

October 22, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, October 22, 2012, at the District offices, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Brant Miller, Novato resident  
John O'Hare, Operations Technical Support, Veolia Water  
Bill Thompson, Veolia Water  
Barbara Salzman, Marin Audubon Society (*Arrived at 7:05 p.m.*)

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The Manager asked if items 11b. and 11c. could be discussed at 7:00 p.m. as Barbara Salzman, Marin Audubon Society, would be in attendance at that time for discussion. President Di Giorgio agreed and the agenda was approved.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the October 8, 2012 Board meeting.

Member Welsh requested the minutes be modified as his statements were not accurately recorded. The changes on page 4, paragraph 4, were as follows: *Member Welsh expressed his dissatisfaction with the cost of the proposal management fees and stated he was not willing to give his approval. He said he felt the digester cleaning and sludge disposal were maintenance activities and that Veolia should be responsible for all costs associated with these activities.*

*On motion of Member Mariani, seconded by Member Peters and carried unanimously, the minutes of the October 8, 2012 Board meeting were approved as revised.*

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$156,554.45, capital project disbursements in the amount of \$399,357.31, and payroll and payroll related disbursements in the amount of \$222,213.14.

### SOLID WASTE:

- Consider confirmation of no change to solid waste rates for 2013. The Manager stated that Novato Disposal had submitted to R3 Consulting Group, Inc. its Rate Adjustment Application for 2013 in which a 0.04% rate adjustment was requested. She noted that after the application was reviewed, R3 Consulting Group calculated a rate adjustment of -0.13%. The Manager stated that under the Franchise Agreement, if the calculation by the independent consulting company resulted in a negative number, there shall be no adjustment of the Service Rates. She stated that Novato Disposal had reviewed the R3 report and concurred with the conclusions.

The Manager requested the Board confirm that there will be no change to the rates for 2013.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board denied Novato Disposal Service's requested 0.04% rate adjustment and confirmed that there will be no change to the Solid Waste Rates for 2013.*

### WASTEWATER OPERATIONS REPORT:

- Wastewater Operations Committee report. The Manager provided a summary of the September wastewater treatment, collection, and reclamation facilities reports. She noted that water quality performance for September 2012 was excellent and that there were no significant maintenance issues. She reviewed the proposed Ignacio and Novato No. 2 digester cleaning. The Manager discussed the recycled water plant startup and noted that the District began delivering recycled water on September 17<sup>th</sup>.

The Manager discussed ideas for increased outreach to Novato plumbers and noted that a banner ad has been placed on the Novato Patch website which instructs residents to call the Novato Sanitary District immediately if they are aware of a sanitary sewer overflow.

- Staff report on odor control and landscaping. The Manager reported that the fence on Lea Drive has been installed. Member Peters discussed the oleanders and tulip trees in the landscaped area and reported that some have been damaged by deer. He asked if the weeds in the lower area of Lea Drive could be managed as they are growing very tall. The Manager reported that Cagwin and Dorward are called on an as-needed basis and that the landscaping in that area will be allowed to grow naturally.

Member Welsh asked how wild fires in the newly landscaped area would be handled. The Manager stated that there is a water hydrant available in that area to provide water service quickly in the event of a fire.

NORTH BAY WATER REUSE AUTHORITY:

- Consider authorizing the District's representative to the NBWRA Board of Directors to approve the Final Phase 2 Scoping Study proposal and NBWRA budget amendment.

The Manager discussed the North Bay Water Reuse Authority (NBWRA) Final Phase 2 Scoping Study proposal. She discussed the agencies participating in the Study and the projects that would be included. She stated that the NBWRA Board will be considering approval of the Phase 2 Scope of Work and will be authorizing execution of a contract with CDM-Smith to complete the work. The Manager stated that the NBWRA Board will be considering a budget amendment to complete the Phase 2 work. She stated that the total cost to the District for the Scoping Study is \$40,312, of which \$20,156 will be for the 2012-13 fiscal year.

She requested the Board authorize the District representative, William Long, to approve the budget amendment and proposal. She requested the Board authorize "an amount not to exceed \$30,000" for the Scoping Study for fiscal year 2012/13.

*On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board authorized NBWRA District Representative William Long to approve the Final Phase 2 Scoping Study proposal and to approve the NBWRA budget amendment in an amount not to exceed \$30,000.*

ADMINISTRATION:

- Consider approval of the revised "Novato Sanitary District Statement of Investment Policy".

Member Mariani requested this item be tabled until the next Board meeting to allow for Board discussion of alternative investment options which were brought to her attention at the recent CSDA conference. The Manager stated that the Investment Policy is reviewed annually and Board approval included as per the District's audit requirements. She suggested the Board approve the Statement of Investment Policy and address additional changes to the Policy in the Finance Committee at a later date.

The Manager gave an overview of the changes to the Investment Policy.

*On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board accepted the revised Novato Sanitary District Statement of Investment Policy.*

- Consider accepting the Asset Deletion Report. The Manager reviewed the District's Asset Deletion Report for fiscal year 2011/12. She noted that this report is part of the annual budget process.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board accepted the Asset Deletion Report for Fiscal Year 2011/12.*

- Review quarterly investment report. The Manager reviewed the District's Quarterly Investment Report for quarter ended September 30, 2012. She discussed transfers to the LAIF (Local Agency Investment Fund) account and noted that the current LAIF interest rate is 0.35%.

#### CAPITAL PROJECTS:

- Review bids received for the 2012 Pipeburst Project, consider rejecting all bids, and authorize the Manager-Engineer to so inform all bidders. The Manager stated that on August 27<sup>th</sup>, 2012, the Board approved the 2012 Pipebursting Project and authorized staff to advertise for bids. On September 25<sup>th</sup>, 6 bids were received. She stated that staff has reviewed the bids and recommends that the Board of Directors reject the bids as allowed under Section 20166 of the Public Contract Code.

*On motion of Member Long, seconded by Member Peters and carried unanimously, the Board rejected all bids received for the Annual Collection System Repairs-2012 Pipeburst Project; Project 72706, Phase H.*

President Di Giorgio noted that Barbara Salzman, Marin Audubon Society, had arrived and that the Board would now review items 11b. and 11c.

- Consider making CEQA findings and issuing a Notice of Exemption for the Simmons Slough Wetlands Enhancement Project. The Manager stated that the District has, as part of the San Francisco Bay Regional Water Quality Control Board Settlement Agreement R2-2012-0012 (the Agreement), agreed to fund the following Supplemental Environmental Project (SEP): Simmons Slough Wetlands Enhancement Project.

The Manager stated that under the Agreement, the District must provide the SF Regional Board with documentation of CEQA compliance. In addition, she stated that the Marin Audubon Society has evaluated the project, is implementing the SEP, and has prepared a Notice of Exemption for filing by the District.

*On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board made CEQA findings and authorized the issuance of the Notice of Exemption for the Simmons Slough Wetlands Enhancement Project.*

- Consider making CEQA findings and issuing a Notice of Exemption for the Bahia Tidal Pond Enhancement and Marsh Monitoring Project. The Manager stated that the District has, as part of the San Francisco Bay Regional Water Quality Control Board Settlement Agreement R2-2012-0012 (the Agreement), agreed to fund the following Supplemental Environmental Project (SEP): Bahia Tidal Pond Enhancement and Marsh Monitoring Project.

The Manager stated that under the Agreement, the District must provide the SF Regional Board with documentation of CEQA compliance. In addition, she stated that

Marin Audubon Society has evaluated the project, is implementing the SEP, and has prepared a Notice of Exemption for filing by the District.

*On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board made CEQA findings and authorized the issuance of the Notice of Exemption for the Bahia Tidal Pond Enhancement and Marsh Monitoring Project.*

The Manager stated that she is pleased to cooperate with the Marin Audubon Society to complete the SEP projects.

- Consider granting Final Acceptance of the 2012 Miscellaneous Sewer Repairs Group 2, and authorize staff to file the Notice of Completion. The Manager stated that on June 11, 2012, the Board awarded the contract for the 2012 Miscellaneous Sewer Repairs Group 2 Project to W.R. Forde & Associates for a low bid amount of \$83,910. She stated that the work began on August 10<sup>th</sup> and substantial completion was reached on August 31<sup>st</sup>. The Manager noted that the final cost to complete the project was \$83,535.68 or \$374.32 lower than the Contract amount.

The Manager requested the Board grant Final Acceptance of the Project and authorize staff to file the Notice of Completion.

*On motion of Member Peters, seconded Member Mariani and passed unanimously, the Board granted Final Acceptance to W.R. Forde & Associates for the 2012 Miscellaneous Sewer Repairs Group 2 Project and authorized staff to file the Notice of Completion.*

- Consider approval of proposal from Custom Tractor to rehabilitate irrigated parcels at the Reclamation Facility in the not-to-exceed amount of \$96,000, and authorize the Manager-Engineer to execute a contract in this amount. The Manager stated that in 2010, the District began a program to rehabilitate parcels of irrigated pasture land throughout the Reclamation Facilities. She gave an overview of rehabilitative work already completed and stated that the proposal from Custom Tractor is the second year of the two year process on Parcel 38 and Parcel 78. She stated that the proposal also includes beginning the first year rehabilitation process on Parcel 24 and Parcel 28.

*On motion of Member Mariani, seconded by Member Long and carried unanimously, the Board accepted Custom Tractor Supply's proposal in the not-to-exceed amount of \$96,000 for the rehabilitation of irrigated parcels of the Reclamation Facility and authorized the Manager-Engineer to execute a contract in this amount.*

At 7:25 p.m., President Di Giorgio declared a ten minute recess.

At 7:30 p.m., President Di Giorgio reconvened the Board meeting.

NPDES PERMIT:

- Report on Settlement Agreement R2-2012-0012 with the San Francisco Regional Water Quality Control Board. District Counsel Kent Alm reviewed the Settlement Agreement and Stipulation for Entry of Order; Order no. R2-2012-0012 from the San Francisco Bay Regional Water Quality Control Board. He discussed the State enforcement policy and stated that the total settlement amount is \$354,240.72. He stated that the complete Settlement Agreement was available on the District's website.

President Di Giorgio commended Kent Alm, Davina Pujari of Barg, Coffin, Lewis and Trapp, District staff and the experts who testified on behalf of the District. Member Long seconded President Di Giorgio's comments.

BOARD MEMBER REPORTS:

President Di Giorgio discussed his attendance at the North Bay Watershed Association meeting which was held on October 12<sup>th</sup>. He commented on a report from Mark Holmes on the topic of sea level rise and stated that the Association discussed levees.

MANAGER'S ANNOUNCEMENTS:

- The Strategic Planning/New Facilities Committee will meet on Thursday, November 1<sup>st</sup> at 2:30 p.m. at the District office.

- The Wastewater Operations Committee will meet on Monday, November 19<sup>th</sup> at 2:00 p.m. at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the Board meeting at 7:57 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Swoboda, Recording