

# NOVATO SANITARY DISTRICT

## Board Meeting Minutes

Meeting Date: October 23, 2017

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, October 23, 2017, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Jerry Peters, Directors Carole Dillon-Knutson, William Long, Jean Mariani, and Brant Miller.

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

ALSO PRESENT: John Bailey, Project Manager, Veolia Water  
Erik Brown, Technical Services Manager, Novato Sanitary District  
Dale Thrasher, Admin. Services/Safety Officer, Novato Sanitary District  
Dee Johnson, Solid & Household Hazardous Waste Program Coordinator  
William Shoen, Principal, R3 Consulting Group  
Jim Salyers, Vice President, Novato Disposal Service  
Jim O'Toole, Environmental Science Associates

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the October 9, 2017 meeting.

*On motion of Director Miller, seconded by Director Dillon-Knutson, and carried unanimously, the October 9, 2017 Board meeting minutes were approved.*

CONSENT CALENDAR:

Director Mariani requested Consent Calendar item f. be removed for further discussion.

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

- a. Approve capital project disbursements in the amount of \$61,284.80, and regular disbursements in the amount of \$171,600.15.
- b. Approve payroll and payroll related disbursements in the amount of \$247,544.10.
- c. Receive Accounts Receivable Report as of October 20, 2017.
- d. Cancel Board meetings of November 27<sup>th</sup> and December 25<sup>th</sup>, 2017.
- e. Receive "Progress report on Refinancing of 2011 Certificates of Participation" (COPs) from the District's Financial Advisor (FA) Mr. Steven Gortler.

- g. Authorize the General Manager-Chief Engineer to approve an application from Pacific Gas and Electric Company (PG&E) and issue a one-time, temporary, Class I non-domestic discharge permit for discharge of groundwater and hydro-test water, for PG&E Pipeline Digs Project D-674A at intersection of Redwood Boulevard and Grant Avenue.

*On motion of Director Dillon-Knutson, seconded by Director Long, and carried unanimously, the above listed Consent Calendar items were approved.*

President Peters stated that the Board would now consider the remainder of the consent calendar.

- f. Receive Standard & Poor's Global Ratings report assigning an "AA+" rating to the District's proposed 2017 Refunding Bonds, and an upgrade to "AA" from "AA-" for the District's 2011 COPs.

Director Mariani commented that the Standard & Poor's rating raise from a "AA-" to a "AA+" was quite an accomplishment and praised management for their efforts. Directors Long and Dillon-Knutson echoed her sentiments.

The General Manager stated it was a team effort, and that the improved rating reflects well on staff and the Board.

*On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the above listed Consent Calendar item was approved.*

#### SOLID WASTE: PUBLIC HEARING – SET CALENDAR YEAR (CY) 2018 MAXIMUM ALLOWABLE SOLID WASTE RATES.

- Receive Solid Waste Committee recommendation for a Calendar Year (CY) 2018 maximum solid waste rate adjustment of +5.04 percent. The General Manager stated that at its September 20, 2017 meeting, the District Board reviewed a CY2018 rate adjustment request by Novato Disposal Service (NDS) for +5.20%; and a report by the District's consultant (R3 Consulting Group), that analyzed the NDS request and recommended a +5.04 percent rate adjustment. He stated that, upon review, the Committee concurred with the R3 report and recommendation, and made a recommendation to the full Board at the Board's September 25, 2017 meeting, that the Board approve a CY2018 solid waste rate adjustment of +5.04 percent. He noted that, separately, NDS had also reviewed the R3 report and agreed to a potential +5.04 percent rate adjustment.

The General Manager stated that he recommends the Board receive the Committee's recommendation of a maximum rate increase of +5.04 percent for CY2018, and subsequent to the public hearing, approve the Committee's recommendation and adopt Resolution No. 3112, setting CY2018 maximum allowable rates for refuse collection and disposal services.

- Open public hearing. President Peters opened the public hearing at 5:42 p.m.

- Receive Public comments. None.

- Receive Board comments. Director Dillon-Knutson stated that the 5.04 percent increase was prudent, and within a modest guideline.

- Close public hearing. President Peters closed the public hearing at 5:43 p.m.

Upon close of the public hearing, the General Manager-Chief Engineer requested that the Board adopt Resolution 3112 setting CY2018 maximum allowable rates for refuse collection and disposal services.

- Adopt Resolution No. 3112 setting CY2018 maximum allowable rates for refuse collection and disposal services.

*On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board adopted Resolution No. 3112: A Resolution Setting Maximum Solid Waste Service Charges for Novato Disposal Company in Novato Sanitary District.*

At 5:44 p.m., Jim Salyers, William Schoen, and Dee Johnson, left the meeting.

#### CAPITAL PROJECTS:

- Recycled Water Facility (RWF) Expansion, Account No. 73005: Review Bids received, and authorize the General Manager-Chief Engineer to award the construction contract to Pacific Infrastructure Corporation and to execute it in the bid amount of \$1,940,122. The General Manager introduced Technical Services Manager Erik Brown, who provided an overview of the Recycled Water Facility Expansion Project.

The Technical Services Manager stated that at its September 11, 2017 meeting, the District Board authorized staff to advertise for bids for the Recycled Water Facility Expansion Project. He stated that three bids were received, with the apparent low bid from Pacific Infrastructure Corporation in an amount of \$1,940,122. He stated that the bid documents had been reviewed and appear to be in order based on staff review. The Technical Services Manager requested that the Board authorize the General Manager-Chief Engineer to award the construction contract to Pacific Infrastructure Corporation and execute the contract in the bid amount of \$1,940,122.

Director Long discussed the language used in the bid approval process, specifically the terms “bid documents **appear to be in order**”. The Technical Services Manager stated that this bid document language is used customarily for the bid approval process, and that he had reviewed all the bid documents and found them to be in order.

Director Miller questioned the language “**apparent** lowest bid”. Discussion followed and it was noted that the language in question is useful in the case that there may be undiscoverable mathematical errors in the bid documents that may materially affect the bid amount. After further discussion, Director Mariani requested staff to review the above noted bid document language with District Counsel Kent Alm.

Director Miller stated that the board report for item 7.a. incorrectly stated that “At its September 11, 2017 meeting the **District Board made CEQA findings...**”. He stated that the discussion item from the September 11<sup>th</sup> meeting represented that CEQA findings had

been made, but not that the Board had made them at that meeting. Discussion followed regarding the language used in the Board report.

Jim O'Toole, Environmental Science Associates, addressed the Board. He stated that he was the Project Manager for both the 2004 Environmental Impact Report (EIR), and the 2009 North Bay Water Reuse Authority EIR and Environmental Impact Study (EIS). He suggested that the Board strike the language "the Board made CEQA findings on September 11<sup>th</sup>" and instead state that "the District Board relied on its 2009 CEQA findings and related documents...".

The General Manager suggested that Board report 7.a. be modified as follows: "At its September 11, 2017 meeting the District Board relied on its 2009 CEQA findings and related documents, and authorized staff to advertise for bids for the Recycled Water Facility Expansion Project", and to adopt the motion as presented.

*On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the General Manager-Chief Engineer to award the Recycled Water Facility Expansion Project contract to Pacific Infrastructure Corporation, to execute it in the bid amount of \$1,940,122, and to reference the modified Board report of the October 23<sup>rd</sup> meeting, item 7.a.*

- Recycled Water Facility (RWF) Expansion, Account No. 73005: Authorize the General Manager-Chief Engineer to approve a contract with The Covello Group to provide construction management services through completion of the Project, and to execute it in an amount not-to-exceed \$179,300. The General Manager stated that the Recycled Water Facility Expansion Project (Project) will require the services of the construction management firm, The Covello Group (Covello). He requested the Board authorize the General Manager-Chief Engineer to approve a contract with Covello to perform construction management and inspection services through the completion of the Project for a not-to-exceed contract total of \$179,300.

*On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board authorized the General Manager-Chief Engineer to approve a contract with the Covello Group to provide construction management services through completion of the Project and to execute it in an amount not-to-exceed \$179,300.*

#### BOARD MEMBER REPORTS AND REQUESTS:

Director Dillon-Knutson stated that Saturday, October 28<sup>th</sup>, North Bay Discovery Day is being held at the Sonoma County Fairgrounds. She stated that Veolia will have an outreach station and requested that the Novato Sanitary District be represented with Veolia. She noted the importance of disseminating more information about the Novato Sanitary District to attendees at this event.

#### INFORMATIONAL ITEMS:

-CNNMoney (London) news report published October 11, 2017: "Scientists have struck gold in an unlikely place: Swiss sewage and waste water treatment plants". The General Manager stated that this item was for informational purposes only.

GENERAL MANAGER'S ANNOUNCEMENTS:

A Solid Waste Committee Meeting is potentially scheduled for Wednesday, November 1<sup>st</sup> at 2:30 p.m. with Directors Mariani and Peters.

The next Regular Board meeting is scheduled for Monday, November 13, 2017 at 5:30 p.m.

The General Manager provided a brief Disaster Relief update, noting that no District employees lost their homes during the recent wild fires.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 6:19 p.m.

Respectfully submitted,

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Sandeep Karkal  
Secretary

Julie Hoover, Recording