

August 23, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, August 23, 2010, at the District Office, 500 Davidson Street, Novato. (The closed session posted on the agenda was cancelled.)

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

BOARD MEMBERS ABSENT: None.

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

ALSO PRESENT: John O'Hare, Veolia Water
John Bailey, Project Manager, Veolia Water
Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: District Counsel Kent Alm requested that Agenda item #9a. *Bank of Marin settlement* be deleted from the agenda as this item was only a Brown Act notification. He stated that the settlement with Bank of Marin was reached on July 26th.

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

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS: None.

REVIEW OF MINUTES:

Consider approval of minutes of the August 9, 2010 meetings.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the minutes of the August 9, 2010 Board meeting was approved.

CONSENT CALENDAR:

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the following Consent Calendar item was approved:

- a. Approval of regular disbursements in the amount of \$378,386.29 and project account disbursements in the amount of \$148,473.91.

COMMITTEE REPORTS:

- Wastewater Operations: The Manager noted that John Bailey and John O'Hare were present for any questions regarding the July 2010 Monthly Operations Report. The Board discussed the monthly report and the plant's current operations with John Bailey.

Member Fritz and Member Di Giorgio discussed their participation at the Wastewater Operations Committee Meeting on August 16th. President Long expressed his appreciation for the commentary in the Operations Report and noted that narrative comments in the Collections report would be helpful. The Manager noted that the inclusion of graphs and tables that show trends could be included in future reports.

- Solid Waste: The Manager reported on the Solid Waste Committee Meeting, and discussed in detail some legislative updates which could affect the wastewater industry. She discussed Novato Disposal's report, outlining the trends in waste disposal, and summarized outreach efforts in solid waste. She discussed the solid waste Joint Powers Authority (JPA). She noted that there will be an E-Waste event for Novato residents from October 8th – 11th. She discussed solid waste disposal, the composting waste disposal pilot program and some of the costs associated with the pilot program.

President Long questioned if there was a way to evaluate the economic benefit of working food scraps in with the green waste compostables. The Manager stated she will research the matter in further detail.

District Counsel stated he has negotiated this type of green waste/composting program with other districts and reviewed with the Board the cost structure associated with this type of composting project.

DISTRICT COUNSEL REPORTS:

- Proposition 26: Proposed New Limits on Fees: District Counsel Kent Alm summarized the implications of Proposition 26 and referenced a briefing which was part of the Board packet: *New Supermajority Requirements for Regulatory Fees* by Michael G. Colantuono, Esq. He stated that this proposition will be on the November 2, 2010 ballot and is an attempt to modify the State's Constitution which was previously modified by Propositions 13 and 218. He explained that Proposition 26 attempts to re-categorize some items that have historically been viewed as fees, and therefore have been outside those sections of the Constitution which require supermajority passage or voter approval. Mr. Alm discussed the proposition's implications to the Novato Sanitary District.

The Manager asked District Counsel to report on the City of Bell and the issues of transparency, openness, and good government practices. Mr. Alm discussed pending legislation which addresses new requirements for disclosure of public salaries. In addition, he discussed Senate Bill 501 (SB501) which requires all local agencies to publish on an annual basis, the compensation of all designated employees.

LABORATORY:

- Consider approval of a proposal from EOA to prepare an update of the District's Local Limits. The Deputy Manager stated that the District's new NPDES permit, final Order No. R2-2010-0074, which took effect on July 1, 2010, requires the District to evaluate the need to review and revise (as necessary) its local limits. He noted that the District is required to submit a report acceptable to the Regional Water Quality Control Board documenting any changes along with a plan and schedule for implementation. He stated that the District has received a proposal from EOA to perform the required work on a time and materials basis for \$27,556 and recommended the Board authorize the Manager-Engineer to accept and execute an agreement with EOA to perform the required tasks.

Member Fritz asked for clarification of local limits and the Deputy Manager-Engineer and the Manager-Engineer gave a brief explanation, noting that they are limits that the Federal Government and the District's Sewer Ordinance sets for any non-domestic sources of wastewater entering the sewer collection system.

Brant Miller, Novato, questioned how the limits will be set and the fees imposed. The Deputy Manager-Engineer stated that the District issues permits to non-domestic dischargers which state their specific discharge limits and assigns fees.

On motion of Member Di Giorgio, seconded by Member Fritz and carried unanimously, the Board authorized the Manager-Engineer to accept and execute an agreement with Eisenberg, Olivier & Associates (EOA) to review and revise (as needed) the District's Local Limits for a not-to-exceed amount of \$28,000.

COLLECTION SYSTEM IMPROVEMENTS PROJECT NO. 72706:

- Review bids received and authorize contract award to the lowest qualified responsive bidder for the Center Road, Rica Vista to Western Drive Sewer Replacement. The Deputy Manager-Engineer discussed the Collection System Improvements project noting that the District received six bids on August 19th. He stated that staff has reviewed the bids and requested the Board award the project to J&M, Inc. of Livermore for a bid amount of \$394,727.00.

Member Quesada expressed his concern that the J&M, Inc. bid was considerably lower than the engineer's estimate and the subsequent low bid amount of \$438,048.00. The Deputy Manager-Engineer stated that staff had contacted J&M Inc. to confirm that they

were confident with their bid and wished to proceed with the contract as written. He stated J&M Inc. were satisfied with their bid and were committed to moving forward with the project.

Member Welsh asked if it was a normal occurrence to see such a large difference between an awarded bid amount (\$394,727) and an engineer's estimate (\$520,000). The Deputy Manager-Engineer explained that we are in unusual economic times and that under the circumstances, engineer's estimates can be lagging indicators.

On motion of Member Di Giorgio, seconded by Member Fritz and carried unanimously, the Board awarded the Collection System Improvements; Center Road, Rica Vista to Western Avenue; Project No. 72706-Phase F to J&M, Inc. for a bid amount of \$394,727.00.

STAFF REPORTS:

- North Bay Water Reuse Authority (NBWRA). The Manager reported that the North Marin Water District, at their August 17th regular meeting, became a member agency of the North Bay Water Reuse Authority. The Manager was pleased to announce that the Bureau of Reclamation had given the NBWRA a one year extension to complete the recycled water project. She also reported on the current activities of the NBWRA.

- California Association of Sanitation Agencies (CASA) Annual Meeting. The Manager discussed her participation at the annual CASA conference which was held in Monterey from August 19th through August 21st. She discussed the sessions she attended at the conference. The Manager stated that she gave a presentation on sewer laterals and collection system rehabilitation with John Larson and Martin Rauch.

President Long discussed his attendance at the CASA conference and discussed a presentation given by a public relations firm which discussed issues related to the wastewater industry. He also discussed a presentation by Mark Wade in regards to collection system monitoring.

Member Di Giorgio discussed his attendance at the CASA conference noting that the keynote speaker, Mr. Eisenberg, presented a very interesting discussion regarding Assembly Bill 32 (AB32).

Member Fritz was also at the CASA conference but declined comment on his attendance.

MANAGER'S REPORT:

- The North Bay Watershed Association will hold their next meeting on September 10th.

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- The September board meetings will be September 13th and 27th. President Long and Member Fritz noted they will both miss the September 27th board meeting. The Manager noted she may try to reschedule the second meeting in September for another date.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:10 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording