

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: December 9, 2019

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, December 9, 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: Erik Brown, Deputy General Manager, Novato Sanitary District (NSD)
John O'Hare, Project Manager, Veolia
Jeff Andress, Collection System Superintendent, NSD
Jeff Boheim, Field Services Manager, NSD
Laura Creamer, Finance Officer, NSD
Dale Thrasher, Administrative Services Officer, NSD
David Alvey, CPA, Audit Partner, Maze and Associates
Dee Johnson, Solid and Household Hazardous Waste Program Coordinator
Garen Kazanjian, Waste Zero Specialist, Recology Sonoma/Marin
Celia Furber, Waste Zero Manager, Recology Sonoma/Marin

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the November 18, 2019 special meeting.

On motion of Director Long, seconded by Director Peters, and carried unanimously, the November 18, 2019 meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approval of Board member disbursements in the amount of \$1,344.95, operating check disbursements in the amount of \$116,830.20, and capital project disbursements in the amount of \$339,139.50. Ratification of November 25th disbursements as follows: operating check disbursements in the amount of \$214,119.75, and capital project disbursements in the amount of \$430,779.92.
- b. Approval of November 2019 payroll and payroll-related disbursements in the amount of \$289,952.26.
- c. Receive Deposit Summary, November 2019.

- d. Approve Director Long and the General Manager-Chief Engineer to attend the California Association of Sanitation Agencies (CASA) Annual Washington DC conference, February 24-26, 2020.
- e. Receive Fixed Asset Deletion Report for Fiscal Year (FY) 2018-19.
- f. Receive revised draft – Novato Area Municipal Service Review (MSR) from the Marin Local Agency Formation Commission (Marin LAFCO).
- g. Receive report, District Administrative and Risk/Safety Services Officer's attendance at the California Public Employers Labor Relations Association (CalPELRA) 2019 Annual Conference – information only.
- h. Authorize the General Manager-Chief Engineer to prepare and issue a Special Agreement letter, pursuant to Section 809 (e) of the District's Sewer Use Ordinance (SUO), to allow BioMarin Pharmaceutical to discharge and compensate the District for flows with Biochemical Oxygen Demand (BOD) values of greater than 400 mg/L.

On motion of Director Peters, seconded by Director Fvette, and carried unanimously, the Consent Calendar items were approved.

SOLID WASTE OPERATIONS:

- Receive Recology 3rd Quarter 2019 reports. The General Manager introduced Garen Kazanjian, Waste Zero Specialist with Recology, and Dee Johnson, Solid and Household Hazardous Waste Program Coordinator. He stated they would be providing the Solid Waste Operations report.

Mr. Kazanjian provided an overview of Recology's 3rd Quarter 2019 report. He stated that Recology continues outreach efforts in Novato, and specifically in the 3rd quarter, had focused on contamination in the residential and commercial recycling bins. He discussed follow-up actions taken to educate account holders if contaminants were present in their recycling, and stated that the amount of contamination has decreased over time. He was pleased to announce that in the third quarter, after several meetings and outreach efforts, the Buck Center established a compost program, and that that the program has been very successful in removing large amounts of organic materials from the waste stream. He noted that the Buck Center was one of the larger green waste generators in Novato, stating that they now have a 3-yard green bin filled/emptied at least three times per week.

- Receive Recology 2019 Novato Recycling Characterization study. Ms. Johnson stated that the purpose of the recycling characterization study was to gain a more thorough understanding of the content in Novato's commercial and residential recycle streams. She noted that on three separate days, in April through June, Garen Kazanjian, Celia Furber and she audited residential and commercial routes' recyclables. She provided an overview of the residential and commercial characterization, and stated that the study will possibly be repeated every two years. She stated that repeating the study would allow her to identify trends in recyclable commodities, and to provide education/outreach to reduce levels of recycling contamination.

There was no further discussion on the waste characterization study, however, Directors Dillon-Knutson and Peters had questions regarding single-use plastic bags, and how/if they are recycled at supermarkets that display collection bins for bag recycling. Ms. Furber

noted that these bags typically have a low recycling value, and that while Recology is not responsible for collecting these bags, they will check with commercial locations that accept such bags to see if they are being collected, baled, and recycled.

- Receive 1st and 2nd quarter 2019 AB939 Disposal/Diversion report and 3rd quarter 2019 Recology Disposal/Diversion report. Ms. Johnson discussed the report, noting that AB939 overall diversion had increased from 50.24% (1st Quarter) to 52.21% (2nd Quarter). She stated that Recology's diversion percentages were close to 50%, and was pleased to report that food/green waste percentages had continued to trend upward.

- Receive 2019 Education and Outreach report. Ms. Johnson discussed the report, and provided an overview of the outreach efforts she attended in 2019. She stated that she assisted Mr. Kazanjian in contacting all Novato schools to provide outreach and to support their efforts in recycling and food waste composting. She stated that nine schools, elementary through high school, received classroom presentations, assemblies, and/or lunch period food waste-sorting events.

- Receive verbal report on Marin County JPA and Local Task Force. Ms. Johnson stated that the Zero Waste Marin Local Task Force met on November 4th, and that the members were each asked to identify a single issue the Local Task Force should focus on. She stated that the Marin County JPA Executive Board has not met since April, but that they have sent out a Request for Proposals (RFP) to review the overall organizational structure.

- Receive verbal update on SB 1383 (Lara) regulations. Ms. Johnson stated that the regulations for SB 1383 have not been finalized. She anticipates that final regulations will be issued by the end of 2019, or early in 2020. She stated that she will bring updates to the Board as they are available.

- Receive 2019 Household Hazardous Waste (HHW) and E-Waste report. Ms. Johnson provided the report, stating that by the end of calendar year 2019, the facility will have had over 5,000 participants, which will be a 17% increase over calendar year 2018. She stated that participants who attend only for e-waste disposal has increased to 22%, and that she is working with the Marin Conservation Corps to utilize their facility in Bel Marin Keys as a drop-off point on a more regular basis. She also noted that she has increased the number of days the HHW facility will be open in 2020, adding additional dates in March and August when there are five weeks in the month.

Discussion of Solid Waste Operations ended at 6:08 p.m., and Dee Johnson, Garen Kazanjian, and Celia Furber left the meeting.

FINANCE COMMITTEE:

- Receive report from the District's independent external auditor, Maze & Associates. The General Manager stated that the District's independent external auditor, Maze and Associates, has again completed the District's annual financial audit for the Fiscal Year ending June 30, 2019. He stated that Mr. David Alvey, Maze and Associates, first presented the audit report and findings to the Finance Committee, (Members Long and Mariani), at its December 2, 2019 meeting. He stated that Mr. Alvey was present and would provide his report to the full Board.

Mr. Alvey thanked the Board, and stated that the auditors had issued an unmodified opinion (cleanest possible opinion) on the District's audited financial report for the fiscal years ended June 30, 2019 and 2018. He provided an overview of two Governmental Accounting Standards Board (GASB) pronouncements which became effective, GASB 83 and GASB 88, but he noted that they did not have a material effect on the financial statements. He continued, stating that the District is in a good position regarding retiree liabilities, having set aside \$1.3 million for the payment of pensions and \$1.3 million for the payment of OPEB liabilities.

- Receive Finance Committee report and recommendation, and accept the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2019 and 2018, including Fiscal Year (FY) 18-19 audit, and audited financial statements for the years ended June 30, 2019 and 2018. The Board received the Finance Committee report and recommendation and unanimously accepted the CAFR, and audited financial statements.

- Receive and accept "Memorandum on Internal Control and Required Communications for Year ended June 30, 2019: from the District's independent outside auditor, Maze and Associates. The Board unanimously accepted the Memorandum on Internal Control and Required Communications from Maze and Associates.

- Authorize staff to submit the District's CAFR to the Government Finance Officers Association (GFOA) for consideration of the GFOA's Certificate of Achievement for Excellence in Financial Reporting. The General Manager stated that, if approved, this would be the ninth year in a row that the District will have submitted its CAFR to the GFOA. He stated that the District has received this recognition for the last eight years.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously, the Board authorized staff to submit the District's Comprehensive Annual Financial Report (CAFR) for consideration of the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Director Long requested that the yearly financial reports (CAFR and District audit) contain flags/highlights to show changes and revisions from the previous year's report. Mr. Alvey stated that in 2020, he could prepare a draft report to highlight the changes from the previous year's report (2019). President Dillon-Knutson confirmed that Mr. Alvey should prepare this draft version for next fiscal year financial reports.

Discussion of Finance Committee matters ended at 6:17 p.m., and David Alvey left the meeting.

- Receive Finance Committee recommendation and authorize a budget amendment to increase the Fiscal Year (FY) 19-20 budget for "Capital Improvements Cost Centers – 72000 and 73000", Section IV ("Capital Improvement Budget – CIP Expenditures") of the Final Budget for Fiscal Year 2019-20 from \$12,229,956 to \$12,729,956 with the transfer of \$500,000 from the unencumbered available cash balance in the Capital Fund. The General Manager discussed the transfer of funds' request, stating that the recent Public Safety Power Shutdown (PSPS) event by PG&E highlighted the need for several short and long term projects to assure long term resiliency of District operations. He stated that of the

capital projects planned for implementation in future fiscal years, four projects should be completed as soon as possible, and would require an amendment to the FY 19/20 budget. He stated that the proposed budget amendment was taken before the Finance Committee at its December 2nd meeting, upon which time they reviewed the draft amended FY 19-20 budget, and moved to recommend its adoption by the full Board. The General Manager requested adoption of the proposed budget amendment, and stated that the amendment would be incorporated into the District's budget document for the FY 20-21 year as part of the "truing-up" of actual-to-budgeted expenditures for FY 19-20.

On motion of Director Peters, seconded by Director Mariani, and carried unanimously, the Board received the Finance Committee recommendation and authorized a budget amendment to increase the Fiscal Year (FY) 19-20 budget for "Capital Improvements Cost Centers – 72000 and 73000", Section IV ("Capital Improvement Budget – CIP Expenditures") of the Final Budget for Fiscal Year 2019-20 from \$12,229,956 to \$12,729,956 with the transfer of \$500,000 from the unencumbered available cash balance in the Capital Fund.

WASTEWATER OPERATIONS:

- Receive report on submittal of Report of Waste Discharge (RoWD) to the San Francisco Regional Water Quality Control Board (SF Water Board), to renew the District's National Pollutant Discharge Elimination System (NPDES) permit ("discharge permit") – information only. The Deputy General Manager stated that the District had worked with Woodard & Curran (W&C) to develop the Report of Waste Discharge (RoWD) that serves as the application for renewal for the District's NPDES discharge permit. He stated that the RoWD provided by W&C was reviewed by District and Veolia staff, prior to submittal to the SF Water Board on November 22, 2019. He stated that it is anticipated that the new 2020 Discharge Permit will remain largely unchanged from the 2015 Discharge Permit, with two possible exceptions: (1) changes to effluent monitoring protocols; and (2) operational changes to accommodate a proposed year-round discharge to its current designated Discharge Point 001. The Deputy General Manager stated this is not a substantial change as the current permit allows the District to discharge to the new Discharge Point 002, which is identified in the permit as part of the Bel Marin Keys Wetlands restoration project, currently being constructed by the State Coastal Conservancy.

The General Manager stated that more information would be available as the permit process unfolds. The Deputy General Manager provided details of the next steps and associated time lines.

- Receive Wastewater Operations Report, November 2019.

Collection System Report: The Collection System Superintendent provided the Collection System Report for November 2019. He stated that the Collection Department cleaned 24,232 lineal feet of sewer pipelines, completed 128 maintenance work orders, leaving 237 work orders outstanding. He stated that the backlog of work orders was due to staff being dedicated to remaining tasks resulting from PG&E's recent Public Safety Power Shutdown (PSPS) event. He stated that staff will work to reduce the backlog over the next few months. The Collection System Superintendent continued, stating that the District's CCTV equipment was not used during November, due to necessary repairs of the camera. He

stated that staff conducted 163 lift station inspections and completed maintenance inspections on fourteen (14) air relief/vacuum valves.

The Collection System Superintendent then outlined the training provided in November, noting that the Collection Department staff attended two (2) specialized training events, and three (3) safety tailgate meetings. He reported that there were no sanitary sewer overflows (SSOs) and no lost time accidents during the month of November 2019.

Treatment Facilities Report: Veolia Project Manager John O'Hare provided the November Treatment Facilities Monthly Operations Report (MOR). He reviewed the treatment plant performance. He stated that the average flow for November was 3.71 million gallons per day (MGD) with a peak rainfall-impacted flow rate of 7.73 MGD. He continued, stating that there were no violations or excursions in November and stated that the Recycled Water Facility (RWF) produced 7.445 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 outlined environmental services activities that took place in November, and concluded his presentation, stating that no odor contacts were received in November.

Reclamation Facilities Report: The Field Services Manager summarized the Reclamation Facilities report for November. He stated that the treatment plant was in Bay Discharge mode throughout the month, and that there was no irrigation activities. He stated that approximately 225 cows and their calves grazed the irrigated pastures at Site 3 and Site 7. The Field Services Manager stated that three volunteers from Point Blue Conservation counted shore birds near the District storage and wildlife ponds, noting that over 45 species were counted including 100 Canadian Geese and 270 Mallard ducks.

CAPITAL PROJECTS:

- Receive Capital Projects Update, November 2019. The Deputy General Manager provided an overview of the District's Capital projects, highlighting the progress/changes from the previous month's report.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA) meeting, December 6, 2019. Director Mariani discussed her attendance at the NBWA meeting, held at the Novato Sanitary District on December 6th. She stated that Mike Montgomery, Executive Officer, Regional Water Quality Control Board, provided an update of the current priorities of the San Francisco Bay Regional Water Quality Control Board. She continued, stating that Roger Leventhal, Senior Civil Engineer, Marin County Flood Control, provided an overview of the Deer Island Restoration project, accessed through the Novato Sanitary District site.

- North Bay Water Reuse Authority (NBRWA) meeting, December 9, 2019. President Dillon-Knutson discussed her attendance at the NBRWA meeting, held at the City of Novato on December 9th. She stated that grants for Phase 2 funding were discussed, and an update was provided of the Drought Contingency Plan. She continued, stating that the future of NBRWA was discussed, and the consensus was that it was important to continue

the committee for the value of having one united voice when seeking Governmental grant funding.

Director Long reported on his attendance at the Marin Coalition meeting, noting that Director Peters was also in attendance. He stated that Larry Chu, Larkspur City Councilmember, and John McCauley, Mill Valley City Councilmember, provided a presentation on pension cost funding: "Public Employee Post Employment Cost, A Slow Motion Disaster".

GENERAL MANAGER'S REPORT AND ANNOUNCEMENTS:

- Reports:

- The General Manager outlined his attendance at the North Bay Water Reuse Authority (NBRWA) meeting held on December 9th. Discussion took place on the status of the Phase 2 EIR/EIS, and that there was no change in its review status by at this time, and the US Bureau of Reclamation review of the EIR/EIS documents is still on hold. The NBWRA Board approved the FY 19/20 budget. Discussion took place regarding NBWRA's future, and there was recognition by the NBWRA Board of the need for NBWRA to continue as an organization. The next meeting NBWRA meeting will be held on April 27, 2020.

- Announcements:

- The California Association of Sanitation Agencies (CASA) Winter conference will be held January 23 – 25, 2019, in Indian Wells, CA. Directors should notify the Administrative Secretary of their intent to attend.
- Board members are required to take Harassment Prevention training every two years. Administrative Services Officer Dale Thrasher will be contacting all Directors via email with the link for the online training course.
- The District office will be closed on December 25th (Christmas day) and January 1st, 2020 (New Year's day).
- The next Board meeting will be held on January 13, 2020 at 5:30 p.m.

ADJOURNMENT: There being no further business to come before the Board, President Dillon-Knutson adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording