

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: November 18, 2019

A special meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, November 18, 2019, at the District Office, 500 Davidson Street, Novato.

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

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

ALSO PRESENT: Dee Johnson, Solid and Household Hazardous Waste Program Coordinator
Fred Stemmler, General Manager, Recology Sonoma-Marin
William Schoen, Project Director, R3 Consulting
Garen Kazanjian, Waste Zero Specialist, Recology Sonoma-Marin
John O'Hare, Project Manager, Veolia
Jeff Andress, Collection System Superintendent, NSD
Jeff Boheim, Field Services Manager, NSD
Dale Thrasher, Administrative Services Officer, NSD
Erik Brown, Deputy General Manager, NSD
Javier Vega, Collection System Lead Worker, NSD
Joe Moreno, Collection System Worker, NSD
Rick Brown, President, TerraVerde Energy
Chris Kubik, Business Relationship Manager, Marin Clean Energy (MCE)

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

- Consider approval of minutes of the October 14, 2019 regular meeting.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously, the October 14, 2019 Regular meeting minutes were approved.

CONSENT CALENDAR:

Director Long stated that it would be necessary for him to abstain from voting on Consent Calendar item (f), and asked that this item be voted on separately. President Dillon-Knutson stated that item (f) would be pulled from the Consent Calendar and voted on separately.

President Dillon-Knutson called for a motion on the Consent Calendar items as follows:

- a. Approve November Board member disbursements in the amount of \$1,539.72. Ratify November 12th operating disbursements in the amount of \$659,654.22, and capital project disbursements in the amount of \$242,925.93. Ratify October 28th operating

disbursements in the amount of \$411,069.25, and capital project disbursements in the amount of \$38,549.50.

- b. Ratify October payroll and payroll related disbursements in the amount of \$288,894.37.
- c. Receive deposit summary, October 2019.
- d. Receive 1st Quarter Investment Report, Fiscal Year (FY) 2019-20.
- e. Receive 1st Quarter Financial Report, FY 2019-20 (unaudited).

On motion of Director Mariani, seconded by Director Long, and carried unanimously, the above listed consent calendar items were approved.

President Dillon-Knutson stated that the Board would now consider consent calendar item (f):

- f. Approve a Memorandum of Understanding (MOU) with the Marin County Flood Control and Water Conservation District (Flood Control District) authorizing the construction of drainage improvements on District property along Simmons Slough, and access for construction and operations and maintenance of the improvements; and authorize the Board President and General Manager-Chief Engineer to execute it.

On motion of Director Mariani, seconded by Director Peters, and carried with the following vote, the above listed consent calendar item was approved: Ayes: Dillon-Knutson, Fvette, Mariani, Peters. Abstain: Long.

SOLID WASTE: PUBLIC HEARING – SET CALENDAR YEAR (CY) 2020 MAXIMUM ALLOWABLE SOLID WASTE RATES.

- Consider recommendation for a Calendar Year (CY) 2020 maximum solid waste rate adjustment of +6.27 percent. The General Manager stated that the Board was being asked to consider a recommendation for a Calendar Year (CY) 2020 maximum solid waste rate adjustment of +6.27%; conduct a public hearing; and consider action to adopt Resolution No. 3141 setting CY 2020 maximum allowable rates for refuse collection and disposal services. He stated that the Solid Waste Committee met on September 23rd and reviewed a rate adjustment request from Recology Sonoma Marin (RSM), and a third party report from R3 Consulting Group (R3) which analyzed RSM's request. He stated that subsequently, at the October 14th meeting, the Board received the Solid Waste Committee's recommendation of a maximum rate increase of up to +6.32 percent, along with consideration of a proposed actual maximum 6.27% rate adjustment to account for a small mathematical error in the rate increase request. The General Manager continued, stating that at that meeting, the Board also set a public hearing for November 18, 2019, to establish the CY 2020 maximum solid waste rates. He stated that notice of the proposed rate increase and hearing were published accordingly in the Marin Independent-Journal on October 17th and 31st.

The General Manager recommended that the Board receive and approve the proposed actual recommendation of a maximum rate increase of +6.27 percent for CY 2020, and adopt Resolution No. 3141, setting CY 2020 maximum allowable rates for refuse collection and disposal services.

- Open Public hearing. President Dillon-Knutson opened the Public Hearing at 5:36 p.m.

- Receive Public comments. There were no public comments.

- Receive Board comments. Director Mariani stated that she considered the rate increase fair, noting that the refuse disposal rates were the lowest in Marin County. Director Long complimented the Solid Waste Committee members for their thorough review of the proposed rate increase, and stated that he was ready to support the motion. President Dillon-Knutson stated she was pleased that Novato's solid waste rates are the lowest in Marin County, and hopes that the rates can be maintained in the future.

- Close Public hearing. Public hearing was closed at 5:41 p.m.

- Adopt Resolution No. 3141 setting CY 2020 maximum allowable rates for refuse collection and disposal services.

On motion of Director Peters, seconded by Director Long and carried unanimously, the Board adopted Resolution No. 3141: A Resolution Setting Maximum Solid Waste Service Charges for Recology Sonoma Marin (RSM) in Novato Sanitary District.

At 5:42 p.m., Dee Johnson, Fred Stemmler, Garen Kazanjian, and William Schoen left the meeting.

WASTEWATER OPERATIONS:

- Receive staff presentation: Pacific Gas & Electric Co. (PG&E) Public Safety Power Shutdown (PSPS) event of October 26-29, 2019. The General Manager stated that Dale Thrasher, Administrative Services Officer, would provide an overview of the recent PSPS event of October 26th-29th, and discuss the event's impact on the District.

The Administrative Services Officer began a PowerPoint presentation, providing a time-line of the events, and summarizing details of the e-mail notifications and incident briefings from the State OES (Office of Emergency Services). He stated that the Novato treatment facility was prepared, and maintained operations with only minor issues, and that the Collection Department experienced no spills or overflows. He noted that the PSPS events have highlighted the need for several short and long term projects to assure long term resiliency of District operations.

The General Manager stated that he plans to bring forward recommendations to implement several major resiliency capital projects for immediate implementation, at upcoming Board meetings, including potential projects at: Rowland Plaza Pump Station (RPPS), Marin Village Pump Station (MVPS), Ignacio Transfer Pump Station (ITPS), and Olive Street Pump Station (OSPS). He noted that these projects have been planned for implementation in future fiscal years, and that he is proposing to advance the implementation timeline for these projects. For instance, while the Marin Village Pump Station replacement design is scheduled for Fiscal Year (FY) 20-21 with construction in FY 21-22, he will be proposing to advance the timeline so that design is initiated in FY 19-20 with construction occurring in FY 20-21.

The Administrative Services Officer completed his presentation, stating that the District would continue to prepare for future PSPS events by following a cycle of planning, implementation, evaluation, and continuous improvement.

Director Long expressed his appreciation to staff for handling the event successfully, and stated that he appreciated both the presentation prior to the PSPS event, and the detailed information provided in the follow-up presentation.

The General Manager expressed his appreciation to all District staff for successfully navigating the PSPS event, especially staff who came to work despite being displaced due to evacuation orders in Sonoma County, and acknowledged staff present at the meeting including Jeff Andress, Jeff Boheim, Javier Vega, and Joe Moreno.

Directors Peters, Mariani, Fvette, and President Dillon-Knutson each expressed their appreciation to staff for their hard work.

- Receive Wastewater Operations Reports, October 2018.

Collection System Report: Collection System Superintendent Jeff Andress provided the Collections System Report for October 2019. He stated that the Collection Department cleaned 58,851 lineal feet of sewer pipelines, completed 317 maintenance work orders, leaving zero work orders outstanding. He stated that 3,227 feet of sewer main were televised using the District's CCTV equipment, and noted that the CCTV work did not identify any new structural damages or areas that would require a change in sewer line maintenance operations. He continued, stating that staff conducted 162 lift station inspections and completed maintenance inspections on ten (10) air relief/vacuum valves.

The Collection System Superintendent then outlined the training provided in October, noting that the Collection Department staff attended four (4) specialized training events, and four (4) safety tailgate meetings. He provided a brief update of the PSPS event, and thanked his crew for their hard work during the event. He reported that there were no lost time accidents, and no sanitary sewer overflows (SSOs) during the month of October 2019.

Treatment Facilities Report: Veolia Project Manager John O'Hare provided the October Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance, and noted that the flow for October was low with an average of 3.42 million gallons/day. He stated that the treatment facility performed very well, and that there were no violations or excursions in October. He stated that the Recycled Water Facility (RWF) produced 19.821 million gallons of recycled water. The Project Manager reviewed the monthly routine inspections and maintenance activities for the Novato treatment facility, the Ignacio transfer pump station, and the recycled water facility. He stated that the Novato and Ignacio facilities operated in standby (generator) power due to the PSPS from October 26th through 28th. He noted that some equipment was affected during this time, but that the issues were resolved and the equipment returned to normal operations following the outage.

The Project Manager discussed pretreatment and pollution prevention activities. He stated that Veolia Water participated in the North Bay Science Discovery Day on October 26th, but that the event was cut short due to the fire event and subsequent evacuations. He stated that along with himself, Environmental Services Supervisor Liz Falejczyk and her husband Joe Falejczyk, staffed the brief event. He concluded his presentation, stating that no odor contacts were received in October.

Reclamation Facilities Report: Field Services Manager Jeff Boheim summarized the Reclamation Facilities report for October. He stated that approximately 225 cows and their calves grazed the irrigated pastures at Site 3 and Site 7 throughout the month. He stated that two irrigation pumps operated for the first three days of October, and applied a total of 8.5 million gallons (MG) to the pastures. He continued, stating that Custom Tractor Services worked throughout October to transfer and dispose of biosolids from the lagoons at Site 2 to the dedicated land disposal (DLD) site.

At 6:35 p.m., President Dillon-Knutson declared a short recess.

At 6:42 p.m., President Dillon-Knutson reconvened the Board meeting.

CAPITAL PROJECTS:

- Receive presentation from TerraVerde Energy, LLC, on opportunities in energy saving, use-optimization, and generation, through the deployment of Distributed Energy Resources (DERs), and provide direction. The General Manager stated that for about the past two years, the District had been investigating cogeneration/alternative energy projects to achieve the District's energy goals. He stated that as part of the FY 17-18 Budget Workshop, staff presented three primary strategies for working toward achieving the District's energy goals: 1) cogeneration, 2) solar generation and battery storage (alternative energy), and 3) energy efficiency measures (EEM's). He stated that specifically on the solar generation, battery storage and energy efficiency strategies, the District is benefiting from a California Energy Commission (CEC) grant being administered by MCE. He continued, stating that under the terms of the grant, MCE's consultant TerraVerde Energy, LLC (TerraVerde) evaluated the potential for energy savings, use-optimization, and generation, through the deployment of Distributed Energy Resources (DERs). The General Manager stated that Rick Brown, President of TerraVerde Energy, would make a presentation to the Board, presenting TerraVerde's findings and recommendations for implementing DERs at the District.

Mr. Brown began the presentation and stated that in November, 2017, the California Energy Commission awarded a grant to MCE and stated that NSD was subsequently selected as one of three demonstration sites to explore possible energy saving opportunities through the grant. He stated that TerraVerde had evaluated the District for energy savings, use-optimization, and generation to determine the potential DER measures that could be realized. He provided a project scope inventory, including Energy Efficiency (EE) Opportunities for interior and exterior lighting options, and discussed the use of solar PV combined with the benefits of battery system storage. His presentation detailed the initial cost investment and proposed financial returns on various solar panel array configurations and battery systems. Mr. Brown stated that the larger Photo-Voltaic (PV) systems offset more of the standard energy consumption and potentially provide additional financial savings, based on the "economy of scale" concept. He concluded his presentation with an overview of the grant services available, and discussed the funding mechanisms available to the District: self-financing and power-purchase agreements (PPAs).

The Board discussed the options presented by TerraVerde, and the advantages/disadvantages of the PPA options. Upon close of discussion, the Directors were in unanimous consent, and directed staff to move forward with TerraVerde's recommended energy efficiency measures. Staff was also directed to request the assistance of TerraVerde to move forward with the RFP process to solicit proposals from qualified vendors for a self-financed solar PV and battery storage system configuration for the District.

At 7:48 p.m., President Dillon-Knutson declared a short recess.

At 7:54 p.m., President Dillon-Knutson reconvened the Board meeting.

- Vehicle Replacement, Account No. 70390: Approve purchase of two, 30 kW portable generators, and authorize the General Manager-Chief Engineer to execute a purchase order with Bay City Electric Works in the amount of \$65,773.91. The Deputy General Manager stated that Collection System and Field Services staff had identified that two additional 30 kW towable diesel generators were needed. He stated that staff then evaluated generators from two different vendors to determine the model that met their evaluation criteria including technical requirements, ease of operation and maintenance, and reliability. The Deputy General Manager

stated that staff worked with Sourcewell (formerly National Joint Powers Alliance (NJPA)), a public agency serving its members as a municipal contracting agency, similar to the California Department of General Services (DGS) or the Federal General Services Administration (GSA). Sourcewell contracts are nationally solicited, competitively bid, and awarded on behalf of their government and education member agencies (the District is a member). Staff then contacted Bay City Electric Works, a Sourcewell vendor (Sourcewell contract # 120617-KOH), for a proposal for two 30kW portable generators, and subsequently secured a competitive bid from them in the amount of \$65,773.91, including estimated sales tax and fees. The Deputy General Manager requested that the Board approve the purchase for two 30kW portable generators from Bay City Electric Works.

On motion of Director Long, seconded by Director Peters, and carried unanimously, the Board approved the purchase of two 30 kW portable generators, and authorized the General Manager-Chief Engineer to execute a purchase order with Bay City Electric Works in the amount of \$65,773.91.

- Collection System Improvements, Account No. 72706-ARV Improvements: Make CEQA findings that the project is categorically exempt; authorize the General Manager-Chief Engineer to accept plans and specifications and advertise for bids – ARV Vault Rehabilitation Project; Project No. 72706-2019-01. The Deputy General Manager stated that staff had worked with the District's consultant, Nute Engineering, to prepare plans and specification for the ARV Vault Rehabilitation project, and that the project was now ready for bid. He stated that the project consists of removing and replacing eleven (11) Air Relief Valve (ARV) vaults and appurtenances at various locations throughout Novato, and that the engineer's estimate for the work was \$350,000. He stated that staff had completed the California Environmental Quality Act (CEQA) documentation, and determined that the project was categorically exempt. The Deputy General Manager requested that the Board authorize the General Manager-Chief Engineer to accept plans and specifications and advertise for bids for the ARV Vault Rehabilitation project.

On motion of Director Mariani, seconded by Director Long, and carried unanimously, the Board made CEQA findings, and authorized the General Manager-Chief Engineer to accept plans and specifications and advertise for bids for the ARV Vault Rehabilitation Project, No. 72706-2019-01.

- Receive Capital Projects Update, October 2019. The Deputy General Manager provided an update of the various Capital Improvement Program capital projects.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA) meeting, November 2019 (none-meeting cancelled).

Director Long commented on his attendance at a special meeting of CASA (California Association of Sanitation Agencies). He stated that as President of CASA, he attended the Clean Water Partners Summit, where discussion took place regarding the new protocol for lab standardization.

GENERAL MANAGER'S REPORTS AND ANNOUNCEMENTS:

- Reports:
 - A Finance Committee meeting (Directors Mariani and Long) will be scheduled for December 2nd at 3:30 p.m. to discuss the draft annual audit and financial statements.

- The District received an accounting from North Marin Water District (NMWD) on the Recycled Water Capital Replacement and Expansion Fund per the Third Revised Interagency Agreement for Recycled Water. The District also received a commitment from NMWD for about \$300,000 in reimbursement funds for the most recent Recycled Water Facility Expansion project by the District.
 - Staff will initiate efforts (including proposed budget amendments) for replacement of the Rowland Plaza and Marin Village Pump Station, and replacement of standby generators and switchgear at Olive Street and Ignacio Transfer Pump Stations. Implementation details and recommendations for Board actions will be presented at upcoming Board meetings.
 - Staff will report on the submittal of the District's National Pollutant Discharge Elimination System (NPDES) permit (discharge permit) renewal application, including year round Bay discharge, at the December 9th Board meeting.
- Announcements:
- District offices will be closed on November 28th and 29th for the Thanksgiving holiday.
 - The next Regular Board meeting will be Monday, December 9, 2019 at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 8:25 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording