

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: June 27, 2016

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:00 p.m., Monday, June 27, 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 and Administrative Secretary Julie Swoboda.

ALSO PRESENT:

John Bailey, Project Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
Steve Krautheim, Field Services Manager, Novato Sanitary District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the June 13, 2016 regular meeting.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the June 13th, 2016 Board meeting minutes were approved.

CONSENT CALENDAR:

Director Long requested that item e: 'Approve increase in individual Sewer Lateral Grant amount', be pulled from the Consent Calendar for further consideration.

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

- a. Approval of operating check disbursements in the amount of \$132,512.24, and capital project disbursements in the amount of \$69,839.66.
- b. Ratify June 2016 payroll and payroll related disbursements in the amount of \$224,899.82.
- c. Cancel regular meeting of July 25, 2016.
- d. Accept Sewer Main Extension (SME) – 45 Mendocino Lane (Ravicz).

On motion of Director Long, seconded by Director Miller, and carried unanimously, the above listed Consent Calendar items were approved.

Director Long asked if replacement of both the upper and lower lateral was required for a resident to qualify for the Sewer Lateral Grant Program (Grant Program). The General Manager stated that it was. Director Dillon-Knutson asked how the Grant Program is publicized. The General Manager stated that the program, in place since FY 2010-11, is posted on the District website and published periodically in District newsletters.

On motion of Director Long, seconded by Director Peters, and carried unanimously, the Board approved the increase in the individual Sewer Lateral Grant amount from \$1,500 to \$2,000, for Fiscal Year FY16-17.

COMMITTEE REPORTS:

- Wastewater Operations: Receive report and recommendation to adopt preliminary Operating Budget for FY16-18. The General Manager stated that the Wastewater Operations Committee met on June 20th with Members Miller and Peters attending. He stated that the Committee discussed and reviewed a number of items relating to the preliminary FY16-18 Operating Budget. The General Manager stated that the Committee had unanimously agreed to forward the preliminary FY16-18 Operating Budget and recommend its adoption by the Board of Directors. President Mariani asked for comments from the Committee members, and hearing none, moved to the next agenda item.

- Strategic Planning and New Facilities: Receive report and recommendation to adopt preliminary Capital Improvements Program (CIP) Budget for FY16-18. The General Manager stated that the Strategic Planning and New Facilities Committee met on June 21st with Members Long and Dillon-Knutson in attendance. He stated that the Committee discussed a number of strategic items relating to the District's FY16-18 budget and how they would factor into the District's capital spending strategy. The General Manager stated that after review, the Committee had unanimously agreed to forward the preliminary FY16-18 Operating Budget to the Board of Directors and recommend its adoption. President Mariani asked for comments from the Committee members, and hearing none, moved to the next agenda item.

ANNUAL BUDGET:

- Approve and adopt the 2016-18 Preliminary Budget. The General Manager stated that at the May 23rd Board meeting, staff presented the District's Preliminary Budget for Fiscal Years FY2016-18 to the Board. He noted that separately, staff reviewed the Solid Waste budget, the Operating Budget and the Capital Improvement Program budget with the corresponding committees. He stated that accordingly, staff recommends that the Board approve and adopt the Preliminary Budget for FY16-18.

On the motion of Director Peters, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved and adopted the Annual Preliminary Budget for FY16-18.

ADMINISTRATION:

- Review cost-of-living increase, represented employee group, effective July 1, 2016-informational item. The General Manager stated that in 2014, the District negotiated a four-year Memorandum of Understanding (MOU) with its represented employee group, the Teamsters Bargaining Unit (TBU). He stated that the MOU's term is from July 1, 2014 through June 30, 2018 and contains a provision for a cost-of-living increase annually as determined by the April 2015 to April 2016 Bay Area Consumer Price Index (CPI) movement plus one percent. He stated that the current CPI is +2.6% and noted, therefore, that the corresponding increase for the represented employee group would be +3.6%, effective July 1, 2016. He stated that this is an informational item only because the MOU is effective through June 30, 2018.

- Approve cost-of-living increase, Management and Confidential employee group, effective July 1, 2016. The General Manager stated that the Management and Confidential group has agreed to the same terms as the represented employee group in terms of a cost-of-living increase. He stated, therefore, that the requested increase for the management and confidential employee group is +3.6%, effective July 1, 2016.

On motion of Director Miller, seconded by Director Peters, and carried unanimously, the Board approved the cost-of-living increase of 3.6% for the management and confidential employee group, effective July 1, 2016.

- Approve cost-of-living increase, General Manager-Chief Engineer, effective July 1, 2016. President Mariani stated that the terms of the Manager-Engineer's agreement stipulate that he shall be eligible for cost-of-living increases which shall be no greater than that authorized for the Management and Confidential group. It is requested that the Board approve a +3.6% increase for the General Manager-Chief Engineer, effective July 1, 2016.

On motion of Director Peters, seconded by Director Long, and carried unanimously, the Board approved the cost-of-living increase of 3.6% for the General Manager-Chief Engineer, effective July 1, 2016.

- Adopt Resolution No. 3099 to CalPERS for paying and reporting the value of Employer Paid Member Contributions and for Normal Member Contributions. The General Manager stated that one of the provisions of the MOU is a change in the formula for payment and reporting of Employer Paid Member Contributions (EPMC), from 1.5% to 0.5% effective July 1, 2016. He noted that each modification requires adoption of a resolution by the District Board for submission to CalPERS. He stated that Resolution No. 3099 is being presented for Board adoption to modify the District's EPMC from 1.5% to 0.5%, and as in prior years, the language and format of the Resolution are as mandated by CalPERS.

On motion of Director Peters, seconded by Director Miller, and carried unanimously, the Board adopted Resolution No. 3099: RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS.

- Receive report on CalPERS Health Plan Premium Rates for 2016. The General Manager stated that the District has received notification of health plan premiums for calendar year 2017 from CalPERS. He noted that the Kaiser North rates have decreased by approximately 1.75% and that Medicare rates have increased by 1.09%. He stated that the preliminary FY16-17 budget had projected an increase of 7% across both sets of rates and that the final FY2016-17 budget would be revised to reflect the actual rates. He noted that this was an informational item only.

- Receive report on enhanced cyber liability coverage to property insurance program. The General Manager stated that the District participates in the Alliant Property Insurance Program which includes some Cyber Liability coverage. He stated that currently the Cyber Liability coverage provides \$2 million in cyber limits to include services related to a data breach, with a sub-limit of \$1 million for Privacy Notification Costs. He stated that with the dramatic increase in cyber-attacks in recent years, the District has enrolled in the Cyber Enhancement Option which increases coverage and services. He stated that there is a modest premium, \$1,514.98 for the advanced coverage, which will be met from Account No. 66070 – Insurance. He noted that this was an informational item only.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706: Make CEQA findings, approve plans and specifications, and authorize General Manager-Chief Engineer to advertise for bids – Bel Marin Keys Trunk Sewer Rehabilitation Project; Account 72706: Collection System Improvements. The General Manager stated that Field Services Manager Steve Krautheim would provide the overview for this item.

The Field Services Manager noted that at the February 8, 2016 Board meeting, staff reported that a section of the Bel Marin Keys Trunk Sewer line had failed and that the District initiated emergency repairs to restore sewage flow. He stated that the 18-inch Asbestos Cement Pipe (ACP) trunk sewer appeared to be deteriorating, potentially from hydrogen sulfide corrosion. He said that after the repairs were completed, staff requested proposals from two engineering firms to rehabilitate the remainder of the pipe, and subsequently awarded the design work to GHD Engineers of Santa Rosa for \$36,000. The Field Services Manager stated that GHD has completed the plans and specifications and that the project is ready for bid. He stated that the Engineer's Estimate for this project is \$350,000 (modified from the Board report which stated '\$390,000').

The General Manager recommended that the Board approve CEQA findings, approve the plans and specifications, and authorize the General Manager-Chief Engineer to advertise for bids.

On motion of Director Peters, seconded by Director Miller, and carried unanimously, the Board made CEQA findings, approved plans and specifications, and authorized the General Manager-Chief Engineer to advertise for bids for the following project: Bel Marin Keys Trunk Sewer Rehabilitation Project; Account 72706: Collection System Improvements.

WASTEWATER OPERATIONS:

- Major Repair/Replacement, Account No. 61000-3: Authorize the General Manager-Chief Engineer to issue purchase order(s) in an amount up to \$66,000 to Shape, Inc. to purchase a spare/replacement conveyance pump for the Ignacio Transfer Pump Station (ITPS). The General Manager stated that as the equipment at the Ignacio Transfer Pump Station ages, provisions need to be considered for their replacement. He noted that the issue of equipment replacement was recently discussed with the Strategic Planning and New Facilities Committee as part of the budget approval process. He stated that District staff has deemed it prudent to purchase a spare/replacement conveyance pump for the ITPS. He stated that, as noted in the Board report, the pump to be purchased has to match the existing units, and therefore multiple bids are not necessary. He stated that Shape, Inc. has provided a quote for the spare/replacement conveyance pump, and requested the Board authorize the General Manager-Chief Engineer to issue purchase order(s) in an amount up to \$66,000 for the spare/replacement conveyance pump.

On motion of Director Peters, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the General Manager-Chief Engineer to issue a purchase order(s) in an amount up to \$66,000 to Shape, Inc. to purchase a spare/replacement conveyance pump for the Ignacio Transfer Pump Station (ITPS).

BOARD OF DIRECTORS:

- Election of President and President Pro-Tem. President Mariani entertained a motion to nominate Director Jerry Peters for the office of President. She asked if any further nominations were to be considered, and hearing none, closed the nominations.

On motion of Director Miller, seconded by Director Dillon-Knutson, and carried unanimously, the Board elected Director Jerry Peters to serve as President for the Novato Sanitary District Board of Directors.

Director Long nominated Director Dillon-Knutson for the office of President Pro-tem.

On motion of Director Long, seconded by Director Peters, and carried unanimously, the Board elected Director Dillon-Knutson to serve as President Pro-tem for the Novato Sanitary District Board of Directors.

- Appoint Secretary-Treasurer and Secretary Pro-Tem for FY16-17. President Mariani stated that historically, the Secretary-Treasurer position is held by the General Manager-Chief Engineer and the Secretary Pro-tem is held by the Administrative Secretary that normally attends the Board meetings.

On motion of Director Peters, seconded by Director Long, and carried unanimously, General Manager-Chief Engineer Sandeep Karkal was appointed to serve as Secretary-Treasurer and Administrative Secretary Julie Swoboda was appointed to serve as Secretary Pro-tem for the Novato Sanitary District Board of Directors.

- Designate and authorize check signers for FY16-17. President Mariani stated that typically, the President, President Pro-tem, another Board member, and the General Manager are designated check signers. She stated that she would like to remain as a designated check signer and recommended that the previous practice be maintained.

On motion of Director Peters, seconded by Director Miller, and carried unanimously, the Board designated President Peters, President Pro-tem Dillon-Knutson, Director Mariani, and General Manager-Chief Engineer Sandeep Karkal as authorized check signers for FY16-17.

- Presidential appointment of committee members for FY16-17. President Mariani stated that typically the incoming President appoints the committee members at the first regular Board meeting in July. Incoming President Peters stated that he would be absent from the July 11th meeting, and President Mariani deferred this item to the August 8th Board meeting.

At this point, the President's gavel was passed on to incoming President Peters.

BOARD MEMBER REPORTS AND REQUESTS:

Director Long requested that the Board consider changing the name of the Novato Sanitary District. Director Mariani suggested that the General Manager consider an informal Board workshop at a future date to discuss a District name change.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- The General Manager stated that the Marin County Fair begins on July 1st and that several District employees and he would be working at the Marin Wastewater Agencies Joint Public Education/Outreach booth at the Fair.
- The District Collection Systems Department recently hired Liam O'Sullivan as a Collection System Worker I. Mr. O'Sullivan was previously employed by the Valley of the Moon Water District.
- The next regular Board meeting will be held on Monday, July 11th, at 6:00 p.m. Newly appointed President Jerry Peters will be absent, so President Pro-tem Carole Dillon-Knutson will preside.
- The 61st Annual CASA Conference is being held in Monterey from August 10-12th. Reservations for all Directors and the General Manager-Chief Engineer have been made, but if plans change, please notify the District's Administrative Secretary.

ADJOURNMENT: There being no further business to come before the Board, newly appointed President Jerry Peters adjourned the meeting at 6:46 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Swoboda, Recording