

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: October 26, 2015

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, October 26, 2015, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jean Mariani, Directors Jerry Peters, Gary Butler, William Long, and Brant Miller.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, and Administrative Secretary Julie Swoboda.

ALSO PRESENT: Laura Creamer, Finance Officer, Novato Sanitary District
John Bailey, Project Manager, Veolia
Erik Brown, Technical Services Manager, Novato Sanitary District
John O'Hare, Pretreatment Programs Manager, Veolia
William Shoen, Principal, R3 Consulting Group
David Pinter, R3 Consulting Group
Steve McCaffrey, Director of Governmental Affairs, Novato
Disposal Service

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the October 12, 2015 meeting.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the October 12, 2015 Board meeting minutes were approved.

CONSENT CALENDAR:

President Mariani called for a motion on the Consent Calendar items as follows:

- a. Approve capital project disbursements in the amount of \$144,888.29, and regular disbursements in the amount of \$353,493.03.
- b. Approve October 2015 payroll and payroll-related disbursements in the amount of \$193,367.65.
- c. Receive Accounts Receivable Report as of October 19, 2015.

- d. Receive report on Financial Transactions Report (FTR) and Government Compensation in California (GCC) report as filed with the State Controller's Office (SCO).
- e. Approve annexation of one unincorporated lot totaling 0.93 acres with a situs address of 568 Wilson Avenue, Assessor Parcel No. (APN) 146-180-62, to the Novato Sanitary District, and authorized the General Manager-Chief Engineer to execute and file the Agency Consent Form with the Marin Local Agency Formation Commission (Marin LAFCO).
- f. Reject claim from Phoenix Loss Control on behalf of Comcast Cable Company for recovery of costs for repair of Comcast vault allegedly buried by District contractor during Bel Marin Keys Pump Station Improvements Project.
- g. Approve the Household Hazardous Waste Grant Agreement with Mairn County Hazardous and Solid Waste Joint Powers Authority (JPA) for fiscal year 15-16.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the above listed Consent Calendar items were approved.

SOLID WASTE:

- Receive Solid Waste Committee report. The General Manager stated that the Solid Waste Committee met on October 20th at the District office and that the District's Household Hazardous Waste Coordinator, Dee Johnson of DLJ Associates, was present along with Committee members Mariani and Butler. He noted that Ms. Johnson was not at this Board meeting but that Steve McCaffrey of Novato Disposal was present for any questions from the Board. There was no discussion.

- Receive report on Calendar Year (CY) 2016 solid waste rate adjustment. The General Manager stated that the Solid Waste Rate Adjustment report as prepared by Mr. William Shoen of R3 Consulting Group was reviewed at the Solid Waste Committee meeting. He stated that the Committee confirmed the Refuse Rate Increase (RRI) based rate increase of +1.94% as per R3's calculations and recommended the increase be brought to the Board for approval.

The General Manager stated that prior to the Board meeting, an error was found in the cost category index value calculations and when corrected, the rate adjustment became +1.33%. He noted that an amended report had been prepared by R3 and submitted to the District. The amended Report had been presented to the Board members at the beginning of the meeting, and would be posted to the District website. He stated that in an abundance of caution, R3 reviewed the last three years of calculations to ensure accuracy and found no errors.

Mr. William Shoen of R3 stated that the mathematical error that resulted in the percentage change was as a result of a miscalculation in the fuel index values. He stated that after correcting this calculation, the overall rate adjustment was lowered from 1.94% to 1.33%. The Board asked that R3 provide to the Board the Excel spreadsheet,

which are the basis of the index calculations for review. Mr. Shoen stated he would do so.

Following this item, Laura Creamer, William Shoen, and David Pinter left the meeting at 6:26 p.m.

- Receive recommendation from Solid Waste Committee to approve a +1.33 percent rate increase, and approve the requested rate increase. To summarize, the General Manager stated that the Solid Waste Committee had previously recommended a rate increase of 1.94%. As previously shown, subsequent work indicated that the recommended rate increase can actually be lowered to 1.33%. He requested that the Board consider approval of a recommended rate increase of 1.33% for presentation at the upcoming rate hearing of November 9, 2015.

On motion of Director Miller, seconded by Director Peters and carried unanimously, the Board approved a recommended rate increase of 1.33% for presentation at the upcoming rate hearing of November 9, 2015.

President Mariani noted that each Board member had received a packet of anonymous correspondence which was delivered by USPS to the District office and presented to each Director prior to the meeting. The General Manager stated that the correspondence contained information relating to certain news items and regulatory reports filed in Sonoma County with allegations against The North Bay Corporation and Novato Disposal Service.

Steve McCaffrey of Novato Disposal Service stated that the information related to past events and that he has kept the Solid Waste Committee up to date on the issues discussed in the correspondence.

President Mariani categorized the correspondence as an informational item.

Steve McCaffrey left the meeting at 6:35 p.m.

WASTEWATER OPERATIONS COMMITTEE:

- Receive Wastewater Operations Committee Report. The General Manager stated that the Wastewater Operations Committee met on October 19, 2015, at 2:00 p.m. at the District office. John Bailey, Veolia Plant Manager, provided an overview of the Monthly Operations Report for September 2015 as presented to the Wastewater Operations Committee. He stated that the monthly average flow for September was 3.23 MGD (million gallons per day) and that water quality performance was excellent. He stated that the Recycled Water Facility produced 12.573 MG (million gallons) in September and that there were no excursions.

The Plant Manager outlined the monthly safety and training activities and noted that safety performance was excellent with Veolia employees completing 1,954 accident-free days as of September 30th. He provided an overview of the key operational and

maintenance activities for the month. He stated that there were eleven (11) contacts in September from three residents. Further discussion followed, focusing primarily on optimizing how such contacts are tracked and reported. The General Manager stated he would work with the Plant Manager on an optimized methodology.

The General Manager provided a summary of the odor control and landscaping report. He stated that operations staff continues to monitor the media for the odor control beds. In September, operations staff also assisted the District's odor consultant, Mr. Dave McEwen of Brown and Caldwell, in installing a pilot odor control system at the headworks area. He stated that Mr. McEwen is currently reviewing the data from the test period. He noted that the oleander plantings in the northeast corner of the plant site continue to thrive and that the District has received a request for additional oleander plantings.

The General Manager stated that the Field Services Manager was not at the meeting to present the Collection Systems report and that Erik Brown, Technical Services Manager, would make the presentation. Mr. Brown provided a summary of the Collection System Operations Report, and reviewed the department's performance for September 2015. He noted that staff cleaned a total of 63,461 ft. of sewer lines, televised a total of 9,492 ft., and performed smoke testing on 13,179 ft. of sewer main. He discussed training events the department participated in and stated that as of September 30th, District staff and the Collections Department have worked a total of 1,662 accident-free days.

The Technical Services Manager stated that there was one minor category III sanitary sewer overflow (SSO) in September, at 823 Reichert Ave. He noted that the total estimated discharge was approximately 8 gallons and that the probable cause was the result of root intrusion and debris in the line segment.

The Technical Services Manager provided a summary of the Reclamation Facilities report. He stated that the Rancher continued to work on weed management and sprinkler repairs. He stated that the failed culvert under the road to Pond No. 1 was replaced and that work to clean out the Sludge Lagoons was completed. He stated that a total of 58.24 million gallons of treated water was used for irrigation in September.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Water Reuse Authority (NBWRA). Director Long discussed his attendance at the NBWRA Board meeting which took place on October 26, 2015, at the Novato City Hall. He stated that North Bay Water Reuse Program Phase 2 details were discussed. He noted that a Phase 2 Feasibility Study status report was presented, and that program expansion and potential budget impacts were discussed.

INFORMATIONAL ITEMS:

- Article dated Oct 15, 2015 from the National Oceanic and Atmospheric Administration's (NOAA) Climate Prediction Center website titled "Strong El Niño sets the stage for 2015-2016 winter weather."

- Article dated Oct 15, 2015 from LA Times Titled "El Niño keeps getting stronger; new forecast for rain increases".

The General Manager noted that the amount of predicted precipitation by NOAA has increased since the report was provided and that the Bay Area is now predicted to receive 70% to 80% above the average seasonal precipitation.

GENERAL MANAGER'S ANNOUNCEMENTS:

- A Strategic Plan workshop will be held on November 19th between 9 a.m. and 4 p.m. at the District office.
- The General Manager was recently appointed to the Novato Chamber of Commerce Board of Directors.
- The next Regular Board meeting will be held on Monday, November 9th at 6:00 p.m. at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Mariani adjourned the meeting at 7:22 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording