

May 26, 2009

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, May 26, 2009, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, William C. Long and George C. Quesada. Member Arthur T. Knutson arrived at 4:40 p.m.

BOARD MEMBERS ABSENT: None.

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

ALSO PRESENT: John Quinley, Sustainable Novato, Novato resident
Dean B. Heffelfinger, NSD employee, Novato resident
Dean L. Heffelfinger, Novato resident
Heidi Heffelfinger, Novato resident
Dennis Welsh, former NSD employee, Novato resident
Pam Welsh, Novato resident
Brent Ainsworth, Marin Independent Journal
Austris Rungis, IEDA
Steve Wrightson, the Covello Group
Dee Johnson, Household Hazardous Waste Coordinator
Steve McCaffrey, Director of Governmental Affairs at Novato Disposal

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The Manager stated there was a change to the mailed agenda: item #13 should be removed from the agenda: *Closed Session Conference with Legal Counsel-Potential Litigation.*

On motion of Member Quesada, seconded by Member Fritz, and carried with the following vote, the agenda was approved as amended: Ayes: President Di Giorgio, Members Fritz, Long & Quesada. Noes: None. Absent: Member Knutson.

PUBLIC COMMENT:

John Quinley, Novato resident and member of Sustainable Novato, stated he will be sending an analysis of the Eisenhardt Report to the Board members the week of May 24th and he went on to briefly discuss his report. In addition, he stated that Sustainable Novato continues to request an open dialogue with the Novato Sanitary District Board to discuss the private contract operator issue.

BOARD MEMBER REPORTS:

In honor of Memorial Day, Member Quesada displayed a Purple Heart medal that he was awarded during World War II and briefly discussed President Lincoln's words at the Gettysburg Address.

REVIEW OF MINUTES:

Consider approval of minutes of the May 11th Regular Board meeting:

On motion of Member Quesada, seconded by Member Long, and carried with the following vote, the minutes of the May 11th regular Board meeting were approved. Ayes: President Di Giorgio, Members Fritz, Long & Quesada. Noes: None. Absent: Member Knutson.

CONSENT CALENDAR: *On motion of Member Long, seconded by Member Quesada, and carried with the following vote, the consent calendar items were approved: Ayes: President Di Giorgio, Members Fritz, Long & Quesada. Noes: None. Absent: Member Knutson.*

- a. Approve the following meeting schedule: June 8th and 22nd, July 13th and 27th, August 10th and 24th.
- b. Approval of regular disbursements in the amount of \$581,671.83, and upgrade project disbursements in the amount of \$261,668.42.

SOLID WASTE:

Solid Waste Committee Report. The Manager briefly discussed the Solid Waste Committee Meeting held on May 18th at the District office with members George Quesada and Mike Di Giorgio present at the meeting.

Dee Johnson, the Household Hazardous Waste Coordinator, gave an update on the Solid Waste Committee. She discussed the program's accomplishments as well as the proposed draft budget for the 2009/2010 fiscal year. She noted that contractor costs for the Household Hazardous Waste Facility have increased due to rising participation at the Facility and increased labor and waste disposal costs. She stated the hazardous waste programs continue to consume the greatest portion of the budget at 85% and this area also is the most labor intensive. She stated that participation at the recycling center has increased by 30% and e-waste participation has increased by 8%. Dee discussed changes in the household battery collection and how this change will impact the various Novato collection stations. She noted that the number of collection stations for discarded/expired pharmaceuticals is increasing in Novato. She continues to promote recycling issues at various venues and discussed future programs and events for the next fiscal year. In addition, she discussed Senate Bill 1016, The Solid Waste Per Capita Disposal Measurement Act and noted that the overall diversion for solid waste has increased to 58%.

Steve McCaffrey, Director of Governmental Affairs at Novato Disposal, briefly discussed the recycling market. He also displayed for the Board architectural renderings of the current Novato Disposal site and the proposed upgrades to the facility, including building additions and new landscaping. He stated the new facility with its additional square footage would allow the site to recycle more materials with increased efficiency.

Member Long complimented Dee Johnson and Steve McCaffrey on their thorough presentations and for their continued dedication and efforts.

WASTEWATER FACILITY UPGRADE PROJECT 72609:

Contract B Progress Report. Steve Wrightson of The Covello Group, discussed the Wastewater Facility Upgrade Project and noted the completion target date still stands at September 11, 2010. He stated that time and money spent are tracking closely with 61% of the time having elapsed and 63% of the current contract being expended. He stated that the new No. 2 primary clarifier is now in service and the existing primary clarifier has been taken out of service and demolished. He discussed the schedule highlights and directed Directors attention to detailed progress photos he provided. He pointed out a notable change to the contract since his last report in March of 2009: sodium hypochlorite piping/injection was added to the secondary clarifiers at an additional cost of approximately \$10,000. He also discussed other notable changes (items greater than \$50,000) since the project's inception.

Member Long asked how safety issues are handled at the jobsite. Mr. Wrightson stated that weekly and bi-weekly safety meetings are held. The Covello Group, Monterey Mechanical and sub-contractors all participate.

Dennis Welsh, Novato resident and former NSD employee, commented on Novato Disposal's franchise agreement with the Novato Sanitary District.

John Quinley, Sustainable Novato and Novato resident, asked how much personnel office space has been allotted for the new Operations and Maintenance personnel if the contract operations option is accepted. The Manager stated that the space is already available in the current administration building due to an upgrade completed in 2004.

BUDGET WORKSHOP:

Discussion of 2009/2010 Operation Budget. The Manager discussed the District's 2009/2010 Operating Budget, noting that this may be a difficult year due to the California budget crisis and various State propositions being defeated in the last election. She reviewed with the Board the District's draft operational budget from July 2008 through April 2009. She noted that the District has a \$8.7 million operating budget as we enter the new fiscal year. She stated that sewer service charges will increase by \$40 in the next fiscal year, bringing the fee to \$462.

The Manager stated the 2009/2010 preliminary budget will be presented and reviewed at the June 8th regular board meeting.

President Di Giorgio commended Laura Creamer, the District's Finance Officer, for her work on the budget and the impressive charts that accompanied the Manager's report.

JOINT SAFETY PROGRAM:

Consider approval of a revised "Agreement between Sanitary/Sanitation Districts in Marin County for the Cooperative use of a Safety Director". The Manager noted that the District has participated in a shared safety program since 1996 with Sausalito-Marín City Sanitary District, Sanitary District No. 5, Ross Valley Sanitary District, Central Marin Sanitation Agency, and Las Gallinas Valley Sanitary District. This Agreement was amended in 1999 and again in 2003. She noted that at this time, the participating agencies are proposing to revise the Agreement to address several changes: add Sewerage Agency of Southern Marin and remove Ross Valley Sanitary District; clarify the responsibilities and evaluation procedures for the Safety Director; and provide for adjustments to the allocation formula. The Manager stated that, if approved, the new agreement would go into effect when the last member agency approves it, which would probably be in late June.

On motion of Member Fritz, seconded by Member Long, and carried unanimously, the Board approved the revised "Agreement between Sanitary/Sanitation Districts in Marin County for the Cooperative use of a Safety Director".

STAFF REPORTS:

Banking services update. The Manager updated the Board on the District's search for an alternate financial institution following the recent unauthorized Internet banking activity. She stated that the District has been investigating other banking institutions that offer a higher degree of security. At this time, four banks have been reviewed: First Republic, WestAmerica Bank, Union Bank and City National Bank. She discussed some of the security measures in place at these banks and noted the benefits this would bring to the District's banking security.

The Manager stated a partial report has been completed on one of the District's computers by the computer forensics firm Fishnet. At this time, there was no indication of any viruses that could have caused the internet banking security breach. She stated the computer forensics team continues to look at other District computers.

President Di Giorgio made a disclosure for the record: he stated he has a sister-in-law who works for First Republic Bank in San Francisco but that this would not pose a conflict of interest.

North Bay Watershed Association (NBWA) private lateral program: The Manager noted the District is participating in the Marin Private Lateral Program sponsored by NBWA. She gave the following dates for three identical stakeholders meetings: June 8th in Corte Madera; June 15th in Novato; and June 17th in San Rafael.

North Bay Water Recycling Program (NBWRA) Environmental Impact Report (EIR). The Manager stated the draft EIR has been released to the public and there will be three public hearings in the month of June: June 9th in Novato; June 10th in Sonoma; and June 11th in Napa. The Manager stated she plans to attend the June 9th meeting.

Report on claim from Mark Lafferty, 213 Caribe Isle. The Manager discussed the personal injury claim from Mark Lafferty which the Board rejected at their April 13th meeting. She noted that a Summons from the Superior Court was received on May 13th and has been referred to the District's claims adjuster, Carl Warren and Co. She stated the District has requested representation by attorney Pete Edrington of Edrington, Schirmer and Murphy who is on the CSRMA list of attorneys and has represented the District in a previous liability claim.

MANAGER'S ANNOUNCEMENTS:

The Manager discussed a CSDA hosted Budget Action Day on June 3rd. She noted this meeting will bring special district and city officials to the Capitol in Sacramento to talk to legislators about the consequences of a Proposition 1a suspension. The event will be held at the Citizen Hotel on J Street in Sacramento.

At 6:05 p.m. President Di Giorgio called for a five minute break.

The Board meeting reconvened at 6:12 p.m.

CLOSED SESSION:

Conference with labor negotiators – Government Code Section 54957.6.

At 6:13 p.m. President Di Giorgio announced the Board would meet in Closed Session to discuss the item on the Closed Session Agenda: Confer with District's labor negotiators regarding meet and confer with District's "General" bargaining unit, represented by Teamsters Local 315.

At 6:50 p.m. President Di Giorgio reconvened the Board meeting.

There was no reportable action.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 6:51 p.m.

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Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording