

September 26, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, September 26, 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, Deputy Manager-Engineer Sandeep Karkal and Administrative Secretary Julie Swoboda.

ALSO PRESENT: John O'Hare, Veolia Water
Tom Gaffney, Bartle Wells Associates
Brant Miller, Novato resident
Dasse de longh, NSD employee, Novato resident
Suzanne Crow, Novato resident
Jim Henderson, Novato resident
Steve Wrightson, The Covello Group
Jerry Peters, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

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

PUBLIC COMMENT:

Jim Henderson, Novato resident, questioned when the sewer main repairs would be completed on East Ct. He stated the project was scheduled to begin in 2005 but has not yet been completed. He requested a current status of the repair schedule.

President Long requested the Manager-Engineer gather information regarding the repairs on East Ct. and report back to the resident and to the Board.

REVIEW OF MINUTES:

Consider approval of minutes of the September 12 and 14, 2011 meeting.

Member Di Giorgio stated he would abstain from voting on the September 12th minutes because he was not present at that meeting.

On motion of Member Quesada, seconded by Member Mariani, and carried with the following vote, the minutes of the September 12 and 14, 2011 Board meetings were approved: Minutes of September 12, 2011: Ayes: Long, Mariani, Quesada, Welsh. Abstain: Di Giorgio. Minutes of September 14, 2011: All ayes.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$147,576.26, project account disbursements in the amount of \$182,705.33, and approval of September payroll and payroll related expenses in the amount of \$219,364.19.

FINANCING:

- Progress Report: The Manager noted that the Board of Directors, at their September 14, 2011 meeting, authorized the sale of Certificates of Participation (COP) bonds in an amount not to exceed \$22 million. She stated that Standard & Poor's (S&P) made an in depth review of the District's financial information and issued a rating of A+ with a stable outlook. She noted that Board Agenda Item 6a. had incorrectly stated that the rating was AA+.

Tom Gaffney, Bartle Wells Associates, discussed the S&P rating and details from the analyst's report as received from Standard & Poors. Mr. Gaffney reported that bids for the COP bonds would be taken on September 27th at 10AM and noted that four institutions were already in line to make bids.

The Board discussed the bond sale process, current interest rates and market conditions with Mr. Gaffney.

President Long referred to a District newsletter published in 2005 which outlined the District's future plans for equipment upgrades and financing. He pointed out that the District had outlined an expansion plan in 2005 and has since successfully moved forward with that plan.

RECYCLED WATER TREATMENT FACILITY PROJECT 73002:

- Progress Report: The Manager introduced Steve Wrightson, The Covello Group, who gave an update on the progress on the recycled water treatment facility. He stated that the Notice to Proceed was issued to Gateway Pacific Contractors, Inc. on June 20, 2011. He discussed the field work underway, noting that the emergency access road to Lea Dr. is nearly complete. He noted that the recycled water pipeline is in place and

approximately 80% installed. He stated that the plants for the treatment facility landscaping are on-site and the irrigation systems are moving forward.

Mr. Wrightson stated that the demolition portion of the recycled water facility project is approximately 19% complete.

The Board discussed the progress of the project and Mr. Wrightson noted that full completion is scheduled for June 18, 2012.

Member Quesada questioned the filter systems that will be in place for the recycled water facility. Mr. Wrightson stated that the filters are not on site yet, but are in production. He noted that the total capacity will be 1.7 million gallons per day (MGD).

ANNUAL COLLECTION SYSTEM REPAIRS, PROJECT 72803:

- Review bids received, consider rejecting all bids, and authorizing the Manager-Engineer to so inform all bidders. The Manager noted that staff had requested bids for the repair of 149 feet of sewer main on Eucalyptus Ave between Mendocino Lane and Devonshire Drive. She stated that four bids were received. She stated that due to a technical oversight, the contract documents omitted the request for bid bonds from all bidders. She noted that District Counsel, out of an abundance of caution, advises the Board reject all bids and authorize the Manager-Engineer to so inform all bidders.

The Board discussed the four bids received and the variances in the bids received.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board rejected all bids for the Annual Collection System Repairs Project #72803 and authorized the Manager-Engineer to so inform all bidders.

WASTEWATER OPERATIONS:

- Committee Report. Deputy Manager-Engineer Sandeep Karkal stated that the Wastewater Operations Committee met on September 19th. He gave an overview of the Monthly Operations Report for August 2011, discussing the treatment plant performance, updates, and work order statistics. Mr. Karkal discussed the reports from the Collections System and Reclamation Facilities.

Member Di Giorgio discussed the Turblex vibration issue and stated he hopes that the manufacturer will follow-through if the vibration causes any performance issues. The Board discussed the blower repairs and the Turblex warranty.

John O'Hare, Veolia Water, noted that Dan Brown, Asset Management, Veolia Water was at the Novato treatment facility to perform condition testing and assessment. He stated that the report would be presented to the Wastewater Operations Committee in October.

The Board discussed the odor issues and the devices that are being used to capture odors at the plant and in the Lea Drive neighborhood.

Suzanne Crow, Novato resident, reported that she had been to the Lea Drive neighborhood six times in the past 12 days and each time had noted a foul odor. She stated the noise from the blower units was noticeable.

STAFF REPORTS:

- State of the Estuary conference. The Manager discussed the State of the Estuary conference she attended on September 19th. She stated that the North Bay Water Reuse Authority had a presence at the conference.

- Public outreach. The Manager gave an update of the public outreach activities from September. She noted that the District and Novato Disposal participated in Novato's Farmers Market, on September 20th, where they provided public education and distributed Novato Disposal's counter top composting bins. She noted that the District plans to participate in three additional outreach events as part of Fall pollution prevention: participation with Veolia Water at the Senior Fair at the Margaret Todd Center on October 6th, the Hamilton School Fair on October 15th, and the Hamilton Hometown Festival on November 5th.

The Manager discussed a follow-up meeting she attended for the Algebra Academy and stated the comments from the teachers and staff were very positive.

BOARD MEMBER REPORTS: None.

MANAGER'S ANNOUNCEMENTS:

The Manager noted that The State Water Resources Control Board will increase their fees from \$12,500 to \$21,800, a 60% increase. She noted that the District had budgeted for a 30% increase.

A Special Board Workshop will take place on October 6th, beginning at 9AM.

The North Bay Watershed Association will meet on October 7th at 9:30AM.

President Bill Long will be receiving the North Bay Leadership Council Environmental Stewardship award on October 28th. The ceremony will be held from 11:30AM to 1:30PM at the Double Tree Inn in Rohnert Park.

California Special District Association (CSDA) Annual Conference in Monterey, October 10th through the 13th. The Manager encouraged Board members to attend.

The next regular Board meeting will be held on October 10th and will include a Public Hearing for the Sewer Use Ordinance; an ordinance to incorporate federally mandated changes to the pretreatment program requirements.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 7:40 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording