

April 26, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, April 26, 2010, preceded by a closed session beginning at 5:00 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:03 p.m. President Di Giorgio announced the Board would meet in closed session to discuss the following matter on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXPOSURE TO LITIGATION – ONE POTENTIAL CASE.

Significant exposure to litigation, EPA Clean Water Act Investigation, pursuant to Subsection (b) of Government Code Section 54956.9

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

STAFF PRESENT: District Counsel Kent Alm was asked to join the meeting at 5:17 p.m.

ALSO PRESENT: Davina Pujari, Attorney with Barg, Coffin, Lewis and Trapp.

The closed Session ended at 6:20 p.m.

Open session began at 6:30 p.m.

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

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

ALSO PRESENT: John P. O'Hare, Technical Manager, Veolia Water  
John Bailey, Project Manager, Veolia Water  
Aaron Winer, District Manager, No. CA., Veolia Water  
Tom Pierce, Novato resident  
Brant Miller, Novato resident  
Phil Tucker, CA Healthy Communities Network  
Suzanne Crow, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

*On motion of Member Quesada, seconded by Member Fritz, and carried unanimously, the agenda was approved as mailed.*

REPORT FROM CLOSED SESSION:

District Counsel Kent Alm stated there was no reportable action and stated instruction was given to counsel.

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS:

Member Long commented on his participation in the public tour of the Novato treatment facility on Saturday, April 24<sup>th</sup>. He complimented Manager-Engineer Beverly James for her PowerPoint presentation prior to the plant tour. He also commended John Bailey, Project Manager with Veolia Water, for his awareness of safety issues and his diligence in keeping the public safe.

President Di Giorgio commented on his participation in the Chamber of Commerce Business Showcase event on Wednesday, April 21<sup>st</sup> at the Stonetree Golf Club. He also commented on his participation at a Fireman's Fund Earth Day event on Friday, April 23<sup>rd</sup>. He noted that public participation was very high and he was pleased with the events. He stated that the District's website ([www.novatosan.com](http://www.novatosan.com)) has a link for a virtual tour of the District's upgraded facility.

REVIEW OF MINUTES:

Consider approval of minutes of the February 22<sup>nd</sup> and April 12<sup>th</sup>, 2010 Board meetings.

*On motion of Member Quesada, seconded by Member Long and carried with the following vote, the February 22<sup>nd</sup> and April 12<sup>th</sup> Board meeting minutes were approved. Ayes: Di Giorgio, Quesada, Welsh. Abstention due to absence from the meetings: Fritz and Long.*

CONSENT CALENDAR:

*On motion of Member Long, seconded by Member Fritz, and carried unanimously, the following consent calendar items were approved:*

- a. Adopt Resolution No. 3023, *A Resolution Approving Relief on pH Limits, and Setting Revised pH limits and Time Limitations For Dye Guy, 46 Digital Drive, #3, Novato.*
- b. Approval of Board meeting schedule as follows: May 10<sup>th</sup> and 24<sup>th</sup>, June 14<sup>th</sup> and 28<sup>th</sup>, July 12<sup>th</sup> and 26<sup>th</sup>.
- c. Approval of regular disbursements in the amount of \$465,649.27, project related disbursements in the amount of \$130,942.08, board member disbursements in the amount of \$6,029.97 and ratification of March payroll expenses in the amount of \$187,111.66.

WASTEWATER OPERATIONS:

Consider approval of an amendment to Agreement for Emergency Consulting Services with Veolia Water.

The Manager stated that at the March 22<sup>nd</sup> Board meeting the Board unanimously voted to direct staff to negotiate a proposal from Veolia Water West Operating Services for a scoping study for ISO 14001 Environmental Management System development and to provide a proposal for preparation of thirty-eight Standard Operation Procedure Manuals (SOP's). She noted that staff had requested and received proposals from HDR and Veolia Water West Operation Services for preparation of the SOP's. HDR's proposal was \$56,200 plus expenses and Veolia's proposal was \$32,300.

The Manager stated that staff had also requested a proposal from Veolia Water West Operating Services to prepare an Environmental Management System Scoping Study or "Gap Analysis". She reported that the estimated cost for this report is \$8,000 plus expenses and that a report of their findings will be delivered to the Board of Directors.

She requested the Board approve an amendment to the Emergency Services Contract with Veolia Water West Operating Services, Inc. in the amount of \$50,000 for preparation of thirty-eight Standard Operation Procedure Manuals (SOP's) and to prepare an Environmental Management System Scoping Study or "Gap Analysis".

Member Long asked about additional SOP's that are needed. The Manager stated that this proposal is for the most critical SOP's which are necessary at this time. In addition she stated the District would require approximately 200 SOP's this year and approximately 100 SOP's in 2011.

Member Long asked if the original contract with Veolia included the preparation of all of these SOP's and if Veolia's proposal of \$32,300 for the SOP preparation could be taken out of the original operational contract with Veolia.

President Di Giorgio opened the item for public comment.

A member of the public commented that from his past experiences, SOP's are generally prepared in-house and stated he does not feel outsourcing the SOP's makes good sense. He stated that a Gap Analysis should be produced in-house as well.

A member of the public commented that she feels a contract amendment of this amount should be released for more bid proposals. She stated that an ISO 14001 is not usually required for a District of this size. She feels the ISO 14001 and preparation of the SOP's should be completed in-house.

Phil Tucker, CA Healthy Communities Network, stated that the preparation of the SOP's and the Gap Analysis by Veolia Water through an amendment to the Emergency Services Contract could be a violation of the law considering the current referendum restrictions against the Veolia contract. He recommended this amendment be withheld until after the referendum vote.

The Manager responded that due to the construction underway at the District, she does not feel District staff has available time to prepare the SOP's. She stated that the District is required by law to have an O&M manual and SOP's specific to District equipment.

District Counsel Kent Alm, stated that he does not feel the amendment to the Emergency Services Agreement with Veolia Water is in violation of the referendum rules. He stated it was his opinion that work that is required to be completed to facilitate the District's operations is allowed to be accomplished.

President Di Giorgio stated that due to the new processes in place and the new equipment being brought on-line, the District must have the manuals soon.

Norm Stone, noted that the SOP preparation does not appear to be an emergency because the Board has known for a long period of time that SOP's would be needed.

President Di Giorgio stated the District did have a plan in place to prepare the SOP's and they were included in the original contract with Veolia Water. However this contract was suspended due to the referendum and the District must seek other options for the SOP's preparation.

Brant Miller, stated he was in favor of the District seeking an outside source to prepare the SOP's.

Norm Stone requested an opportunity to rebut Mr. Miller's comments. His request was denied.

President Di Giorgio closed public comment.

Member Welsh stated he felt the ISO 14001 is unnecessary and he is opposed to it. He also stated that he is opposed to any further commitments to Veolia Water until after June 8<sup>th</sup> and the referendum vote.

*On motion of Member Fritz, seconded by Member Quesada and carried with the following vote, the Board approved an amendment to the Emergency Operations Contract with Veolia Water West Operating Services, Inc. in the not to exceed amount of \$50,000 for preparation of thirty-eight Standard Operation Procedure manuals and for the preparation of an Environmental Management System Scoping Study report. Ayes: Di Giorgio, Fritz, Long and Quesada. Noes: Welsh.*

COLLECTION SYSTEM IMPROVEMENTS PROJECT 72706:

Consider approval of a proposal for design services for Meyers Subdivision Easement Sewer Rehabilitation. The Manager outlined the services requested from Nute Engineering for the above project. She noted that part of the original Meyers Subdivision Easement project was to replace the sewers within the streets and easements of the area. She stated that the easement portion of the project was not completed with the original construction and has requested the Board approve a proposal for design engineering services for the easement portion. She reported that Nute Engineering has provided a proposal in the amount of \$53,000 and recommended the Board approve the proposal.

Member Quesada discussed with the Manager the easement area in relationship to the residents' fences.

Member Welsh noted this project was originally brought before the Board several years back. He stated he felt \$53,000 was a high cost for engineering services for a project that would potentially cost a total of \$100,000. The Manager stated that the proposed \$53,000 includes the easement acquisition and construction management for the project.

Member Welsh stated he would withhold his vote from this item until further information could be provided to him. He stated he felt \$53,000 was excessive.

*On motion of Member Long, seconded by Member Fritz and carried with the following vote, the Board approved a proposal for design engineering services from Nute Engineering in the amount of \$53,000 for the Meyers Subdivision Easement Sewer Replacement Project, No. 72706. Ayes: Di Giorgio, Fritz, Long and Quesada. Noes: Welsh.*

Consider adopting Resolution No. 3024, A Resolution Approving Plans and Specifications, Making Determinations on Environmental Impact, Establishing Prevailing Wage Scale, Calling For Proposals, and Providing for Notice Thereof for the Collection System Improvements Project: 72706, Phase C – Olive/Chase/Orange Sewer Project.

The Manager stated that the purpose of this project is to replace various sizes and lengths of aged vitrified clay pipe, replace a failing section of Techite fiberglass sewer pipe and eliminate one freeway crossing between Orange Avenue and West Orange Avenue. The Manager stated that once the repairs are completed, the District will collect flow-monitoring data to compare with data prior to the repairs to determine the full benefit of the project.

*On motion of Member Long, seconded by Member Fritz and carried unanimously, the Board approved Resolution No. 3024.*

STAFF REPORTS:

NPDES Permit Renewal. The Manager stated that the District's NPDES permit renewal will be on the agenda of the San Francisco Regional Water Quality Control Board's meeting on

May 12<sup>th</sup> and will be placed on the uncontested calendar. The Manager reported that Linda Candelaria, Monica Oakley and herself met with the Regional Board on Wednesday, April 22<sup>nd</sup>, to review the District's permit prior to the Regional Board's final decision. The Manager discussed the discharge requirements as required by the Regional Board.

District Counsel Kent Alm gave an overview of the Regional Board's permit renewal process and discussed how the District could proceed in this process.

Independent Auditor's Financial Audit Reports for 2008-09: The Manager briefly discussed the Single Audit report, noting that this report was necessary to remain in compliance with the District's State Revolving Fund Loan. She clarified the auditors findings regarding the unreported depreciation and stated the District's asset management program will be reviewed.

Earth Week events. The Manager stated the District participated in the Novato Chamber of Commerce Business Showcase at the Stonetree Golf Course on Wednesday, April 21<sup>st</sup>. She noted this was an opportunity for the District to engage in outreach to small businesses in Novato. She noted there was an event at the Fireman's Fund on Thursday, April 22<sup>nd</sup>. She stated that attendance at both events was quite good. The Manager commended Dee Johnson, Household Hazardous Waste Facility Coordinator, for her efforts at both events. In addition, she noted Dee Johnson was also coordinating and working at the very successful E-Waste event which began on Friday, April 23<sup>rd</sup> and continued through Monday, April 26<sup>th</sup>.

The Manager noted that Sandeep Karkal and Steve Krautheim attended the California Water Environment Association (CWEA) conference and the District was recognized for its participation with other Marin agencies in joint public education. The Marin County joint agencies were awarded the winner of the Public Education Program of the Year for Medium Sized Agencies.

MANAGER'S REPORT:

A Waste Water Operations Committee meeting will be held on Thursday, April 29<sup>th</sup> at 2PM.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the Board meeting at 7:30 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Borda, Recording