

February 27, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:35 p.m., Monday, February 27, 2012, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Brant Miller, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: President Long approved the agenda as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the February 13, 2012 meeting.

On motion of Member Peters, seconded by Member Mariani, and carried unanimously, the minutes of the February 13th Board meeting were approved.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$121,175.33, and capital project disbursements in the amount of \$595,740.70.

President Long questioned if more payments could be processed electronically. The Manager replied that security risks prevent the District from setting up Electronic Fund Transfers for all vendors. She stated, however, that the District is beginning to pay some invoices, such as telephone bills, with a credit card.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Committee report. The Manager discussed the Wastewater Operations Report for January as was presented to the Wastewater

Operations Committee which met on February 14th. She stated that in January, the treatment facility recorded excellent performance. She noted that safety performance was exceptional and that the District has been accident-free for 323 days. She stated that the Collection System experienced a 75 gallon overflow due to a contractor error.

Member Peters questioned the pump station maintenance repairs in January and John Bailey, Veolia Water, gave a detailed description of the equipment repair.

- Receive progress report on odor control, noise abatement, and visual screening.

The Manager stated that the biofilter retrofit has been completed and that the new media is in place in all odor beds. She stated that due to the new media, the back pressure is very low and subsequently the beds can operate with only one blower, which has reduced noise emissions.

The Manager stated that the scheduling of Dr. Scofield's health effects study has been delayed. She noted that the study is very extensive and that the draft report is anticipated soon. She stated that the District continues to receive some aeration basin odor complaints but that the number of complaints has been reduced significantly.

The Manager stated that the landscaper has replaced some of the grasses along Lea Drive with Pacific Wax Myrtle trees for additional screening. She stated that further planting or screening is on hold pending meetings with Jim Joyce to determine the best combination of planting and barriers for odor, noise and visual screening.

Member Peters reported that he was in the Lea Drive neighborhood and did not notice any odors. He discussed his auditory and visual observations while in the area.

- Consider acceptance of Annual Operations Report. The Manager stated that Veolia Water had prepared their Annual Operations Report for the period from August 6, 2010 through July 31, 2011. She stated that the draft report had been reviewed by staff and was provided to the Wastewater Operations Committee at their January meeting. She suggested that the period covered for future reports be changed to a calendar year cycle instead of the current August 1 to July 31 cycle.

- Consider approval of annual cost adjustment. The Manager discussed the incentive payments and annual cost adjustment due to Veolia. She discussed the Cost Savings Sharing which provides for an incentive payment to Veolia Water for a reduction in the treatment plant's kWh electrical usage. The incentive payment for this program totals \$42,411.

The Manager discussed Performance Incentives that were included in the Veolia contract and have resulted in an achievement incentive totaling \$2,200 for the 2010-11 operating year.

The Manager stated that the Contract Service fee was subject to adjustment based on flow and loading. She noted that the loading was slightly higher than the contract amount, resulting in an adjustment for the 2010-11 operating year of \$4,954.

The Manager stated that the total credit due to Veolia for this period was \$49,565 and she recommended the Board authorize payment in this amount.

The Board commented that Veolia's Annual Operations and Maintenance Report was very thorough and provided an excellent representation of data management for the period covered.

Member Welsh questioned if Veolia had completed the 200 Standard Operation Procedure (SOP's) manuals as outlined in their contract. John Bailey, Veolia Water, stated that just over 100 SOP's have been finalized at this point. He stated that SOP's have been prioritized and continue to be created.

On motion of Member Peters, seconded by Member Mariani and carried unanimously, the Board approved payment to Veolia Water as per Contract in the amount of \$49,565 for Veolia's annual cost adjustment and earned incentives.

The Manager stated that Veolia's Annual Operations and Maintenance Report will be available on the District website at www.novatosan.com.

ADMINISTRATION:

- Review draft District brochure. The Manager gave a Power Point presentation of the draft District brochure as prepared by Martin Rauch, Rauch Communication Consultants. The Board discussed the brochure and made requests for changes to the document.

Member Welsh commented that he strongly disagrees with the brochure statement: *"Public-Private Partnership Saves Millions. The treatment plant is managed through a contract with Veolia, a nationally recognized firm specializing in public utilities. This public-private partnership is **saving our ratepayers millions of dollars.**"* Member Welsh stated that this comparison has not been proven. He requested this wording not be included in the brochure.

The Board discussed this statement from the brochure. President Long and Members Di Giorgio discussed the statement and considered the language appropriate.

The Manager asked the Board to return any comments and corrections to her and noted she would forward them to Martin Rauch.

- Consider adoption of District Policy No. 4099 - Board Meeting Technology. The Manager stated that the District has begun a pilot program to test the use of tablet computers for Board member agenda packets. She requested that the Board approve District Policy No. 4099 detailing the restrictions on technology use during Board meetings. She stated that District Counsel has reviewed the policy and that his comments have been incorporated.

The Board discussed the policy with District Counsel Kent Alm. The following addition was requested to be made to 4099.1: "*Any hardware **and software** provided remains the property of the District...*". The Board discussed the use of the Internet during Board meetings. President Long stated that the Board should be allowed to access the Internet during Board meetings for research purposes. District Counsel Kent Alm stated that Internet access was customarily restricted during meetings so as to prohibit Board members from being influenced during a vote through secret messaging. Mr. Alm stated he would provide the appropriate wording for the policy and return the document to the Board for approval as a Consent Calendar item.

On motion of Member Mariani, seconded by Member Peters, and passed unanimously, the Board approved District Policy No. 4099 in concept until the item can be reviewed by District Counsel and returned as a Consent Calendar item at a future Board meeting.

COLLECTION SYSTEM IMPROVEMENT PROJECT 72706 PHASE G:

- Consider approval of a contract in the amount of \$62,000 with the Covello Group for construction management services on a time and materials basis. The Manager stated that the Covello Group has submitted a Proposal in the amount of \$61,580 to provide construction management services for the Galli Drive Sewer Project. She stated that the fee may appear high but provides for the possibility that hazardous materials may be found.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board approved a contract in the amount of \$62,000 with the Covello Group for construction management services on a time and materials basis for the Galli Drive Sewer Improvement Project, Project 72706, Phase G.

STAFF REPORTS:

- National Association of Clean Water Agencies (NACWA) conference. The Manager discussed her attendance at the NACWA conference which was held in Los Angeles

on February 14th and 15th. She stated that the conference was similar to the California Association of Sanitation Agencies (CASA) conferences, but for larger agencies and on a National level. The Manager discussed the topics presented at the conference: nutrient removal and future EPA requirements. She discussed the District's current position in regards to nutrient removal and stated that the Novato Sanitary District's processes are in a good position for future EPA mandates.

BOARD MEMBER REPORTS:

- North Bay Water Reuse Authority. President Long discussed his attendance at the NBWRA meeting which was held earlier in the day and noted that he has stepped down as Chairman of that committee. He stated that Vice-Chair Keith Caldwell, Napa County 5th District Supervisor, was elected as Chairman.

The Board expressed their significant gratitude to President Long for his many years of participation and leadership in the NBWRA.

Member Mariani stated that the CASA Spring Conference will be held in Napa from April 25th through the 27th. She noted that on April 25th, Ira Summer, Public Pension Professionals, will give a presentation on California Public Pensions.

MANAGER'S ANNOUNCEMENTS:

- The North Bay Watershed Association will meet at the District office on Friday, March 2nd at 9:30 a.m. Chuck Weir will give an update on the North Bay Water Reuse Authority.

There being no further business to come before the Board in Open Session, President Long concluded Open Session at 7:55 p.m. and called for a five minute break.

At 8:00 p.m., President Long reconvened the meeting and stated the Board would meet in Closed Session for the item listed on the Closed Session Agenda:

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION (subdivision (a) of Section 54956.9):

- Potential Administrative Civil Liability in the matter of sanitary sewer overflows and treatment plant violations including California Regional Water Quality Board Complaint No. R2-2010-0102.

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

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

Closed Session ended at 8:30 p.m. There was no reportable action.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:31 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording