

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: August 27, 2018

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, August 27, 2018, at the District offices, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Directors 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: Jeffrey Andress, Collections System Supt., Novato Sanitary District
John Bailey, Assistant Project Manager, Veolia Water
Jeffrey Boheim, Field Services Manager, Novato Sanitary District
Erik Brown, Deputy General Manager, Novato Sanitary District
Laura Creamer, Finance Officer, Novato Sanitary District
John O'Hare, Project Manager, Veolia Water
Dale Thrasher, Administrative Services Officer, Novato Sanitary District
Gary Butler, Novato Resident
Dee Johnson, Solid and Hazardous Waste Program Coordinator

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the July 9, 2018 regular meeting.

On motion of Director Mariani, seconded by Director Miller, and carried 3-0-1, the meeting minutes of July 9, 2018 were approved. Director Long abstained from voting because he was absent from the July 9th meeting. Director Dillon-Knutson was late arriving and therefore did not vote on this item.

Consider approval of minutes of the July 16, 2018 special meeting.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously by those Directors present, the meeting minutes of July 16, 2018 were approved.

Director Dillon-Knutson arrived at the meeting at 5:35 p.m.

CONSENT CALENDAR:

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

- a. Ratify regular disbursements, July 9 – August 27, 2018.
- b. Ratify July and August 2018 payroll and payroll related disbursements.
- c. Receive deposit summary, July 2018.

- d. Receive 4th Quarter Investment Report, Fiscal Year 2017-18 (FY 17-18).
- e. Receive 4th Quarter Financial Report, FY 17-18.
- f. Receive Accounts Receivable (A/R) Summary Report as of June 30, 2018.
- g. Approve transfer of \$19,084 from the Capital Fund to the Operating Fund for staff time spent on Capital Fund projects in FY 17-18.
- h. Approve the Collections System Superintendent to attend the California Water Environment (CWEA), the Nevada Water Environment Association (NWEA) and the Arizona Water Association (AWA) joint Tri-State Seminar 2018 training conference in Las Vegas, Nevada.
- i. Cancel regular Board meetings of September 10, 2018 and 24, 2018, and schedule a special meeting at 5:30 PM on September 17, 2018.

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

ANNUAL BUDGET: FINAL FISCAL YEAR (FY) 2018-19 BUDGET:

- Receive and adopt the Final FY 18-19 District Annual Budget, subject to minor edits. The General Manager stated that the Final Budget for fiscal year 2018-19, including the preliminary budget for fiscal year 2019-20, was being presented for final approval. He noted there are no major revisions or changes from the Preliminary Budget. The Final Budget has been revised to reflect cost-of-living adjustments negotiated in the Memorandum of Understanding (MoU) between the District and Teamsters Local 315, and actual health care premiums. A revision has also been made in the Administration/Engineering cost center, Election Expense, which increases the budget for election costs from \$60,000 to an estimated \$90,000 to reflect potential increased election expenses.

On motion of Director Dillon-Knutson, seconded by Director Long, and carried unanimously, the Board adopted the Novato Sanitary District's Final Budget for Fiscal Years 2018-19, Including Preliminary Budget for Fiscal Year 2019-20.

Director Long suggested that it would be interesting to review the cost per gallon of producing recycled water over the past few years and determining if the cost is changing. The General Manager indicated that, in his view, it is probably staying the same or going down slightly. In response to a question by Director Long, the General Manager clarified that the District's contract with Veolia Water for maintaining the recycled water facilities is based on cost of operations, not on volume.

Director Mariani thanked staff and noted that each year the budget document gets better. Director Dillon-Knutson added her thanks and noted the budget is easy to read. She agreed that recycled water cost per gallon detail would be nice to have.

- Adopt Resolution No. 3125 establishing appropriations limit for FY 18-19, subject to minor edits. 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 2018-19, staff projects that the District's appropriations subject to limitation will be \$6,553,365.

On motion of Director Miller, seconded by Director Mariani, and carried unanimously, the Board adopted Resolution No. 3125, A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2018-19 Appropriation Limit.

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ELECTRONIC WASTE (E-WASTE) OPERATIONS:

- Receive report and ratify change in E-Waste collection operations to move from two collection events per year to year-round collection in conjunction with Household Hazardous Waste (HHW) collection at the HHW facility: Solid Waste and Household Hazardous Waste Coordinator Dee Johnson reported that ECS, Inc., the District's E-waste recycler for the semi-annual E-waste collection events, recently went out of business. Staff reviewed future options for providing electronics collection and proposes to eliminate the current 3-day spring and fall E-waste events and accept E-waste year-round at the HHW facility. Hours of operation would be the same as household hazardous waste collection, which is 8:30 a.m. to 1:30 p.m. on the 1st and 3rd Sundays and Mondays of each month. This expands the number of days residents can drop off electronics from 6 times a year to 48 times a year, or 4 times a month.

The District's HHW contractor, Stericycle, Inc., informally accepts all types of E-waste at the HHW facility and ships it, at no cost to the District, to a local E-waste recycler, who is certified to collect electronics in California. Ms. Johnson requested that the District Board ratify the proposed change in E-waste collection so that the Household Hazardous Waste facility can formally continue to accept all types of electronics on a regular basis. In addition to enhancing service to residents, there will be a cost savings associated with the elimination of a separate E-waste recycler contract and labor.

In response to a question by Director Miller, Ms. Johnson confirmed that the Cal Recycle Designated Approved Collectors Form does not need to be updated and no contract or agreement with Stericycle needs to be revised to reflect the proposed change. Director Long asked how the proposed service will be published. Ms. Johnson explained that it will be reported on the District's website, in the District's newsletter, in fliers, on the HHW hotline, and will also be advertised by Recology.

Director Mariani moved to ratify the proposed change in E-waste collection operations from the current two collection events to year-round collection in conjunction with Household Hazardous Waste operations. Director Long seconded the motion. Discussion followed. Director Miller asked who the current recycler is. Ms. Johnson replied that it is E-Waste Recycler of America out of Hayward. Director Dillon-Knutson asked how recyclers process E-waste. Ms. Johnson explained that electronic products are broken down through mechanization into different components for re-use. Motion carried unanimously.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, July 2018.

- Collections System: Collections System Superintendent Jeffrey Andress presented the Collection Systems Report for July 2018. He stated that the Collections Department completed 514 work orders in July, leaving zero work orders outstanding. The completed work orders resulted in 76,877 feet of sewer pipelines cleaned. An additional 6,400 feet of sewer line was treated for root intrusion by staff and a District contractor for a total of 83,277 feet of cleaned sewer line. He stated that 8,059 feet of sewer main were televised, identifying a few holes in a vitreous clay pipe. The line has been documented and placed on the spot repair list for future repair. CCTV work did not identify any area that requires a change in sewer line maintenance operations. 175 lift station inspections were conducted in July, 68 of which were generated through the District's JobsCal Plus CMMS system. There are no outstanding work orders for the month. In addition, maintenance inspections on 13 air relief/vacuum valves were performed and Collections System staff assisted a contractor in reinstalling pump #3 at Olive Pump Station.

The Collections System Superintendent stated Collections staff attended five safety tailgate meetings in July; CCTV inspection program training; a full day of CCTV van training on the new District CCTV van;

and a full day of Underground Locating training. There were no lost time accidents in July and there were no sanitary sewer overflows (SSOs).

Director Miller had a question about the holes identified in vitreous clay pipe during televising of sewer mains. The Collections System Superintendent responded that he made a site visit after viewing the video and determined that roots from two very large sycamore trees caused the problem.

- Treatment Facilities: Veolia Project Manager John O'Hare then provided an overview of the Treatment Facilities Monthly Operations Report for July 2018. The Project Manager reviewed the treatment plant performance summary. There were no violations or excursions for the month of July. The Project Manager outlined the safety training that was completed in July, and stated that there were no safety incidents. He reviewed the period's key events for Novato treatment plant, Ignacio transfer pump station, the Recycled Water Plant, and sludge lagoons. Discharge for the month of July was to the Reclamation site. The Recycled Water facility produced approximately 27 million gallons.

The Project Manager noted that, working with the District, Veolia welcomed a summer intern from a local high school. The internship included training for basic laboratory safety and technique. The Project Manager noted it was a very good experience and Veolia plans to initiate a similar program in future. Liz Falejczyk, Veolia Environmental Services Supervisor, and Julie Hoover, NSD Administrative Secretary, attended the first day of Watershed Week for STRAW (Students and Teachers Restoring A Watershed) event sponsored by Point Blue Conservation Science. The June 2018 Discharge Monitoring and Self-Monitoring Reports were submitted electronically. Jerome meter readings performed in the neighborhood registered 0 ppm.

The General Manager noted that John O'Hare, Veolia Project Manager, and John Bailey, Assistant Project Manager, are working with Erik Brown, District Deputy General Manager, to replace the depleting media in the large odor bed. The media was originally placed into the bed in about 2012, and the media replacement project is in the planning process at this time.

- Reclamation Facilities: Field Services Manager, Jeffrey Boheim, then summarized the Reclamation Facilities report for July 2018. There were no significant developments in the Reclamation area for the month of July. Cattle are consuming significant fresh grass and the Field Services Manager noted that at one point there were 700 cattle on site. Staff is working with the rancher to locate and repair leaks in and around the cattle troughs and continuing to repair various wiring in Sites 3 and 7. Staff has also been working with mosquito abatement staff to make adjustments to the irrigation system to reduce ponding. The Field Services Manager reported that the recommended adjustments appear to have improved conditions. Approximately 126 million gallons of irrigation water was applied to the pastures in July. The Wildlife Pond level was increased and is maintained at 6 feet. There were no sludge handling activities in July.

- Adopt Resolution No. 3126 recertifying the District's Sewer System Management Plan (SSMP): The General Manager stated that at its August 11, 2008 meeting the District Board adopted the District's Sewer System Management Plan (SSMP) in accordance with California State Water Resources Control Board (SWRCB) Order No. 2006-0003 – Statewide General Waste Discharge Requirements (WDR) for Sanitary Sewer Systems. He noted that the WDR requires the District to recertify the SSMP every five years. The District Board last recertified the SSMP at its August 12, 2013 meeting.

Elements of the SSMP were listed in the Board Agenda Summary and the General Manager requested the Board recertify the Plan and adopt Resolution No. 3126 documenting this recertification.

On motion of Director Long, seconded by Director Mariani and carried unanimously, the Board adopted Resolution No. 3126: "A Resolution Recertifying the Sewer System Management Plan (SSMP) – as Required by the State Water Resources Control Board Order No. 2006-0003 – Statewide General Waste Discharge Requirements for Sanitary Sewer Systems".

CAPITAL PROJECTS:

Receive Capital Projects Update, July 2018: Deputy General Manager Erik Brown presented the Capital Projects update. There was no update for Pump Station Improvements or North Bay Water Reuse Authority Projects. The Deputy General Manager reviewed the status of five Collection System Improvement Projects. One of the Collection System Projects, Bel Marin Keys Blvd. Sewer Rehabilitation, was advertised for bids in July, with a bid opening of August 16th. Unfortunately, no bids were received and the project will be re-advertised in late fall/early winter 2018. The Deputy General Manager then reviewed the status of fifteen other Capital Improvement Projects. It was noted that the Recycled Water Expansion Project is approximately 66% complete with substantial completion expected by September 20, 2018. Progress payments of \$1,290,041 of the \$1,940,122 contract have been issued or are in progress. Six Change Orders have been processed, totaling \$26,419.

As noted during the Treatment Facilities report, one of the Capital Improvement Projects involves removal and replacement of media in the large odor control bed serving the Headworks. A temporary, portable odor scrubber will be utilized while this work is undertaken, to address any odor impacts to the District's neighbors.

The Deputy General Manager also reported that the District received a new CCTV van in July, which has been equipped and is now in service. A light duty 2WD truck is on order and delivery is expected in late September. A question was raised regarding the use of hybrid vehicles. The Deputy Manager responded that the District currently has three hybrid vehicles, consisting of two Toyota Priuses and a Ford Fusion. The District may be considering electric vehicles in future, as well.

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 \$204,000, and authorize the General Manager-Chief Engineer to execute it: The General Manager briefly discussed 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 Miller, seconded by Director Dillon-Knutson 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 \$204,000, and authorized the General Manager-Chief Engineer to execute it.

ADMINISTRATION/FINANCE:

- Approve transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget as of June 30, 2018, to the District's Public Agency Retirement Services (PARS) Trust account: The General Manager reported that as of June 30, 2018, approximately \$340,400 remained unused in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget, primarily due to several retirements that occurred during the year, and the fact that replacements were hired in the second half of FY 17-18. Staff recommends that the Board consider transferring \$340,000

of the unspent funds to the District's Public Agency Retirement Services (PARS) Trust Account, split equally between the GASB 45 (OPEB) and the Net Pension Liability (NPL) sub-accounts.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the Board approved the transfer of \$340,000 from unspent funds in the "Salaries and Benefits" categories of the FY 17-18 Operating Budget to the District's PARS Account, as described.

6:37 p.m. President Peters called for a short recess.

6:42 p.m. President Peters reconvened the meeting.

Dee Johnson, Jeffrey Andress, and Jeffrey Boheim left the meeting.

BOARD OF DIRECTORS:

- Receive information on regularly scheduled Board/Commission meetings days and start times for Marin County water and sanitary districts, and other Bay Area sewer districts, and provide direction, if any: At their meeting of June 11, 2018 the Board discussed changing Board meetings to one meeting per month with additional special meetings as required, and possibly changing the start time to earlier than the current 5:30 p.m.

The General Manager presented the results of a survey of Marin County water and sewer district Board and Commission meeting schedules. Of 20 entities surveyed, only 4 (including Novato Sanitary District) meet bimonthly. Meeting start times range from 9:00 a.m. to 7:30 p.m.

Director Long asked for staff recommendations. The General Manager responded that staff had no recommendation but if the Board elects to have one meeting per month, there will be occasions where it may be necessary to have extra or special meetings. He noted that there would be a cost savings of approximately \$18,000 - \$20,000/year if the Board moves ahead with one meeting per month.

Discussion followed. The Board members were generally in favor of one meeting per month with a possible start time of 4:30 p.m. However, concern was expressed that a start time of 4:30 p.m. would make public participation more difficult, particularly for working residents and people from out of the area. Director Long favored one meeting per month but suggested more utilization of Board committees. Director Mariani favored one meeting per month, noting that considerable staff time would be saved in agenda preparation. Director Miller also was in favor of one meeting per month but concerned that agendas and meeting length may be longer. Director Dillon-Knutson supported one meeting per month but was concerned about public participation if an earlier start time is initiated. President Peters commented that from an operating efficiency and financial standpoint he supports one meeting per month.

Novato resident Gary Butler stated that the Novato Fire Protection District holds one regular meeting per month. Second meetings, if any, are basically workshops involving discussion of budget, strategic planning, etc.

Director Long moved to change the Board meeting schedule to one meeting per month with a start time of 4:30 p.m. Motion died for lack of a second.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board meeting schedule was changed to one meeting per month, to be held on the second Monday of the month.

After further discussion regarding Board meeting start times, a second motion was proposed as follows:

On motion of Director Dillon-Knutson, seconded by Director Miller, and carried unanimously, regular Board meetings were changed to one meeting per month, on the second Monday of each month, with a start time of 5:30 p.m.

Also, on request by Director Long, the Board members agreed to revisit the question of the Board meeting start time again in December. The General Manager asked that staff preference for a 4:30pm start time to minimize overtime impacts be considered when the topic is revisited in December.

BOARD MEMBER REPORTS AND REQUESTS:

California Association of Sanitation Agencies (CASA) 2018 Annual Conference (Monterey): Directors were in agreement that the 2018 Annual CASA Conference was extremely informative. Directors were particularly impressed with the set of speakers. The only criticism was that the CSRMA presentation on Crisis Management did not really apply to the wastewater industry.

INFORMATIONAL ITEMS:

- Copy of Platinum6 Peak Performance Award Certificate and program from 2018 Awards Ceremony of the National Association of Clean Water Agencies (NACWA) Utility Leadership Conference and Awards Ceremony, Boston, MA, July 23 – 26, 2018. The General Manager announced that the certificate was awarded to the District in recognition of six years of complete and consistent National Pollutant Discharge Elimination System (NPDES) permit compliance. The Board congratulated Veolia and District staff on the achievement.

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

The General Manager had the following reports and announcements:

- Based on Board action, a resolution will be presented at the next Board meeting changing the Board meeting schedule to once a month, on the second Monday, at 5:30 p.m.
- The next Board meeting (special meeting) is scheduled for September 17, 2018 at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Sandeep Karkal, Secretary

June Brown, Recording