

August 9, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, August 9, 2010, at the District Office, 500 Davidson Street, Novato.

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

BOARD MEMBERS ABSENT: Dennis Welsh.

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

ALSO PRESENT: John O'Hare, Veolia Water  
John Bailey, Project Manager, Veolia Water  
Steve Clary, RMC Water & Environment  
Bruce Presser, RMC Water & Environment  
Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

*On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously by those members present, the agenda was approved as mailed.*

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS:

Member Quesada reported on a personal matter, noting he became a grandfather on Friday, August 6<sup>th</sup>.

REVIEW OF MINUTES:

Consider approval of minutes of the July 26, 2010 meeting.

*On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously by those members present, the minutes of the July 26, 2010 Board meeting was approved.*

ENVIRONMENTAL MANAGEMENT SYSTEM:

Initial audit report. The Manager introduced Harry Cullen of KullQual Enterprises. Mr. Cullen gave a presentation titled *Novato Sanitary District Audit Summary* which outlined

the benefits of an ISO 14001 environmental management system. He stated that an audit scope was conducted at the District on June 7<sup>th</sup> and 8<sup>th</sup> and he outlined key environmental aspects to Operations, Laboratory, Administration, and new plant construction. In his presentation, Mr. Cullen discussed the seventeen observations that he found during his audit and the importance of safety records/documentation.

The Manager explained in more detail how the District would implement the program and noted that outside auditors would come in to review the District's environmental management system program. She noted that some audit tasks that would be performed by the ISO 14001 were already budgeted for with the implementation of the Veolia contract and the necessary ongoing review.

Member Fritz questioned how much additional staff would be needed to implement the ISO 14001 program. The Manager stated that one full-time person would be added to staff for a minimum of one year and an outside consultant would be needed to assist with implementation of the program.

Member Di Giorgio stated that he would hope Veolia Water would have an SOP (Standard Operating Procedures) program in place that would attend to District operating procedures and asked if the District would be duplicating efforts if an ISO 14001 program was put in place. He questioned what the cost would be to implement an ISO 14001 program.

President Long stated that the ISO 14001 environmental management system would provide the Board with critical information regarding the District's operations.

Member Quesada requested an item be placed on a future agenda to appoint a standing committee to address the ISO 14001 program needs.

President Long opened the item for public comment.

Brant Miller, Novato resident, stated that he was previously supportive of the ISO 14001 quality management system. At this time, he advises the Board to be cautious in moving forward.

President Long closed public comment.

John Bailey, Veolia Water, addressed Member Di Giorgio's question regarding Veolia's contracted obligation to prepare SOP's for the District. He stated that Veolia Water is responsible for the preparation of the SOP's in relation to the operation and maintenance of the treatment facility at no additional cost. President Long confirmed that the Veolia contract does not include safety and oversight procedures for the Lab or for the Administrative portion of the District.

The Manager suggested the District work with Harry Cullen to develop a price structure for specific tasks to determine if the District should proceed with the implementation of an ISO 14001 program.

CONSENT CALENDAR:

Member Di Giorgio requested item 7b., *Consider approval of the quarterly investment report* be pulled from the Consent Calendar.

*On motion of Member Quesada, seconded by Member Fritz and carried unanimously by those members present, the following Consent Calendar items were approved:*

- a. Consider granting final acceptance and authorizing staff to file the Notice of Completion for the Center Road/Wilson Avenue Sewer Project Phase A.
- c. Approval of regular disbursements in the amount of \$538,460.45, project account disbursements in the amount of \$706,675.33, payroll and payroll related expenses in the amount of \$293,319.58 and Board member disbursements in the amount of \$3,104.97.

Member Di Giorgio discussed the Quarterly Investment Report and asked for clarification of the data. The Manager discussed the report in more detail. Member Di Giorgio requested additional information be detailed and requested ending balances be shown. The Manager stated she would consult with Tom Gaffney and provide information on alternative investments when the final budget is brought before the Board for approval. In addition, she stated she would bring the revised report back before the Board.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those members present, the Board approved the quarterly investment report.*

WASTEWATER TREATMENT PLANT UPGRADE – CONTRACT B, PROJECT 72609:

- Report on options for strengthening junction boxes: The Manager briefly explained the location of the two junction boxes and noted that their structure has been determined to not be strong enough to withstand the water pressures that could be generated under peak flow conditions. The Manager and Steve Clary explained the structure of the current boxes and detailed the necessary upgrades.

- Consider making CEQA findings.

- Consider authorizing staff to either approve a change order to strengthen junction boxes or to approve issuing separate contracts for junction boxes 2 & 3.

Member Fritz requested staff approve a change order from Monterey Mechanical to complete the necessary repairs.

The Manager discussed the benefits to obtain quotes from the contractors on the bidders list under the Uniform Construction Cost Accounting procedures for a separate contract for each of the boxes.

*On motion of Member Fritz, seconded by Member Di Giorgio and carried with the following vote, the Board authorized staff to either approve a change order from Monterey Mechanical for an amount not to exceed \$292,000 or to obtain quotes from the contractors on the bidders list under the Uniform Construction Cost Accounting procedures for a separate contract for each of the boxes at a cost not to exceed \$125,000 per junction box. The work must be completed by October 15, 2010. Additionally the Board authorized the making of CEQA findings. Ayes: Long, Di Giorgio, Fritz. No: Quesada. Absent: Welsh.*

### BOARD OF DIRECTORS

- Presidential appointment of Ad-Hoc Recycled Water Committee. The Manager outlined the District's need to create an Ad-Hoc Recycled Water Committee to work with North Marin Water District to discuss issues that would arise from the new recycled water project to be built at the Davidson St. treatment facility. She noted that the District's ad-hoc committee would meet with the North Marin Water District's ad-hoc committee to resolve any issues between the two agencies.

President Long appointed himself and Member Fritz to the Committee. In addition, he appointed Member Quesada as an alternate.

### ADMINISTRATION:

- Consider approval of a proposal from Rauch Communications for public outreach for 2010/11. The Manager detailed public outreach services that Martin Rauch of Rauch Communication Consultants has provided in the past fiscal year. She discussed with the Board additional outreach services she would like Rauch Communications to provide in 2010/11. She requested the Board approve a proposal from Rauch Communication to provide ongoing public outreach services for the 2010/11 fiscal year for a contract amount not to exceed \$70,000.

Member Fritz requested clarification of the services Rauch Communications has provided to the District. The Manager outlined his services.

President Long stated the Board should be informed of strategic messages Rauch Communications will publicize and requested the Board be made aware of new topics to be used for public outreach.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those Members present, the Board approved a proposal from Rauch Communication Consultants to provide public outreach services for the 2010/11 fiscal year.*

Member Quesada questioned District Counsel Kent Alm as to the legality of the District passing a resolution acknowledging those individuals who worked on the “Yes on F” campaign. Mr. Alm stated that public funds could not be used to prepare and send such an acknowledgement, but Board members individually could proceed as they wished. He stated he felt the preparation and passing of such a resolution was outside the business of this District and that all Members of the Board may not share the same view on the matter as Member Quesada.

- Consider approval of a proposal from RMC Water to provide required NPDES permit studies and reports. The Manager noted that Monica Oakley of Oakley Water has worked with the District for several years on various permit renewals. She stated that the new permit requires a number of special studies and reports that the District staff will need assistance in preparing.

In addition, the Manager pointed out that Oakley Water has now merged with RMC Water. The Manager requested the Board approve a proposal from RMC Water to provide required NPDES permit studies and reports for a contract amount not to exceed \$55,000.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those members present, the Board approved a proposal with RMC Water for a contract amount not to exceed \$55,000.*

#### RECLAMATION FACILITY BIOSOLIDS DISPOSAL:

- Consider acceptance of a proposal from Custom Tractor Service (CTS) to transfer biosolids from the storage ponds to the dedicated land disposal site. The Manager briefly explained the District’s annual disposal of waste biosolids into the Dedicated Land Disposal (DLD) area at the Reclamation Facility.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those Members present, the Board authorized the Manager-Engineer to enter into an agreement with CTS for a not-to-exceed amount of \$65,000 for sludge injection and an agreement not to exceed \$65,000 for cleaning out the sludge lagoons.*

- Consider approval of a proposal from Custom Tractor Service to complete the rehabilitation of four irrigation parcels at the Reclamation Facility. The Manager briefly explained Custom Tractor Service’s proposal to complete the rehabilitation of Parcels 21, 25, 34 and 38. She requested the Board approve the proposal from Custom Tractor Service for rehabilitation services for an amount not to exceed \$90,000.

*On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those Members present, the Board approved a proposal with Custom Tractor Service to rehabilitate irrigated parcels 21, 25, 34 and 38 for an amount not to exceed \$90,000.*

STAFF REPORTS:

- North Bay Water Reuse Authority (NBWRA). The Manager stated that the Memorandum of Understanding will soon be coming before the Board with final revisions. She expressed her appreciation to Ginger Bryant for her dedicated work in achieving a project completion date extension to the Fall 2012.

MANAGER'S ANNOUNCEMENTS:

- LAFCO will meet on August 12<sup>th</sup> at 7PM. No issues are pending that will affect the District.
- The Wastewater Operations Committee will meet on Monday, August 16<sup>th</sup> at 2PM.
- The Joint City District Solid Waste Committee will meet on Monday, August 16<sup>th</sup> at 4:30PM.
- Regarding tax reporting for Director's compensation, District Counsel stated the IRS requested the compensation be reported on a W-2 form. The Manager stated she will contact a tax specialist to understand the correct procedure for reporting this income.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:22 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Borda, Recording