

December 27, 2010

A regular meeting of the Board of Directors of the Novato Sanitary District and a Public Hearing for Modifications to Refuse Collection Rates was held at 6:30 p.m., Monday, December 27, 2010, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President William C. Long, Members James D. Fritz, Michael Di Giorgio and Dennis Welsh. Member George C. Quesada arrived at 6:40 p.m.

STAFF PRESENT: Manager-Engineer Beverly James, Deputy Manager-Engineer Sandeep Karkal and Administrative Secretary Julie Borda.

ALSO PRESENT: Dean Heffelfinger, Novato resident
Steve McCaffrey, Novato Disposal
Suzanne Crow
Delyn Kies, Novato resident
Jerry Peters, Novato resident
Barbara Notan

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

On motion of Member Di Giorgio, seconded by Member Fritz, and carried unanimously by those members present, the agenda was approved as mailed.

PUBLIC COMMENT:

Suzanne Brown Crow, Novato resident, requested the Novato Sanitary District website include agenda's and minutes for the previous ten years. In addition, she noted that she had reviewed the District audit report and asked if the District could provide information on the check register so the approved expenditures could be tracked to a specific line-item budget entry.

The Manager stated that the Board is presented with a budget reconciliation quarterly.

BOARD MEMBER REPORTS:

Member Di Giorgio gave an overview of his attendance at the North Bay Watershed Association meeting where the topic of "Climate Change" was discussed. He directed those interested in more detailed information on this topic to visit- the North Bay Watershed Association website.

REVIEW OF MINUTES:

- Consider approval of minutes of the November 8th and December 13th Board meetings.

On motion of Member Di Giorgio, seconded by Member Welsh and carried unanimously by those members present, the minutes of the November 8th and December 13th Board meetings were approved.

PUBLIC HEARING: CONSIDER RECOMMENDATIONS OF THE BOARD'S AD HOC RATE REVIEW COMMITTEE FOR MODIFICATIONS TO REFUSE COLLECTION RATES.

President Long opened the public hearing at 6:38 p.m.

Review of Committee's recommendations. The Manager gave an overview of the Franchise Agreement with Novato Disposal and stated that the Agreement provided for an annual rate adjustment based on the Refuse Rate Index. She noted that Novato Disposal submitted a rate review request and the District had retained R3 Consulting Group, Inc. to assist with the rate review. The District Board reviewed the report from R3 Consulting Group at their meeting on November 8, 2010. Furthermore, at the November 22nd Board meeting, the date of December 27, 2010 was set for the public hearing and staff published notice of the proposed rate increase and hearing in the Marin IJ on December 3rd and 10th. The Manager stated that the proposed rate increase of 3.34% includes an amount to expand food waste composting to all of the residential customers. She discussed the proposed refuse collection rates which would become effective January 1, 2011 if the Resolution passed.

Public comments.

Delyn Kies, Novato resident, stated she was representing Sustainable Novato and the Marin Food Scrap Recycling Task Force. She expressed her support for the proposed rate increase and for the expansion of the food waste collection program throughout the District. She stated Sustainable Novato and the Marin Food Scrap Recycling Task Force stand ready to assist the District and Novato Disposal in the area of public education to implement these programs. She expressed her appreciation on behalf of Sustainable Novato and the Task Force for the opportunity to provide input into the Zero Waste Goals program.

The Manager recognized Sustainable Novato and the Marin Food Scrap Recycling Task Force and expressed her thanks to them for educating her on the Zero Waste possibilities.

Board comments.

Member Di Giorgio stated he supports the proposed rate increase for Novato Disposal Service.

Member Quesada discussed the Public Utilities Commission (PUC) standard rate of return and stated he would like to see Novato Disposal receive a 9-10% profit so they would remain a healthy and profitable organization.

President Long expressed his support for the refuse rate increase for Novato Disposal.

At 6:50 p.m. President Long closed the public hearing.

On motion of Member Fritz, seconded by Member Di Giorgio and carried unanimously, the Board approved Resolution No. 3028: A Resolution Setting Maximum Refuse Fees for Novato Disposal Service in Novato Sanitary District.

Steve McCaffrey expressed his thanks to the Board. He left the meeting at 6:50 p.m.

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$311,799.27 and project account disbursements in the amount of \$26,772.19.
- b. Approval of Board meeting schedule as follows: January 10th and 24th, February 14th and 28th, March 14th and 28th.

Suzanne Crow questioned the disbursement to Veolia Waterin the amount of \$154,462. The Manager explained that the Veolia disbursement was payment for services rendered for December, 2010.

WASTEWATER OPERATIONS:

- Report from the Wastewater Operations Committee December meeting. The Manager noted that two Wastewater Operations Committee meetings were held in December. She discussed the December 9th Special Wastewater Operations Committee meeting which was held to address the District's odor issues. She outlined the steps that the District and Veolia are taking to locate and correct the source of the fugitive odors affecting the Lea Drive neighborhood.

The Manager discussed treatment plant operations for the month of November, including water quality results, safety and training programs, and Standard Operation Procedure (SOP) developments. She discussed the Collection System monthly report for November 2010 and gave a brief overview of the Reclamation facility. She discussed a letter of recognition for Steve Krautheim that was received from the Marin/Sonoma Mosquito & Vector Control District.

Member Quesada questioned how the bacteria was performing in the odor control bed. The Manager noted that the new bacteria would take two to three weeks to repopulate the soil bed media and that a test will be conducted in early January to ensure the bacteria is effective in controlling the odor.

Member Welsh questioned why the SOP for the Ignacio Pump Station was not yet completed. The Manager reported that the SOP for odor control at Ignacio was still in development and confirmed that we have not had any odor complaints from the Ignacio facility. John Bailey, Veolia Water, discussed the minor odor problems at Ignacio and confirmed that no odor complaints have been received from residents.

The Board discussed with John Bailey the treatment facilities operation during the past wet weather incidents and Mr. Bailey reported the plant held up very well.

NORTH BAY WATER REUSE AUTHORITY (NBWRA):

- Appoint a District representative and alternate to the Board of Directors of NBWRA.

President Long noted that the NBWRA has established a Board of Directors which will consist of members of the Boards of Directors of the member agencies. President Long appointed himself as delegate to the NBWRA Board of Directors and appointed Member Fritz as the alternate.

- Consider approval of participation in Phase II of the NBWRA project. The Manager gave an overview of the NBWRA recycled water facility project. She discussed the two phases of the project and potential new members who might be interested in participating. She stated that the District's cost share of Phase II would be approximately \$15,000 to \$22,500 depending on the participation of other agencies. She noted that if a majority of the agencies choose not to participate the project would not go forward.

Member Fritz questioned what percentage of completion is the design phase of the recycled water facility at the District. The Deputy Manager-Engineer responded that the design phase of the project is currently 95% complete. The Manager and Deputy Manager-Engineer gave an overview of the proposed locations for the recycled water facilities/equipment at 500 Davidson St.

Member Welsh questioned how Phase II of the project was going to accomplish reducing the draw from the Russian River. President Long outlined the various projects that have been bundled for Phase II and where the recycled water would potentially be distributed.

President Long stated that the advantage to proceeding with Phase II at this time was to build on the momentum for continued funding of recycled water projects. He stated it is easier to maintain federal funding than to start over.

On motion of Member Di Giorgio, seconded by Member Quesada and carried unanimously, the Board approved participation in the North Bay Water Reuse Authority Project, Phase II.

STAFF REPORTS:

Health and dental plan premium modifications. The Manager gave an overview of the District's 2011 health and dental plan premiums and the projected increases.

MANAGER'S ANNOUNCEMENT.

- North Bay Watershed Association meeting on January 7th at 9:30 a.m. at the Marin Community Foundation.
- The next Regular Board Meeting will be held on January 10th at 6:30 p.m. at the District office.
- A Solid Waste Franchise Agreement Workshop will be held at the District office on January 19th at 7:00 p.m.

ADJOURNMENT:

There being no further business to come before the Board, President Long declared the meeting adjourned at 7:40 p.m.

Respectfully submitted,

Beverly B. James
Manager Engineer

Julie Borda, Recording