

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, December 12, 2011, preceded by a closed session beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:52 p.m. President Long announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION – ONE POTENTIAL CASE.

Initiation of litigation pursuant to Subsection (c) of Government Code Section 54956.9.

BOARD MEMBERS PRESENT FOR CLOSED SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, Jerry Peters and Dennis Welsh.

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

The closed Session ended at 6:50 p.m.

Open session began at 6:55 p.m.

BOARD MEMBERS PRESENT FOR OPEN SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, Jerry Peters and Dennis Welsh.

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

ALSO PRESENT: John P. O'Hare, Technical Manager, Veolia Water
Steve McCaffrey, Director of Governmental Affairs, Novato Disposal
Bob Guinan, Novato resident
Joe Carlomagno, Novato resident
Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long approved the Agenda.

REPORT FROM CLOSED SESSION:

President Long announced that there was no reportable action.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the November 14th, November 28th, and December 6th, 2011 Board meetings.

Member Peters stated he would abstain from voting on the November 14th and 28th meetings because he was not on the Board at that time.

On motion of Member Di Giorgio, seconded by Member Mariani and carried with the following vote, the November 14th and 28th, 2011 Board meeting minutes were approved. Ayes: Di Giorgio, Long, Mariani, Welsh. Abstain: Peters.

On motion of Member Di Giorgio, seconded by Member Mariani and carried unanimously, the December 6th, 2011 Board meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$313,178.46, project account disbursements in the amount of \$5,290,442.32 and Board member disbursements in the amount of \$3,349.82.

President Long questioned the \$5,238,330.49 payment to the State Water Resources Control Board. The Manager stated that this payment was the first installment on the State Revolving Fund loan.

WASTEWATER TREATMENT FACILITY UPGRADE PROJECT 72609:

Receive report and consider approving a change order with Gateway Pacific or authorizing staff to issue a request for bids for the Novato Treatment Plant Biofilter retrofits. The Manager reviewed the revised Odor Control Implementation Plan and stated that a number of steps have been taken to alleviate the odors. She stated that the bioxide feed had been installed and calibrated and that there has been a 75% reduction of sulfide readings in the primary clarifier head space. She stated that H₂S readings have also declined in the Lea Dr. neighborhood.

The Manager stated that three sample fence panels have been installed as part of the District's efforts to achieve visual screening and aeration basin odor dispersion for the Lea Dr. neighborhood. She will receive feedback from the neighborhood as to which panel is preferred and will direct District Field Services Supervisor Steve Krauthaim to begin the process of obtaining bids for completion of the fence.

The Manager stated that Winzler & Kelly has completed the design of the retrofit of the odor control biofilter and this design has been reviewed by Jim Joyce, Odor Consultant. She stated that as of December 9th, negotiations are ongoing with Gateway Pacific with regard to their performing the biofilter retrofit work under a negotiated change order. She stated that because Gateway Pacific is working under a Federal Grant for the project, it may not be appropriate or possible for them to complete the odor control retrofit. For this reason, she recommends the Board authorize issuing a request for bids from additional contractors for the biofilter retrofits.

Bob Guinan, Novato resident, stated that odors remain a persistent problem in the neighborhood and he asked if the District had prepared a report on related health concerns from sewer odors. He asked if the odor implementation plan will be completed by the original target date of January 31, 2012 or will it be extended.

The Manager stated that the odor implementation plan completion will probably be extended by one month. She stated that sending the project out for bidding would create about a one month delay and that she hopes that the bid package will be ready for Board approval at the January 9th Board meeting.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board authorized the Manager to issue a Request for Bids from additional contractors for the biofilter retrofits.

SOLID WASTE COLLECTION RATES:

Confirm allowable maximum solid waste collection rates in accordance with the March 2011 Solid Waste Franchise Agreement between Novato Sanitary District and Novato Disposal Service. The Manager noted that Steve McCaffrey, Director of Governmental Affairs, Novato Disposal, was present. She stated that the Franchise Agreement which was approved in March 2011, included an annual mechanism for adjusting rates based on the Refuse Rate Index (RRI). She noted that Novato Disposal submitted a rate adjustment request for an increase of 2.47% on November 10, 2011. She stated that District staff requested R3 Consulting Group to review the request and confirm that it was accurate and consistent with the Agreement. After completing their review, R3 Consulting Group recommended a rate increase of 2.43% and the Manager requested the Board approve the increase to the new maximum rates.

Member Peters questioned how the commercial rate for debris box services compare to other debris box service providers. The Manager stated that she will provide Member Peters with a rate comparison. She noted that other counties may have lower rates but the level of services they provide is not always comparable. She mentioned that the rates support the Household Hazardous Waste Facility and other services to the Novato residents and businesses.

Steve McCaffrey stated that Novato Disposal operates at a higher standard due to strict regulations.

On motion of Member Mariani, seconded by Member Di Giorgio, and carried unanimously, the Board approved the maximum rate increase of 2.43% for solid waste collection rates in accordance with the March 2011 Solid Waste Franchise Agreement between Novato Sanitary District and Novato Disposal Service.

BOARD OF DIRECTORS:

Consider terminating County of Marin Kaiser Healthcare subgroup for Board of Directors and consider setting a reimbursement limit for health care premiums for Board members.

The Manager stated that the District has provided the healthcare coverage option for Board members through a Marin County Kaiser Healthcare subgroup. She noted that currently there are no members enrolled in this plan and so requested the Board consider terminating the plan.

The Board discussed setting a monthly maximum monetary reimbursement rate and Member Di Giorgio suggested the rate be set at \$200/month plus the dental coverage benefit of \$68.52/month.

District Counsel Kent Alm stated that he has not reviewed the matter but noted there are limitations. He stated that Board members cannot receive any benefits that are not also made available to the District employees.

The Manager stated that District employees currently are offered a cafeteria type plan where if the employee refuses medical coverage and can provide written documentation of coverage elsewhere, the employee can be reimbursed up to \$350/month.

President Long requested the item be tabled until such a time when the Manager can gather additional information on the matter. He suggested the item be reviewed in further detail at a subsequent Board meeting.

No action was taken.

Presidential committee appointments.

President Long made the following appointment to the **Joint City/District Solid Waste Standing Committee** for fiscal year 2011/12:

Jerry Peters
Jean Mariani
William C. Long, Alternate

President Long made the following appointment to the **Wastewater Operations Standing Committee** for fiscal year 2011/12:

Michael Di Giorgio
Dennis Welsh
Jerry Peters, Alternate

Be it noted that all other Committee appointments remained the same.

ADMINISTRATION:

Review Accounts Receivable Report. The Board reviewed the report with the Manager. It was noted that receivables over 31 days old amount to \$37,326.60 which represents less than one half of one percent (0.41%) of the District's total budgeted operating revenue of \$8,954,956 for fiscal year 2011/12.

Consider approval of a Resolution authorizing investing District monies in the Local Agency Investment Fund. The Manager stated that the District currently has an account for reserve funds with the Local Agency Investment Fund (LAIF) and noted that LAIF can set up a second account for the proceeds of the Certificates of Participation administered by Bank of New York Mellon. She requested the Board approve the resolution which will authorize the establishment of a second account for the proceeds.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board approved Resolution No. 3038: A Resolution of Novato Sanitary District Authorizing Investment of District Monies in Local Agency Investment Fund.

Authorize staff to establish an account in the Local Agency Investment Fund for the proceeds from the sale of the Certificates of Participation.

On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board authorized staff to establish an account in the Local Agency Investment Fund for the proceeds from the sale of the Certificates of Participation.

BOARD MEMBER REPORTS:

North Bay Watershed Association meeting. Member Di Giorgio commented on his attendance at the North Bay Watershed Association meeting which was held on December 2nd at the Petaluma Community Center. He noted that presentations were given on the Upper Petaluma River in regards to the Flood Control/Groundwater Recharge Project.

Member Mariani expressed her appreciation for the Chamber of Commerce mixer which was held on December 6th and hosted by Veolia Water.

President Bill Long stated he participated in a tour of the Novato Sanitary District treatment facility with the North Bay Water Reuse Authority. Participating in the tour was Mark Cowin, Department of Water Resources Director and Anthony Saracino, California Water Commission Chairman. President Long stated the participants showed support of the District's recycled water programs and stated the District may be seen as a potential model for other wastewater facilities wishing to utilize reclaimed water.

MANAGER'S ANNOUNCEMENTS:

The Manager stated that as part of the BACWA Recycled Water Committee, she toured East Bay Municipal Utilities District's RARE (Richmond Advanced Recycled Expansion) project on December 7th. She stated that the RARE project utilizes diverse technologies and noted that the tour was informative and very interesting.

The Manager noted that the District offices will be closed on the following days: December 26th and January 2nd.

The Manager stated that the Wastewater Operations Committee will meet on December 19th at 2 p.m.

The Manager stated that the next regular Board meeting will be held on January 9th.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the Board meeting at 7:43 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording