

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: June 12, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, June 12, 2017, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Members Carole Dillon-Knutson, William C. Long, Jean Mariani, and Brant Miller.

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, District Counsel Kent Alm, and Administrative Secretary Julie Hoover.

ALSO PRESENT: John Bailey, Plant Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
Brian Exberger, Assistant Plant Manager, Veolia Water
Steve Krautheim, Fields Services Manager, Novato Sanitary District
Dale Thrasher, Admin. Services/Safety Officer, Novato Sanitary District
David Gernetzke, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the May 22, 2017 meeting.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the meeting minutes of May 22, 2017 were approved with minor corrections.

BOARD OF DIRECTORS:

- Review connection fees for residential Accessory Dwelling Units (ADUs), and provide direction. A review of the current and anticipated legislation on Accessory Dwelling Units (ADUs) has led to conflicting and confusing local practices in applying connection fee charges by special districts, primarily water and sewer districts. Staff and District Counsel provided a synopsis of the legislation. The District Staff recommends adopting a District Policy that preemptively incorporates current, SB 1069 and AB 2299, as well as anticipated SB 229 legislation per the referenced memorandum.

District Counsel Kent Alm commented that it was not a legal issue but a District Policy issue and saw no risk in moving forward with staff recommendations to adopt a policy waiving connection fees for ADUs.

Mr. Gernetzke, citing the Fee Mitigation Act, indicated he should not have been charged connections fees for his unit. District Counsel commented the Fee Mitigation Act does not apply to Special Districts.

Director Dillon-Knutson commented that it appears legislation is moving towards not charging a fee. She felt that the fee for a second unit is out of reason and we should waive the fees.

On motion of Director Mariani, seconded by Director Long, with Directors Peters, Long, Mariani, and Miller voting aye, and Dillon-Knutson voting no, the Board adopted the policy titled "Novato Sanitary District Policy Regarding Connection and Permitting Fees for Residential Accessory Dwelling Units", retroactive to an effective date of January 1, 2017.

- Receive report on request for waiver of ADU connection fees for 1120 Mirabella Avenue, and provide direction (request by Mr. David Gernetzke).

On motion by Director Mariani, and seconded by Director Miller, and carried unanimously, the Board provided direction that the District shall refund connection fees for 1120 Mirabella Avenue as requested by Mr. Gernetzke, provided his request meets the requirements of the previously adopted Policy.

Director Mariani asked staff to review data for other people who have paid the fees in full and may also be due a refund based on the new policy.

Mr. Gernetzke left the meeting at 6:00 PM.

CONSENT CALENDAR:

President Peters called for a motion on the Consent Calendar items as follows:

- a. Approve Board member disbursements in the amount of \$2,187.88, regular disbursements in the amount of \$344,881.83, and capital project disbursements in the amount of \$49,601.90.
- b. Receive deposit Summary, May 2017.
- c. Cancel regular Board meetings of July 24, and August 28, 2017.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the above listed Consent Calendar items were approved.

ANNUAL BUDGET:

- Presentation of Preliminary Budget for Fiscal Years (FY) 17-18 and FY 18-19. The General Manager stated that the District's Preliminary Budget for Fiscal Years (FY) 2017-19 is being presented within the Agenda Packet for the Board's review (Attachment 1). He noted that the Board also traditionally reviews each of the Solid Waste, Operating, and Capital Improvement Program budgets by Committee, and that based on Board feedback, the following review schedule is presented:

1. Operating Budget review: Wastewater Operations Committee – 3:00pm, Tuesday, June 13, 2017 (Directors Peters and Miller).
2. Capital Improvement Program (CIP) budget review: New Facilities Committee – 1:00pm, Wednesday, June 14, 2017 (Directors Long and Dillon-Knutson).
3. Solid Waste Budget review: Solid Waste Committee – 3:30pm, Monday, June 19, 2017 (Directors Mariani and Dillon-Knutson).

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, May 2017. Veolia Water Project Manager John Bailey provided an overview of the Treatment Facilities Monthly Operations Report for May 2017. The Project Manager reviewed the treatment plant performance summary, and noted that there were no excursions or violations for the month. He noted the plant is approaching typical dry weather flows of 4.27 MGD through the plant, and recycled water production of 16.6 MG. He outlined the safety training completed in May, and noted that that safety performance was excellent with a total of 2,563 accident-free days.

Field Services Manager Steve Krautheim presented the May 2017 Collections report, highlighting that 346 work orders were generated and completed, resulting in 65,074 feet of pipe being cleaned. The District's CCTV van televised 41 line segments for a total of 9,682 feet of pipe inspected. Staff also completed maintenance on 6 air relief valves (ARV). In the month of May staff attended 7 tailgates and training on SSO Volume Estimation, Condition Assessment and Certification of Pipelines and Manholes, Supervisor Safety Training, and training on Assertive Speaking/Active Listening. He noted that NSD's safety performance was also excellent with a total of 2,270 accident-free days since the last lost time injury.

The Field Services Manager then summarized the Reclamation Facilities report for May 2017. He noted that the rancher continued cutting pasture grass on sites 3 and 7, and there were no irrigation activities this month. The irrigation pond dropped 0.4 feet or 10 MG due to evaporation. He also noted that staff inventoried fallen eucalyptus trees at the Reclamation area for removal later this year. A short discussion followed on removal, disposal, and possible reuse of materials from the fallen eucalyptus trees.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706: East Hamilton Pump Station Force-main ARV Improvements – Grant Final Acceptance of the Project, and authorize staff to file the Notice of Completion. The Collection System Improvements, East Hamilton Pump Station Force-main ARV Improvements project is now complete. Staff requested that the Board grant final acceptance of the project and authorize staff to file the Notice of Completion.

On motion by Director Long, seconded by Director Dillon-Knutson and carried unanimously, Districts staff was authorized to file the Notice of Completion for the Collection System Improvements East Hamilton Pump Station Force-main ARV Improvements project.

GRAND JURY REPORT:

- Receive 2016-17 Marin County Civil Grand Jury report titled “The Budget Squeeze – How Will Marin Fund its Employee Pensions?”, dated June 5, 2017, and authorize staff and District Counsel to prepare a draft response for Board consideration. The General Manager reported that the 2016-17 Marin County Civil Grand Jury has issued a third report titled “The Budget Squeeze – How Will Marin Fund Its Public Employee Pensions”, dated June 5, 2017.

He noted that the Grand Jury states on Page 18 of 61, that: “Sanitary districts as a group appeared to be in the best financial condition based on both balance sheet and income statement data.” Further, the Grand Jury also singled out the District (page 19 of 61), as follows: “The Novato Sanitary District stood out as being in particularly good financial condition in that it spends less than 2% of its revenues on pension contributions and has a NPL that is 18% of its cash position.”

The General Manager stated that the Grand Jury is requesting that the District respond to Recommendations R3, R4, and R8 of the Report, and do so consistent with their attached Response Form. He recommended that the Board authorize staff and District Counsel to review the Report and prepare a draft response for the Board’s consideration at a future Board meeting. He noted that the Grand Jury typically requires a response within ninety (90) days from a Report’s release date, and has indicated that the District’s response to this Report is due by September 5, 2017.

On motion by Director Dillon-Knutson, seconded by Director Mariani, and carried unanimously, the Board authorized staff to prepare a draft response for the Board’s consideration at a future Board meeting.

NORTH BAY WATER REUSE AUTHORITY (NBWRA):

- Review the North Bay Water Reuse Authority Fourth Revised Memorandum of Understanding (MOU), and subject to minor changes or edits, authorize the Board President to sign the MOU. The General Manager stated that the third amended NBWRA MOU was adopted on March 25, 2013, with a five-year term. He noted that the NBWRA MOU Work Group has prepared the fourth Draft Amended NBWRA MOU. He stated that District Counsel and staff have reviewed the revised MOU, and recommend that the Board approve it, and authorize the Board President to sign it on behalf of the District.

On motion of Director Mariani, seconded by Director Dillon-Knutson and carried unanimously, the Board authorized the approval and signature of the fourth amended NBWRA MOU.

Director Miller stated that he had never seen any of the reports generated by the NBWRA. Director Long commented on the voluminous nature of prior NBWRA reports. The General Manager referred Director Miller to the NBWRA website as a source for previously published NBWRA reports.

Director Long stated that NBWRA members have discussed forming an executive committee to expedite matters between regular NBWRA meetings. Director Long asked for District Counsel's opinion, and a brief discussion followed.

BOARD OF DIRECTORS:

- Elect/appoint officers, and designate and authorize check signers, FY17-18. The District Board traditionally elects members to serve as President and President Pro-Tem in June. Typically, these officers serve two consecutive terms, with ratification for the second term. Traditionally, the Board elects a President and President Pro-tem for two, one-year terms. The Board elected Jerry Peters as president for FY16-17 and Carole Dillon-Knutson as President Pro-tem. If the Board follows its traditional practice, it would retain the same President and President Pro-tem into FY17-18.

Secretary/Treasurer and Secretary Pro-tem: The Board appoints the Secretary-Treasurer and the Secretary Pro-tem annually. Currently, the General Manager-Chief Engineer serves as the Secretary-Treasurer, and the Administrative Secretary that normally attends Board meetings serves as the Secretary Pro-tem. It is recommended that the Board re-appoint Sandeep Karkal as Secretary-Treasurer and Julie Hoover as Secretary Pro-tem for FY17-18.

Check Signers: The authorized signers are typically the Board President, President Pro-tem, another Board member, and the General Manager. It is recommended that this practice be maintained.

On motion by Director Miller, seconded by Director Mariani, and carried unanimously, the Board agreed to continue the 2016/17 officers as proposed through 2017/18.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA), meeting of June 2, 2017 (Director Miller). Director Miller stated that he attended the June NBWA Board meeting, which was held on Monday, June 2, 2017 at the Novato City Hall. He noted there were presentations from two North Bay scientists and briefly discussed them.

Other Reports: Director Long noted that he and North Marin Water District (NMWD) Director Rick Fraites recently met with City of Novato Community Development Director Bob Brown on the Urban Trails Plan. Director Long commented that, during the meeting, Mr. Brown also mentioned utility service extensions outside of the City's Urban Growth Boundary (UGB).

INFORMATIONAL ITEMS:

- a. E-mail from National Association of Clean Water Agencies (NACWA) titled "President's FY18 Budget Proposal for Clean Water".
- b. Obituary for Mr. Dietrich Stroeh, from the Santa Rosa Press Democrat.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- Reports:
 1. Pending construction: North Marin Water District (NMWD) Recycled Water Pipeline work at NSD is on-going especially at the front entrance of the plant. Please exercise caution if you come on site over the next two weeks or so.
- Announcements:
 1. Thanks to Administrative Secretary Julie Hoover who volunteered and staffed the Fairfax EcoFest booth on Saturday, June 10th. The booth was sponsored by the Wastewater Treatment Agencies of Marin County: CMSA, LGVSD, SAAM, Sausalito-Marín City SD, and SD #5 (Tiburon & Belvedere). Also, thanks to Dee Johnson who staffed the District/Novato Disposal Service booth at the Novato Art, Wine and Music Festival on Saturday, June 10th, and both Julie and Dee who staffed the booth on Sunday, June 11th.
 2. CASA San Diego conference, August 22-24, 2017. Please coordinate with Julie Hoover for sign-ups, reservations, etc.
 3. Committee meetings as noted in Board packet and announced earlier – WWOC Tuesday, June 13th at 3pm, New Facilities Committee on Wednesday, June 14th at 1pm, and Solid Waste Committee next Monday, June 19th at 3:30pm.
 4. The next Board meeting will be held on Monday, June 26, 2017 at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 6:54 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

Julie Hoover, Recording