

November 10, 2008

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 4:30 p.m., Monday, November 10, 2008, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Michael Di Giorgio, Members James D. Fritz, Arthur T. Knutson, William C. Long, and George C. Quesada.

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

ALSO PRESENT: James Henderson, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: *On motion of Member Quesada, seconded by Member Fritz, and carried unanimously, the agenda was approved as mailed.*

PUBLIC COMMENT:

Mr. James Henderson of 1108 East Ct., addressed the Board regarding a letter he received in April of 2005. This letter notified Mr. Henderson of the District's plan to replace the sewer main behind his residence; however the work was never started. He questioned the current status of the project. The Manager-Engineer explained the delay and the Deputy Manager-Engineer noted that this repair is scheduled to be completed with the 2009 Capital Projects. Mr. Henderson also addressed the Board regarding the Board member compensation increase agenda item, stating he felt with the current financial circumstances, it is a poor decision to increase the Directors' stipends.

BOARD MEMBER REPORTS: Member Quesada noted on January 1, 2009, the North Marin Water District will increase their facility reserve charge (new home connection charge) by approximately \$10,000 and will increase the charge again on January 1, 2010 by an additional \$10,000. He asked if the District should consider increasing their connection charges as well to assist in repayment of the State Revolving Fund loan. The Manager-Engineer explained the District's revenue program and the future plans for capital expense repayment.

Member Long discussed the District's current residential three tier sewer service charge system. He asked if this item could be agendized at a future Board meeting to determine the on-going financial needs of the District and the appropriate sewer service charges to address this issue.

REVIEW OF MINUTES:

Consider approval of minutes of the October 27, 2008 meeting: *On motion of Member Long, seconded by Member Quesada, and carried unanimously, minutes of the October 27th meeting were approved.*

CONSENT CALENDAR: *On motion of Member Long, seconded by Member Quesada, and carried unanimously, the following consent calendar items were approved:*

- a. Acceptance of the quarterly revenue and expenditure report for period ending September 30, 2008.
- b. Approval of regular disbursements in the amount of \$290,467.90 and project upgrade disbursements in the amount of \$3,010,532.16.

INSURANCE MATTERS:

- Consider reducing liability insurance deductible: The Manager-Engineer discussed our current liability insurance deductible through our insurance carrier, California Sanitation Risk Management Authority (CSRMA). Our current deductible is \$100,000 per incident. She discussed the District's last three years of claims and the fiscal impact these have had on the District. She recommended the Board approve a reduction of the District's liability insurance deductible to \$25,000, per incident.

Member Quesada requested the Manager-Engineer secure a quote from CSRMA for a \$10,000 deductible. The Manager-Engineer stated she would provide this figure to the Board at a future Board meeting.

On motion of Member Fritz, seconded by Member Long, and carried unanimously, the Board set the CSRMA General Liability policy deductible at \$25,000.

WATER ENVIRONMENT RESEARCH FOUNDATION (WERF):

- Consider authorizing District membership in Water Environment Research Foundation (WERF): The Manager-Engineer discussed the Foundation's research portfolio and their various areas of study. She discussed how the District would benefit from these studies through a membership with WERF. The annual membership fee for an agency the size of Novato Sanitary District is \$1,889.

On motion of Member Fritz, seconded by Member Quesada, and carried unanimously, the Board approved the District's membership with the Water Environment Research Foundation in the amount of \$1,889.

DISTRICT POLICY HANDBOOK:

- Consider adoption of Policy No. 3050 – Easement Abandonment:
- Consider adoption of Policy No. 4095 – Ethics Training:

The Manager-Engineer discussed with the Board the two policies to be included in the District's Policy Handbook. District Counsel Kent Alm requested the Ethics Training Policy, Section 4095.6 read as follows:

*Any director of Novato Sanitary District that serves on the board of another agency is only required to take the training once every two years **in compliance with State law.***

On motion of Member Quesada, seconded by Member Long, and carried unanimously, the Board approved the adoption of District Policies No. 3050 – Easement Abandonment and No. 4095 – Ethics Training, with addition as noted.

BOARD OF DIRECTORS:

- Discuss compensation increase under SB 1559 and set date for public hearing: The Manager-Engineer presented the Board with documents showing current NSD Board member stipends well as health and dental benefit premiums paid by the District on their behalf. In addition, the Board received a Marin County Special District Board Compensation Comparison report as prepared by Administrative Services Manager June Brown.

Member Quesada suggested that the Board members reduce their Board meeting attendance stipend to \$100 in exchange for District paid spouse health coverage benefits. The Board discussed this proposed change and it failed due to lack of a motion. In addition, District Counsel Kent Alm noted that there are specific restrictions that apply to Board member stipends and the use of those monies toward Board member spousal benefits.

Member Fritz stated he had no interest in changing the Board member stipend or adjusting the medical benefits.

Member Quesada complimented June Brown on her thoroughness in preparing the information that was presented.

This item was not passed.

COLLECTION SYSTEM IMPROVEMENTS PROJECT 72706:

- Consider approval of the reimbursement amount of \$119,619.40 for sewer replacement at Hamilton Marketplace. The Manager-Engineer and the Board discussed the value and the scope of the Hamilton Marketplace project. At the October 8, 2007 District Board meeting, the Board approved an agreement authorizing reimbursement to the developer for costs incurred above the original agreed upon estimated cost. The final reimbursement cost for the sewer improvements is \$119,619.40.

On motion of Member Long, seconded by Member Quesada, and carried unanimously, the Board approved the reimbursement amount of \$119,619.40 for relocation of a 15 inch trunk sewer for the Hamilton Marketplace development.

- Adopt CEQA findings and authorize staff to file a Notice of Exemption, (NOE), with the County Clerk. The Deputy Manager-Engineer reported on a pipe staff had identified in the collection system on Wilson Avenue where a minor improvement project would improve the flow characteristics of the sewer system potentially preventing surcharging (and possible sewer overflows) in the upstream sewer. He noted that staff has completed California Environmental Quality Act (CEQA) documentation and has determined that the project is categorically exempt. The Deputy Manager-Engineer requested that the Board authorize staff to file the Notice of Exemption (NOE) with the County Clerk for this project.

On motion of Member Long, seconded by Member Quesada, and carried unanimously, the Board authorized staff to file a Notice of Exemption with the County Clerk for the Wilson Avenue Collection System Improvement Project.

- Review proposals and adopt Resolution No. 2995 to award project to Bay Pacific Pipeline in the amount of \$45,395.00. The Deputy Manager-Engineer discussed the scope of work. He noted the District received seven proposals under the informal bid process and Bay Pacific Pipeline submitted the lowest proposal at \$45,395.00. Construction should begin within one month of the award date and should be completed within 30 days.

On motion of Member Quesada, seconded by Member Long, and carried unanimously, the Board adopted Resolution No. 2995, Resolution of Award of Contract: Collection System Improvements-Wilson Avenue Diversion Sewer, Project No. 72706, to Bay Pacific Pipeline.

WASTEWATER FACILITY UPGRADE PROJECT 72609:

- Authorize Manager-Engineer to accept proposal from Maggiora & Ghilotti to dispose of unsuitable materials stockpiled at the Reclamation Facility for a lump sum amount of \$53,210.00. The Deputy Manager-Engineer discussed the extensive amount of spoils that have been stockpiled at the District's facilities, mostly at our Reclamation site. The District requested proposals from local contractors and received eight bids to dispose of the materials at a legal disposal site. Maggiora & Ghilotti of San Rafael submitted the lowest proposal at \$53,210.00 and plans to dispose of the majority of the spoils at Port Sonoma.

On motion of Member Di Giorgio, seconded by Member Quesada, and carried unanimously, the Board awarded to Maggiora & Ghilotti the Disposal of Unsuitable Materials, Wastewater Facility Upgrade Project 72609.

STAFF REPORTS

- North Bay Watershed Association (NBWA) Meeting: The Manager-Engineer discussed her attendance at the NBWA meeting on November 7th and commented on the presentations that were given.

MANAGER'S ANNOUNCEMENTS:

The District office will be closed on November 27th and 28th in observance of the Thanksgiving holiday.

Collections Systems has hired a new employee who will start on November 17, 2008.

The Rate Roll-Back propositions in Petaluma did not pass in the recent election. However, the Rohnert Park Rate Roll-Back proposition was passed.

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

At 5:45 p.m. President Di Giorgio announced the Board would meet in Closed Session to discuss the item on the Closed Session Agenda: Significant exposure to litigation pursuant to Subdivision(b) of Section 54956.9: One Case: Riverwatch 60-day Notice.

At 5:57 p.m. President Di Giorgio reconvened the board meeting.

*Closed session reportable action: **A tentative agreement was reached with Riverwatch subject to their execution of the Settlement Agreement.***

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 6:00 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording