

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: July 10, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, July 10, 2017, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Members Carole Dillon-Knutson, William C. Long, and Jean Mariani. Member Brant Miller was absent (excused).

STAFF PRESENT: General Manager-Secretary Sandeep Karkal and Administrative Secretary Julie Hoover.

ALSO PRESENT: John Bailey, Plant Manager, Veolia Water
John O'Hare, Pretreatment Programs Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Dee Johnson, Household Hazardous Waste Coordinator
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Delyn Keis, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: No public comment.

SPECIAL ANNOUNCEMENT:

- Receive report – Novato Sanitary District's Novato Wastewater Treatment Plant receives Platinum5 Peak Performance Award from the National Association of Clean Water Agencies (NACWA) for five years of 100% compliance. The General Manager stated that on July 6th, the National Association of Clean Water Agencies (NACWA) informed the District that the Novato Treatment Plant (NTP) had received NACWA's 2016 Platinum5 Peak Performance Award. He stated that NACWA awards this honor only to wastewater treatment facilities that have perfect permit performance records for five or more consecutive calendar years. He stated that this award recognizes NACWA-member agency facilities for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System (NPDES) permits.

The General Manager acknowledged the hard work and outstanding efforts of all District staff, Veolia staff, and the Board members. The Board members congratulated the General Manager-Chief Engineer and Veolia's Project Manager, John Bailey.

REVIEW OF MINUTES:

Consider approval of minutes of the June 26, 2017 meeting.

On motion of Director Dillon-Knutson, seconded by Director Mariani, and carried unanimously by those Directors present, the meeting minutes of June 26, 2017 were approved.

CONSENT CALENDAR:

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

- a. Approve capital project disbursements in the amount of \$383,520.90, regular disbursements in the amount of \$294,526.71, and Board member disbursements in the amount of \$2,774.23.
- b. Receive Deposit Summary, June 2017.
- c. Approve the Board President and the General Manager-Chief Engineer to attend the NACWA Utility Leadership Conference and Awards Ceremony in St. Louis, Missouri, July 23-26, 2017.

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

SOLID WASTE OPERATIONS:

The General Manager stated that items 7.a. – 7.e. would be taken as one item and reviewed by Dee Johnson, Household Hazardous Waste Coordinator.

- Receive Novato Disposal Service 1st Quarter 2017 report. The General Manager stated that Novato Disposal was not present to discuss this item and requested Ms. Johnson continue to items 7.b. - 7.e.

-Receive verbal report on Marin County JPA and Local Task Force. Ms. Johnson stated that the Marin County JPA and Local Task Force have not met in the past three months and noted that there is no new information at this time. She stated that CalRecycle is interested in increasing organic diversion in the residential and commercial markets as a result of upcoming Senate Bill (SB)1383.

- Receive Disposal/Diversion reports for 2016, and 1st Quarter 2017. Ms. Johnson reviewed the City of Novato and District AB 939 Disposal and Diversion Monitoring information. She noted that Novato's overall diversion for 2016 was 51.57%, which calculated the per capita disposal rate at 3.58 pounds per person per day. She went on to say that the diversion percentage based on CalRecycle's methodology for calculating per capita disposal is 76% diversion for 2016. The Board discussed the diversion calculation and asked Ms. Johnson for clarification on the calculation process.

Director Long suggested that the Solid Waste Committee and Ms. Johnson review the disposal and diversion formula being used to arrive at Novato's per capita diversion percentage, and then bring this information to the full Board.

- Receive verbal update on schools recycling program. Ms. Johnson stated that she, Scott Pariani of Novato Disposal Service, and Mark Silva of the Novato Unified School District, visited every school in the district to identify, review, and bolster their compost and recycling programs. She provided an overview of the various programs that are in place and stated that annual visits to each of the schools will begin in the fall. She stated that she was pleased to see the schools doing so well with food composting.

- Household Hazardous Waste (HHW) programs: (i) Receive 2017 HHW report, and (ii) Receive report from April 2017 E-Waste event. (i) Ms. Johnson was pleased to announce that participation in HHW programs has continued to increase and she stated that in one year alone, participation increased by 9%. (ii) Ms. Johnson stated that the April E-Waste event had the highest participation since 2011, with 1,050 residents bringing 50,926 pounds of e-waste to the collection center during the three day event. She stated that the Fall e-waste event is scheduled for October 7-9, 2017.

Ms. Johnson discussed a possible relocation of the household hazardous waste facility, including available sites in Novato, zoning limitations, and Novato Disposal's association at the facility. Director Long suggested that the Solid Waste Committee discuss relocation of the facility in further detail.

- Approve contract with DLJ Associates to provide AB939, household hazardous waste (HHW), and related services for FY2017-18 in the not-to-exceed amount of \$103,118, 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 HHW and AB 939 services for many years, and for the past six years, has also managed the Zero Waste outreach and AB 341 solid waste requirements. He recommended that the Board approve a contract with DLJ Associates to provide similar services for FY2017/18.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and approved by those Directors present, the General Manager-Chief Engineer was authorized to execute a contract with DLJ Associates to provide AB 939, household hazardous waste (HHW), and related services for FY2017-18 in the not-to-exceed amount of \$103,118.

The Board thanked Ms. Johnson for her continued hard work.

Director Mariani requested that several items from previous discussion be agendaized to a meeting of the Solid Waste Committee at an appropriate time: (1) agenda item 7.a. (Receive Novato Disposal Service 1st Quarter 2017 report); (2) clarification of the disposal and diversion formula that is being used to arrive at Novato's per capita diversion percentage; and (3) potential HHW facility relocation sites.

Ms. Johnson left the meeting at 6:17 p.m.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, June 2017.

The General Manager stated that going forward, the reports would be presented in the following order: (1) Collections System Operation report, (2) Veolia Water Operations report, and (3) Reclamation Facilities report. He stated that Technical Services Manager Erik Brown would provide the Collections System and Reclamation Facilities report as Field Services Supervisor Steve Krauthem was on vacation.

The Technical Services Manager provided the Collection Systems Report for June, 2017. He stated that the Collections department cleaned 72,866 lineal feet of sewer pipelines and completed all of the 380 maintenance work orders that were generated. He stated that 27 line segments were televised, totaling 5,414 feet, and that staff conducted 8 sewer main inspections, totaling 822 feet, using the push camera. He further stated that an outside vendor foam-treated 166 line segments totaling 33,500 feet. The Technical Services Manager stated that there were no lost time accidents in June for a total of 2,301 accident-free days. He stated that there were zero (0) sanitary sewer overflows (SSOs) in June.

Veolia Project Manager John Bailey then provided an overview of the Treatment Facilities Monthly Operations Report for June. The Project Manager reviewed the treatment plant performance summary and noted that there were no excursions or violations for the month. He outlined the safety training that was completed in June, and stated that safety performance was excellent with a total of 2,593 accident-free days, or seven years. He reviewed the period's key events, and monthly safety and training topics. He stated that laboratory personnel Kurt Hawkyard and Liz Falejczyk both staffed Wetland Days, a two-day public education event at Sewerage Agency of Southern Marin (SASM). He stated that there were no neighborhood contacts in June.

The Technical Services Manager then summarized the Reclamation Facilities report for June 2017. He stated that the harvesting of pasture grass was slow due to harvesting equipment breakdown but that sites 3 & 7 were completed by the third week of June. He stated that after inventorying fallen eucalyptus trees last month, staff requested proposals from several local tree trimming companies to cut them up and when economical to do so, chip them into mulch. He stated that irrigation began on June 5th and that 88.6 MG of irrigation water was applied to the pastures. He noted that the irrigation storage pond levels dropped 5.4 feet to 3.2 feet.

GRAND JURY REPORTS:

The General Manager stated he would like to discuss the following two items as a summary item:

- Receive draft response to 2016-17 Marin County Civil Grand Jury report titled "Marin's Retirement Health Care Benefits – The Money Still Isn't There" dated May 17, 2017, and subject to changes or edits, authorize the Board President to provide the response to the Grand Jury.

- Receive draft response to 2016-17 Marin County Civil Grand Jury report titled "The Budget Squeeze – How Will Marin Fund Its Public Employee Pensions?" dated June 5, 2017, and subject to changes or edits, authorize the Board President to provide the response to the Grand Jury.

The General Manager stated that the Board had seen these reports previously, at the May 22nd and June 12th, 2017 meetings (respectively). He stated that staff worked with District Counsel to prepare the draft responses for each report and he recommended that the Board review both sets of draft responses, and subject to changes or edits, authorize the Board President to provide the responses to the Grand Jury.

The Board made no request for changes or edits after a brief discussion.

On motion of Director Long, seconded by Director Dillon-Knutson, and carried unanimously by those Directors present, Board President Jerry Peters was authorized to provide the responses to the Marin County Civil Grand Jury for the reports titled: "Marin's Retirement Health Care Benefits – The Money Still Isn't There" dated May 17, 2017, and "The Budget Squeeze – How Will Marin Fund Its Public Employee Pensions?" dated June 5, 2017.

ADMINISTRATION:

The General Manager stated that the following three agenda items relate to the same issue: the District's participation in the medical-after-retirement account for post-retirement medical expenses for employees hired after July 1, 2008. He introduced Administrative Services Officer Dale Thrasher, to address the items and provide more detail to the Board.

- (a) Receive report on District participation in Operating Engineers Local 3 (OE3) trust fund for post-retirement medical expenses for employees hired after July 1, 2008; (b) Approve change of trust fund service provider to International City/County Management Association – Retirement Corporation (ICMA-RC); and (c) Authorize the General Manager-Chief Engineer to execute an agreement with ICMA-RC, and transfer existing funds from the OE3 Health and Welfare Trust Fund into a new ICMA-RC account.

The Administrative Services Officer stated that for employees hired on or after July 1, 2008, the District began contributing 1.5% of an employee's base salary into a Medical After Retirement Account (MARA) in lieu of a retiree medical program. He stated that currently, there are eight (8) employees

participating in the MARA, and a total of \$26,970 has been contributed by the District into the Operating Engineers 3 (OE3) Health and Welfare Trust Fund. He stated that in March of this year, the OE3 fund notified the District that its administrative fee was increasing to \$15/month/employee, which results in an average administrative fee of approximately 18% on each individual District employees' MARA account. He stated that because of this increase, staff conducted a search for companies to provide these services at a lower cost.

The Administrative Services Officer stated that staff reviewed three companies and found that International City/County Management Association – Retirement Corporation (ICMA-RC) stood out as a respected, non-profit, nationwide administrator of public employee retirement accounts. He stated that ICMA-RC indicated that administrative fees for accounts similar to what the District is seeking are in the range of \$25/year/employee, thus providing a substantial savings to the District. He stated that staff recommends the Board approve the change of the trust fund service provider to ICMA-RC, authorize the General Manager-Chief Engineer to execute an agreement with ICMA-RC, and transfer existing funds from the current trust fund provider into a new account with ICMA-RC.

On motion of Director Mariani, seconded by Director Long, and carried unanimously by those Directors present, the Board approved a change of trust fund service provider to International City/County Management Association – Retirement Corporation (ICMA-RC), authorized the General Manager-Chief Engineer to execute an agreement with ICMA-RC, and transfer existing funds from the OE3 Health and Welfare Trust Fund into a new ICMA-RC account.

STAFF REPORTS (INFORMATION ONLY):

- Receive report on CalPERS Health Plan Premium Rates for 2017. The General Manager stated the CalPERS Health Plan Premium rate for 2018 will increase by 6.34% for regular health coverage and 5.28% for Medicare rates. He stated that the preliminary FY2017/18 budget had projected an increase of 8% across both sets of rates, and that the final budget will be revised to reflect actual rates.

Receive report on Uniform Public Construction Cost Accounting Act (UPCCAA) implementation for Fiscal Year (FY) 2016-17. The General Manager stated that the District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA, or the "Act") to perform certain projects year after year. He noted that this summary report is customarily brought before the Board at the first meeting in July, to report on the previous fiscal year's activities. He remarked that this is an informational item.

NORTH BAY WATER REUSE AUTHORITY (NBWRA): (INFORMATION ONLY)

- Receive report on refund of \$179,458 to District from Sonoma County Water Agency (SCWA) as the District's share of cost savings to NBWRA's three year (FY 14-15, FY15-16, and FY16-17) Phase 2 Feasibility Study program budget from new members joining the program. The General Manager stated that over the years, the District's potential projects, costs and benefits from participating in the NBWRA Phase 2 Feasibility Study were discussed at District Budget Workshops and Strategic Planning & New Facilities Committee meetings for Fiscal Years 14/15, FY15/16, and FY16/17. NBWRA had initially identified the District's cost over the three-year-period for the Phase 2 Study as \$1,134,778, and the District has paid \$927,434 to date. He stated that this year, because of an intermediate truing up due to new agencies joining the NBWRA Phase 2 program, the District has received a refund of \$179,458 from Sonoma County Water Agency (SCWA) in its role as the NBWRA administrative entity. He stated that a final "truing-up" process is expected at the end of the Phase 2 Feasibility Study to match each NBWRA agency's cost to the benefit it will receive. The General

Manager stated that an additional ~ \$51,000 has been received from SCWA from the truing up process of the NBWRA projects Phase 1 portion.

BOARD OF DIRECTORS: (INFORMATION ONLY)

The General Manager noted items 13.a.-e. were for information only and did not require Board action.

(a) Receive copy of e-mail (and attachment) – City of Novato, Draft 2017 Urban Growth Boundary (UGB) ordinance; (b) receive copy of Marin LAFCO staff response to the City on the draft UGB ordinance; (c) receive copy of District response to the City on the draft UGB ordinance; (d) receive copy of North Marin Water District (NMWD) response to the City on the draft UGB ordinance; and (e) receive copy of article published in the Novato Advance newspaper for the week of July 5, 2017 – “Details of growth boundary ordinance examined”.

The General Manager stated that on June 20, 2017, staff received an e-mail from City of Novato Community Development Director Bob Brown, which included a draft ordinance extending the 20-year term of the City’s 2017 Urban Growth Boundary (UGB), and making other regulatory and General Plan changes.

The General Manager noted that District staff reviewed the draft ordinance language, and worked with District Counsel to prepare the response letter (included with the Board packet). He stated that the response letter addresses the City’s draft language requesting that the District adopt policies and ordinance consistent with the City’s UGB, and also enter into a Memorandum of Understanding with the City to implement the UGB ordinance.

He stated that in summary, the District response letter takes the position that the District does not have land-use powers, and therefore cannot adopt any new policies or ordinances nor enter into any MOU with the City related to the 2017 UGB ordinance.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA) meeting of July 7, 2017 (Director Miller). Director Miller was not present; no report provided.

GENERAL MANAGER’S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- California Special Districts Association workshop - Finance Management for Special Districts, Vallejo. He asked Director Dillon-Knutson to consider attending for consistency with District response to Grand Jury recommendation R5 of GJ report titled “Marin’s Retirement Health Care Benefits – The Money Still Isn’t There”, (item 9a. of Agenda Packet for this meeting). Director Dillon-Knutson indicated that she would go.
- The General Manager thanked the following District staff: Admin Sec. Julie Hoover, CSW I Joe Moreno, Staff Engr. Bill Northcroft, and E/I Tech I Russell Farmery. All of these individuals staffed the outreach booth at the Marin County Fair through July 4th – the event was sponsored by the Wastewater Treatment Agencies of Marin County: CMSA, LGVSD, NSD, SD #5 (Tiburon & Belvedere), Sausalito-Marín City SD, and SASM.

- He confirmed flight and hotel arrangements for the August CASA conference. Directors Mariani, Dillion-Knutson, and Peters indicated that they will be attending the California Sanitation Risk Management Authority (CSRMA) session on August 22.
- He noted that next Board meeting would be Monday, August 14th, with no second meeting in July.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

Julie Hoover, Recording