

January 9, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, January 9, 2012, preceded by a closed session beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:32 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 LABOR NEGOTIATORS:

a) District designated representatives: Beverly James, Sandeep Karkal
Employee organization: International Brotherhood of Teamsters Local 315.

b) District designated representative: Beverly James
Unrepresented employees: Deputy Manager-Engineer, Administrative Services Manager, Finance Officer, Field Services Superintendent, Collection System Superintendent, Senior Engineer, Administrative Secretary.

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 for all Closed Sessions. Deputy-Manager Engineer Sandeep Karkal was present in closed session (a) from 5:32 p.m. to 6:05 p.m. District Counsel Kent Alm and Deputy Manager-Engineer Sandeep Karkal were present in Closed Session Conference with Legal Counsel from 6:10 p.m. to 6:37 p.m. when closed session ended.

Closed session ended at 6:37 p.m.

Open session began at 6:43 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

John Bailey, Project Manager, Veolia Water
Bob Guinan, Novato resident
Jamie Erze, Novato resident
Brant Miller, Novato resident
Wally Holmes, Novato resident
Camille la Pointe Lyons, Novato resident
Steve Lyons, Novato resident
Patti Johnstone, Novato resident
Suzanne Crow, Novato resident
Marty Wise, Novato resident
Pam McMurphy, Novato resident
Dasse de longh, NSD employee, 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. District Counsel Kent Alm stated that reportable action in regards to the Closed Session Conference with Labor Negotiators would be reviewed as agenda item number 10: Personnel.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the December 12th, 2011 meeting.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the December 12th, 2011 Board meeting minutes were approved.

CONSENT CALENDAR:

On motion of Member Di Giorgio, seconded by Member Mariani, and carried unanimously, the following Consent Calendar items were approved:

- a. Set meeting dates of January 23rd, February 13th and 27th.
- b. Received accounts receivable statement.
- c. Approval of regular disbursements in the amount of \$131,820.91, project account disbursements in the amount of \$703,165.70 and payroll and payroll related disbursements in the amount of \$223,648.06. Ratification of December regular disbursements in the amount of \$81,719.25 and December project account disbursements in the amount of \$226,540.78.

WASTEWATER TREATMENT FACILITY UPGRADE PROJECT 72609:

Receive progress report on odor control, noise abatement, and visual screening. The Manager reported that the District has completed the bioxide feed equipment addition at the Bahia, Ignacio, Olive, and East Hamilton pump stations. She noted that the hydrogen sulfide (H₂S) concentrations in the headspace of the influent pump station, headworks and clarifiers have been further reduced to an average of 10 ppm.

In regards to the odor bed retrofit, the Manager stated that Winzler & Kelly has completed and received design review approval from Jim Joyce. They have obtained bids for the project construction and will proceed with construction of the retrofit pending approval of the agreement with the District. Construction is anticipated to take approximately six weeks.

The Manager gave an update on the visual screening efforts. She stated that the District has authorized Cagwin & Dorward to proceed to install additional landscaping along Lea Drive. It is anticipated that this work will be completed by January 31st. She stated that the District will also be installing a privacy fence along the border of the treatment plant and noted that the Recycled Water Project Contractor's storage trailer has been repainted to remove the graffiti.

The Manager stated that District staff met with neighbors and determined that the source of noise was coming from the blower units. She stated that soundproofing was added to the piping on January 3rd and further steps will be taken as necessary after the biofilter retrofit is completed.

Several members of the audience stated that the detectable noise levels have increased. A member of the audience stated that there continues to be a high level of noise and asked what the current d.b.a. level is at the blowers. The Deputy Manager-Engineer stated that the design documents called for a decibel level of less than 85 d.b.a. at 10 feet from the blowers. He stated that the actual level is between 60 and 65 d.b.a. at 10 feet. He stated that this level would not mean that the noise would be inaudible, but that it is well below noise limit regulations.

A member of the audience stated that the proposed fence area will be unattractive because of the concrete wall and fence structure that is proposed. She requested the Board readdress the fencing issue. The Manager stated she would welcome the opportunity to meet with the neighbors again to readdress the fencing issue.

A member of the audience questioned the status of the biofilter retrofit. The Manager stated that an agreement was not reached in closed session and that the Board intends to have a special meeting later in the week to hopefully resolve the issue and secure the final contract.

Resident Bob Guinan discussed the health issue and urged the Manager to also look at other potential health exposures in addition to H₂S gases. He discussed a report from the periodical *Civil Engineering* on a treatment plant in Bakersfield, CA. Mr. Guinan stated it is important to discover what health issues the residents are being exposed to and discussed the "Safe Zone" requirements of 300 meters. He stated that the residents behind the treatment facility are within 200 meters of the treatment facility. Mr. Guinan requested the Board create a "report card" reporting system on a regular basis so the residents can review and track construction progress such as: What's being done? Timeline? Is it successful?

Pam McMurphy commented that the noise levels have increased and stated the noise is a constant irritation. Many in the audience expressed frustration at the consistent noise levels.

Members of the Board stated they understood the frustration of the residents regarding the noise levels and stated they were committed to solving the problems of noise and odor.

President Long suggested the District implement progress charts to visually show necessary tasks and the time frame in which they will be/are completed. He stated that such a visual display may provide confidence to the Board and the public.

- Consider acceptance of a proposal from Exponent to perform a health effects evaluation for emissions. The Manager stated that staff has located Dr. Robert Scofield of Exponent, a firm of recognized experts, performing health risk assessments. She stated that Dr. Scofield has performed or peer-reviewed over 500 human health risk assessments for chemicals in soil, air, and water.

The Manager discussed the scope of Exponent's proposal to evaluate potential health risks from hydrogen sulfide (H₂S) emissions. She stated that the study will focus mainly on H₂S compounds because they are the most likely compound to produce health effects from Novato sewage air emissions. She noted that the District regularly samples and analyzes for over 150 organic compounds, most of which are non-detectable at very low detection limits.

The audience questioned if Dr. Scofield would include meetings with residents, staff and Board members as part of his investigation. The Manager responded that he would. Member Peters requested that Task 6 of the proposal be changed to as follows: "*This will include meetings with community members or the NSD Board of Directors **when** participation in such meetings is requested.*"

The Manager stated that the total cost of the scope of work as described in Exponent's proposal would not exceed \$28,300 without prior authorization. She noted that at the conclusion of the investigation, a written report would be provided to the District.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board authorized the Manager to accept the Proposal to Evaluate Potential Health Risks from Hydrogen Sulfide Emissions for the Novato Sanitary District from Exponent in an amount not to exceed \$28,300.

- Consider approval of a settlement agreement with RMC Water and Winzler & Kelly/GHD. The Manager requested the Board defer action on this item until after the Special Board Meeting scheduled for Friday, January 13th.

At 7:58 p.m. President Long declared a ten minute break.

At 8:08 p.m. President Long reconvened the Board meeting.

WASTEWATER OPERATIONS:

- Wastewater Operations Committee Report. Deputy Manager-Engineer Sandeep Karkal gave an overview of the Wastewater Operations Committee meeting that took place on December 19, 2011.

President Long requested that future Wastewater Operations reports presented to the Board discuss only the most significant events of the report. He suggested a summary report be created to reduce the amount of oral reporting given at the Board meetings.

BOARD OF DIRECTORS:

- Consider authorizing a pilot project to test using tablet computers for Directors' Board packets. The Manager stated that Board Member packets are currently prepared in hard copy format for each Board meeting and noted that time and material is required to print, collate and then deliver this material for each member. She stated that more and more cities and public agencies are moving to providing packets via the internet using tablet or laptop computers and noted that many find the cost savings quickly offset the initial cost for the tablets. She requested the Board consider a trial period for implementation of the tablets and noted that the devices will be District owned. The Manager stated that the District has purchased two "ipad" tablet computers and asked for two Board members to volunteer to begin receiving their Board materials electronically.

The Manager discussed the procedural and technical details. She noted that the electronic agenda materials would be downloaded on the devices using a secure website which the Members could access at their home.

President Long and Member Di Giorgio stated they would like to volunteer for the pilot "ipad" program.

On motion of Member Peters, seconded by Member Mariani, and carried unanimously, the Board authorized a pilot project to test using tablet computers for Directors' Board packets.

Member Welsh asked that if there were additional funds in the IT budget could the audio and possibly video recordings of the Board meetings be placed on the District website. He requested this item be placed on a future agenda for Board consideration.

PERSONNEL:

- Consider approval of Memorandum of Understanding with International Brotherhood of Teamsters Local 315 for the period January 1, 2011 through July 1, 2012. The Manager stated that a copy of the Memorandum of Understanding was available at the Board meeting for anyone who would like to review it. Resident Brant Miller requested a copy.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board approved the Memorandum of Understanding with International Brotherhood of Teamsters Local 315 for the period January 1, 2011 through July 1, 2012.

- Consider approval of salaries and benefits for management and confidential personnel effective July 1, 2011. The Manager stated that the Adhoc Labor Relations Committee recommended implementing the same wage and benefit package as for the represented employees with one additional item: employees that have accumulated at least 200 hours of vacation time and have taken at least two weeks of vacation in the previous 12 months would have the option of once per year taking pay in lieu of 40 hours of vacation.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board approved the salaries and benefits for management and confidential personnel as stated above, effective July 1, 2011.

- Consider approval of a Safety Recognition and Wellness program. The Manager stated that the District had received a dividend of \$20,703 from the California Sanitation Risk Management Authority (CSRMA) based on the CSRMA Group's experience for Workers Compensation over the past several years. She noted that the Board had expressed an interest in recognizing employee safety efforts and encouraged continued safety and health efforts by the employees. The Manager discussed a proposed Safety Recognition program which would be funded with \$10,000 from the dividend. She stated the program would award employees with no lost-time injuries a cash bonus based on one of three workers comp categories.

The Board discussed the program with District Counsel Kent Alm. Mr. Alm stated that public agencies were prohibited from offering employees cash bonuses for past productivity. He stated that the District could not distribute funds for past safety

performance unless a program was already in place and the awards were stipulated in advance. The Board deferred the potential award program at this time pending further development and review by District Counsel.

The Manager discussed an employee Wellness Program which would be funded with \$10,000 of the dividend. She stated that this program would be completely voluntary for all employees and would entail the implementation of an Employee Wellness and Work Injury Prevention Program. She noted that this 16-week program would be conducted by Don Freeman, DC and Faith Goss, RN of Occumetric.

On motion of Member Mariani, seconded by Member Peters and carried with the following vote, the Board authorized staff to establish an Employee Wellness and Work Injury Prevention Program through Occumetric. Ayes: Di Giorgio, Long, Mariani, Peters. Noes: Welsh.

COLLECTION SYSTEM IMPROVEMENT PROJECT 72706:

- Consider making CEQA findings, approving plans and specifications, and authorizing staff to advertise for bids for the Galli Drive Sewer Improvement Project. Deputy Manager-Engineer Sandeep Karkal discussed the Project, noting that 1,293 feet of sewer main in Galli Drive needs to be replaced due to sags and structural failures. He stated that Nute Engineering has completed the plans and specifications for this project and it is ready to bid. Mr. Karkal stated that staff recommends the Board approve the CEQA findings, approve the plans and specifications and authorize the Manager-Engineer to advertise for bids. He anticipates that bids will be received on February 7th and will be presented to the Board at their February 13th meeting.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board approved making CEQA findings, approving plans and specifications, and authorizing staff to advertise for bids for the Galli Drive Sewer Improvement Project.

PUMP STATION IMPROVEMENT PROJECT 72403:

- Consider approving a contract amendment for Nute Engineering for design and engineering services during construction for Unit 4 Pump Station Improvements. Deputy Manager-Engineer Sandeep Karkal discussed the original project, noting that Nute Engineering was contracted to provide design services for thirteen pump station rehabilitation projects. He reported that during the design of the Unit 4 Pump Stations, complications surfaced on two of the three pump stations. He stated that Nute is requesting an increase in budget to complete design services for the two pump stations and to provide engineering services during construction.

On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board approved a contract amendment for Nute Engineering in the amount of

\$70,000 for design and engineering services during construction for Unit 4 Pump Station Improvements.

NORTH BAY WATER REUSE AUTHORITY:

- Give direction to staff with regard to proposed initiation fee. The Manager stated that the District has been a member of the North Bay Water Reuse Authority (NBWRA) since it was founded in 2005. She noted that NBWRA is beginning Phase II of the recycled water project and additional agencies are considering joining the Authority. NBWRA is seeking to determine an appropriate initiation fee so that the original agencies are compensated for a fair share of the initial costs. The team's recommendation is that 1.7% of each project cost for an incoming agency should be assessed as an initiation fee.

The Board agreed that an initiation fee should be charged and requested staff review the fee and determine an assessment between 1.5 and 2.3%.

STAFF REPORTS:

- Sewer Service Charge Study. The Manager noted that the District's sewer service charges have remained unchanged since 2009. She stated that it is time to review both the rate structure and the revenue needs of the District in order to provide an equitable system for funding needed District operations. The Manager stated that she has requested a proposal from Bartle Wells to review the revenue stream and rate structure and will bring the analysis before the Board at the March 12th meeting.

District Counsel Kent Alm noted that other agencies are also reviewing their rate structure.

President Long stated that he prefers the other District's move forward with rate structure reviews but that the Novato Sanitary District not move forward with a rate structure change at this time. He stated he would like to proceed with the rate review and would like to see other District's rate reviews when available.

BOARD MEMBER REPORTS:

- North Bay Watershed Association meeting. Member Di Giorgio reported that he attended the North Bay Watershed Association meeting on January 6th. He noted that a presentation was given on the Corte Madera/San Anselmo creeks. Member Di Giorgio requested the Board consider attending the Watershed's 2012 Conference on Climate Change, to be held in Petaluma on April 13th.

Member Mariani discussed a presentation she will be attending at the upcoming CASA conference the following week.

President Long recommended the Board review the California Special Districts Association (CSDA) current course catalog.

MANAGER'S ANNOUNCEMENTS:

The Manager stated that the Wastewater Operations Committee will meet on January 12th at 2 p.m. because the District will be closed on Monday, January 16th due to Martin Luther King Day.

The Manager stated that the next regular Board meeting will be held on January 23rd.

The Manager stated that a Special Board meeting will take place on Friday, January 13th at 3 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the Board meeting at 9:28 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording