

September 13, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, September 13, 2010, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President William C. Long, Members Michael Di Giorgio, George C. Quesada and Dennis Welsh.

BOARD MEMBERS ABSENT: Member James D. Fritz.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, Administrative Secretary Julie Borda and District Counsel Kent Alm.

ALSO PRESENT: Tom & Deanna Pierce, Novato
John Bailey, Project Manager, Veolia Water
Brant Miller, Novato resident
Steve Wrightson, P.E., The Covello Group

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously by those members present, the agenda was approved as mailed.

PUBLIC COMMENT:

A Novato resident questioned whether or not employees who attended the Measure F election recount were paid by the District for the time in which they observed the recount. The Manager confirmed that the employees were paid for the time they were at the Civic Center observing the recount.

Member Welsh followed-up on the question and asked District Counsel Kent Alm for a legal opinion on the matter. District Counsel stated that it was acceptable for the District to pay the employees their regular wages during the time in question because they were taking part in a matter that was of District interest.

BOARD MEMBER REPORTS:

Member Di Giorgio commented on his participation in a webinar titled "Environmental Management Systems for Water Utilities" on September 8th. He also commented on his first attendance as a committee member at the North Bay Watershed Association meeting which was held on August 6th.

REVIEW OF MINUTES:

Consider approval of minutes of the August 23, 2010 meeting.

President Long noted two changes to the August 23rd meeting minutes: page 2, third paragraph: "**Member** Fritz and Member Di Giorgio..." and page 4, fifth paragraph: "a presentation by **Mark** Wade in regards to...".

On motion of Member Quesada, seconded by Member Di Giorgio, and carried unanimously by those members present, the minutes of the August 23, 2010 Board meeting were approved as amended.

CONSENT CALENDAR:

Member Di Giorgio requested item a. *Approval of Agreement between Sanitary/Sanitation Districts in Marin County for the Cooperative Use of a Safety Director* be pulled from the Consent Calendar for further discussion.

Member Di Giorgio discussed the cooperative agreement for a joint Safety Director and how the new agreement would affect District and Veolia employees. The Manager explained that the cooperative agreement would only cover Novato Sanitary District employees and not Veolia employees. She noted that Veolia operates their own safety program under District supervision.

Member Welsh questioned the budgeted cost for this program and asked if the District reviewed other safety programs which may be offered at a lower cost. The Manager responded that the District did look into other programs and determined that the cooperative agreement was the most cost effective. Member Welsh requested the Board table this item until a future meeting to allow the Board to receive additional feedback from the agencies that opted not to participate in this agreement. The Manager noted that time is of the essence with the approval of this agreement.

On motion of Member Di Giorgio, seconded by Member Quesada and carried with the following vote, the Board approved the Agreement Between Sanitary/Sanitation Districts in Marin County for the Cooperative Use of a Safety Director: Ayes: Di Giorgio, Long, Quesada. Noes: Welsh. Absent: Fritz

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously by those members present, the following Consent Calendar item was approved:

- b. Approval of regular disbursements in the amount of \$784,736.77, project account disbursements in the amount of \$1,224,314.54, Board member

disbursements in the amount of \$2,879.97 and ratification of payroll and payroll related expenses for August, 2010 in the amount of \$276,054.78.

DISTRICT COUNSEL REPORT:

- Update on EPA investigation: District Counsel Kent Alm presented a letter from Barg, Coffin, Lewis and Trapp (Barg Coffin) to the Board and to those individuals present. This letter confirmed that the US Attorney's Office of the Northern District of CA had declined to file criminal charges against the District or any of its officers or employees relating to allegations of unlawful discharges to San Pablo Bay in 2007. Mr. Alm then read a short Novato Sanitary District press statement.

Member Welsh questioned if Barg Coffin would still need to be retained by the District. Mr. Alm stated that the termination of their services would be a Board decision but noted that there was a referral of this matter from the US Attorney's Office to the State Regional Water Quality Control Board. For this reason, he stated it may be in the District's best interest to retain Barg Coffin's services for any future enforcement actions that may arise from the Regional Board.

The Board discussed the final outcome of the EPA investigation.

President Long expressed his regret for the stress this investigation caused to the District staff. He noted that the Board had been notified at the time of the initial incident and when water escaped to the adjacent pasture. A Novato resident questioned the validity of President Long's statement and stated that the Board had previously stated that they were unaware of the alleged discharge which led to the EPA investigation. President Long stated that the Board was informed at the time of the incidents as noted in previous Board meeting minutes.

2010-11 BUDGET:

- Presentation of final 2010-11 annual District budget: The Manager gave a detailed overview of the District's 2010-11 annual budget and discussed the significant changes from last year's budget. The Board discussed the details of the budget with the Manager.

- Consider adoption of final District budget.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously by those members present, the District's 2010-11 annual budget was adopted.

- Consider adoption of Resolution No. 3027 establishing appropriations limit for the 2010-11 fiscal year.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously by those members present, Resolution No. 3027: A Resolution of the Novato Sanitary District Correcting and Amending Prior Calculations and Making Determination and Establishing the 2010-11 Appropriation Limit was adopted.

NORTH BAY WATER REUSE AUTHORITY:

- Status report. The Manager gave a brief overview of the Memorandum of Understanding (MOU) establishing the North Bay Water Reuse Authority and discussed the Authority's second amendment to the MOU. She discussed the primary issues the second amendment will address.

- Consider approval of the North Bay Water Reuse Authority Second Amended Memorandum of Understanding (MOU). District Counsel Kent Alm discussed the amended MOU and stated that changes to the document were still being discussed. For this reason, he requested the Board substantially accept the document "North Bay Water Reuse Authority Second Amended Memorandum of Understanding" as it was presented to them at this meeting.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously by those members present, the North Bay Water Reuse Authority Second Amended Memorandum of Understanding was substantially approved as presented.

President Long commended the Manager for her hard work on the finalization of the North Bay Water Reuse Authority amended MOU. The Manager expressed her appreciation to Chuck Weir, Executive Director of NBWRA, for his efforts.

COLLECTION SYSTEM IMPROVEMENTS PROJECT NO. 72706:

- Consider approval of a contract in the amount of \$240,000 with the Covello Group for construction management services on a time and materials basis for FY 2010-11 collection system projects, and authorize the Manager-Engineer to execute the contract. The Board discussed with the Deputy Manager Engineer and with Steve Wrightson the collection system projects and the management services that The Covello Group would provide.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously by those members present, the Board approved a contract in the amount of \$240,000 with the Covello Group for construction management services on all of the current FY 10-11 phases of the Collection System Improvements Project; No. 72706.

- Approve two change orders in the amounts of \$28,886.65 and \$28,140.60 with Team Ghilotti on the Bel Marin Keys (BMK) Force Mains replacement phase. The Manager discussed the Bel Marin Keys Force Mains Replacement phase of the Collection System Improvements; Project 72706. She discussed the current conditions of the

project and noted that there was a consequent change in the construction “means-and-methods” which resulted in change orders to the original bid amount. For this reason she requested the Board approve the two change orders as presented.

The Board discussed the project with Steve Wrightson.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously by those members present, the Board approved two change orders in the amounts of \$28,886.65 and \$28,140.60 with Team Ghilotti on the Bel Marin Keys Force Mains Replacement phase of the Collection System Improvements Project 72706 .

STAFF REPORTS:

- North Bay Watershed Association. The Manager gave an overview of the NBWA meeting she attended on Friday, September 10th.

- Presentation of NBWA Laterals video. The Manager showed a short video on lateral repair which Martin Rauch prepared on behalf of the NBWA to educate the public in regards to their lateral sewer lines.

MANAGER’S ANNOUNCEMENTS:

- Waste Water Operations Committee meeting will be held on Monday, September 20th at 2PM at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the regular meeting at 8:10 p.m.

The Board immediately proceeded to closed session to discuss the item on the Closed Session agenda.

Closed session began at 8:15 p.m.

CLOSED SESSION:

- Conference with labor negotiators – Government Code Section 54957.6.

BOARD MEMBERS PRESENT: President Long, Members Di Giorgio, Quesada and Welsh.

BOARD MEMBERS ABSENT: Member Fritz.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James.

Closed session ended at 8:23 p.m.

REPORT FROM CLOSED SESSION:

The Board authorized the Manager-Engineer to negotiate a settlement agreement with District employee James Lynch.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording