

October 10, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, October 10, 2011, preceded by a closed session beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:32 p.m. President Long announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – (subdivision (a) of Section 54956.9).

Potential Administrative Civil Liability in the matter of sanitary sewer overflows and treatment plant violations including California Regional Water Quality Control Board Complaint No. R2-2010-0102.

BOARD MEMBERS PRESENT FOR CLOSED SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada and Dennis Welsh.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy-Manager Engineer Sandeep Karkal and District Counsel Kent Alm. Also present: Davina Pujari, Attorney with Barg, Coffin, Lewis and Trapp.

The Closed Session ended at 6:32 p.m.

Open session began at 6:38 p.m.

BOARD MEMBERS PRESENT FOR OPEN SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, George C. Quesada and Dennis Welsh.

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

ALSO PRESENT:

- Steve Clary, RMC Water & Environment
- John Coleman, Novato resident
- Brant Miller, Novato resident
- Jerry Peters, Novato resident
- Dasse de longh, District employee and Novato resident
- Joe Chakkalakel, Novato resident
- L. Chakkalakel, Novato resident
- Suzanne Crow, Novato resident
- Deb & Jamie Erze, Novato resident
- John P. O'Hare, Veolia Water
- John Bailey, Veolia Water

Bob Guinan, Novato resident  
Joe Carlomagno, Novato resident  
Wally Holmes, Novato resident  
Vicky Carlomagno, Novato resident  
Al Zeidler, Novato resident  
Gene Ruda, Novato resident  
Stefan Matan, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

*On motion of Member Quesada, seconded by Member Mariani, and carried unanimously, the agenda was approved as mailed.*

REPORT FROM CLOSED SESSION:

No reportable action was taken.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the September 26, 2011 Board meeting.

*On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the September 26, 2011 Board meeting minutes were approved.*

CONSENT CALENDAR:

*On motion of Member Quesada, seconded by Member Mariani, and carried unanimously, the following Consent Calendar item was approved:*

- a. Approval of regular disbursements in the amount of \$300,728.28, project account disbursements in the amount of \$90,799.82 and Board member disbursements in the amount of \$3,342.30.

WASTEWATER TREATMENT PLANT UPGRADE PROJECT 72609:

Consultant report on odor control. The Manager introduced Steve Clary, Engineer, RMC Water and Environment. Mr. Clary presented handouts to the Board and public and proceeded to show a PowerPoint presentation titled "Odor Control Evaluation, 10 October 2011". The presentation provided an outline of the summary of findings as discovered by James Joyce, independent expert in odor control of wastewater facilities. Mr. Clary pointed out that Mr. Joyce was on site at the District on August 30<sup>th</sup> and 31<sup>st</sup> to

conduct an odor survey of the Novato treatment plant and the Lea Dr. neighborhood and to review/inspect the existing odor control facilities. Mr. Clary discussed Mr. Joyce's findings. His report noted that the biofilters are appropriate for Novato Sanitary District's facility and the design airflow rates are adequate, but that the design airflow rates are not being achieved, causing foul air to escape.

Mr. Clary stated that the reason the airflow rates are being restricted is that the geo fabric interface in the odor bed is plugged which reduces the total air flow to half of design capacity and forces foul air through the P-trap and drains. He identified several locations in the plant where foul air is/can be escaping.

Mr. Clary outlined proposed recommendations to be implemented to alleviate the foul odors, including removal of the geo fabric interface and replacing the sand media used in the odor beds with an organic media to a greater depth than is currently being used. He stated that in addition, air leaks would be repaired at the fans and the depth of the P-traps would be increased.

Mr. Clary invited questions and responded to the audience, further detailing findings of the report. Participants expressed their continued distress over the odors and were deeply disappointed at the length of time it has taken the District to find a solution to the odor problem.

The Manager discussed the best and most appropriate way to stay in consistent communication with the treatment facility neighbors. She stated that information and odor updates are critical and should be disseminated to the neighborhood as they are available. She stated that neighbors have been provided with an email address to contact the District with odor complaints and concerns, 24 hours a day. The Board discussed the email method of communication currently being used.

The Board agreed that the odor issue is critical and of the highest urgency to alleviate completely. They requested that if any odor relief measures can be taken immediately, these repairs should be completed prior to the full scope of repairs. They stated that costs should not be a consideration. President Long requested the repairs which address the technical issues be handled in an expedited manner.

Members of the audience discussed their concerns regarding potential health concerns due to the odors and possible chemicals released into the air. Member Mariani asked that any studies which show odor composition and health effects be made available to the public. The Manager stated she would look into these studies and provide them to the public.

Direct staff to develop a timetable to implement recommendations.

President Long directed staff to expedite the repair process.

*On motion of Member Di Giorgio, seconded by Member Mariani and carried with the following vote, Board directed Staff to prepare a time-table for the next regular Board meeting to address the details of the technical issues involved with solving the odor bed geo fabric interface problem. Ayes: Di Giorgio, Long, Mariani, Welsh. Noes: Quesada.*

Member Quesada stated that he voted no to the motion because he feels the Board should meet in one week with a time-table to implement the repair recommendations. He stated that waiting two weeks is not acceptable.

District Counsel Kent Alm stated that there has been tremendous discouragement with the odor issue but he was encouraged that RMC Water & Environment has stepped up and accepted responsibility for the problem. He stated this helps to expedite the process for resolution.

Mr. Clary stated that RMC can expedite the repair process at the Board's discretion. He stated that RMC has adopted the position that they will pay for the repair of the odor control issues because the problem was confirmed to be a design flaw. He provided to the Board and the public a 17 page correspondence from V&A Consulting Engineers which outlined the independent review by James Joyce. The report provided a discussion of the odor issue and presented recommendations to solve the problem.

**Director Welsh posed the question that if RMC has adopted the position that they are responsible for the correction of the design flaw, why does the District need to go through a bid process to have the repairs completed. He questioned why RMC does not hire the contractor to complete the modifications without the District's involvement.**

**Mr. Clary stated that this option was a possibility if it were acceptable to the Board. He noted that RMC was flexible with their approach and would follow the direction of the Board.**

President Long called for a five minute recess at 7:57 p.m.

President Long reconvened the meeting at 8:05 p.m.

#### PUBLIC HEARING – SANITARY CODE REVISIONS:

Open hearing. President Long opened the Public Hearing at 8:05 p.m. The Manager stated that the documents provided to the Board contained revisions to Ordinance No. 115 to comply with Provision 1 of the Regional Board's Order No. R2-2011-0009. She noted that the proposed Ordinance had been reviewed and approved by legal counsel and is ready for Board adoption.

Public comment on proposed revisions. There was no public comment on the Ordinance.

Close hearing. President Long closed the Public Hearing at 8:08 p.m.

SANITARY CODE REVISIONS:

Consider adoption of Ordinance No. 115 amending Sanitary Code (Ordinance No. 70). The Manager stated that Ordinance No. 115 would replace sections of Ordinance No. 70. President Long pointed out an error on page 16, Sec. 809, item (a) and requested the text be changed as follows: Any liquid or vapor having a closed-cup flashpoint **lower** than 60 degrees C (140 degrees F).

*On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board adopted Ordinance No. 115 with the above noted revisions.*

STAFF REPORTS:

Certificates of Participation sale. The Manager outlined the Certificates of Participation (COP) sale which took place on September 27, 2011 and noted that Morgan Stanley & Co.'s bid was accepted as follows: true interest cost: 4.112659%; par amount: \$21,750,000; bid: \$22,000,125. She stated that the annual payments will vary starting at \$1,685,697.50 and decreasing to \$1,450,787.50 at the end of 20 years. She noted that this payment schedule is consistent with the projections in the financial analysis presented in the Preliminary Offering Statement. The Manager stated that the bond documents have been signed and the first transfer to Bank of New York Mellon will take place on October 13, 2011.

Member Di Giorgio congratulated the finance committee on securing the bond at such a low interest rate.

The Manager stated that Bartle Wells would be reviewing investment options for the COP funds the District receives.

Member Quesada requested letters of appreciation be prepared for Tom Gaffney, Bartle Wells Associates and Chick Adams, Jones Hall Bond Counsel. The Manager stated that she would prepare the letters.

BOARD MEMBER REPORTS:

North Bay Watershed Association meeting. Member Di Giorgio discussed his attendance at this meeting which was held in Petaluma on October 7<sup>th</sup>. He noted that Bruce Wolfe, Regional Water Quality Control Board, presented a very informative regulatory update.

Member Welsh questioned the status of the proposed sewer main repairs on East Ct. which were brought forth by Mr. Jim Henderson at the previous Board meeting.

Member Quesada questioned if Board members could attend any and all committee meetings solely as part of the audience, not as a member. District Counsel Kent Alm stated that the Brown Act was amended several years ago to address these circumstances. He stated that if a committee meeting is being held and additional Board members are in attendance, the Board members can only act as a member of the public and cannot participate in any way in the meeting. He noted that if the additional member participated, this would be a violation of the Brown Act. Mr. Alm stated he does not recommend that Board members attend committee meetings in which they are not a member. He stated that if Board members wish to attend, the Board may declare in advance that the committee meeting be called a "workshop".

MANAGER'S ANNOUNCEMENTS:

The Wastewater Operations Committee meeting will be held on October 17<sup>th</sup> at 2:00 p.m. at the District office.

An Audit Committee meeting is tentatively scheduled for October 18<sup>th</sup>, time to be determined.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the Board meeting at 8:33 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Borda, Recording