

May 27, 2008

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, May 27, 2008, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Steve Clary, RMC Water & Environment.
Steve Wrightson, The Covello Group

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The Manager requested a revision to the current agenda for the removal of the Closed Session agenda item.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the agenda was approved as revised.

PUBLIC COMMENT: None.

BOARD MEMBER REPORTS: Member Quesada made a request to have an item, lateral discussion, placed on the next Board Agenda. The Manager stated she has speakers in place to discuss this issue at the June 23rd Board Meeting. The request was postponed.

REVIEW OF MINUTES:

- Consider approval of minutes for the May 12, 2008 meeting: *On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the May 12, 2008 Board meeting minutes were approved as written.*

CONSENT CALENDAR: *On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously, the following consent calendar items were approved:*

- a. Acceptance of Hansen Road sewer main extension: Tawfik & Lamb.
- b. Adoption of Resolution No. 2980 authorizing execution of quitclaim deed to Grosvenor USA Limited – portion of sewer easement at Lot 1, Hamilton Marketplace.
- c. Receipt of quarterly Revenue & Expenditure Report for period ending March 31, 2008.
- d. Approval of meeting schedule as follows: June 9th and 23rd, July 14th and 28th, August 11th and 25th.

- e. Approval of regular disbursements in the amount of \$202,641.70, and project disbursements in the amount of \$179,516.51.

WASTEWATER FACILITIES UPGRADE PROJECT, CONTRACT B, NOVATO TREATMENT PLANT IMPROVEMENTS, PROJECT 2006-09:

- Consider approval of a change order for \$515,820 for new single stage blowers, and authorize staff to negotiate an additional change order of up to \$160,000 for an alternative control system: The Manager discussed the Board's actions at its August 27, 2007 meeting in rejecting bids from both the single stage and multistage blower vendors. At that time, staff requested a change order proposal from Monterey Mechanical Co. to provide an aeration blower system package based on single stage blowers.

At this time, a change order based on new single stage blowers from Turblex, Inc. has been finalized in the amount of \$515,820. In addition, Turblex has proposed a more turnkey product that incorporates its own alternative control system which would greatly increase the blower's efficiency. This alternative control system could range from \$120,000 to \$160,000.

Steve Clary from RMC answered questions from Member Quesada regarding the function of the new single stage blowers from Turblex. Member Di Giorgio requested clarification regarding the blowers and the alternative control system. Mr. Clary discussed the electrical cost analysis, blower functioning and subsequent cost effectiveness over the life of the blowers. He stated that this alternative control system incorporates the largest electrical cost savings.

Steve Wrightson from the Covello Group discussed with the Board Members the Novato Treatment Plant Project Contract Summary as of May 27, 2008. He discussed the schedule and time summary through May 27th, the construction contract cost summary through April, 2008, the potential contract costs and the change summary through May 27th. He was pleased to report that the total change order summary to date is very small: \$675,119.

On motion of Member Long, seconded by Member Di Giorgio, and carried unanimously, the Board approved a change order in the amount of \$515,820 for new single stage blowers and authorized staff to negotiate an additional change order of up to \$160,000 for an alternative control system.

BUDGET WORKSHOP:

- Discussion of operations and maintenance organization: The Manager gave a Power Point presentation which included a discussion of the budget for the 2008-09 fiscal year. She noted that by the end of June/early July the gravity belt thickener should be completed and that by October, the new headworks and primary clarifier should be completed.

- Discussion of 2008-09 operations and maintenance budget. The Manager discussed the 2008-09 budget pointing out some areas of reorganization that were necessary to meet

changing needs. For instance, she stated that less operator time would be needed at the Ignacio plant and increased operator time at the Novato plant during initial post-construction start up.

The Manager noted the following points: the District is currently looking at new insurance carriers who could offer a lower per-claim deductible; discharge penalties and claims should be reduced due to upgraded equipment; and salary and benefit costs will increase over the next fiscal year. The Manager briefly discussed the uncertainty of State funding and if the funding were reduced, what implications this would have on the 2008-09 budget.

SOLID WASTE:

- Consider setting a public hearing date for establishing the maximum charges for refuse collection and disposal services. The Manager discussed the proposal of scheduling a Public Hearing for the regular District Board meeting of June 23, 2008 to consider adjusting the rates for the remainder of 2008 by an additional 1.12% based on the audited financial review. This rate adjustment assumes that the District would discontinue free services to public agencies as of July 1, 2008 with two exceptions: 1) Novato Unified School District would continue to receive free services until December 31, 2008 and 2) public-use waste and recycling receptacles in parks and along streets would continue to be picked up at no charge.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, a Public Hearing date for establishing the maximum charges for refuse collection and disposal services was set for June 23, 2008.

COMPENSATION AND REIMBURSEMENT POLICY:

- Consider approval of compensation for Board Member attendance at North Bay Water Reuse Authority meetings and Marin Lateral Committee meetings, in accordance with the District's Compensation and Reimbursement Policy adopted June 26, 2006. The Manager discussed compensating Board Members as per District policy for their attendance at various meetings. Specifically, Member Di Giorgio is the District's designated Marin Lateral Committee representative and Member Long is the representative to the North Bay Water Reuse Authority.

On motion of Member Di Giorgio, seconded by Member Long, and carried unanimously, Board Members will be compensated in accordance with Section 2.c. of the District Compensation and Reimbursement Policy for attendance at the North Bay Water Reuse Authority and the Marin Lateral Committee meetings.

2008 COLLECTION SYSTEM IMPROVEMENT PROJECT:

- Consider authorizing expenditure of up to \$50,000 to replace the sewer on Nave Drive. The Manager discussed the ongoing construction of the Hamilton Marketplace shopping

center on Nave Drive. When excavation began on May 20th, the contractor, Team Ghilotti, discovered that there was insufficient strength in the trench bottom to adequately support the new pipe that was being installed as part of the construction. Miller Pacific Engineering was contacted and subsequently sent a recommendation to the District on how to construct a new sewer main to overcome the newly discovered problem.

Staff estimates that the newly necessary pipeline work may cost around \$35,000 due to the soft conditions and unique shoring system. Paving costs may reach \$15,000 due to the thickness and extra width the City of Novato is requiring. The Manager requested the Board authorize an expenditure not to exceed \$50,000 for this additional work.

On motion of Member Di Giorgio, seconded by Member Long, and carried unanimously, an expenditure not to exceed \$50,000 was granted to replace the sewer main in Nave Drive.

BEL MARIN KEYS (BMK) PUMP STATIONS REHABILITATION PROJECT 2004-03

The Manager briefly discussed the BMK Pump Station Rehabilitation Project. She requested that the Board authorize staff to seek a scope of services and fee estimate from the Covello Group to provide construction management services for the construction phase of the BMK project.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the Board authorized staff to request a proposal for construction management services for the Bel Marin Keys Pump Stations upgrade project.

LIABILITY CLAIM

- Consider rejection of claim from Al Kovaleff, 16 Del Oro Lagoon, Novato. The Manager briefly outlined an insurance claim that was presented to the District on March 28th. The claimant is requesting repayment for damages to his lateral line which he alleges were caused by a backup incident on March 7th, 2008. Staff concurs with the recommendation of the District's claims adjuster, Carl Warren and Co., that the Board deny the claim of Mr. Kovaleff.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the liability claim of Mr. Al Kovaleff at 16 Del Oro Lagoon was rejected.

STAFF REPORTS

- North Marin Water District Decertification of SEIU: The Manager noted that the North Marin Water District (NMWD) voted to unionize approximately ten years ago. On May 14th, NMWD held a de-certification vote and it passed. The Water District will no longer be represented by an SEIU.

MANAGER'S ANNOUNCEMENTS:

- The Manager, Beverly James, and the Collections System Superintendent, Tim O'Connor, will be attending a BACWA Wet Weather Management Workshop in San Leandro on May 29th.
- The Manager discussed several news items that were included in the Board packets. She will write a response to an editorial article that appeared in the Marin Independent Journal. She will circulate the letter to the Board prior to submission to the newspaper.
- The Deputy Manager is on his way to Copenhagen, Denmark, to witness the factory testing of the Turblex blower.
- The Manager noted that Larry Rugaard is working on determining how much corrugated pipe is used within the District's sewer lines. A Collection Systems Master Map is being prepared and should be ready for one of the June Board meetings.

ADJOURNMENT: There being no further business to come before the Board, President Fritz adjourned the meeting at 6:17 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording