

NOVATO SANITARY DISTRICT
Board Meeting Minutes
Meeting Date: August 14, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, August 14, 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 and Administrative Services Specialist June Brown.

ALSO PRESENT: John Bailey, Plant Manager, Veolia Water
Erik Brown, Technical Services Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
Steve Krauthem, Field Services Manager, Novato Sanitary District
Joe Moreno, Collection System Worker, Novato Sanitary District
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Jim Salyers, Novato Disposal Service
Liz Lewis, Marin County Flood Control & Water Conservation District
Laurie Williams, Marin County Flood Control & Water Conservation District

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: Jim Salyers addressed the Board to express thanks on behalf of Novato Disposal Service for the excellent working relationship enjoyed for many years between the District and Novato Disposal Service. He informed the Board that Novato Disposal Service is to be sold to Recology in the near future.

Mr. Salyers left the meeting at 5:40pm.

REVIEW OF MINUTES:

Consider approval of minutes of the July 10, 2017 meeting.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the meeting minutes of July 10, 2017 were approved.

CONSENT CALENDAR:

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

- a. Approve regular disbursements, July 10 – August 14, 2017.
- b. Ratify payroll and payroll related disbursements, July 2017.

- c. Receive deposit summary, July 2017.
- d. Receive 4th Quarter Investment Report, Fiscal Year (FY) 2016-17.
- e. Receive 4th Quarter Financial Report, FY 2016-17.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2017.
- g. Approve transfer of \$95,868.78 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY 16-17.
- h. Approve an application from Pacific Gas and Electric Company (PG&E) and authorize the General Manager-Chief Engineer to issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, 7600 Redwood Boulevard location.

It was moved by Director Mariani, seconded by Director Dillon-Knutson, to approve the above listed Consent Calendar items, with a comment by Director Dillon-Knutson that she was very impressed that the 4th Quarter Financial Report indicates that almost every item is below budget. Director Long questioned a payment on the Operating Check Register of \$21,778 to San Francisco Estuary Institute. The General Manager explained that this is an annual fee for monitoring San Francisco Bay receiving waters paid by all dischargers in lieu of individual agencies performing the monitoring themselves. After discussion, President Peters called for the vote. The motion carried unanimously.

NOVATO WATERSHED PROGRAM:

- Receive presentation on Novato Watershed Program from Marin County Public Works/Flood Control District staff. Liz Lewis and Laurie Williams of the Marin County Flood Control and Water Conservation District gave a Power Point presentation on a proposed flood control parcel tax for Novato (Flood Zone 1). The Flood Control Zone 1 Advisory Board and the Marin County Board of Supervisors recommend placing the parcel tax on the November 2017 ballot. They explained that existing flood control revenue is insufficient to maintain the existing level of flood protection with aging pumps and sea level rise. Novato's flood infrastructure experienced almost \$1.7 million in damages last winter and the current \$2 million budget is not enough to repair storm damage and construct new projects to reduce flooding. The proposed tax measure would provide an additional \$1.1 million in annual revenue, raising an estimated \$19.8 million over the 18-year life of the tax measure. The baseline tax would be \$47 per single-family home, with an exemption for low-income seniors. Rates would vary by land use and parcel size for commercial and multi-family units. There would be a flat rate of \$30 for farm, agricultural, and unimproved land. Ms. Lewis described some of the project types that could be funded with tax measure revenue which include reduction of community and roadway flooding in the City of Novato; reduction of flooding and restoration of habitat; and repair of storm damaged flood protection facilities.

In response to comments by Board members, Ms. Lewis indicated that although Novato didn't flood last year, there is erosion if levees are not adequately maintained, and it will likely result in future flooding. If levees can be brought up to standard, it's possible they can be widened and more paths provided but right now there are risks with erosion. Director Long commented that when the cost of a very serious flood is considered, the flood control tax is a very modest amount. Only residents who live within the flood zone area will vote on the parcel tax.

President Peters thanked Ms. Lewis and Ms. Williams and they left the meeting at 6:10 p.m.

ANNUAL BUDGET: FINAL FISCAL YEAR (FY) 2017-18 BUDGET:

- Receive and adopt the Final FY2017-18 District Annual Budget. The General Manager stated that the Final Budget for fiscal year 2017-18, including the preliminary budget for fiscal year 2018-19, was being presented for final approval. He noted there are a few changes from the Preliminary Budget, mainly brought about by several retirement announcements. The salary schedule has therefore been revised to reflect staffing changes. The budget for Outside Services has been increased because consultant services may be required until recruitments are completed and the regular positions are filled.

Director Miller asked about the 55/45 sewer service charge revenue split between Operating and Capital budgets. The General Manager responded that the sewer service charge allocation has historically been close to that percentage and staff has tried to maintain it.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board adopted the Novato Sanitary District's Final Budget for Fiscal Years 2017-18, Including Preliminary Budget for Fiscal Year 2018-19.

- Adopt Resolution No. 3109 establishing appropriations limit for FY17-18. The General Manager stated that under the Gann Spending-Limitation Initiative adopted as Proposition 4 in June 1979, the District is required to annually adopt a resolution setting an appropriations limit for the upcoming year. He stated that for 2017-18, staff projects that the District's appropriations subject to limitation will be \$6,310,643.

On motion of Director Long, seconded by Director Miller, and carried unanimously, the Board adopted Resolution No. 3109, A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2017-18 Appropriation Limit.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, July 2017.

The Field Services Manager presented the Collection Systems Report for July 2017. He stated that the Collections department cleaned 50,788 lineal feet of sewer pipelines and completed all of the 265 maintenance work orders that were generated. He stated that 35 line segments were televised, totaling 6,808 feet, and that staff conducted 15 sewer main inspections, totaling 2,320 feet, using the push camera. He further stated that an outside vendor foam-treated 80 line segments totaling 16,488 feet. The Field Services Manager stated that there were no lost time accidents in July for a total of 2,332 accident-free days. He stated that there were two (2) sanitary sewer overflows (SSOs) in July, one of 776 gallons caused by grease accumulation, and one of 4,050 gallons possibly caused by vandalism.

Veolia Project Manager John Bailey then provided an overview of the Treatment Facilities Monthly Operations Report for July. The Project Manager reviewed the treatment plant performance summary. He outlined the safety training that was completed in July, and stated that safety performance was excellent with a total of 2,624 accident-free days. He reviewed the period's key events, and monthly safety and training topics. He noted that on July 25th the

District received the National Association of Clean Water Agencies (NACWA) Peak Performance Award in recognition of five years of NPDES permit compliance.

Director Miller noted that on July 11th total coliform was 1,600. The Project Manager explained that annual service was being conducted but the Laboratory was not notified before they did sampling. However, staff is aware of why it happened and will work to avoid future recurrence.

The Field Services Manager then summarized the Reclamation Facilities report for July 2017. He stated that livestock was delivered to Site 2 to feed on pasture grass that was not harvested this year. Three proposals were received to cut up and remove fallen eucalyptus trees on Site 2. The low bid was for \$47,725 and staff expects the contractor to begin work in late August after the contract is executed. A temporary irrigation system was installed to dispose of rainwater in the Dedicated Land Disposal (DLD) site to enable sludge application. The Wildlife Pond level was raised to inhibit cattail growth. The Field Services Manager also noted that there were no sludge handling activities in July.

RECLAMATION: SLUDGE DISPOSAL, ACCOUNT NO. 63115:

- Approve contract with Custom Tractor Services (CTS) for biosolids disposal and sludge lagoon cleaning in a not-to-exceed amount of \$188,500, and authorize the General Manager-Chief Engineer to execute it: The Field Services Manager described the work proposed to be performed by CTS for disposal of biosolids generated from the treatment facilities at its dedicated land disposal site off Highway 37. The contract will also include excavation of biosolids accumulated and compacted in the bottom of the lagoons.

On motion of Director Mariani, seconded by Director Miller and carried unanimously, the Board approved the contract with Custom Tractor Services for biosolids disposal and sludge lagoon cleaning, as described, in a not-to-exceed amount of \$188,500, and authorized the General Manager-Chief Engineer to execute it.

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

- Receive report on payment to Sonoma County Water Agency (SCWA) in the amount of \$76,799 as the District's FY17-18 share of the cost of the NBWRA Phase 2 Feasibility Study – information only. The General Manager stated that the payment of \$76,799 is to cover the District's portion of costs of the NBWRA FY17-18 Phase 2 Feasibility Study. As discussed at the prior Board meeting of July 10th and described in the Board Agenda summary, because of an intermediate truing-up due to new agencies joining the NBWRA Phase 2 program, the District received a refund of \$179,458 from SCWA in its role as the NBWRA administrative entity. At the May 22, 2017 meeting of the NBWRA Board of Directors the FY17-18 NBWRA budget was adopted and SCWA calculated the District's FY17-18 contribution as \$76,799.

BOARD MEMBER REPORTS AND REQUESTS:

Director Miller reported on the July meeting of the North Bay Watershed Association (NBWA). There was an overview of the Marin County Stormwater Resource Plan developed to satisfy requirements for grant funding from several programs. The NBWA meeting was held at

Central Marin Sanitation Agency and General Manager Jason Dow presented an overview of the agency, and its processing of food waste into biogas. A physical tour of the plant followed.

Director Dillon-Knutson reported that she had attended the California Special Districts Association (CSDA) workshop on Financial Management for Special Districts and considered it a very good presentation.

Director Long indicated that with the potential ownership change of the garbage company from Novato Disposal Service to Recology, this might be an opportune time to consider any potential improvements or additions to service. President Peters agreed with Director Long's suggestion that a meeting of the Solid Waste Committee could be scheduled if there is anything in particular to be considered.

INFORMATIONAL ITEMS:

- Copy of Platinum5 Peak Performance Award Certificate and program from 2017 Awards Ceremony of the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony in St. Louis, Missouri, July 23 – 26, 2017. The General Manager presented the award to President Peters, and announced that it was awarded to the District in recognition of five years of complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- The CASA Conference will be held next week.
- Dasse delongh, Collections System Superintendent, had announced his intention to retire from the District effective November 17, 2017.
- A meeting of the Finance Committee for Wednesday, September 6th at 3:00 p.m. Directors Long and Mariani confirmed their availability.
- A meeting of the Solid Waste Committee for either Wednesday, September 13th, or Wednesday, September 20th, at 3:00 p.m. Directors Mariani and Peters confirmed their availability for 3:00 p.m. on Wednesday, September 20th.
- The next Board meeting would be Monday, September 11th, with no second meeting in August. Director Long indicated that he will be absent for the September 11th meeting.
- Veolia employee Brian Exberger, Assistant Plant Manager, has left Veolia employment and is now working for Las Gallinas Valley Sanitary District.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:02 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

June Brown, Recording