

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: June 8, 2020

A regular meeting of the Board of Directors of the Novato Sanitary District was held via Zoom® conferencing at 5:30 p.m., Monday, June 8, 2020.

BOARD MEMBERS PRESENT AS NOTED BY ROLL CALL*: President Carole Dillon-Knutson, Directors Tim Fuelle, William Long, Jean Mariani, and Jerry Peters.

STAFF PRESENT AT 500 DAVIDSON STREET*: General Manager-Secretary Sandeep Karkal, Administrative Services Officer Dale Thrasher, Finance Officer Laura Creamer, and Administrative Secretary Julie Hoover.

ALSO PRESENT*: John O'Hare, Project Manager, Veolia
Erik Brown, Deputy General Manager, Novato Sanitary District
Jeff Boheim, Field Services Manager, Novato Sanitary District
Jeff Andress, Collection System Superintendent, Novato Sanitary District
Robin Merrill, Information Systems Specialist, Novato Sanitary District
Dave Richardson, Practice Leader, Woodard & Curran

**all via Zoom® conferencing*

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: No public comments were submitted via email prior to the meeting, and no public comments were brought forth during the public comment agenda time slot.

REVIEW OF MINUTES:

- Consider approval of minutes of the May 11, 2020 regular meeting.

On motion of Director Peters, seconded by Director Fuelle, and carried unanimously by roll call, the May 11, 2020 Regular Board meeting minutes were approved.

PUBLIC HEARING PURSUANT TO 5471 ET SEQ. AND 6520.5 OF THE CALIFORNIA HEALTH AND SAFETY CODE – FY 2020-21 SEWER SERVICE CHARGE REPORT, AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Sewer Service Charge Report. The General Manager stated that upon completing the appropriate Proposition 218 requirements, the District Board, at its meeting of June 13, 2016, held a public hearing on, and thereafter adopted Ordinance No. 120 titled "An Ordinance of the Novato Sanitary District Establishing Sewer Service Charges for Fiscal Years 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21". He stated that the intent of tonight's public hearing was to conduct the Hearing on the FY 2020-21 Sewer Service Charge report and receive protests on individual sewer service charges on the sewer service charge report. He stated that Robin Merrill, Information System Specialist II, was

present via Zoom® conferencing so that anyone could request what their individual sewer service rate would be in the coming year and have the opportunity to protest.

The General Manager stated that following the Hearing, the Board would consider adopting Resolution No. 3143 to collect the FY 2020-21 Sewer Service Charges on the Marin County tax rolls. He noted that, as required, the public hearing had been “noticed” twice in the Marin Independent Journal: May 18, and May 25, 2020.

- Open public hearing. President Dillon-Knutson opened the public hearing at 5:37p.m.

- Consider protests regarding sewer service charge report. No public protests were received during the public hearing, and the General Manager stated that no written protests had been received.

- Close public hearing. President Dillon-Knutson closed the public hearing at 5:38 p.m.

RESOLUTION CONFIRMING FISCAL YEAR FY 2020-21 SEWER SERVICE CHARGE REPORT AND ELECTING TO COLLECT ON MARIN COUNTY TAX ROLLS:

- Adopt Resolution No. 3143 – A Resolution Confirming Sewer Service Charge Report and Collection of Sewer Service Charges for Novato Sanitary District on the County of Marin Tax Rolls for Fiscal Year 2020-21.

On motion of Director Long, seconded by Director Peters, and carried unanimously by roll call, the Board adopted Resolution No. 3143: A Resolution Confirming Sewer Service Charge Report and Collection of Sewer Service Charges for Novato Sanitary District on the County of Marin Tax Rolls for Fiscal Year 2020-21.

CONSENT CALENDAR:

President Dillon-Knutson called for a motion on the Consent Calendar items as follows:

- a. Approve Board member disbursements in the amount of \$2,340.90, capital project disbursements in the amount of \$94,050.47, and regular disbursements in the amount of \$324,979.70. Ratification of May 26th capital project disbursements in the amount of \$124,244.59, and regular disbursements in the amount of \$150,631.75.
- b. Ratification of May payroll and payroll related disbursements in the amount of \$285,186.18.
- c. Receive deposit summary, May 2020.
- d. Receive report on a one-time variance to District leave policies due to COVID-19 and allow, at an employee’s discretion, unused Fiscal Year (FY) 19-20 floating holiday hours, and vacation and administrative leave hours accrued during the shelter-in-place (SIP) period(s), to be used until December 31, 2020, or receive a cash-out in lieu of utilizing such hours.
- e. Approve contract with DLJ Associates to provide Solid and Household Hazardous Waste (S&HHW) and related services for Fiscal Year (FY) 20-21 in the not-to-exceed amount of \$103,500, and authorize the General Manager-Chief Engineer to execute it.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by roll call, the Board approved the above listed Consent Calendar items.

COMMITTEE REPORTS:

Upon consent of President Dillon-Knutson, the General Manager stated that he would address the following three agenda items together:

- Solid Waste: Receive report and recommendation to adopt preliminary Solid and Household Waste (S&HHW) Budget for FY 20-22.

- Wastewater Operations: Receive report and recommendation to adopt preliminary Operating Budget for FY 20-22.

- Capital Improvements: Receive report and recommendation to adopt preliminary Capital Improvements Program (CIP) Budget for FY 20-22.

The General Manager stated that the Solid Waste Committee* (Members Mariani and Peters) held its meeting on May 18, 2020. He stated that the District's Solid and Household Hazardous Waste coordinator Ms. Dee Johnson was also present (via Zoom® teleconferencing). He continued, stating that the Wastewater Operations Committee* (Members Dillon-Knutson and Fvette) held its meeting on May 26, 2020, and that the Capital Improvements Committee* (Members Dillon-Knutson and Long) held its meeting on June 1, 2020.

(* Held via Zoom® teleconferencing.)

ANNUAL BUDGET:

- Approve and adopt the Preliminary Budget for Fiscal Years 2020-22. The General Manager stated that at the May 11th Board meeting, staff presented, along with an overview, the District's Preliminary Budget for Fiscal Years (FY) 20-22 to the Board of Directors. He stated that, separately, staff reviewed the preliminary Solid Waste budget with the Solid Waste Committee, the preliminary Operating Budget with the Wastewater Operations Committee, and the preliminary Capital Improvement Program (CIP) budget with the Capital Improvements Committee. The General Manager stated that all three Committees have recommended adoption of their respective budgets to the full Board. He noted that revisions and edits proposed during the respective Committee reviews were minor and are reflected in the attached Preliminary Budget. He stated that any further changes, corrections, or edits to the Preliminary Budget would be noted and included in the final Budget, which will be presented for Board adoption at the August or September Board meeting.

The General Manager stated that the Preliminary FY 20-21 budget incorporates some foreseeable impacts from the on-going COVID-19 situation. He stated that as this situation evolves, it may further impact the District's FY 20-21 Budget. Therefore, with the caveat that there may potentially be significant changes from this Preliminary Budget to the Final Budget to be presented to the Board in August or September, he stated that staff

recommends the Board approve and adopt the Fiscal Years 2020-22 Preliminary Budget as presented.

Director Long asked what the anticipated increase in operating charges from Veolia Water will be for the coming fiscal year. The General Manager referred to page 64 of the agenda packet, stating that a 3% increase has been included for budgeting purposes.

On motion of Director Peters, seconded by Director Long, and carried unanimously by roll call, the Board approved and adopted the Preliminary Budget for Fiscal Years 2020-22.

WASTEWATER OPERATIONS (INFORMATION ONLY):

- Receive Wastewater Operations Reports, May 2020.

Collection System Report: Deputy General Manager Erik Brown provided the Collections System Report for May 2020. He began by stating that the Collection Department cleaned 46,934 lineal feet of sewer pipelines and televised 22,649 feet of sewer main. He noted that CCTV (closed circuit TV) work did not identify any new structural damages or areas that would require a change in sewer line maintenance operations. He stated that staff completed 238 maintenance work orders, leaving zero work orders outstanding. Further, he noted that staff conducted 157 lift station inspections and completed maintenance inspections on five (5) air relief/vacuum valves.

The Deputy General Manager then outlined the training provided in May, noting that Collection Department staff attended four (4) safety tailgate meetings, and participated in six (6) specialized training events. He stated that there were no lost time accidents, and no sanitary sewer overflows in May. He concluded the report, stating that the Collection and Field Services staff continue to operate under a temporary modified split shift (A/B teams). He stated that staff has been practicing social distancing to the extent possible during shifts and had increased disinfection of commonly touched surfaces at the beginning and end of each shift.

The Board unanimously commended the Collection staff for their hard work, dedication, and flexibility to the District through this period of modified schedules and longer working shifts. The Deputy General Manager and the Collection System Superintendent stated that they were very proud of the Collection System workers for their dedication to the District.

Treatment Facilities Report: Veolia Project Manager John O'Hare provided the May 2020 Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance, stating that May's average flow was 3.81 MGD (million gallons per day), and that the Recycled Water Facility (RWF) produced 22.61 million gallons of recycled water. He stated that it was a reasonably dry month, and that there were no violations or excursions. The Project Manager then outlined training events attended by Veolia staff in May. He reviewed the monthly routine inspections, maintenance activities, and key events for the Novato treatment facility, the Ignacio transfer pump station, and the Recycled Water Facility. He stated that Operations staff continue work in two groups, with John Bailey supervising one group, and himself supervising the second group. He outlined the environmental services activities, and concluded his report, stating that no odor contacts were received in May.

The Board unanimously commended Veolia staff and operators for their hard work through this period of modified schedules and longer working shifts.

Reclamation Facilities Report: Field Services Manager Jeff Boheim summarized the Reclamation Facilities report for May 2020. He stated that the treatment plant transitioned from Bay discharge mode to reclamation mode on May 1st. He stated that approximately 87 million gallons of plant effluent flowed to storage ponds 1 and 2 during the month. He stated that approximately 400 cows and calves grazed Site 7 until 5/26/20, at which time they were moved from Site 7 to Site 3. The Field Services Manager stated that irrigation began on the parcels on May 22nd, and that approximately 16 repairs were made to underground irrigation piping, primarily at Site 3, in May 2020. He concluded his report, stating that no biosolid activities occurred in May.

CAPITAL PROJECTS:

- NTP Corrosion Control, Account No. 73006 - Headworks Coating Project: Review bids received, reject all bids, and authorize the General Manager-Chief Engineer to inform all bidders. The General Manager stated that at its May 11th Board meeting, the District Board authorized him to accept plans and specifications and advertise for bids for the Headworks Coating Project. He stated that at the bid opening date of June 2nd, one bid was received from Euro Style Management, in the amount of \$445,000. He noted that the Engineer's Estimate for the project was \$350,000. The General Manager stated that, as allowed by Section 20166 of the State Public Contract Code, staff was recommending that the Board reject all bids, and authorize the General Manager-Chief Engineer to so inform all bidders.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously by roll call, the Board rejected all bids for the NTP Corrosion Control Headworks Coating Project, and authorized the General Manager-Chief Engineer to so inform all bidders.

- Pump Station Rehabilitation, Account No. 72403 – Olive Avenue Pump Station Improvement Project: Approve a contract with Nute Engineering, Inc. in the not-to-exceed amount of \$189,650 for professional engineering services related to the Olive Avenue Pump Station Rehabilitation Project, and authorize the General Manager-Chief Engineer to execute it. The General Manager stated that the Board Agenda Summary (page 128 of the Agenda Packet) provided details of the Olive Avenue Pump Station Rehabilitation Project. Director Peters asked what the expected life is of an average pump station. The General Manager replied that while pump station life expectancies are subjective, the Olive Avenue Pump Station was built about 50 years ago and needs rehabilitation to extend its useful life.

On motion of Director Peters, seconded by Director Long, and carried unanimously by roll call, the Board approved a contract with Nute Engineering, Inc. in the not-to-exceed amount of \$189,650 for professional engineering services related to the Olive Avenue Pump Station Rehabilitation Project, and authorized the General Manager-Chief Engineer to execute it.

- Cogeneration/Alt. Energy, Account No. 72708: Receive presentation on Cogeneration System Technical Memorandum (TM) from the District's Consultant Woodward & Curran and its recommended cogeneration project implementation alternative; and authorize staff to implement the recommended alternative. The Deputy General Manager stated that at its

May 13, 2019 meeting, the District Board received a presentation on Cogeneration System implementation alternatives from the District's consultant, Woodard & Curran (W&C) for a cogeneration design-bid-build project, utilizing microturbines to convert digester gas to electrical power. He stated that subsequently, the District had become aware of, and took part in, discussions with a fuel cell technology company, Bloom Energy, who proposed that the District consider their technology for cogeneration. District staff determined that, before moving forward with the microturbine design contract, they would commission W&C to perform a side by side analysis of Bloom Energy's fuel cell technology compared to microturbines and internal combustion engines. The Deputy General Manager stated that Dave Richardson of Woodard & Curran would be providing a presentation to update the Board on cogeneration study findings with fuel cell refinements.

Dave Richardson (via Zoom®) began his PowerPoint presentation titled "NSD Cogeneration Evaluation, June 2020". Mr. Richardson provided an updated analysis of the feasibility of fuel cells compared with other cogeneration technologies. He discussed capital cost comparisons, lifecycle costs, and the annual cost-benefit and electric utility prices of fuel cells versus microturbines. At the conclusion of the presentation, Mr. Richardson stated that both microturbines and fuel cells are viable options. He stated that fuel cells require supplemental natural gas to make economic sense, and although capital costs of the fuel cell option are high, fuel cells with a Power Purchase Agreement (PPA) option would outperform microturbines for most utility growth pricing scenarios. Discussion followed between the Board, staff, and Mr. Richardson.

On motion of Director Long, seconded by Director Peters, and carried unanimously by roll call, the Board authorized the General Manager-Chief Engineer to proceed with implementing Woodard & Curran's recommended Fuel Cell project alternative with the PPA option, as presented by Mr. Richardson.

- Receive Capital Projects Update, May 2020 (information only). The General Manager noted a correction to the agenda packet: agenda, page 3, item 11.(d): **Receive Capital Projects Update, May 2019 2020.**

The Deputy General Manager provided an overview and update of the District's capital projects.

ADMINISTRATION:

- Per the Memorandum of Understanding (MoU) with Teamsters Local 315, and as included in the FY 20-22 Preliminary Budget, receive report on cost-of-living allowance of 3.0% for the represented employees group, effective July 1, 2020. The General Manager stated that in 2018, the District negotiated a five-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). He stated that the MOU term is July 1, 2018 through June 30, 2023. He continued, stating that the MOU has a provision to grant a flat rate cost-of-living increase of 3.0% per year, effective July 1, 2018, and each July 1st subsequently for the term of the MOU to the TBU District employees. The General Manager stated that this item was for information only and did not require Board action.

- Consistent with the Teamsters group, and as included in the FY 20-22 Preliminary Budget, approve a cost-of-living allowance of 3.0% for the non-represented group (Management and

Confidential), effective July 1, 2020. The General Manager stated that, as discussed in the prior item, the MOU for the represented group, provides for a flat rate cost-of-living increase of 3.0% per year. He stated that it is customary for the non-represented group (Management and Confidential personnel) to receive the same annual increase granted to the Represented Group. He recommended that the Board approve the cost-of-living increase of 3.0% for the non-represented Management and Confidential group, effective July 1, 2020.

On motion of Director Mariani, seconded by Director Long, and carried unanimously by roll call, the Board approved a cost-of-living allowance of 3.0% for the non-represented group (Management and Confidential), effective July 1, 2020.

- Consistent with the Teamsters group and the M&C group, and as included in the FY 20-22 Preliminary Budget, approve a cost-of-living allowance of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020. The terms of the General Manager-Chief Engineer's agreement stipulate that he receive the cost-of-living increase granted to the M&C group personnel. Accordingly, it was recommended that the Board approve the cost-of-living increase of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020.

On motion of Director Mariani, seconded by Director Fvette, and carried unanimously by roll call, the Board approved a cost-of-living allowance of 3.0% for the General Manager-Chief Engineer, effective July 1, 2020.

COVID-19 SEWER SERVICE CHARGE (SSC) REDUCTION PROGRAM:

-Initiate a Sewer Service Charge (SSC) Reduction Program (Program) effective July 1, 2020 for commercial and institutional ratepayers impacted by COVID-19 shelter-in-place (SIP) closures in FY 19-20. The General Manager stated that this item is consistent with the agenda item brought forth and discussed by the Directors at the May 11th Board meeting regarding implementation of a Sewer Service Charge Reduction Program (Program). He stated that this item formalizes the action, including the background and previous discussions, and presents the Program to the Board for approval. He stated that the Program is provisioned in the FY 20-21 budget at an initial estimated amount of \$900,000.

- Delegate Program implementation and oversight to the General Manager-Chief Engineer (or designee).

On motion of Director Mariani, seconded by Director Long, and carried unanimously by roll call, the Board initiated a Sewer Service Charge (SSC) Reduction Program (Program) effective July 1, 2020 for commercial and institutional ratepayers impacted by COVID-19 shelter-in-place (SIP) closures in FY 19-20; and Delegated Program implementation and oversight to the General Manager-Chief Engineer (or designee).

The General Manager stated that he would announce and publicize the Program by preparing a press release for the local newspapers, reaching out to the Novato Chamber of Commerce, and posting the Program announcement, information and application materials to the District's website: www.novatosan.com.

GRAND JURY REPORT:

- Receive draft response to 2019-20 Marin County Civil Grand Jury report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices" dated April 28, 2020, and subject to changes or edits, authorize the Board President to provide the response to the Grand Jury. The General Manager stated that at its May 11th meeting, the Board received the 2019-20 Marin County Civil Grand Jury's second report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices", dated April 28th. He stated that the Grand Jury requested that the District respond to three Findings and two Recommendations in the report. He continued, stating that staff had prepared a draft response for the Board's consideration (provided in Board Packet, pages 175 to 177), and he recommended that the Board review the response, provide changes/edits, and authorize the Board President to provide the response to the Grand Jury. The Board was unanimous as to approve the response as provided.

On motion of Director Peters, second by Director Fuelle, and carried unanimously by roll call, the Board received draft response to the 2019-20 Marin County Civil Grand Jury report titled "Follow-Up Report on Web Transparency of Agency Compensation Practices" dated April 28, 2020, and not making any edits, authorized the Board President to provide the response to the Grand Jury.

BOARD OF DIRECTORS:

- Appoint Board officers, Secretary-Treasurer and Secretary Pro-tem, and designate and authorize check signers, Fiscal Year (FY) 20-21. Director Mariani addressed the Board and stated that as this being an election year (2020), and as was practiced in the previous election year (2108), she recommended that the Board continue with the current officers for six months, so as not to afford any of the incumbents an undue advantage by holding a Board officer position. She stated that, for this reason, she proposed President Dillon-Knutson continue as President and Director Long continue as President Pro-Tem, and that new officer appointments take place at the Board meeting in December, after the 2020 election cycle had concluded.

On motion of Director Mariani, seconded by Director Peters, and carried unanimously by roll call, the Board appointed the current officers (President Dillon-Knutson and President Pro-tem Long) a six-month continuation of their positions, for FY 20-21.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously by roll call, the Board agreed to retain the current positions of Secretary-Treasurer (General Manager-Chief Engineer Sandeep Karkal) and the Secretary Pro-tem (Administrative Secretary Julie Hoover) for FY 20-21. It was further agreed to retain the current authorized check signers (Carole Dillon-Knutson, Jean Mariani, Tim Fuelle, Sandeep Karkal) for FY 20-21.

BOARD MEMBER REPORTS AND REQUESTS:

Director Mariani reported on her attendance at the North Bay Watershed Association (NBWA) meeting, held via conference call on Friday, June 5, 2020. She discussed a presentation from Bryan McFadin of the North Coast Regional Water Quality Control Board

regarding State planning efforts underway to enhance and protect instream flows. She also discussed presentations by Greg Andrew of the Marin Municipal Water District, and Pam Jeane of Sonoma Water.

Director Long stated that he was invited to a CASA Semi-Annual Clean Water Summit meeting (held via teleconference), and that discussion took place regarding the presence of the COVID-19 virus in wastewater.

GENERAL MANAGER'S REPORTS AND ANNOUNCEMENTS:

- Reports:

COVID-19 update:

- Wastewater based epidemiology (WBE) testing for the COVID-19 virus continues to evolve positively, although currently available testing continues to be prohibitively expensive for small agencies like the District.
- The District's Safety Officer and senior staff continue to maintain situational awareness on this issue. The District Safety Officer and the joint CMSA/NSD Safety Program Manager continue to stay current on the situation and with the County Health Department requirements.
- Administratively, the General Manager will continue to modify District operations as needed, based on best available information, as the situation evolves.
- The District continues to operate on the 'Team A/Team B' model. The Administrative Secretary and the General Manager work M-T-W in office, and Th-F remotely; the Information Systems Specialist and the Deputy General Manager work M-T-W remotely, and Th-F in office. The Finance Director, Construction Inspector, Senior Engineer, and Administrative Risk Services Officer, all work remotely full time. Collection staff is also operating on the 'Team A/Team B' model, with each team comprising 1 supervisor and 3 Collection Workers. Team A works M-T-W, and Team B works Th-F-Sat.

- Announcements:

- The next regular Board meeting is currently scheduled for August 10th, at 5:30 p.m. Current events will dictate if the meeting will be conducted by remote conference calling.

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 7:53 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording