

August 22, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, August 22, 2011, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada, and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James and Administrative Secretary Julie Swoboda. Deputy Manager-Engineer Sandeep Karkal was absent.

ALSO PRESENT: John O'Hare, Veolia Water
John Bailey, Project Manager, Veolia Water
Steve Clary, RMC Water & Environment
Steve McCaffrey, Novato Disposal
Bruce Murphy, Managing Principal, Intelliwaste, Inc.
Tom Gaffney, Bartle Wells Associates
Brant Miller, Novato resident
Dasse de longh, NSD employee, Novato resident
Suzanne Crow, Novato resident
Jo Heffelfinger, Novato resident
Lee Pierce, Industrial Carting, Santa Rosa
Lisa Hardin, Industrial Carting, Santa Rosa

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

On motion of Member Quesada, seconded by Member Fritz, and carried unanimously, the agenda was approved as modified.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the August 8, 2011 meeting.

On motion of Member Di Giorgio, seconded by Member Welsh, and carried unanimously, the minutes of the August 8, 2011 Board meeting was approved.

CONSENT CALENDAR:

Member Quesada requested item a: *Consider approval of an expenditure of \$5,000 to support landscape maintenance at Slade Park, be removed from the Consent Calendar.*

Member Quesada stated that this expenditure establishes a dangerous precedent and feels the District should not provide funds for Slade Park maintenance. He suggested the District provide maintenance equipment and the near-by homeowners provide labor to assist in the park cleanup.

The Manager explained that the City of Novato no longer maintains the park due to budget cuts but that Supervisor Judy Arnold indicated that she will support the County providing \$5,000 for maintenance if the District would also provide \$5,000. She felt the District should assist in maintenance since the neighborhood was patient during the traffic generated by the treatment plant upgrade. The Manager noted that the District still had funds available for area mitigation in the project account and would be a good neighbor gesture.

Member Di Giorgio pointed out that the District does not have appropriate licenses to operate the scope of landscaping equipment that Slade Park would require.

On motion of Member Di Giorgio, seconded by Member Mariani and carried unanimously, the following Consent Calendar items were approved:

- a. Approval of an expenditure of \$5,000 to support landscape maintenance at Slade Park.
- b. Approval of regular disbursements in the amount of \$734,675.78, project account disbursements in the amount of \$15,861.55, and approval of August payroll and payroll related expenses in the amount of \$220,338.87.

SOLID WASTE:

- Receive Solid Waste Committee Report: The Manager stated that the Solid Waste Committee met on August 15, 2011, with Committee members Jean Mariani and George Quesada attending. She reviewed the report and noted that the Household Hazardous Waste Program participation continues to increase. She stated that the Fall E-Waste event is scheduled for October 7th through October 10th. She stated that the Novato Police Department is now accepting pharmaceuticals in their lobby during their open hours of operation, Monday through Thursday, 10AM to 5PM.

President Long stated he appreciated the clarity of the reports format.

- Construction and Demolition diversion study report: The Manager introduced Steve McCaffrey from Novato Disposal Service. Mr. McCaffrey stated that Novato Disposal had engaged Intelliwaste, Inc. to prepare the report titled *Analysis of C&D Diversion for 2009 and 2010 in select Sonoma County Jurisdictions* and that the Board received only a portion of this report in their Board packet. He stated that Novato Sanitary District has received a copy of the full report. He noted that this Diversion Analysis report was for informational purposes only and that Intelliwaste, Inc. obtained data for the report through the Public Records Request Act.

Lee Pierce, Government Affairs Manager, Global Materials Recovery Service and Industrial Carting, Santa Rosa. He requested the Board disregard the report, *Analysis of C&D Diversion for 2009 and 2010* as prepared by Intelliwaste, Inc. He requested the Board make individual visits to the Industrial Carting site to validate their services.

President Long recommended this matter be referred and reviewed by the Solid Waste Committee.

FINANCE:

- Report from Adhoc Finance Committee: The Manager noted that the Adhoc Finance Committee, consisting of President Long and Member Mariani, had met earlier on August 22nd. She gave a brief overview of the committee meeting's findings.

- Review Preliminary Official Statement and Notice of Sale and consider acceptance of proposal for trustee: The Manager introduced Tom Gaffney, Bartle Wells Associates. Mr. Gaffney reviewed the Preliminary Official Statement and Notice of Sale with the Board, stating that there were not a lot of changes to these documents from the first time they were presented to the Board.

Mr. Gaffney stated that four financial institutions responded to the Request for Proposals and that Bank of New York Mellon responded with the best pricing. He requested the Board authorize Bank of New York Mellon to be the paying agent for the Certificate of Participation Bond.

Mr. Gaffney reviewed the comparison of borrowing terms, noting that Bartle Wells suggested that a 23 year borrowing term was the most cost effective. He noted that with a bond par value of \$22 million and a borrowing term of 23 years, the annual debt service would be \$1,481,000. He stated that the total payment for the life of the bond would be \$34,063,000.

Mr. Gaffney reviewed the calendar of events and outlined the Notice of Sale and Official Statement. He stated that the Board will make their final decisions for the bond sale at the September 12th board meeting.

Member Di Giorgio asked if there may be a conflict of interest because he receives a retirement payment from Bank of New York Mellon. It was agreed that Bond Counsel should be consulted on this matter to determine if there is a conflict of interest.

Suzanne Brown Crow, Novato resident, requested she receive notice when the Adhoc Finance committee meets.

The Manager stated that the Finance Committee is an Adhoc committee and therefore is not a public meeting under the Brown Act.

President Long suggested the Board table the Approval of Acceptance of the Proposal of the Trustee.

Tom Gaffney encouraged the directors to read the Official Statement carefully and bring any revisions to his attention.

On motion of Member Di Giorgio, seconded by Member Mariani, and carried unanimously, the Board will continue the Acceptance of Proposal for Trustee at the September 12, 2011 Board meeting.

WASTEWATER OPERATIONS:

- Committee Report. The Manager noted that the Wastewater Operations Committee met on August 15th and the Board discussed the Monthly Operations Report for June 2011. John Bailey, Project Manager, Veolia Water, discussed the report and gave a status update on the warranty work being performed on the Turblex blower.

President Long noted that he took a copy of the Wastewater Operations Committee report to the recent CASA conference. He asked if a meeting/session could be set up at a CASA conference to review how other agencies are reporting similar information.

Member Mariani stated she will be working with the CASA staff to coordinate the next CASA conference and will request this topic be placed as an item at the next conference.

- Odor control report. The Manager stated that Veolia Water and the District have been monitoring odor complaints very diligently. She noted that the District has received fewer odor complaints, but within the past few weeks, several complaints have been received. She gave an overview of the facility changes that were made to alleviate the fugitive odors.

Steve Clary, RMC Water & Environment, expressed RMC's frustration with the news that odor complaints had recently spiked. He stated RMC would like to hire a third-party consultant to review the situation, and suggested Jim Joyce from V&A Consulting Engineers, Inc. Mr. Clary stated that Mr. Joyce is an experienced odor control expert, who will provide the District with a comprehensive, integrated review of the odor operating equipment. He stated that a findings report from the investigation should be completed by September 19.

Mr. Clary stated that all of the costs associated with the review would be the responsibility of RMC Water and Environment. He requested the Board grant their approval to allow RMC to move forward with the investigation.

President Long stated it was definitely time to bring in an additional level of expertise to solve the odor issues the treatment facility is still experiencing.

2011-12 BUDGET:

- Presentation of final 2011-12 annual District budget. The Manager discussed the final 2011-12 District budget.

Suzanne Brown Crow, Novato resident, questioned the Certificate of Participation Bond income and the repayment of the \$6 million State Revolving Fund loan interest payment.

The Manager stated that the District will pay the State Revolving Fund (SRF) loan interest from the (approximately) \$11 million total reserve fund. In addition, she stated that the \$22 million Certificate of Participation Bond sale will be used for capital improvements and not for repayment of the SRF loan interest.

President Long requested a statement of reconciliation which will show fund allocations set aside for projects, interest payments, and incoming funds.

- Consider adoption of final District budget.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Final Budget for Fiscal Year 2011-12, including Preliminary Budget for Fiscal Year 2012-13 was adopted.

- Consider adoption of resolution establishing appropriations limit for the 2011-12 fiscal year. The Manager noted that the adoption of this Resolution is standard procedure and is necessary to determine the District's appropriations limit for 2011-12 based on growth factors provided by the State Department of Finance.

On motion of Member Di Giorgio, seconded by Member Mariani and carried unanimously, Resolution No. 3033, A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2011-12 Appropriation Limit was passed.

NPDES PERMIT:

- Consider approval of a contract with RMC Water to provide NPDES permit assistance services for an amount not to exceed \$77,000. The Manager noted that the NPDES permit includes a provision requiring the District to conduct a receiving water ammonia study prior to the reissuance of the next NPDES permit. She requested the Board approve a contract with RMC Water to provide technical assistance with regard to the implementation of the NPDES permit.

On motion of Member Mariani, seconded by Member Di Giorgio and carried unanimously, the Board approved a contract with RMC Water for an amount not to exceed \$77,000 to assist with the District's NPDES permit.

STAFF REPORTS:

- North Bay Water Reuse Authority (NBWRA). The Manager stated that the NBWRA met on Monday, August 15th. She provided an overview of the meeting, noting that the 2010/11 NBWRA budget was presented and discussed.

Member Di Giorgio congratulated President Long on his nomination for the North Bay Leadership Counsel Environmental Steward of the Year.

The Manager congratulated and thanked President Long for his leadership and involvement in doubling the length of the Bay Area Ridge Trail from 165 miles to 330 miles.

- California Association of Sanitation Agencies (CASA) Annual meeting. The Manager gave an overview her participation in the annual CASA conference which was held in San Diego from August 11th through 13th. She noted that the following Directors attended: President Long and Members Di Giorgio and Mariani.

-California Sanitation Risk Management Association (CSRMA). The Manager discussed a CSRMA training seminar she attended which featured a presentation by Kathleen Sutcliffe titled "Managing the Unexpected". She noted that the District will be receiving a dividend of \$20,703 on the Workers Compensation program for the period of 1990-2005.

BOARD MEMBER REPORTS:

- The North Bay Water Reuse Authority will meet at the District
- California Association of Sanitation Agencies Annual meeting.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:24 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording