

December 14, 2009

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, December 14, 2009, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, and Administrative Secretary Julie Borda.

ALSO PRESENT: Thomas Pierce, Novato resident
Roger Kotila, Novato resident
Deanna Pierce, Novato resident
Suzanne Brown Crow, Novato resident
Phil Tucker, CA Healthy Communities Network
Pam Welsh, Novato resident
Bill Scott, Novato resident
Dean L. Heffelfinger, Novato resident
Barry Buckley, Novato resident
Dean B. Heffelfinger, NSD employee, Novato resident
Tony Silva, NSD employee, Novato resident
Jim Lynch, NSD employee
John Bailey, Project Manager, Veolia Water
Jo Heffelfinger, 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:

Phil Tucker, CA Healthy Communities Network, questioned payments to Veolia Water on the December 14, 2009 check register. He questioned if Veolia was working from the new "interim" contract. The Manager stated that she will look into this item and report back to the Board.

Norm Stone, Novato resident, referenced a Marin Independent Journal article, and requested the Board reconsider their approval of the "Agreement for Employment of District Manager-Engineer Beverly James".

BOARD MEMBER REPORTS:

Member Fritz reported that recently he photographed the construction progress at the Novato Wastewater Treatment Facility.

President Di Giorgio discussed a presentation he made to Novato Leadership on Special Districts day.

REVIEW OF MINUTES:

Consider approval of minutes of the October 14th and 26th meetings:

Phil Tucker requested a revision of the October 14th minutes, page 3, second paragraph. The minutes should be amended to read: Member Long responded to an article in the Pacific Sun newspaper **with comments** by Phil Tucker, stating

On motion of Member Quesada, seconded by Member Long, and carried unanimously, minutes of the October 14th meeting were approved as amended and minutes of the October 26th meeting were approved as written.

BOARD OF DIRECTORS' ELECTION:

Receive Statement of Votes Cast and Certification of Canvass of Votes. The Manager attested to the fact that on December 1, 2009, the District received the Certificates of Election and the Oaths of Office for the elected Board Members.

Administration of Oath of Office and seating of elected Board Members. The Manager administered the Oath of Office to Dennis Welsh, Michael Di Giorgio, and William C. Long.

President Di Giorgio welcomed Dennis Welsh to the Board of Directors.

Member Welsh made a brief statement.

Member Long made a brief statement.

President Di Giorgio made a brief statement.

Consider adoption of resolution determining persons entitled to fill office. The Manager read Resolution No. 3015.

On motion of Member Quesada, seconded by Member Fritz and carried unanimously, Resolution No. 3015, "A Resolution Determining Persons Entitled to Fill Offices, Novato Sanitary District", was passed.

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

- a. Consider granting Final Acceptance of the DeLong Avenue Pipe Bursting Project and authorize staff to file the Notice of Completion.

- b. Consider awarding sewer repair work on Alameda del Prado to Ghilotti Brothers, Inc. for an amount not to exceed \$35,000.
- c. Consider adoption of Resolution No. 3020, a "Resolution Authorizing Funds Transfer and Electronic Payments Services" with WestAmerica Bank.
- d. Approval of regular disbursements in the amount of \$829,514.69, project account disbursements in the amount of \$3,026,155.78, Board member disbursements in the amount of \$3,994.49 and ratification of November payroll and payroll related disbursements in the amount of \$253,247.88.

NORTH BAY WATER REUSE AUTHORITY PROJECT:

Consider adopting Resolution No. 3016 certifying the North San Pablo Bay Restoration and Reuse Project Final Environmental Impact Report and making certain findings in connection therewith.

The Manager welcomed Jim O'Toole from Environmental Science Associates (ESA). She stated Mr. O'Toole had prepared the CEQA documents for this project.

Mr. O'Toole gave a detailed PowerPoint presentation discussing the North San Pablo Bay Restoration and Reuse Project description, the final EIR/EIS overview and noted the Board will consider adoption of Resolution No. 3016.

The Board discussed the project with Mr. O'Toole.

Norm Stone, Novato resident, questioned if any potential liability might arise due to other District's negligence.

The Manger stated that the organization is not a Joint Powers Authority but operates under a Memorandum of Agreement and is an association of independent public agencies that have joined loosely together to facilitate regional planning. She does not believe there will be any liability.

Pam Jean, Deputy Chief Engineer of the Sonoma County Water Agency, discussed other agencies involvement and their responsibilities and liabilities.

The Manager discussed in detail the capital costs and the other agencies who will be participating in the funding. She stated the District cost will be between \$3 to \$5 million which is allocated to both operation and capital costs. She stated the majority of these costs will be paid for by the end users of the recycled water.

Member Long commented on the report prepared by ESA and thanked Mr. O'Toole for his thorough presentation.

Member Welsh commented that the District needs to show caution in regards to recycled water production. He pointed out that wet weather periods can produce an abundance of

water and there may be periods when the District is unable to distribute the full quantity the water.

On motion of Member Long, seconded by Member Quesada, and carried unanimously, the Board adopted Resolution No. 3016, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO SANITARY DISTRICT CONSIDERING THE CERTIFIED NORTH BAY WATER RECYCLING PROGRAM FINAL EIR/EIS, ADOPTING RELATED CEQA MITIGATION FINDINGS, ALTERNATIVES FINDINGS, A STATEMENT OF OVERRIDING CONSIDERATIONS, AND A MITIGATION MONITORING AND REPORTING PROGRAM, AND APPROVING PROJECTS UNDER ITS JURISDICITON IDENTIFIED IN THE NBWRP PHASE 1 IMPLEMENTATION PLAN.

Consider adopting Resolution No. 3017, committing to funding the District share of the North San Pablo Bay Restoration and Reuse Project. The Manager explained that the North Marin Water District has committed to fund 67% of the local share of the Alternative 1, Phase 1 projects that would provide recycled water to Northern and Central Novato, assuming that sufficient State and Federal funding is available. She stated the estimated non-federal share cost is \$15,116,000 and the District's local share would be \$5,039,000 of which some may be eligible for State grants through Propositions 50 or 84 or the new Water Bonds.

She noted staff recommends the Board of Directors adopt Resolution No. 3017 confirming their support of the NBWRA project and authorize the Manager-Engineer to apply for SRF loans to fund the District's share of the project cost and authorize the Manager-Engineer to dedicate a portion of recycled water revenues, service fees, and connection charges to repay the State Revolving Fund loan.

Barry Buckley gave his support to the project and urges the Board to move forward with its implementation.

On motion of Member Fritz, seconded by Member Quesada and carried unanimously, the Board approved Resolution No. 3017, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO SANITARY DISTRICT CONSIDERING THE NORTH BAY WATER RECYCLING PROGRAM, ESTABLISHING FINANCIAL COMMITMENT TO PROJECTS UNDER ITS JURISDICTION IDENTIFIED IN THE NBWRP PHASE 1 IMPLEMENTATION PLAN.

WASTEWATER TREATMENT FACILITY OPERATION:

Consider approving a contract with Aerotek E&E for temporary Operation and Maintenance Technicians. The Manager stated that on November 23, 2009, the District was notified that Veolia Water West Operating Services regrettably had to suspend the agreement to operate and maintain the District's Wastewater Treatment Facilities. She noted that this leaves the District short-handed during the critical start up period for the new treatment plant. She stated that staff has contacted Aerotek E&E which is an employment agency specializing in

providing temporary technical staff and they have identified a certified Grade II Operator with a Mechanical Maintenance Certificate who is available to start January 1, 2010.

She recommends the Board authorize an agreement with Aerotek to provide up to two Operation and Maintenance Technicians for up to six months to assist in the start up and operation of the existing and new treatment plant for an amount not to exceed \$120,000. She stated that the District budget will need to be revised and that she will come before the Board at a later date with this revision.

John Bailey, Veolia Water, listed the operators the District currently has available to them to operate the treatment facility: four Grade V Operators, one Grade III Operator, and one Grade II Operator.

Bill Scott, Novato resident, questioned the job descriptions approved at the November 30, 2009 Board meeting. He feels new positions were created and the employees were "locked-out" of their current positions.

Tony Silva, NSD employee, stated he was handed the documents by the Administrative Services Manager, June Brown, in the District lunch room without any explanation outlining requirements of signature or time frame for returning documents.

The matter was discussed between President Di Giorgio, the Manager, and the audience.

President Di Giorgio brought the discussion back to the Aerotek E&E agreement under discussion. He stated the Aerotek E&E contract is for a six month period and asked if the contract could be terminated early.

The Manager replied that the contract and/or the Aerotek employee can be terminated at any time.

Member Welsh made a motion that when the four District employees are returned to their regular employment status, they be compensated for any lost wages and/or standby time since December 11th at midnight when they were turned away from District employment.

The Manager stated that Director Welsh would be unable to request a motion at the current Board meeting because the motion was not on the existing agenda. Director Welsh requested this motion be placed on the next meeting agenda.

Director Welsh questioned why the District was using the services of a temporary staffing agency to hire employees. He feels the District should post the available job openings through the regular channels and hire permanent employees.

On motion of Member Long, seconded by Member Fritz, and carried unanimously, the Board agreed to authorize the execution of an agreement with Aerotek E&E for a period of six months in an amount not to exceed \$120,000.

PUMP STATION IMPROVEMENTS PROJECT 72403:

Consider approval of a contract amendment for Nute Engineering. The Manager discussed the January 2008 proposal from Nute Engineering in the amount of \$228,500. This proposal was to prepare plans and specifications and to provide bid and construction phase engineering services for rebuilding the District's 14 Gorman-Rupp pump stations. She noted that during the course of design, several unforeseen or unexpected conditions were found in the original design of some of the pump stations that could increase costs. She outlined the unexpected conditions and stated Nute Engineering has completed a revised estimate in the amount of \$120,000 to cover the additional work. She noted that the engineering cost per pump station is still a reasonable \$24,900 and she recommends approving the contract.

The Board discussed the project with the Manager.

On motion of Member Fritz, seconded by Member Long and carried unanimously, the Board approved a contract amendment in the amount of \$120,000 with Nute Engineering on a time and materials basis.

Review bids received and award contract to the lowest responsive, responsible bidder for Unit 1. The Manager noted that WR Forde & Associates was the lowest responsive bidder at \$687,000, coming in at 5% below the estimate of probable construction costs. The Manager recommended the Board award the Unit 1 – Rush Creek & Deer Island Pump Stations of the Pump Stations Rehabilitation Project to WR Forde & Associates. She stated the funding for this project has been allocated in the budget.

On motion of Member Quesada, seconded by Member Fritz and carried unanimously, the Board authorized the Unit 1 – Rush Creek & Deer Island Pump Stations of the Pump Stations Rehabilitation Project to WR Forde & Associates with a bid of \$687,000.

STAFF REPORTS:

- Health and Dental Plan premium modifications. The Manager discussed the District's health and dental plan premium modifications for 2010. She noted that the Delta Dental Plan premiums will increase 2.9%, the Board member Kaiser Health Plan premiums will increase 10.25%, and the PERS Health Plan premiums will increase 4.8%. She stated that the District had previously budgeted for these increases.
- North Bay Watershed Association. The Manager noted that the North Bay Watershed Association has received a grant of \$1.5 million from the U.S. EPA. Of the \$1.5 million, \$370,000 will come to the Richardson Bay area in Marin County.
- Marin County Leadership Summit. The Manager stated that she and President Di Giorgio attended this Summit which looked at issues of funding local government in light of the

state budget difficulties. She stated Assembly Member Huffman and Senator Leno addressed the challenges they face in their respective positions.

MANAGERS ANNOUNCEMENTS:

The Manager discussed a break in the line of the Bel Marin Keys force main project. She reported that there were no spills.

The Manager announced there would be a Community Forum on the Marin Energy Authority on Wednesday, from 7 to 9 PM at the Novato Unified School District office on Fourth Street.

The Manager stated that the District will be closed the afternoons of December 24th and December 31st and all day December 25th and January 1st.

The next Board meeting will be held on December 28th.

ADJOURNMENT: There being no further business to come before the Board, President Di Giorgio adjourned the meeting at 8:27 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Borda, Recording