

January 10, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, January 10, 2011, at the District Office, 500 Davidson Street, Novato.

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 and Administrative Secretary Julie Borda.

ALSO PRESENT: John O'Hare, Veolia Water
John Bailey, Project Manager, Veolia Water
Suzanne Crow, Novato resident
Brant Miller, Novato resident
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: None.

BOARD MEMBER REPORTS:

Member Welsh gave a report of a dog attack incident that occurred against a former District employee's wife, Amy Silva, and how a North Marin Water District employee, Mike Baccei, stepped in and prevented Ms. Silva from further injury. The Board requested the Manager prepare a letter of appreciation to Mike Baccei commending his heroic actions.

President Long clarified his answer to a question Member Welsh asked at the previous Board meeting regarding Phase II of the recycled water project and a reduction of draw from the Russian River. Member Long clarified that the draw on the Russian and Eel River is maximized at this time and that the additional non-potable water provided through the Project would be provided to those agencies who need additional water.

REVIEW OF MINUTES:

Consider approval of minutes of the December 27, 2010 meeting.

On motion of Member Quesada, seconded by Member Fritz, and carried unanimously, the minutes of the December 27, 2010 Board meeting were approved.

CONSENT CALENDAR:

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

- a. Receive 1st Quarter Revenue and Expenditure Report.
- b. Approval of regular disbursements in the amount of \$458,879.75, project account disbursements in the amount of \$64,552.95, Board Member disbursements in the amount of \$3,157.01 and ratification of December 2010 payroll and payroll related expenses in the amount of \$245,130.05.

President Long questioned why the budget items reflecting gas, oil and fuel were at a zero balance. The Manager responded that due to the billing cycle and the closing date of the report, no fuel expenses have been captured, although the District does continue to use fuel.

Member Di Giorgio commented on the absence of the "Quarterly Revenue & Expenditure Budget to Actual Variance Report" which is usually presented with the financial summaries. The Manager responded that the reports were not available at this meeting but will be provided to the Board at the first or second Board meeting in February.

Member Quesada questioned if the District was able to reduce its electrical costs by using the heavy consumption pumps only at the "off-peak" electrical periods. The Manager responded that the plant's operation was not designed to hold large amounts of flow until a specific period but stated that when the District is able to monitor flow, they do take advantage of the lower electrical usage periods.

Suzanne Crow, Novato resident, stated she appreciated the presentation of the 1st Quarter Revenue and Expenditure Report. She questioned the District's repayment schedule of the accrued interest for the State Revolving Fund loan.

The Manager responded that the interest repayment is accounted for in the Capital Expenditure 2011/2012 Budget and that the District's rate/fee schedule is structured to cover the pending payment. She stated that the District has anticipated repayment of the State Revolving Fund (SRF) Loan interest expense and is prepared to seek Bond financing. She also stated the District's established revenue program will provide the

necessary funds to pay for the capital projects as well as the revenues to repay the SRF loan.

Member Welsh noted that the District currently has only a six-month operating reserve and stated the Audit Report recommended a two-year operating reserve. The Manager stated that she felt it was highly unusual for a District to maintain a two-year operating reserve and this was not the recommendation of the previous auditor.

Member Quesada stated he felt a two-year operating reserve was excessive and that a six-month reserve was much more reasonable. He noted that with the current low interest rates, it does not appear to be fiscally responsible to leave such a large reserve in the bank.

PUMP STATION REHABILITATION PROJECT 72403:

- Consider acceptance of Project 72403 and authorize filing of the Notice of Completion:
The Manager gave an overview of the project. She recommended the Board grant final acceptance of Project 72403 and authorize staff to file the Notice of Completion.

On motion of Member Di Giorgio, seconded by Member Fritz and carried unanimously, the Board accepted Project 72403: Pump Station Rehabilitation, and authorized staff to file the Notice of Completion.

MARIN WASTEWATER AGENCIES:

- Consider authorizing the Manager-Engineer to sign the Marin Wastewater Agencies Mutual Aid Agreement:

Member Quesada requested further clarification of the Mutual Aid Agreement and the extent of Novato Sanitary District's liability in the case of a major incident.

The Manager noted that the provided Mutual Aid and Assistance Agreement between Marin County Wastewater Agencies provides a formal means of requesting and being reimbursed for assistance. She stated that the agreement also addresses questions of liability and indemnification as well as financial reimbursement issues for services/equipment rendered.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the Board authorized the Manager-Engineer to sign the Marin Wastewater Agencies Mutual Aid Agreement.

STAFF REPORTS:

- Sanitary sewer overflow reporting protocol. The Manager gave an overview of the District's sanitary sewer overflow (SSO) reporting protocol. She reviewed the "NSD

SSO Reporting Responsibilities” flow chart which outlined the specific protocols the District takes whenever an SSO occurs.

Member Di Giorgio questioned if an overflow takes place in a private lateral, can the District require the property owner to repair the lateral. The Manager responded that this type of enforcement will be detailed in the District’s Lateral Ordinance.

Member Fritz questioned how the Collection System crew members determine the total number of gallons released at any given overflow event. The Manager described the various methods the Collection crew uses to define how much sewage has been released based on the “San Diego Guidelines”.

Member Quesada questioned why the manhole lids are not attached tighter to prevent overflows from escaping into the public area. The Manager responded that the manhole lids are not bolted down but are held in place by their weight which is between 50 and 60 pounds. She stated that the lids are designed to allow sewage to be released so pressure would not build up and overflow to the nearby homes through the homeowners’ laterals.

The Manager discussed the typical process that takes place when the District is notified of a sewage spill. She gave an overview of the reporting procedures and the appropriate signage/posting used by the Collections Department.

President Long suggested that the next time an overflow drill takes place, the Wastewater Operations Committee members should be notified so they could become more familiar with the District’s processes. He also requested to be notified whenever a sanitary sewer overflow incident happens.

- Michele Circle overflow. The Manager gave an overview of the Michele Circle manhole overflow that took place at 9:52 a.m. on January 1, 2011. She stated that the cause of the overflow was traced to a grease blockage in the downstream 6-inch gravity sewer, which was cleared by approximately 10:45 a.m. She stated that the amount of sewage lost to an adjacent storm drain was estimated to be about 2,500 gallons and that all required notifications were made. The Manager stated that the District’s engineering staff is looking into alternatives to repair or re-route the sewer to eliminate the sag which contributed to the blockage.

- Biosolids line break. The Manager stated that a digested biosolids spill of approximately 6,600 gallons occurred on January 5th and 6th in the biosolids line when the glue joint on a cleanout riser failed. She stated the spill was discovered fairly quickly by two Veolia operators. She noted that the overflow went into property which is owned by the Audubon Society and that this site is not connected to a year round water body. The Manager gave a report of the sampling and mitigation efforts the District was undertaking and noted that the biosolids line has been repaired.

Member Welsh and President Long requested a full report on a previous Bahia spill. The Manager stated she would provide that report.

- North Bay Watershed Association Meeting. The Manager stated that the NBWA met on Friday, January 7th and she provided a copy of the minutes from the December meeting for the Board's information. She noted that the next NBWA meeting will be held in Petaluma on February 4th at 9:30 a.m.

Member Di Giorgio discussed the Ross Valley Flood Control and Watershed Program.

MANAGER'S ANNOUNCEMENTS:

- Due to the Martin Luther King holiday on January 17th, the Wastewater Operations Committee will meet on January 20th at 2 p.m.

- The Solid Waste Franchise Update Committee is holding a workshop on the Solid Waste Franchise Amendment on January 19th at 7:00 p.m.

- The LAFCO meeting scheduled for January 13th at 7:00 p.m. has been cancelled. The next meeting will be held on January 28th at 8:30 a.m.

- The next regular Board meeting will be held on January 24th at 6:30 p.m. and will also be a public hearing for the Solid Waste Franchise Amendment.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 7:35 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording