

January 24, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, January 24, 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: Richard Tagore-Erwin, R3 Consulting Group  
William Shoen, R3 Consulting Group  
Steve McCaffrey, Novato Disposal Service  
Dee Johnson, Household Hazardous Waste Coordinator  
Joan Irwin, Marin Food Scrap Recycling Task Force (MFSRTF)  
Delyn Kies, Sustainable Novato, MFSRTF  
Marie Chan, MFSRTF  
Ed Mainland, MFSRTF  
Curtis Michelini, Industrial Carting, Santa Rosa, CA  
Jerry Peters, Novato resident  
Tom Pieva, Novato resident  
Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

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

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS:

Member Quesada commented on a personal matter.

Member Di Giorgio stated that on Monday, January 31<sup>st</sup>, the Marin County Council of Mayors and Councilmembers (MCCMC) Adhoc Committee on Pension Reform will be meeting at the Larkspur Council Chambers. He invited all those interested in pension reform to attend.

Member Fritz discussed his attendance at the Wastewater Operations Committee, noting that the Collection Systems Department was consistently experiencing very few overflows.

#### REVIEW OF MINUTES:

Consider approval of minutes of the January 10, 2011 meeting.

President Long requested an addition be made to the minutes to include Member Quesada's comments on the audit report, stating that Member Quesada did not concur with Member Welsh's comments that the District should retain a two-year operating reserve. Staff acknowledged that these changes would be made to the minutes.

Member Quesada pointed out a typographical error in the minutes which stated under Review of Minutes: *Consider approval of minutes of the **January 10, 2011** meeting* and requested the minutes be changed to show the correct date of **December 27, 2010**.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously, the minutes of the January 10, 2011 Board meeting were approved as amended.*

#### CONSENT CALENDAR:

Member Di Giorgio requested Item a: *Meeting Schedule Approval* be pulled from the Consent Calendar. He stated that the Marin County Council of Mayors and Councilmembers Adhoc Committee on Pension Reform will be meeting on February 28<sup>th</sup> and requested the proposed Regular Board Meeting be scheduled on an alternate date. The Board discussed the proposed meeting change with the Manager and stated that the final decision will be made at the February 14<sup>th</sup> Board meeting.

Suzanne Brown-Crow asked for clarification of the disbursements, specifically the American Express payment showing a debit in the regular disbursements and also in the project account disbursements. The Manager explained that the American Express charges were broken out to be appropriately allocated to corresponding capital project accounts.

Member Welsh questioned the disbursement made to Ken Bowens. The Manager stated that Ken Bowens is an outside consultant working in the Laboratory.

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

- a. Approval of the following meeting schedule: February 14<sup>th</sup>, March 14<sup>th</sup> and 28<sup>th</sup>, April 11<sup>th</sup> and 25<sup>th</sup>.

- b. Approval of regular disbursements in the amount of \$343,228.92 and project account disbursements in the amount of \$157,163.80.

#### SOLID WASTE UPDATE:

##### - Report on Food Waste Composting roll out.

The Manager introduced Steve McCaffrey, Novato Disposal, who discussed the Food Waste Composting project which will be implemented District wide on January 31<sup>st</sup>. He discussed the flyers that will be distributed to the Novato residents and stated he will be reporting back to the Board in three months with a progress update of the Food Waste Composting program.

Member Quesada questioned how the Zero Waste goal would affect the profit margin of Novato Disposal. Mr. McCaffrey stated that Zero Waste is an important program to implement. He also stated that Novato Disposal's financial model was not designed to be dependent exclusively on proceeds from garbage collection.

Joan Irwin, Marin Food Scrap Recycling Task Force (MFSRTF), commended the Board for taking the step to begin collection of residential food scraps through the green waste recycling collection.

Member Fritz questioned why Novato Disposal received a rate increase for the new food scrap collection program if the amount of debris collected was not increasing. The Manager explained that even though the amount of debris collected from each resident will remain the same, there is a higher tipping fee for disposal of green waste with the addition of food scraps than for green waste disposal alone.

President Long discussed the importance of public outreach and public education to ensure the Food Waste Composting program's success. He stated the Board will look forward to receiving updates measuring the success of the program.

##### - Present Survey Results.

Steve McCaffrey gave a PowerPoint presentation of a survey Novato Disposal conducted through a third party. The survey asked respondents for their opinion of topics such as Novato Disposal's level of service and rates, recycling programs, and zero waste goals. The survey results reflected a high level of satisfaction with Novato Disposal and their current and proposed programs.

Suzanne Brown Crow, Novato resident, stated that she was contacted for the survey and expressed some concerns. She stated that overall, the poll results show Novato residents are very pleased.

**PUBLIC HEARING – CONSIDER RECOMMENDATIONS OF THE BOARD'S ADHOC FRANCHISE UPDATE COMMITTEE FOR MODIFICATIONS TO THE SOLID WASTE FRANCHISE AGREEMENT.**

President Long opened the Public Hearing at 7:12 p.m.

**- Committee Report.**

The Manager gave an overview of the Adhoc Solid Waste Franchise Update Committee which held a public workshop on January 19<sup>th</sup> to discuss the franchise proposal and to gain further public input on zero waste. She stated that the workshop was well attended and that she had also met individually with local citizens who had previously expressed an interest in solid waste issues.

Richard Tagore-Erwin, R3 Consulting, gave a presentation which outlined the District's intentions to amend the Solid Waste Agreement with Novato Disposal. The amendment proposes to include Zero Waste goals, provide community outreach services and extend the Franchise Agreement to December 31, 2025.

The Manager requested that all written comments be presented to the District by Friday, January 28<sup>th</sup> to allow time for review and response prior to bringing the revised Agreement back to the February 14<sup>th</sup> regular board meeting for final approval.

Curtis Michelini, Industrial Carting, discussed his facility in Santa Rosa and the services Industrial Carting offers. He discussed a proposal/letter he had previously presented to the Board.

Susan Stompe, Marin Conservation League, stated she did not feel she had adequate time to review the Amended Franchise Agreement. She stated she will attempt to have her comments prepared by Friday. She stated she was pleased to see recycling opportunities for commercial and multi-family units incorporated into the Agreement.

Delyn Kies, Sustainable Novato, requested additional time from the Board to accept comments on the Agreement. She expressed her appreciation for the opportunity to meet with Manager Beverly James to express Sustainable Novato's specific questions regarding the Draft Franchise Agreement. She addressed the Board with additional questions regarding the Agreement.

Ed Mainland, Sustainable Novato, discussed questions that were addressed at the Workshop and brought to the Board's attention additional issues Sustainable Novato would like to see addressed prior to the Agreement's finalization. He encouraged the Board to ensure the zero waste goals addressed in the Agreement have timelines and performance benchmarks.

Matt McCarron, AB939 Task Force and Novato resident, requested the Board hold annual workshops to discuss the progress of the zero waste goals and determine the effectiveness of the Agreement.

President Long closed public comment.

- Board comments.

President Long asked the Manager if the Board could take additional time to review and discuss the amended Agreement. The Manager replied that the Board could take additional time as needed but due to the roll out of the Food Scrap Composting program, time was of the essence.

The Board discussed the deadline for the Agreement and stated they would like to review all questions posed by the public and special groups prior to final approval.

Member Welsh stated he felt the Board should consider eliminating Novato Disposal's exclusivity in regards to the debris box rental arrangement. He felt other companies, such as Industrial Carting, should be allowed to enter the bidding process. Member Welsh commented that he had a long and favorable association with Industrial Carting when they transported the District's biosolids from the Ignacio facility to the dedicated land disposal (DLD) site.

Member Fritz questioned section 4.12.5 which addresses the need for a construction and demolition debris processing facility in Novato. Member Fritz asked why Novato Disposal could not continue to use their existing facility for this purpose. Steve McCaffrey stated that Novato Disposal does not currently own a Construction and Demolition Debris Processing Facility but has been using another facility for these materials. He stated that a closer location would benefit Novato Disposal and that jobs would be created by bringing this processing facility to Novato.

Richard Tagore-Erwin, R3 Consulting, clarified that Novato Disposal was mandated to take all construction and demolition debris to a licensed collection facility but did not mandate that the facility must be owned by Novato Disposal. He stated that it is at the Board's discretion to determine where Novato Disposal must take the debris.

Jim Salyers, Novato Disposal, commented on the fees Novato Disposal pays at the current facility for construction and demolition debris. He stated that there will be a significant cost savings to Novato Disposal when debris can be taken to their own facility.

Curtis Michelini, Industrial Carting, rebutted the comments of Mr. Salyers, stating that Industrial Carting's fees were lower than Mr. Salyer had stated.

Mr. Quesada requested an analysis be prepared for the debris box collection which shows the amount Novato Disposal charges for debris box versus the fee for the same service from Industrial Carting. President Long agreed and requested an analysis be prepared to show the pros and cons of an exclusive arrangement with Novato Disposal for debris box collection.

The Manager stated that this analysis would require a significant effort and that a similar report was prepared in 2008 when the debris box rates were adjusted. She noted that the debris box rates subsidize the Household Hazardous Waste program, E-Waste events and the Recycling and Buyback Center. The Manager also noted that having an exclusive arrangement with Novato Disposal allowed the District to track and monitor the collected debris without additional administrative costs. In addition, she stated that doing a rate analysis was beyond the scope of the current budget.

President Long requested a qualitative benefit and cost analysis of an exclusive arrangement. He stated that he would like the committee to meet again on this issue. He requested the Board take additional time to review the Agreement.

Steve McCaffrey, Novato Disposal, stated he would be happy to work with the Manager and the Board to provide the necessary information.

President Long closed the public hearing at 8:05 p.m. and thanked the public and all those who attended for their participation and input.

#### BOARD OF DIRECTORS:

##### - Wastewater Operations Committee Report.

The Manager summarized the Wastewater Operations Committee report for December 2010 as presented to the Wastewater Operations Committee at their meeting on January 20, 2011. She outlined the noted pH violation on December 27<sup>th</sup> and discussed the District's efforts to alleviate any future problems. The Manager gave an update on the current odor issue repairs and discussed a sludge line break which caused a spill.

Member Quesada questioned the odor beds and the bacteria development. The Manager noted that the odor control bed is currently shut down due to excavation and repairs. She stated that prior to the closure of the odor beds, the introduced bacteria appeared to be doing well.

Member Di Giorgio expressed his appreciation to Veolia Water for the knowledge they bring to the District both with their on-site employees and their outside employees and consultants.

Member Welsh questioned who would be paying for the odor control modification repairs. President Long stated it may be premature to file a claim at this time when the

reason for the odor issue is still unknown. The Manager commented on the repairs noting that RMC (Design Engineers) and The Covello Group (Construction Managers) are both aware of the situation. She stated that the repairs are currently authorized under a field order to the Contractor and the costs are being recorded.

Member Welsh stated that he did not feel the Novato Sanitary District should be responsible for any of the repair costs. He expressed his concern that, in time, the District may become responsible for the repairs. President Long agreed that the odor bed repair situation should be monitored and that a reconciliation should be prepared after there is a full understanding of the problem's root cause.

President Long requested that District Counsel Kent Alm address the issue at the next Board meeting when he is present. He would like Mr. Alm to advise the District on their options.

The Manager continued with the Wastewater Operations Committee report, discussing the Collection System Operations report for December 2010.

Member Welsh questioned John Bailey, Veolia Water, in regards to the supernatant line break that occurred at a cleanout. Mr. Bailey discussed the incident with the Manager and the Board. Member Welsh requested a tour of the broken line.

#### STAFF REPORTS:

##### - North Bay Water Reuse Authority Meeting.

The Manager reviewed with the Board the NBWRA Recycled Water Project, Phases One and Two. She discussed the Board's approval of Phase Two and outlined the additional expenses that have occurred. She estimated the District's cost to be approximately \$19,000.

The Manager stated that the first meeting of the NBWRA Board of Directors will be on February 14<sup>th</sup> at 9:30 a.m. at the District office.

#### MANAGER'S ANNOUNCEMENTS:

- New Facilities Committee on Wednesday, January 26<sup>th</sup> at 1:00 p.m. at the District office.
- Joint City/District Solid Waste Committee Meeting on Monday, February 7<sup>th</sup> at 4:30 p.m. at the District office.
- North Bay Watershed Association Meeting on Friday, February 4<sup>th</sup> in Petaluma.

- North Bay Water Reuse Authority Meeting on Monday, February 14<sup>th</sup> at 9:30 a.m. at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Beverly B. James, Secretary

Julie Borda, Recording