

November 8, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, November 8, 2010, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President William C. Long, Members James D. Fritz, Michael Di Giorgio, George C. Quesada and Dennis Welsh.

STAFF PRESENT: Manager-Engineer Beverly James, Deputy Manager-Engineer Sandeep Karkal, District Counsel Kent Alm and Administrative Secretary Julie Borda.

ALSO PRESENT: Jo Heffelfinger, Novato resident
Dean Heffelfinger, Novato resident
Brant Miller, Novato resident
Delyn Kies, Novato resident
William Schoen, R3 Consulting Group
Steve McCaffrey, Novato Disposal

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 stated that the Board has not been given a Wastewater Operations Committee report since September. He requested the reports be presented at the next Board meeting.

Member Welsh questioned if District employees could be paid for working on political campaigns.

District Counsel Kent Alm clarified with Member Welsh that his question related to the employees who were present at the election recount for Measure F. Mr. Alm stated the employees were present on behalf of the District as observers/recorders for the recount procedure and were within legal parameters to do so.

President Long discussed his participation in a breakfast meeting sponsored by the Marin Conservation League. The League discussed food in the waste stream and emphasized the need to reduce solid waste in Marin County.

REVIEW OF MINUTES:

On motion of Member Quesada, seconded by Member Di Giorgio and carried unanimously, the October 26, 2010 Board meeting minutes were approved.

CONSENT CALENDAR:

Member Welsh discussed the District's approval of a contract with Aerotek in January, 2010 and noted the contract was for a period not to exceed six months. The Manager discussed employee transitions and explained that the Aerotek contract was for an employee currently working in the Collection Systems Department.

After further Board discussion, Member Fritz suggested the Aerotek payment be withheld from the Consent Calendar until the next Board meeting.

On motion of Member Fritz, seconded by Member Welsh and carried unanimously, the Board approved the following Consent Calendar item:

- a. Approval of regular disbursements (less the Aerotek disbursement of \$3,259.50) in the amount of \$891,590.91, project account disbursements in the amount of \$1,075,310.16, Board member disbursements in the amount of \$4,004.97 and ratification of October's payroll and payroll related disbursements in the amount of \$241,154.51.

SOLID WASTE:

Joint City District Solid Waste Committee Report: The Manager noted that Dee Johnson, Household Hazardous Waste Coordinator, will be at the December 13th Board meeting with more information on the Joint City District Solid Waste Committee Report. The Manager discussed a recent E-Waste Event, noting that it was very successful. She stated that Dee Johnson is working on a Zero-Waste Plan and that the District will be working with her to facilitate the plan.

President Long requested an item be placed on the December 13th Board meeting agenda to discuss and consider the District's participation in the County's Joint Powers Authority Zero-Waste Program.

Report on solid waste rate review: William Schoen, Principal, R3 Consulting Group, discussed the Final Letter Report – Review of Novato Disposal Services Requested Rate Adjustment for Calendar Year 2011. He stated that R3 recommended a calculated rate increase to Novato Disposal Services of 3.34%.

Appointment of Ad Hoc Solid Waste Franchise Update Committee: The Manager discussed the Franchise Agreement and recommended that an Adhoc Committee be

appointed to review the proposed rates and franchise agreement. She stated this committee would then make recommendations to the Board of Directors prior to setting a public hearing.

President Long appointed himself and Member Di Giorgio to the Ad Hoc Solid Waste Franchise Update Committee.

DISTRICT COUNSEL:

Update on legal expenses and procedures with regard to special meetings. District Counsel Kent Alm discussed the calculation of legal fees in regards to the EPA investigation. He discussed the three components of the District authorized defense: 1) defense of individually targeted employees; 2) the Board's request for counsel to represent the District as a whole; 3) legal costs reimbursable by the District's insurance. Mr. Alm reviewed the legal fees in detail with the Board.

Member Welsh questioned legal fees/charges after the April date in which the Board directed the legal team, Barg Coffin, to minimize costs, "pencils down", pending a final decision by the EPA. Member Di Giorgio pointed out that this discussion of "pencils down" was part of a closed session dialogue. Member Welsh responded that this topic has subsequently been discussed in open session after District Counsel declared the EPA investigation closed.

President Long noted that after the Board directed Barg, Coffin to cease working on the District's behalf, the EPA contacted the law firm and reopened the issue; Barg, Coffin in-turn responded to the EPA. In addition, District employees were never told to cease contact with their attorneys so costs for their representation continued to incur.

Kent Alm discussed with a member in the audience Meyers Nave fees and the District's insurance deductible costs.

Mr. Alm discussed the District's Special Board Meeting which took place on October 26th at 1:00 p.m. to coincide with the District's Ribbon Cutting Ceremony. He clarified the definition of a regular meeting and noted that it is fairly typical for a District to move a regular meeting to a different day/time after properly canceling the regular meeting. He discussed the proper methods for canceling a regular meeting to schedule a special meeting and who has the authority to do so. Mr. Alm suggested the District establish a policy to outline the procedures to hold a special meeting in place of a regular meeting.

Dean Heffelfinger, Novato resident, stated the public requested the Board meetings be held at 6:30 p.m. so the public could attend. He stated he expects the Board to continue to meet at 6:30 p.m. as previously established.

ADMINISTRATION:

Report on Fixed Asset Deletion. The Manager reported that as part of the District's annual audit process, staff has prepared a fixed asset report which includes reports of items added or deleted during the fiscal year.

Discussion of Audited Financial Statements for fiscal year ended June 30, 2010. The Manager noted that the auditor was not present but was possibly available by phone if any of the Directors had questions for him.

Member Welsh pointed out an outstanding invoice from one of the ranchers to whom the District leases property. The Manager discussed the rancher's participation in the lease and his financial responsibilities.

The Manager discussed how the audit process works and how the auditor determines which areas of the District's finances will be investigated.

President Long stated he felt it was appropriate for the Board to endorse management's acceptance of the auditor's recommendations.

On motion of Member Di Giorgio, seconded by Member Fritz and carried unanimously, the Board endorsed management's acceptance of the auditor's recommendations.

STAFF REPORTS:

Bahia Pump Station overflow. The Manager discussed an incident in which a Bahia Pump Station overflowed approximately 17,000 gallons into a small pond adjacent to the pump station. The Manager discussed the actions the District took in regards to the overflow and the subsequent monitoring of the spill site.

Member Welsh requested a copy of the full spill report, excluding employee names, after it is completed.

Kathleen Russ, Vice President of the Bahia Homeowners Association, requested the District release full details of the spill to her. She suggested all Directors visit the Bahia ponds and stressed the importance that the Bahia homeowners be notified whenever there is an overflow in that area. She requested a District liaison be appointed to address the Bahia Board meeting in two weeks to discuss the overflow in full detail.

Member Welsh requested the District have on hand the names of all the homeowners associations for notification purposes for any future sewage overflows. The Board discussed a phone notification system.

North Bay Watershed Association Meeting. The Manager noted that the North Bay Watershed Association met on November 5th in the District board room. Member Di Giorgio, representative for the District, discussed the presentations.

MANAGER'S ANNOUNCEMENTS:

- Wastewater Operations Committee meeting on Monday, November 15th, at the District office at 2:30 p.m.

ADJOURNMENT:

There being no further business to come before the Board, President Long declared the meeting adjourned at 8:11 p.m.

Respectfully submitted,

Beverly B. James
Manager Engineer

Julie Borda, Recording