

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: January 9, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, January 9, 2016, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Directors Carole Dillon-Knutson, William Long, Jean Mariani, and Brant Miller.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal and Administrative Secretary Julie Hoover.

ALSO PRESENT: John Bailey, Project Manager, Veolia Water
John O'Hare, Pretreatment Programs Manager, Veolia Water
Steve Krauthem, Field Services Manager, Novato Sanitary District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the December 12, 2016 meeting.

On motion of Director Dillon-Knutson, seconded by Director Miller, and carried unanimously, the Board meeting minutes of December 12, 2016, were approved.

CONSENT CALENDAR:

President Peters called for a motion on the Consent Calendar items as follows:

- a. Approve Board member disbursements in the amount of \$1,380.62, capital project disbursements in the amount of \$1,304,329.30, and regular disbursements in the amount of \$173,190.41. Ratification of December 27th capital project disbursements in the amount of \$347,333.31, and regular disbursements in the amount of \$191,068.49.
 - b. Ratify December 2016 payroll and payroll related disbursements in the amount of \$229,633.39.
 - c. Receive Deposit Summary, December 2016.
 - d. Receive report – submittal of Financial Transactions Report (FTR) to the State Controller's Office (SCO).
 - e. Cancel Board meeting of February 27, 2017.
 - f. Approve application from Ghilotti Construction, and authorize the General Manager-Chief Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of excavation and pressure test water from
-

construction of the North Marin Water District (NMWD) recycled water pipeline expansion.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the above listed Consent Calendar items were approved.

BOARD OF DIRECTORS:

- Receive update on implementation of the Post-Employment Benefits Trust for District liabilities related to Governmental Accounting Standards Board Statement No. 45 ("GASB 45") for Post-Employment Benefits Other than Pensions, and GASB 68 for Net Pension Liability (NPL); review Investment Guideline Documents (IGDs or Documents) prepared by Highmark Capital; and authorize the Board President to execute the Documents on its behalf. The General Manager noted that at its November 14th meeting, the Board approved implementing a combined Post-Employment Benefits Trust with Public Agency Retirement Services (PARS), to address the District's GASB 45 and 68 liabilities. He stated that at its December 12th meeting, the Board received an update on implementation of the trust program and that currently, PARS has provided the District with the necessary agreements and legal documents to implement the trust program. The General Manager stated that upon legal review by District Counsel, the required legal and administrative plan documents had been executed and noted that the District's trust program/fund would be in place in January 2017.

The General Manager provided a review of the program. He stated that consistent with the Board's direction of a "conservative" investment philosophy and a desired 3% -5% long-term investment goal for the combined PARS trust fund, Andrew Brown of Highmark Capital has prepared the Investment Guidelines Documents (IGDs) for the District's trust accounts. He stated that staff and District Counsel have no more comments at this time and requested that the Board authorize the Board President to execute the IGDs.

On motion of Director Long, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the Board President to execute the Documents on its behalf.

- Review Board meeting start time, and provide direction, if any. The General Manager noted that the Board meeting start time of 6:00 p.m. was established by Resolution No. 3051 on October 8, 2012, and memorialized in paragraph 5010.1 of District Board Policy No. 5010. He reviewed with the Board start times for other agency Board meetings. Upon Board discussion on benefits of starting earlier/later/or continuing as-is, the Board provided direction for a start time change to 5:30 p.m. The General Manager stated that he would prepare the appropriate documents for Board approval at the next meeting.

On motion of Director Long, seconded by Director Mariani, and carried unanimously, the Board directed the General Manager-Chief Engineer to prepare and bring forward to the next Board meeting the appropriate documents for Board approval to change the Regular Board meeting start time to 5:30 p.m.

- Receive correspondence from Marin Local Agency Formation Commission (Marin-LAFCO): "Call for Nominations, Four-Year Term as Regular Special District Member"; and provide direction, if any. There were no comments or direction from the Board on this item.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, December 2016. The General Manager introduced Veolia Project Manager John Bailey who provided an overview of the Treatment Facilities Monthly Operations Report for December. The Project Manager reviewed the treatment plant performance summary and noted that there were no excursions or violations for the month. He outlined the safety training that was completed in December, and stated that safety performance was excellent with a total of 2,412 accident-free days. He reported that the average flow was 5.99 MGD (million gallons/day) with a peak hourly flow of 16.51 MGD on December 15th. The Project Manager stated that there was no recycled water produced in December. He reviewed the period's key events, and monthly safety and training topics. He stated that a sodium hypochlorite tank was being installed to assist with odor control at the Ignacio Pump Station. He noted that there were no neighborhood contacts for the month.

Field Services Manager Steve Krautheim summarized the Collection System Operations report for December 2016. He stated that the Collections department cleaned 72,450 lineal feet of sewer pipelines. The Field Services Manager stated that 21 line segments were televised, totaling 3,000 feet, and that staff conducted 9 sewer main inspections, totaling 1,617 feet. He further stated that there were no lost time accidents in December for a total of 2,120 accident-free days, and noted that there were no sanitary sewer overflows (SSOs) in December.

The Field Services Manager then summarized the Reclamation Facilities report for December 2016. He stated that there were no ranching or irrigation activities in the month.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706: Bel Marin Keys Trunk Sewer Rehabilitation Project – Approve one change order in the amount of \$5,500.00, grant Final Acceptance of the Project, and authorize staff to file the Notice of Completion. The General Manager noted that on August 22, 2016, the Board awarded the Contract for the Bel Marin Keys Trunk Sewer Rehabilitation Project to Michels Pipeline Construction (Contractor). He stated that, at this time, the Contractor has completed the work and the project is ready for final acceptance. The General Manager stated that one change order totaling \$5,500 was issued to the contractor during the work for repair of a 6" sewer main entering a manhole within the project limits. He stated that the final cost of the project is \$329,894, and he recommended that the change order be approved, final acceptance be granted, and that staff be authorized to file the Notice of Completion.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved one change order in the amount of \$5,500, granted Final Acceptance of the Project, and authorized staff to file the Notice of Completion.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA): Director Miller commented on his attendance at the NBWA meeting held on January 6th at the Novato Sanitary District. He discussed the presentations that were given: "Harmful Algal Blooms", presented by Naomi Feger, SF Bay RWQCB; Friends of the Petaluma River and their Watershed Classroom Project; and the Sonoma County Safe Medicine Disposal Program.

- North Bay Water Reuse Authority (NBWRA): Director Long commented on his attendance at the NBWRA meeting held on December 19th at the Novato Sanitary District. He stated that they discussed the 2016/17 budget and that NBWRA is looking to expand the range of funding sources for recycled water projects.

INFORMATIONAL ITEMS:

- City of Novato – Notice of City Council Reorganization.

- California Special Districts Association (CSDA) article titled "CalPERS votes to Increase Contributions".

- Article from Pensions and Investments publication titled "CalPERS board gives green light to cut assumed rate of return to 7%".

- Marin Independent Journal article titled "Novato water meter reader fakes data, customers' bills spike". The General Manager stated that Information Technology Specialist II Robin Merrill and he met with North Marin Water District (NMWD) Auditor-Controller David Bentley to discuss if the meter readings in question would affect the District and its sewer service charge billings. At this time, based on the discussion with NMWD, it is anticipated that impacts, if any, to the District will be minimal.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- Report:
 - The District's facilities held up well through the weekend storm, and all staff (including Veolia) responded professionally and capably to the storm event.
 - Plant flows peaked at about 36 million gallons (MGD) with a sustained 2-hour peak flow of about 35 MGD. There was one minor Category 3 sanitary sewer overflow (SSO) on Feliz Road. Staff was finalizing spill quantity estimates, but it is anticipated that the overflow amount would eventually be classified to be less than 200 gallons.
 - Recognitions:
 - The General Manager recognized all of the NSD Collections staff, especially Collections Lead Worker, Javier Vega; CSW II, Aaron Hendricks; CSW I, Joe Moreno; and CSW I, Liam O'Sullivan. He stated that they were all out in the field on January 8th, continuously monitoring the storm system and adjusting their activities as needed. He also recognized the rest of the Collections staff
-

who remained on standby over the weekend. In addition, he recognized Filed Services Manager Steve Krauthem and Collection System Superintendent Dasse Delongh who staffed the District's collections emergency operations center on January 8th and directed field efforts. He stated that the weekend's performance by the entire Collections group makes it clear that they all mean it when they talk about their efforts towards continuous improvement.

- The General Manager commended John Bailey and all the Veolia staff for their outstanding performance with treatment plan operations through the previous weekend's storm event. He especially recognized the efforts of John Bailey, Manny Arias, and Tony Silva for keeping things well under control at both the Ignacio Transfer Pump Station and the treatment plant. He requested that Mr. Bailey convey the District's appreciation and thanks to all of the Veolia staff for a job well done.
- Announcements:
- Possible Finance Committee meeting week of January 30th at 3:00 p.m. The Manager asked Members Jerry Peters and Bill Long to get back to the Administrative Secretary with their schedule availability.
 - Solid Waste Committee meeting on Tuesday, March 21, 2017 at 3:00 p.m. with Members Jean Mariani and Carole Dillon-Knutson.
 - Reminder that the CASA Winter Conference is in Palm Springs, January 18th – 20th.
 - District offices will be closed January 16th for observance of Martin Luther King Day.
 - Board meeting of January 23rd cancelled. Next Board meeting is Monday, February 13th at 6:00 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:24 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording
