimously, the Board approved a Consulting Services Agreement with Whitley Burchett & Associates in an amount up to \$26,900 for the review of the Collection System Master Plan.

President Di Giorgio commented on the private sewer lateral matter, noting that legislation is being written to adopt a County Ordinance mandating homeowners to inspect their lateral lines. He discussed the problems that result from laterals that are in poor repair and how they affect sanitary wastewater treatment plants throughout Marin County.

Member Quesada stated he felt companies who do lateral cleaning should be mandated to report to the Novato Sanitary District when they clear large amounts of roots and debris from private lines. He noted that the companies typically flush the laterals after the repairs are complete, thus sending the debris into the main lines and possibly causing a clog which could result in a back-up further down the line.

President Di Giorgio discussed some triggers that could be put in place to address this issue.

CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA):

Approve a contribution of \$2,500 to CASA to help fund the appeal of the trial court decision in the City of Vacaville NPDES Permit Case. The Manager discussed the

CASA meeting that took place in May when the Executive Board approved the filing of an appeal for the Vacaville NPDES Permit Case. She stated that the key issue in the case involved application of the Tributary Statement in the Basin Plan and as such, the decision could potentially have significant economic impact on the District. She pointed out that a full discussion of the case is outlined in the letter dated May 22, 2009 from the CASA President, Harry T. Price, **Re: Appeal of Trial Court Decision in City of Vacaville NPDES Permit Case-Request for Financial Support**. She stated staff recommends approval of a contribution in the amount of \$2,500.

On motion of Member Fritz, seconded by Member Long, and carried unanimously, the Board approved a contribution to CASA in the amount of \$2,500 to help fund the appeal of the trial court decision in the City of Vacaville NPDES Permit Case.

PRELIMINARY BUDGET 2009-10:

Presentation of Preliminary Budget for fiscal year 2009-10. The Manager discussed the Preliminary Budget with the Board, pointing out that it is extremely preliminary pending the State of California's disclosure of their financial plans. She reviewed the budget with the Board members, pointing out that she moved property taxes to the Capital Budget instead of including it with the Operating budget. She discussed the State budget issues and how they relate to the District and stated she will adjust the budget to accommodate whatever funds the State removes. She said there is a possibility of a \$1.8 million shortfall in property tax related State funds to the District, and if this takes place, she will adjust the Capital budget by this amount.

Member Fritz requested clarification of budget items to cover the increased legal fees and other fees related to the EPA investigation. The Manager explained where the fees were allocated in the Budget.

President Di Giorgio asked about the District's funding for GASB (Governmental Accounting Standards Board) 45. The Manager explained that this information is not currently in the preliminary Budget.

Member Long discussed with the Manager the increase in property taxes due to Prop 218 and the various areas where funds could be shifted for the Operating Budget.

Norman Stone, Novato resident, discussed the budget expenditures and urged the Board to be fiscally responsible.

The Manager requested that the Board members review the budget and let her know if there are any changes that need to be made. She stated the Preliminary Budget will be considered for adoption at the next board meeting on June 22, 2009 and the Final Budget will be considered for adoption at the board meeting on August 24, 2009.

On motion of Member Quesada, seconded by Member Long, and carried unanimously, the Board scheduled the adoption of the Preliminary Budget at their next board meeting on June 22, 2009.

2009-10 SEWER SERVICE CHARGES:

Consider setting a hearing for July 13, 2009 for 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. The Manager explained that prior to adoption of the final budget, it is necessary for the District Board to hold a public hearing for the collection of sewer service charges on the Marin county tax rolls. These hearings are scheduled annually with public hearing notices being published prior to the hearing. She proposes to publish the hearing notice on June 25th and again on July 2nd, with the public hearing to be held on July 13th.

On motion of Member Long, seconded by Member Quesada, and carried unanimously, the Board set a hearing for July 13, 2009 for 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.

STAFF REPORTS:

Contract Operations update. The Manager gave a thorough update on the proposed contract operations and an update on construction completion. She outlined areas where the District has moved forward and discussed employees who would be shifted to contract operations.

President Di Giorgio opened the meeting to Public Comment, noting that all individuals who wish to speak must limit their time to three minutes and must speak on issues directly related to the topic.

Tom Pierce, Novato resident, gave a brief analysis of other treatment plants that have switched to private contract operators. He asked if the District has completed a risk analysis associated with the contract operators option and urged the Board to look to the future when determining the best needs for the District.

Heidi Heffelfinger, Novato resident, discussed the overwhelming public discontent with the private contract operators option.

Deal L. Heffelfinger, Novato resident, discussed the issue of who would be responsible for violations if private contract operators were in charge of the operations of the District treatment plant. He suggested there may need to be additional auditing to ensure operators are in compliance with regulations. He asked for a public hearing to allow a public forum to moderate this issue. He stated the board meetings should be scheduled for a later time in the evening instead of the current 4:30 p.m. start time.

Pam Welsh, Novato resident, stated she feels the public process has been non-existent. She requested more public forums to address the private contractor issue. She also requested the decision to move to a private contract operator be delayed until the current FBI/EPA investigation is resolved. She stated the private contract operator matter has been reviewed by the Board as early as January, 2008. She requested the board meetings be scheduled at a later time in the evening to allow more residents to attend.

Jo Heffelfinger, Novato resident, addressed a previous comment about the Board's authority to possibly oversee the work of lateral repair companies, such as Roto Rooter, and stated they District was reaching for too much control. She stated she feels the expenses for the private contract operators will be higher than anticipated.

North Bay Watershed Association (NBWA): The Deputy Manager-Engineer stated he attended the North Bay Watershed Association meeting on Friday, June 5th, and discussed the presentation that was given by Winzler Kelly.

North Bay Water Reuse Authority (NBWRA): The Manager discussed her attendance at a tour of the Sonoma/Marin potential and actual water recycling sites. Member Long attended also and noted that the recycled water sites in Sonoma were quite substantial.

MANAGER'S ANNOUNCEMENTS:

The Manager noted the District is participating in the Marin Private Lateral Program sponsored by NBWA and reminded the Board of the three Stakeholders meetings that are scheduled in June: June 8th in Corte Madera; June 15th in Novato; and June 17th in San Rafael.

The Manager stated that the NBWRA Recycling Program Environmental Impact Report is available at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 6:00 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording