

August 26, 2013

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, August 26, 2013, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, Finance Officer Laura Creamer and Administrative Secretary Julie Swoboda.

ALSO PRESENT: John Bailey, Project Manager, Veolia Water  
Brian Exberger, Assistant Project Manager, Veolia Water  
Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of the August 12, 2013 meeting minutes.

Member Mariani stated she would abstain from approval because she was absent from the August 12<sup>th</sup> meeting.

*On motion of Member Long, seconded by Member Peters, and carried with the following vote, the minutes of the August 12, 2013 Board meeting were approved. Ayes: Di Giorgio, Long, Peters and Welsh. Abstain: Mariani.*

CONSENT CALENDAR:

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

- a. Set meeting dates of September 9<sup>th</sup> and 23<sup>rd</sup>, and October 14<sup>th</sup>, 2013.
- b. Approval of regular disbursements in the amount of \$210,883.82, project account disbursements in the amount of \$3,405.00, and payroll and payroll related disbursements in the amount of \$240,065.75.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Committee report from August 13, 2013 meeting:

The Deputy Manager-Engineer introduced John Bailey, Project Manager, Veolia Water. Mr. Bailey summarized the Committee's July 2013 operations report, noting that the treatment facilities water quality performance was excellent with all parameters well within effluent standards. He discussed the key events that took place at the treatment facility and stated that the recycled water facility delivered 18.5 million gallons of recycled water in July.

The Deputy Manager-Engineer gave an overview of the Collections and Reclamation department's reports for July 2013. He noted that the Collection's System crews cleaned and televised 80,114 feet of sewer line and discussed a small overflow on July 7<sup>th</sup> which resulted in a discharge of less than 10 gallons.

- Odor control, landscaping, and noise report: The Manager discussed the odor issue and Mr. Bailey stated that a mister unit had been installed which sends a low fog with an ingredient for odor coverage. She discussed odor issue complaints that were received but were caused by the Pacheco Pond and not any activity at the treatment facility.

The Manager discussed the landscaping at the Lea Drive neighborhood area and stated that the trees are growing well even in the wet soil conditions.

BOARD OF DIRECTORS:

- Consider approval of a Resolution to participate in the Water Bond Coalition:

President Di Giorgio stated that he thought the District should adopt the Water Bond Coalition Resolution so the District may have an opportunity to influence development of the 2014 water bond, which will protect local Novato water interests. Member Long agreed.

The Manager stated that the approval of this resolution would indicate support from the District for development of future statewide water bonds that include funding for local and regional water projects. She noted that the Resolution designates her as the official representative to the Water Bond Coalition.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board adopted Resolution No. 3061: RESOLUTION OF THE NOVATO SANITARY DISTRICT AGREEING TO PARTICIPATE IN THE WATER BOND COALITION, SUPPORTING THE ACTIVITIES OF THE COALITION, ENDORSING EFFORTS OF THE COALITION TO DEVELOP THE FAIR AND EQUITABLE DISTRIBUTION OF STATE WATER BOND FUNDS FOR PROJECTS THAT WILL BENEFIT THE DISTRICT AND OTHER ENTITIES THROUGHOUT NORTHERN AND COASTAL CALIFORNIA, AND DESIGNATING THE*

*MANAGEER-ENGINEER AS THE OFFICIAL REPRESENTATIVE FOR THE NOVATO  
SANITARY DISTRICT TO THE WATER BOND COALITION.*

- Presidential appointment of an Adhoc Committee to study connection charges:  
President Di Giorgio commented that the Adhoc Committee will be addressing sewer service charges for secondary dwelling units as directed by the Novato City Council. The Manager stated that Tom Gaffney of Bartle Wells will be working with the Committee to review the financial impact to the District if secondary dwelling unit connection charges are modified. President Di Giorgio appointed Member Bill Long and Member Jerry Peters to the Adhoc Connection Charge Review Committee.

- Presidential appointment of an Adhoc Recycled Water Committee: The Manager stated that the committee would discuss issues associated with the North Bay Water Reuse Authority's Phase 2 project. President Di Giorgio appointed Member Bill Long and himself to the Adhoc Recycled Water Committee.

2013-14 BUDGET:

- Presentation of final 2013-14 annual District budget. The Manager gave a PowerPoint presentation of the highlights of the 2013-14 annual District budget and discussed the consolidation of various reserve funds.

- Consider adoption of final District budget.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board adopted the Final Budget for the Novato Sanitary District for Fiscal Years 2013-14 including Preliminary Budget for Fiscal Year 2014-15.*

- Consider adoption of a resolution establishing appropriations limit for the 2013-14 fiscal year. The Manager stated that the appropriations limit is calculated by a formula of the maximum limit applicable to the appropriation of tax proceeds for the fiscal year 2013-14 and stated the maximum limit will be sum of five million, nine hundred twenty-five thousand, one hundred sixteen dollars.

*On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board adopted Resolution No. 3062: A RESOLUTION OF THE NOVATO SANITARY DISTRICT CORRECTING AND AMENDING PRIOR CALCULATIONS AND MAKING DETERMINATION AND ESTABLISHING THE 2013-14 APPROPRIATION LIMIT.*

President Di Giorgio called a 10 minute recess at 7:00 p.m.

President Di Giorgio reconvened the meeting at 7:12 p.m.

WASTEWATER TREATMENT PLANT UPGRADE PROJECT C:

- Consider approval of a change order for a coating repair on Primary Clarifier No. 2.

The Manager stated that clarifier No. 2 had recently been removed from service and cleaned in preparation for coating the effluent launder. She noted that while inspecting the center mechanism, corrosion was also found and was estimated to be on approximately 20% of the metal.

The Manager discussed all methods available to repair the coating and suggested the Board approve a change order to sandblast and recoat the entire mechanism for a fixed price of \$91,304.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board approved a change order to R.E. Smith General Contractors for the coating repair on Primary Clarifier No. 2 in the amount of \$91,304.*

ADMINISTRATION:

- Consider approval of the revised Reserve Policy. The Manager stated that the Finance Committee has met on three previous occasions to review the District's Reserve and Fund Policies. She noted that the District reserves serve two purposes: 1) to comply with legal requirements, and 2) to provide for extraordinary expenses such as disaster response, litigation, or fines without having to implement an immediate rate adjustment.

She detailed the changes the Committee recommended and stated that the proposed Reserve Policy was provided as part of the Board packet. She discussed the District's existing Reserve funds and those funds the Committee recommended eliminating.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board adopted the Novato Sanitary District Policy Handbook Policy No. 3500: Reserves.*

- Consider approval of the Funds Policy #3510: The Manager stated that the Finance Committee proposed two fund targets: one for an Operating Fund and one for a Capital Fund. She noted that these would not be reserves but instead would be a target amount that is needed as of July 1<sup>st</sup> of each year in order to provide for the District's cash flow needs.

The Manager stated that the Committee recommended the Operating Fund be equal to eight months (67%) of operating expenses or \$6,254,768. She stated that the Capital Fund target would be the debt payments plus the pay-as-you-go capital projects budget for the upcoming fiscal year minus the anticipated December Capital receipts.

*On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board adopted the Novato Sanitary District Policy Handbook Policy No. 3510: Operating and Capital Funds Minimum Beginning Balance for each Fiscal Year.*

#### NORTH BAY WATER REUSE AUTHORITY:

- Phase II Scoping Study update. The Manager stated that the North Bay Water Reuse Authority held a workshop to discuss the Phase 2 Scoping Study and they have identified some conceptual level projects for Novato. She reviewed with the Board the PowerPoint presentation that was given at the workshop.

The Manager stated that the District is being asked to review and prioritize these projects and provide an implementation schedule for them. She noted the District is proposing to convene a meeting of the joint Recycled Water Committee with the North Marin Water District and the County of Marin to coordinate with their priorities.

- Review and prioritize proposed Novato Sanitary District projects. The Manager reviewed with the Board the Phase 2 Potential Project list. She discussed projects involving the Novato Creek and projects with multiple benefits. She stated that the District's share of cost of the feasibility study would be proportional to the project cost.

The Manager suggested the District abandon or place as a low priority the "Potential Long-Term Future Conveyance" project. The Board discussed a tertiary water project, which would integrate more of what is currently being accomplished in the reclamation fields. She noted that she will refine the project priority list with the help of the Recycled Water Committee.

#### BOARD MEMBER REPORTS:

- The North Bay Water Reuse Authority Workshop. Member Long discussed his attendance at this workshop which was held at the Novato City Hall on Monday, August 19<sup>th</sup>.

- California Association of Sanitation Agencies annual conference report. President Di Giorgio and Member Peters were in attendance at the conference held in San Diego on August 21<sup>st</sup> through the 24<sup>th</sup>. They discussed their participation in the sessions at the conference.

#### MANAGER'S ANNOUNCEMENTS:

- The North Bay Watershed Authority will meet at the District office on Friday, September 6<sup>th</sup> at 9:30 a.m.

- The Wastewater Operations Committee will meet on Monday, September 16<sup>th</sup> at 2:00 p.m. at the District office.
- The Solid Waste Committee will meet on Tuesday, October 8<sup>th</sup> at the District office.
- The next Regular Board meeting will be held on Monday, September 9<sup>th</sup> at 6:00 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 8:15 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Swoboda, Recording