

October 24, 2011

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, October 24, 2011, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: 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 Administrative Secretary Julie Swoboda.

ALSO PRESENT: John Coleman, Novato resident
Dasse de longh, NSD employee, Novato resident
Brant Miller, Novato resident
Joe Carlomagno, Novato resident
Bob Guinon, Novato resident
Jerry Peters, Novato resident
Jo Heffelfinger, Novato resident
Debra & Jamie Erze, Novato residents
Suzanne Crow, 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.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the October 10, 2011 meeting.

Member Welsh requested an addition be made to the minutes to reflect his comments regarding the odor control issue as discussed with RMC. The Board Recorder will review the audio portion of the meeting and present revised minutes at the next Board meeting.

CONSENT CALENDAR:

Member Welsh requested item a: *Approve a Resolution providing relief on pH limits for Norcal Dyeworks facility and setting the revised pH limits*, be removed from the Consent Calendar for further discussion.

The Manager stated that the District has made this adjustment for a number of other dischargers. She noted that the pH limits being requested are within the current local limits as set by Federal guidelines.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the following Consent Calendar items were approved:

- a. Approval of Resolution No. 3035 providing relief on pH limits for Norcal Dyeworks facility and setting the revised pH limits.
- b. Approval of regular disbursements in the amount of \$133,874.75, project account disbursements in the amount of \$465,993.53, and payroll and payroll related expenses in the amount of \$272,336.06.

WASTEWATER FACILITY UPGRADE PROJECT 72609:

- Staff report on odor control system re-work timeline. The Manager stated that at the October 10, 2011 Board meeting, staff was directed to prepare a time-line for the re-work of the odor control system as an urgent matter. She noted that the design team is taking responsibility for the re-work and is committed to completing the work as expeditiously as possible. She stated that staff has been working on the time-line as well as the legal obligations and is moving forward with the contract. She discussed with the Board the options for having the work completed, noting that the most expeditious route would be to issue a Change Order to Gateway Pacific, who is currently onsite for the Recycled Water Facility. The Manager stated that Gateway Pacific will prepare the Change Order for approval at the November 14th Board meeting, and anticipates starting work immediately upon issuance of the Change Order, on November 15, 2011.

The Manager stated that she has reviewed this proposal with District Counsel, Kent Alm, who noted that this proposition would be acceptable under the Change Order status due to the urgency of the matter. She stated that after Kent's review, a letter had been sent to RMC with the agreement that they will reimburse the District for the costs associated with the design flaw repairs.

Member Welsh clarified that the District would pay for the odor control system modifications and then request reimbursement from RMC Water & Environment. He stated that this arrangement may not be in the best interest of the District and expressed his concern that RMC may default on the payments. He stated that RMC should be responsible for the repairs and make payments directly to the contractor. The Manager stated that the decision of how the necessary repairs will be completed is at the discretion of the Board.

Member Mariani stated that she is not comfortable with RMC executing the construction contract because then the District will not have control of the contractor. She stated it would be better to hold RMC to a contractual payment arrangement with the District.

Member Di Giorgio stated he would like the repairs expedited.

Member Quesada stated she would like to see the odor control medium working to full capacity as soon as possible.

President Long opened the meeting to public comment.

Comments from the audience were as follows:

- Move the process along as quickly as possible.
- The landscaping progress is languishing. They do not want the odor problem to languish as well.
- Concerns that winter weather may delay the construction/repair processes.
 - ✓ *The Manager stated that the replacement of the geo-fabric in the odor beds should not be greatly impacted by rain/winter weather patterns.*
- Plantings to create barriers for the odors to reach the Lea Drive neighborhood.
 - ✓ *The Manager stated that vines will be planted to cover the chain link fence being installed on Lea Drive. This will create a visual and an odor screen from the treatment facility.*
- Are there health issues associated with the fugitive odors?
 - ✓ *The Manager stated she will investigate available reports on health issues related to fugitive odors from sewage treatment facilities.*
- Not a bandage solution; wants a resolution that will be thorough and final.
- Could shared knowledge assist in the development of the odor controls at this time, and if it fails, could shared knowledge assist in making better decisions moving forward?
 - ✓ *The Manager stated that based on the community of engineers the District had at the time of construction, the odor control process was evaluated to be successful.*

President Long stated that as the repair contract is implemented with RMC, the District should include an evaluation process to document resolutions to the odor issues.

Suzanne Crow, Novato resident, questioned how much money has already been spent on odor control/repair issues. She stated that an iron clad contract with RMC is paramount. She noted that some repairs may be sensitive to the wet weather. She stated that the plants have been going in slowly and thus drawn out the length of time the neighborhood has been experiencing mal-odors.

Member Mariani requested a report be prepared which allows the District to document progress of the odor repair problems. She stated this report could be presented monthly at the Wastewater Operations Committee meetings. She requested subsequent progress reports reference the recommendations from the Jim Joyce Odor Control report so the progress can be tracked more definitively.

Member Welsh questioned the costs for the odor repairs to date. He asked for the cost of the bioxide compound and who will be responsible for payment. The Manager stated that the District will be purchasing the equipment to dispense the bioxide at an approximate cost of \$8,000. She stated that bioxide will replace the use of ferric chloride which the District currently uses and the costs for these compounds are comparable.

Member Mariani requested a breakdown of the costs already spent by the District in relation to the odor issue.

President Long suggested that the Wastewater Operations Committee members, or other Board members, visit several wastewater treatment facilities to evaluate the success of their odor control systems.

President Long stated that the odors have increased and are offensive. He stated the District desires to be a good neighbor and had used proven technology in the upgrade of the treatment facility. He invited the neighbors to keep coming forward with comments and concerns and stated the Board will continue to work until a solution is achieved.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM:

- Consider approval to make lump sum payment of District's Side Fund to CalPERS by November 15, 2011. The Manager discussed the District's Side Fund to CalPERS for unfunded liability to the retirement system. She stated that as of November 15, 2011, the Side Fund is projected to be \$1,205,537 at an interest rate of 7.75%. She stated that prepayment of this fund will bring the District a savings of approximately \$75,090 per year. The Manager stated that the District's Fiscal Year 2011-2012 Final Budget included an expenditure of \$1,215,597 to prepay the Side Fund. She requested the Board approve the disbursement.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously, the Board approved the lump sum payment of \$1,205,537 to CalPERS to pay the Novato Sanitary District's Side Fund.

WASTEWATER OPERATIONS:

- Committee Report. Deputy Manager-Engineer Sandeep Karkal stated that the Wastewater Operations Committee met on October 17th. He discussed the report and

gave a status update on the warranty work being performed on the Turblex blower. The Deputy Manager-Engineer reviewed the Collection Systems Operation report as well as the Reclamation Facilities report.

- Presentation of electronic Operations and Maintenance Manual. The Deputy Manager-Engineer gave a presentation of the electronic Operations and Maintenance Manual on the District's computer server. He highlighted the details of the manual and demonstrated the ease of access the electronic version provides.

STAFF REPORTS:

- Elm Street area sewer project. The Manager reported on the cause for the delay on the Elm Street sewer repair project. She explained that when the project started in late July, 2005, District staff and the project construction manager were concerned that the contractor would not start the work in the easements in the Elm Street neighborhood until the middle of winter, making access a problem. In addition, District staff and the contractor became less comfortable with using directional drilling to install the new sewer given its flat profile. Based on these facts, the District removed the work from the contract. She stated that the project was put on hold because it was determined to be more of a maintenance issue and discussed the current options for the repair. The Manager stated that she will invite the concerned Elm St. resident, Mr. Henderson, to meet with her so he can be given more information on the status of the project.

Member Welsh questioned why the engineers who designed the project did not foresee the problems with directional drilling. He asked to see the original engineering and bid documents for this project.

Member Mariani suggested the District use an asset management approach on this project. To prevent overflows, she would like a determination of cost effectiveness through: 1) implementing a more rigorous cleaning schedule vs. 2) replacing the main line.

BOARD MEMBER REPORTS:

The Board members reported on their attendance at the California Special District Association conference which was held in Monterey, CA from October 10th to 13th.

Member Mariani reported on her attendance at the Ethics Training. She stated it was prepared by Meyers Nave and was a good session.

Member Di Giorgio reported on his attendance, including sessions regarding Proposition 218, Public Relations, Board Member Liability and Board and Staff Communications.

President Long reported on his attendance, including sessions regarding Board and District Liabilities as presented by SDRMA. He discussed Board policies and the need for the District to have clear policies.

MANAGER'S ANNOUNCEMENTS:

- Next Board meeting on November 14th at 6:30 p.m.
- Strategic Planning Board Workshop on November 15th, from 9:00 a.m. to approximately 4:00 p.m.
- Wastewater Operations Committee meeting on November 16th at 2:00 p.m. This is rescheduled from the regular date of Monday, November 21st.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the meeting at 8:40 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording