

May 9, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, May 9, 2011, at the District offices, 500 Davidson Street, Novato.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, and Administrative Secretary Julie Borda.

ALSO PRESENT: Jo Heffelfinger, Novato resident
Dean L. Heffelfinger, Novato resident
Brant Miller, Novato resident
Suzanne Brown Crow, Novato resident
John Coleman, Novato resident
Brent Ainsworth, Novato Patch
John O'Hare, Veolia Water
John Bailey, Project Manager, Veolia Water
Tom Pierce, Novato resident
Lesa Chakkalake, Novato resident
Don Brand, Novato resident
Jean Mariani, Novato resident
James Erze, Novato resident
Maria Matan, Novato resident
Pamela Griffith Pond, Novato resident
Dave Pond, Novato resident

PLEDGE OF ALLEGIANCE:

CALL TO ORDER:

PUBLIC COMMENT:

A resident on Lea Drive stated that the mal odors from the treatment facility were very strong, especially in the last two weeks, and have been a consistent issue.

Tom Pierce, Novato resident, discussed fines levied by the State. He discussed climate change and the effect that would have on the treatment facility.

Lesa Chakkalake, Lea Drive resident, stated that the odors from the treatment facility have been very strong and consistent. She discussed her husband's health issues which she feels may be attributed to the treatment facility odors.

James Erze, Lea Court resident, stated that the odors from the treatment facility have been very strong. He requested the District mitigate noise from the fans in the evening.

The Manager discussed a statement she prepared for the Board regarding the recent odor complaints. She discussed areas the District is making changes to alleviate the odors. She discussed the District's determination to identify and eliminate odors escaping from the facility.

Suzanne Crow discussed a document she acquired from the Internet from the State Regional Water Quality Control Board complaint No. R2-210-0102. She stated the Board discussed this complaint in closed session on September 27, 2010. She discussed the contents of the complaint.

BOARD REPORTS:

Director Welsh commented on the statement from Suzanne Crow and stated there were two reports from the State Regional Water Quality Control Board that were not discussed with the Board of Directors. He stated his concern that Board members have not been given proper information.

The Manager stated that the Regional Board Administrative Civil Liability was discussed in closed session and noted that this item is on the current agenda as item 14b. She noted that the report for the October 2010 inspection was received at the District via email on April 21st and is on the current agenda as item 12b. She stated that this type of report is typically handled at staff level and stated that the reports will be discussed at the May 23rd meeting when District Counsel is present.

Member Welsh stated that if the Manager received a document on April 21st there was time for it to be placed on the April 25th board meeting agenda.

Member Long stated that the Board should discuss at their next meeting what level of information is appropriate to be handled at staff level and what level should be handled at Board level.

Member Welsh stated that the public should be aware of fines that are levied against the District.

Member Quesada strongly objected to the Board proceeding without an approved agenda.

Member Di Giorgio commented on his objection to the fines levied against the District which cannot be used to repair the problems for which the fines were issued. He commented on his participation at the Spring CASA conference in Sacramento. Member Di Giorgio noted that he met with Supervisor Arnold and other city officials to discuss a local park issue.

Member Quesada requested the Board request a legal opinion from District Counsel as to whether the posting of the agenda with a 72 hour notice also constitutes the agenda approval.

The Manager stated that District Counsel Kent Alm has been contacted regarding this issue and that he stated agenda approval at the meeting was optional. She stated there was no legal requirement for Board approval of the agenda.

Member Welsh requested a closed session to receive an update from Barg Coffin in regards to their efforts in the 2007 sanitary sewer overflow litigation matter.

President Long gave an overview of his participation at the Spring CASA conference in Sacramento.

REVIEW OF MINUTES:

Member Welsh read a letter to the Board where he stated the April 11th and April 20th minutes were inaccurate and should not be approved until corrected. He stated that Mr. Brant Miller's comments from the April 11th meeting contained misstatements and false accusations against Member Welsh. He requested all of Mr. Miller's remarks during Public Comment be stricken from the minutes. Member Welsh also requested the letter which Angelica Randolph, co-chair of the Marin Coalition, read at the April 20th meeting be posted with the minutes as she had requested.

The Manager stated that it is at the Board's discretion to include letters from public comment as part of the minutes. She stated that letters are kept with the Board packet as part of the permanent record and are not quoted verbatim.

At the direction of President Long, all public comment by Mr. Miller was stricken from the April 11th meeting minutes.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the minutes of the March 14th, April 20th and April 25th, 2011 meetings were approved as written.

On motion of Member Welsh, seconded by President Long, and carried unanimously, the minutes of the April 11th meeting was approved with the removal of all public comment by Mr. Miller.

CONSENT CALENDAR:

Member Welsh requested item a: *Approval of regular disbursements* be removed from the Consent Calendar for further discussion.

Member Quesada and President Long requested item d: *Approval of meeting date of May 25th at 6:30 p.m.* be removed from the Consent Calendar for further discussion.

Member Welsh questioned the \$18,681.85 disbursement to Veolia ES Special Services from the May 9th disbursement schedule. The Manager replied that this was for an invoice paid to Veolia Environmental Service, not Veolia Water NA, for their assistance in the clean-up of the sludge line break. She stated that Veolia ES has trained crews which operate in environmental remediation.

The Board discussed the options of having the Board meeting on Wednesday, May 25th at 6:30 p.m. or on Monday, May 23rd at 4:30. Member Di Giorgio and President Long will be unable to attend a May 23rd meeting at 6:30 p.m. due to their obligations to the Mayor's and Councilman's committee for pension reform.

On motion of Member Di Giorgio, seconded by President Long and carried with the following vote, the next regular Board meeting will be held on Monday, May 23rd at 4:30 p.m. preceded by a closed session at 3:30 p.m. Ayes: Di Giorgio, Long, Quesada. Noes: Welsh

On motion of Member Di Giorgio, seconded by Member Welsh and approved unanimously, the following Consent Calendar Items were approved:

- a. Approval of regular disbursements in the amount of \$431,753.67, project account disbursements in the amount of \$115,672.55, Board member disbursements in the amount of \$2,398.87 and ratification of April's payroll and payroll related expenses in the amount of \$237,231.03.
- b. Approval of Center Road Sewer Upgrade project and authorize staff to file the Notice of Completion.
- c. Approval of Ignacio Blvd. Sewer Rehabilitation project and authorize staff to file the Notice of Completion.

BOARD OF DIRECTORS:

Consider adopting a resolution appointing a board member to fill the vacancy. The Manager stated that she had provided to the Board a synopsis of the six applicants along with details of Board actions up to this point.

Member Quesada requested another two weeks to make a decision stating he had not been able to contact all the applicants for an interview.

Member Di Giorgio made a motion to appoint Jean Mariani to fill the board member vacancy. President Long seconded the motion. The following vote was recorded: Ayes: Di Giorgio, Long. Noes: Welsh, Quesada. The motion failed.

Member Welsh made a motion to appoint Suzanne Brown Crow to fill the board member vacancy. Member Quesada seconded the motion. The following vote was recorded: Ayes: Welsh, Quesada. Noes: Di Giorgio, Long. The motion failed.

Member Quesada made a motion to appoint John Coleman to fill the board member vacancy. The motion died for a lack of a second.

Member Di Giorgio made a motion to refer the selection process to the Board of Supervisors to make the appointment or call an election. The motion died for lack of a second. The Board discussed this option. President Long requested the next Board meeting include this item on the agenda for discussion and possible action.

FINANCING:

Financial consultant report on financing alternatives. The Manager introduced Tom Gaffney, Principal of Bartle Wells Associates. She noted that the District has been planning to borrow funds for the balance of the facility upgrade as well as for other capital projects.

Mr. Gaffney discussed an analysis he prepared which gave an update of a comparison of capital financing alternatives. He discussed the options of a bank loan versus a municipal bond loan. He discussed bond repayment schedules.

Consider approval of financing method. After the presentation, the Board discussed forming an ad-hoc Finance Committee to discuss the financing options in detail.

Member Welsh requested the matter be discussed in the evening so the public would be able to attend. He suggested a separate committee not be formed and that the full Board participate in discussions at their regular Board meetings.

President Long suggested that an ad-hoc committee be formed and that it meet in the evenings.

DISTRICT BOARD MEMBER ELECTION, NOVEMBER 2011:

Discuss schedule for Board Member election and adopt a Resolution proposing that an election be held and that it be consolidated with other elections. The Manager noted that two seats on the District's Board expire in 2011: George C. Quesada and the seat that was vacated by the retirement of Board Member James D. Fritz. She stated that the Board must adopt the Resolution for the election and submit this to the Marin County Registrar of Voters by May 31, 2011.

On motion of Member Di Giorgio, seconded by President Long and carried unanimously, the Board adopted Resolution No. 3030: PROPOSING AN ELECTION BE HELD IN ITS JURISDICTION; REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE; AND REQUESTING ELECTION SERVICES BY THE REGISTRAR OF VOTERS.

RECYCLED WATER:

Consider approval of revision to the North Marin Water District Agreement. The Manager noted that the North Marin Water District had requested an additional revision to comply with the requirements of the State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) loan. She stated that this revision will add a minimum annual delivery quantity of 186 acre-feet/year once the distribution system is complete.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the Board approved a revision to the North Marin Water District Agreement.

HOUSEHOLD HAZARDOUS WASTE AND RECYCLING:

Consider approval of Marin County Hazardous and Solid Waste Grant Agreement for 2010-11. The Manager discussed the Solid Waste Joint Powers Agreement and their commitment to pay the District \$32,463 for the fiscal year 2010-11.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the Board approved the Household Hazardous Waste Grant Agreement with the Marin County Hazardous and Solid Waste Joint Powers Authority for 2010-11.

WASTEWATER TREATMENT PLANT UPGRADE PROJECT:

Review bids received for Contract D Recycled Water Facility, approve the withdrawal of the bid by KG Walters, authorize contract award to the lowest responsive bidder, Gateway Pacific Contractors Inc. and authorize Manager-Engineer to execute contract. The Manager gave an overview of the project bidding and noted that KG Walters Construction Company Inc. of Santa Rosa submitted the lowest bid of \$4,550,400. She noted, however, that KG Walters subsequently found a clerical error and requested their bid be withdrawn.

She stated that subject to the withdrawal of KG Walters' bid, Gateway Pacific Contractors, Inc. of Sacramento submitted the lowest responsive bid of \$5,294,505. She stated that Gateway Pacific's bid documents have been reviewed and are in order and recommended the Board award the project to Gateway Pacific Contractors, Inc. She requested the Board authorize the Manager-Engineer to execute the contract.

On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously, the Board approved the withdrawal of the bid by KG Walters, authorized the contract award to the lowest responsive bidder: Gateway Pacific Contractors, Inc., and authorized the Manager-Engineer to execute the contract.

Staff report on Water Resources Board inspection. The Manager discussed an inspection which took place on October 12, 2010 by representatives of the US-EPA, State Water Resources Control Board, and San Francisco Bay Regional Water Quality

Control Board (RWQCB). The Manager noted that five issues were raised in the report and she provided a copy of the report to the Board. She introduced Steve Clary, RMC Water and Environment, who gave a Power Point presentation regarding topics that arose from the RWQCB inspection report.

Mr. Clary's presentation detailed two issues relating to sampling and analysis and three issues relating to plant performance and design. Mr. Clary stated that the treatment facility was in total compliance at the date of the inspection and that plant performance was well within allowable limits.

Mr. Clary discussed the UV disinfection system, stating that the design has a large safety factor based on disinfection performance, number of back-up UV modules, and the power supply back-up to the UV process.

The Manager stated that a letter will go out to the SWQCB in response to their findings from the October 12th inspection which was then reported on in their April 21, 2011 letter.

President Long stated that the Board should be made aware of all non-routine transactions with the Regional Board, particularly anything that is out of the ordinary.

A member from the audience asked why an attorney from Barg Coffin was present at the inspection. The Manager stated that the matter was in regards to the earlier filing by the EPA, and some of the individuals involved in the inspection had also been involved in the EPA investigation. The attorney was present so the individuals at the inspection would be protected while speaking to the SWQCB.

President Long requested that a future board meeting address the fugitive odors issue.

A resident asked Mr. Steve Clary if he could give an update on the odor situation and the steps being taken to alleviate the odor problem. Mr. Clary discussed the odor situation and remarked that RMC's goal was to design and implement an odor free treatment facility. He stated he feels confident that the fugitive odors issue will be conquered.

John Bailey, Project Manager Veolia Water, stated that he believes the odor beds are 100% functional and that the odors are escaping from the clarifier.

The Manager noted that the measured odor levels are lower than the minimum limits set by the Bay Area Air Quality Management.

Member Welsh stated that if odors are still being noticed by residents, the treatment facility needs additional work until zero odors are being detected.

ADMINISTRATION:

Committee appointments. President Long requested this item be postponed until the Board fills the vacant Board Member seat.

STAFF REPORTS:

California Association of Sanitation Agencies (CASA) meeting. The Manager discussed her participation at the CASA meeting held in Sacramento, April 28-30, 2011. She briefly discussed the California Sanitation Risk Management Authority (CSRMA) meeting she attended and stated she has the CSRMA budget available for review.

Administrative Civil Liability Complaint status. The Manager noted that this topic was previously discussed during Public Comment. She stated that the Board will schedule a closed session at the May 23rd meeting to discuss this issue in more depth.

MANAGER'S ANNOUNCEMENTS:

A Waste Water Operations Committee meeting will be held on Monday, May 16th at 2 p.m. at the District Office.

A Solid Waste Committee meeting will be held on Monday, May 16th at 4:30 p.m. at the District Office.

ADJOURNMENT:

There being no further business to come before the Board, President Long declared the meeting adjourned at 9:03 p.m.

Respectfully submitted,

Beverly B. James, Secretary

Julie Borda, Recording