

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: June 13, 2016

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:02 p.m., Monday, June 13, 2016, at the District offices, 500 Davidson Street, Novato.

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

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

ALSO PRESENT:

Martin Rauch, Rauch Communication Consultants
Alison Lechowicz, Bartle Wells Associates
John Bailey, Project Manager, Veolia Water
Robin Merrill, Information Systems Specialist, Novato Sanitary District
Erik Brown, Technical Services Manager, Novato Sanitary District
Dee Johnson, Household Hazardous Waste Program Coordinator
Laura Creamer, Finance Officer, Novato Sanitary District
June Brown, Administrative Services Specialist, Novato Sanitary District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

PUBLIC HEARING PURSUANT TO ARTICLE 13(D) OF THE CALIFORNIA CONSTITUTION – INCREASED SEWER SERVICE CHARGES:

- Staff report. The General Manager stated that at its April 25, 2016 meeting, the Board of Directors reviewed the 2016 Sewer Service Charge report prepared by Bartle Wells Associates (BWA), and received a presentation from Tom Gaffney of BWA. He stated that the BWA report considers the District's current operating and capital revenues and expenditures, projects its operating and capital revenues and expenditures over the next five years, and recommends a staged five-year series of moderate rate increases of \$21 per year per Equivalent Dwelling Unit (EDU) for each year of the five year period of Fiscal Year (FY)2016-17 to FY2020-21.

Martin Rauch and the General Manager provided a PowerPoint presentation that discussed the value Novato residents derive from services provided by the District, reviewed the Bartle Wells Associates 2016 Sewer Rate Study Report, provided summary information on projected 5-year operating and capital cash flows, briefly discussed the District's sewer service charge calculation methodology and trends in the District's sewer service charges

over the past ten fiscal years, provided comparisons of the District's current and proposed rates with neighboring and comparable agencies, and made recommendations on the increases in sewer service charges.

- Open public hearing. At 6:24 p.m., President Mariani opened the Public Hearing.

- Receive public comments. No members of the public was present, no persons were seeking to speak, and no public comments were received.

- Receive and tally written protests. The General Manager stated that notices were mailed on April 28, 2016 to all property owners of record from a legally mandated list of approximately 20,000(+). He stated that for the record, 35 valid protests to the rate increase were received.

- Close public hearing. At 6:26 p.m., President Mariani closed the Public Hearing.

ORDINANCE SETTING SEWER SERVICE CHARGES:

- Consider adoption of Ordinance No. 120.

On motion of Director Peters, seconded by Director Dillon-Knutson and carried unanimously (5-0 vote), District Ordinance No. 120 – An Ordinance of the Novato Sanitary District Establishing Sewer Service Charges for Fiscal Years FY2016-17, 2017-18, 2018-19, 2019-20, and 2020-21 was passed with the following incorporation:

WHEREAS, *in adopting this Ordinance, the Board of Directors finds that:*

- a. Written notices of the proposed increases in sewer service charges were sent by first class U.S. mail to every owner of property connected in the District at least 45 days prior to the Public Hearing on the proposed increases conducted on June 13, 2016.*
- b. All proper protests submitted by property owners or occupants (one protest per parcel) against the proposed increases in the sewer service charges, including those provided in person or by U.S. mail or fax or e-mail, were considered and tallied at the public hearing conducted on June 13, 2016, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.*
- c. Based on the draft budget, the amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charges are imposed only on those properties actually receiving service or for those which service is immediately available.*

- d. *Adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the Ordinance pertains to the adoption of charges necessary to maintain services within the District's existing service area.*

PUBLIC HEARING PURSUANT TO SECTION 5471 ET SEQ. AND 6520.5 OF THE CALIFORNIA HEALTH AND SAFETY CODE – FY2016-17 SEWER SERVICE CHARGE REPORT, AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Sewer Service Charge Report. The General Manager stated that with the Board having adopted Ordinance No. 120, it could proceed to conduct a Public Hearing on the FY16-17 Sewer Service Charge report, and receive protests on individual sewer service charges on the sewer service charge report. He noted that Robin Merrill, Information Systems Specialist, was available with the the computerized database and the Sewer Service Charge report so that anyone could request their individual sewer service rate in the coming year and have an opportunity to protest.

- Open public hearing. At 6:29 p.m., President Mariani opened the Public Hearing.

- Consider protests regarding sewer service charge report. No public was present and no persons were seeking to speak, and no public comments were received. The General Manager stated no protests were received on this item.

- Close public hearing. At 6:30 p.m., President Mariani closed the Public Hearing.

RESOLUTION CONFIRMING FY2016-17 SEWER SERVICE CHARGE REPORT AND ELECTING TO COLLECT ON COUNTY TAX ROLLS:

- Consider adoption of Resolution No. 3098.

On motion of Director Peters, seconded by Director Dillon-Knutson and carried unanimously (5-0 vote), Resolution No. 3098- 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 FY2016-17 was adopted.

At 6:34 p.m., President Mariani declared a short break to the meeting.

June Brown, Martin Rauch, and Allison Lechowicz left the meeting.

At 6:43 p.m., President Mariani reconvened the meeting.

REVIEW OF MINUTES:

- Consider approval of minutes of the May 23, 2016 regular meeting.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the May 23^d, 2016 Board meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approval of Board member disbursements in the amount of \$1,172.84. Approval of operating check disbursements in the amount of \$309,517.92, and capital project disbursements in the amount of \$161,634.11.
- b. Receive deposit summary, May 2016.
- c. Approve a contract in the not-to-exceed amount of \$80,000 with Duke's Root Control, Inc., & authorize the General Manager-Chief Engineer to execute it.

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

SOLID WASTE COMMITTEE REPORT:

- Receive report, meeting of June 1, 2016, and accept recommendation to adopt preliminary solid and household hazardous waste (HHW) operating budget for FY16-18. The General Manager stated that the Solid Waste Committee met on June 1st with members Mariani and Dillon-Knutson in attendance. He stated that the District's Solid and Household Hazardous Waste (HHW) coordinator Ms. Dee Johnson of DLJ Associates was present to provide an overview of the Committee meeting.

The HHW Coordinator reviewed the committee meeting details and highlights with the Board. Discussion followed regarding contamination of recyclables and the appropriate disposal of plastic shopping bags.

The General-Manager stated that at their June 1st meeting, the Solid Waste Committee unanimously agreed to recommend the preliminary FY16-18 Solid and HHW operating budget for adoption by the full Board of Directors.

On motion of Director Dillon-Knutson, seconded by Director Peters, and carried unanimously, the Board adopted the Preliminary Solid and Household Hazardous Waste (HHW) operating budget for FY16-18.

- Approve contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2016-17 in the amount of \$102,964, and authorize the General Manager-Chief Engineer to execute it. The General Manager stated that Dee Johnson of DLJ Associates has managed the District's Household Hazardous Waste and AB 939 services for many years. He stated that for the past five years she has also managed the Zero Waste outreach and AB 341 solid waste requirements. He noted that the proposed contract is consistent with past years, both in cost and in scope of services. He stated that

Ms. Johnson has provided good management services and brings an abundance of knowledge to the District. He recommended the Board approve the contract with a not-to-exceed limit of \$102,964, and authorize him to execute the contract.

On motion of Director Peters, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved a contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2016-17 in the amount of \$102,964, and authorized the General Manager-Chief Engineer to execute it.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, May 2016. Veolia Project Manager (John Bailey) provided an overview of the treatment facilities monthly operations for May. He stated that there were no excursions or violations for the month and that 14.3 million gallons (MG) of recycled water were produced. He stated that safety performance was excellent with a total of 2,198 accident-free days through May. He discussed routine maintenance activities at the facility and listed the reports that were completed and submitted this month. He stated that no odor contacts were received in May.

Director Miller congratulated Veolia Water for six years of accident free service with the District.

Technical Services Manager Erik Brown provided a summary of the Collection System Operations report for May. He stated that the department cleaned 82,286 lineal feet of sewer lines and did not identify any areas that required spot repairs or a change in sewer line maintenance operations. He noted that there were no lost time accidents in May, for a total of 1,906 accident-free days. The Technical Services Manager stated that there were no sanitary sewer overflows in May.

The Technical Services Manager then provided a summary of the Reclamation Facilities report. He stated that the rancher completed cutting pasture grass on the majority of the Parcels throughout the Reclamation Facility and that repairs to the irrigation system were started at the end of the month. He stated that there were no irrigation activities or sludge handling activities in May.

STAFF REPORT:

- Comprehensive Annual Financial Report (CAFR) Award. The General Manager stated that the District had been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). He stated that District Finance Officer Laura Creamer was recognized as the individual primarily responsible for preparing the award-winning report. He noted that this is the fifth year in a row that the District and Ms. Creamer have achieved these distinctions.

President Mariani and the Board congratulated the General Manager-Chief Engineer and the Finance Officer on this achievement.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA), meeting of June 3, 2016. Director Miller discussed his attendance at the June 3rd NBWA meeting. He stated that the 2016-17 proposed budget was discussed and approved, and that there will be no increase in dues. Director Miller stated that the Rural Road RAM project was discussed and approved

Director Long briefly reported on ongoing efforts by the North Bay Water Reuse Authority (NBWRA) on Senate Bill SB163 (Hertzberg). He noted that the proposed bill could potentially result in a state wide mandate for a 50 percent reduction in effluent discharge to bay or ocean outfalls by wastewater agencies though achieving 50 percent beneficial reuse by the year 2033. President Mariani noted that the California Association of Sanitation Agencies (CASA) is also tracking this bill.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- The General Manager reported on e-mail correspondence received by Board members from Hamilton resident Nancy Kawata regarding landscaping and general maintenance at the East Hamilton pump station. He noted he had responded to Ms. Kawata. He stated that subsequently Field Services Supervisor Steve Krautheim met with Ms. Kawata at the site, and that the General Manager met with the President of the Hamilton Home Owners Association (HOA). He noted that matters have been resolved and that Ms. Kawata had sent an e-mail to all Board members expressing her appreciation for the outreach and on the resolution of the matter.
- An article titled "Audit Slams Santa Rosa Garbage Company Management", dated June 5, 2016, in the Santa Rosa Press Democrat was provided to all Board members and to those present at the meeting. A brief discussion followed on the content of the article. The General Manager noted that the single biggest issue highlighted in the article is an issue that all solid waste entities are struggling with, i.e. the recycling markets, which are going thru' a difficult transition from the global move to recycle higher value materials over lower value materials. He noted that this has been well-documented locally in an article in the Marin Independent Journal dated March 21, 2016. The General Manager also stated that he'd received a call from the North Bay Bohemian newspaper with a request to comment on the Press Democrat article, and that he'd responded appropriately and consistent with input from the District's Solid Waste Committee.
- The General Manager reported that Director Long and he met with CASA's Director of Renewable Resources Greg Kester last week. He reported that the topics of discussion during the meeting included renewable energy (solar and cogeneration), biosolids, food waste composting, and a history and background on the District's reclamation area.
- The 61st Annual CASA Conference is being held in Monterey from August 10th – 12th. Board members are requested to confirm their attendance with the Admin. Secretary.
- The Wastewater Operations Committee will meet on Monday, June 20th at 2:00 p.m. to consider the Operations Budget.

- The Strategic Planning & New Facilities Committee will meet on Tuesday, June 21st at 2:00 p.m. to consider the Capital Improvements Program (CIP) Budget.
- The next regular Board meeting will be held on Monday, June 27th, at 6:00 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Mariani adjourned the meeting at 7:45 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording