

NOVATO SANITARY DISTRICT

Board Meeting Minutes

Meeting Date: December 10, 2018

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 5:30 p.m., Monday, December 10, 2018, at the District Office, 500 Davidson Street, Novato.

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

STAFF PRESENT: General Manager-Secretary Sandeep Karkal, District Counsel Kent Alm, and Administrative Secretary Julie Hoover.

ALSO PRESENT: Erik Brown, Deputy General Manager, NSD
John O'Hare, Project Manager, Veolia
John Bailey, Assistant Project Manager, Veolia
Jeff Andress, Collection System Superintendent, NSD
Jeff Boheim, Field Services Manager, NSD
Laura Creamer, Finance Officer, NSD
Robin Donoghue, Of Counsel, Meyers/Nave
Dale Thrasher, Administrative Services Officer, NSD
Whitney Crockett, CPA-Supervisor, Maze and Associates
David Alvey, CPA-Vice President (Audit), Maze and Associates

PLEDGE OF ALLEGIANCE:

BOARD OF DIRECTORS ELECTION, OATH OF OFFICE, AND SEATING:

- Receive Certificate of Election, Official Final Results summary, and Statement of Votes. The General Manager stated that current Directors Carole Dillon-Knutson, William Long, and Brant Miller were re-elected to serve on the Novato Sanitary District Board of Directors. He stated that there was no action on this item, other than to receive the County of Marin Certificate of Election, Official Final Results summary, and Statement of Votes cast.

- Administration and execution of Oaths of Office, and seating of Board Members. The General Manager administered the Oath of Office to Carole Dillon-Knutson, Brant Miller, and William Long. The elected Directors were seated.

- Adopt Resolution No. 3129 – Determining Persons Entitled to Fill Office.

On motion of Director Mariani, seconded by Director Miller, and carried unanimously, the Board adopted Resolution No. 3129: A Resolution Determining Persons entitled to Fill Offices.

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

CEREMONIAL MATTERS:

- Adopt Resolution No. 3130 recognizing District General Counsel Mr. Kenton Alm on his retirement. The General Manager read the Resolution of Appreciation.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board adopted Resolution No. 3130: A Resolution Commending Mr. Kenton Alm for Distinguished Service as District Counsel of the Novato Sanitary District.

The Directors congratulated and thanked Mr. Alm for his 23 years of distinguished service to the District. Mr. Alm thanked the Board and stated that it had been a pleasure to serve as District Counsel to the District.

- Introduction of Ms. Robin Donoghue of the Meyers/Nave law firm as District General Counsel upon retirement of Mr. Kenton Alm. The General Manager introduced Robin Donoghue of Meyers/Nave and stated that she is anticipated to take over as District Counsel upon Mr. Alm's retirement. Ms. Donoghue provided a brief background of her legal experience, noting that she has been working in the Meyers/Nave office in Santa Rosa for the past 11 years. She stated that she is a Novato resident of 19 years and looks forward to working with the Novato Sanitary District. The Board of Directors warmly welcomed her.

REVIEW OF MINUTES:

Consider approval of minutes of the November 13, 2018 special meeting.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the November 13, 2018 meeting minutes were approved.

CONSENT CALENDAR:

The General Manager stated that an error was found in Consent Calendar item e., attachment one: Fixed Assets Disposed of in Fiscal Year 2017/18. He stated that the totals in the 'Cost' and 'Accum Depr' columns were incorrectly added, but that the final report would be corrected with the amounts as follows: **Cost: \$61,698.62;** and **Accum Depr: \$27,449.10.**

President Peters called for a motion on the Consent Calendar items as follows:

- a. Approval of Board member disbursements in the amount of \$1,237.16, operating check disbursements in the amount of \$382,163.98, and capital project disbursements in the amount of \$5,496,632.68. Ratification of November 26th disbursements as follows: operating check disbursements in the amount of \$133,215.45, and capital project disbursements in the amount of \$84,806.97.
- b. Approval of November 2018 payroll and payroll-related disbursements in the amount of \$261,787.16.
- c. Receive Deposit Summary, November 2018.
- d. Approve Director Long and the General Manager-Chief Engineer to attend the California Association of Sanitation Agencies (CASA) Annual Washington DC conference, February 25-27, 2019.
- e. Receive Fixed Asset Deletion Report for Fiscal Year (FY) 2017-18.

- f. Approve designation of surplus items and equipment, and authorize the General Manager-Chief Engineer to dispose of such items and equipment.
- g. Cancel regular meeting of March 11, 2019, and schedule special meeting for Monday, March 18, 2019.
- h. Approve annexation of one parcel totaling 3.41 acres with a situs address of 516 E. Hospital Drive, Assessor Parcel No. (APN) 157-690-52, to the Novato Sanitary District, and authorize the General Manager-Chief Engineer to execute and file the Agency Consent Form with the Marin Local Agency Formation Commission (Marin LAFCO).

On motion of Long, seconded by Director Miller, and carried unanimously, the Consent Calendar items were approved, with revisions for item (e) as noted.

FINANCE COMMITTEE:

- Receive report from District's independent external auditor, Maze and Associates. The General Manager stated that the District's independent external auditors, Maze and Associates, completed the District's annual financial audit for the year ended June 30, 2018, and had presented it to the District's Finance Committee at its December 3, 2018 meeting. He stated that Ms. Whitney Crockett, CPA, with Maze and Associates, attended the Committee meeting, and presented its audit findings and opinion to the Finance Committee.

The General Manager introduced David Alvey and Whitney Crockett of Maze and Associates. Mr. Alvey reviewed the Independent Auditor's Report and stated that Maze and Associates had rendered an unmodified (clean) audit opinion, which is the highest rating given. He discussed the Memorandum on Internal Control and Required Communications, and stated that Maze and Associates found no significant deficiencies, and no material weaknesses. Mr. Alvey thanked Finance Officer Laura Creamer for her cooperation during the audit process.

- Receive Finance Committee report and recommendation, and accept the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2018 and 2017, including Fiscal Year FY 17-18 audit, and audited financial statements for the years ended June 30, 2018 and 2017. Director Mariani stated that the Finance Committee (including Director Long and herself), reviewed the audit at its December 3rd meeting, and that the Committee recommends the Board accept the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2018 and 2017, including Fiscal Year FY 17-18 audit, and audited financial statements for the years ended June 30, 2018 and 2017. Director Long concurred, and thanked Maze and Associates for their work.

- Receive and accept "Memorandum on Internal Control and Required Communications for Year ended June 30, 2018" from the District's independent outside auditor, 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.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried unanimously, the Board received the report from Maze and Associates; accepted the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2018 and 2017, including Fiscal Year FY 17-18 audit, and audited financial statements for the years ended June 30, 2018 and 2017; accepted the "Memorandum on Internal Control and Required Communications for Year ended June 30, 2018" from the District's independent outside auditor, Maze and Associates; and authorized 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.

At the close of this item, the following individuals left the meeting: David Alvey, Whitney Crockett, Robin Donoghue, and Laura Creamer.

ADMINISTRATION:

- Review letter from State Controller's Office (SCO), "Notification Letter – Assembly Bill 2249 (Chaptered 169, Statutes of 2018)", and adopt changes (including increases to bid limits thresholds) to the Uniform Public Construction Cost Accounting Act (UPCCAA) noted therein, effective January 1, 2019. The General Manager stated that the District utilizes the Uniform Public Construction Cost Accounting Act (UPCCAA, or the "Act") to perform certain projects each year. He stated that the Act allows the District to perform these certain projects in a cost effective and cost efficient manner. He outlined provisions of the Act, and stated that the State Controller's Office (SCO) has informed the District of changes to the Act, including increases to bid limit thresholds, effective January 1, 2019. The General Manager stated that because the District has already made itself subject to the Act through its adoption of Ordinance No. 109, the necessary action is to adopt the changed provisions, including increases to bid limit thresholds, effective January 1, 2019.

On motion of Director Miller, seconded by Director Mariani, and carried unanimously, the Board adopted changes, including increases to bid limits thresholds, to the Uniform Public Construction Cost Accounting Act (UPCCAA) noted therein, effective January 1, 2019.

- Approve and adopt revised Board Policy No. 3135: Expense Authorization. The General Manager stated that since the Board adopted the revised UPCCAA limits, it was also recommended that the Board approve and adopt revised Board Policy No. 3135 - Expense Authorization, to incorporate minor edits and conform to the revised UPCCAA limits.

On motion of Director Long, seconded by Director Dillon-Knutson, and carried unanimously, the Board approved and adopted revised Board Policy No. 3135: Expense Authorization.

WASTEWATER OPERATIONS:

- Receive Wastewater Operations Report, November 2018.

Collection System Report: The Collection System Superintendent provided the Collection System Report for November 2018. He stated that the Collection Department cleaned 27,555 lineal feet of sewer pipelines, completed 131 maintenance work orders leaving zero work orders outstanding, and that 4,300 feet of sewer main were televised using the District's CCTV equipment. He 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 172 lift station inspections and completed maintenance inspections on twelve (12) air relief/vacuum valves.

The Collection System Superintendent then outlined the training provided in November, noting that the Collection Department staff attended three (3) specialized training events, and four (4) safety tailgate meetings. He reported that there were no lost time accidents, and no sanitary sewer overflows (SSOs) during the month of November 2018.

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 4.25 million gallons per day (MGD) with a peak rainfall flow rate of 21.29 MGD on November 28th. He continued, stating that there were no violations or excursions in November and stated that the Recycled Water Facility (RWF) produced 10.115 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 staff training and activities, noting that Assistant Project Manager John Bailey reviewed the standard operating procedure for Wet Weather Pump Operation with Operations staff.

He discussed pretreatment and pollution prevention activities. He 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 no irrigation of any parcels occurred in November, and that all plant effluent was discharged to the Bay. He stated that all cattle were removed from the District Reclamation area pastures as of November, and that drainage pump stations No. 3 and 7 pumped approximately 17 million gallons combined.

The Field Services Manager stated that Dr. Stephanie Larson from UC Davis Extension had completed phase 2 of her pasture evaluation. The General Manager noted that, as in the past, this report would be submitted to the Regional Water Board as part of the District's Triennial Pasture Report per the District's Waste Discharge Requirements (WDR) permit for the Reclamation Facility.

CAPITAL PROJECTS:

- Collection System Improvements, Account No. 72706: Birdie Drive Sewer Project: Approve a credit change order in the amount of \$40,015.35, grant Final Acceptance of the Project, and authorize staff to file the Notice of Completion. The Deputy General Manager stated that the Birdie Drive Sewer Project had been substantially completed by Team Ghilotti on October 19, 2018. He stated that the final cost for the project was \$346,587.65, or \$40,015.35 below the bid amount. He requested the Board grant Final Acceptance of the project and authorize staff to file the Notice of Completion.

On motion of Director Mariani, seconded by Director Dillon-Knutson, and carried with the following vote, the Board granted Final Acceptance of the Birdie Drive Sewer Project, Account No. 72706, and authorized staff to file the Notice of Completion. Ayes: Mariani, Dillon-Knutson, Miller, and Peters. Abstain: Long.

Assistant Project Manager John Bailey left the meeting at 6:19p.m.

- Admin Building Upgrades/Maintenance Building, Account No. 73003: Maintenance Building Phase 3 - Modular Building Project: Approve purchase of modular building system in the amount of \$256,388.74. The Deputy General Manager stated that the Board had previously authorized the General Manager-Chief Engineer to accept the plans and specifications for the Maintenance Building Phase 3 – Modular Building Project and advertise for bids. He stated that in October 2018, four quotes were received, with the lowest being provided by Design Space Modular Buildings, Inc. in the amount of \$256,388.74. He recommended that the Board authorize the General Manager-Chief Engineer to purchase a modular building from Design Space Modular Buildings, Inc. in the amount of \$256,388.74.

On motion of Director Miller, seconded by Director Long, and carried unanimously, the Board authorized the General Manager-Chief Engineer to purchase a modular building from Design Space Modular Buildings, Inc. in the amount of \$256,388.74.

- Receive Capital Projects Update, November 2018. The Deputy General Manager provided an overview and update of the various Capital Improvement Program projects.

BOARD OF DIRECTORS:

- Receive Local Agency Formation Commission (LAFCO) materials - Call for Nominations for Regular Special District Member, and provide direction, if any. The General Manager stated that the District has received a Call for Nominations, for the Regular Special District member to the Marin LAFCO. He stated that LAFCO will receive nominations through February 15, 2019, and requested direction from the Board if they wished to provide a nomination. Upon discussion, no direction was provided on nominations.

BOARD MEMBER REPORTS AND REQUESTS:

- North Bay Watershed Association (NBWA) meeting, December 7, 2018. Director Miller did not attend this meeting. The General Manager-Chief Engineer stated that he attended in Director Miller's absence, and that his report would be presented in "Manager's Report and Announcements".

-Board Member Mariani provided a request: Director Mariani presented a formal request for a compensation survey of Bay Area water and wastewater agencies including cities and special districts to determine the relative position of the General Manager-Chief Engineer's compensation compared to the Bay Area market.

She stated that due to the recent turnover of several managers' positions in Marin and Sonoma Counties, she was requesting that the compensation survey include rates for not only new hires but also the final compensation of previous managers in those positions.

She stated that if available, she would also like to see comparisons for non-represented District positions. She hoped that the survey could be completed within two months. The General Manager stated that he would move forward with this request.

INFORMATIONAL ITEMS:

- Report on “Active Shooter” training by Novato Police Department (NPD). The Administrative Services Officer stated that on November 28th, Officer Thomas Lyons and three officers from the Novato Response Team of the Novato Police Department (NPD) conducted a 90-minute Active Shooter training for eighteen District and two Veolia staff members. He provided an overview of the meeting and the topics that were presented. The Administrative Services Officer stated that NPD noted that security for the administration building was good and that they could provide more detailed recommendations on enhanced security if/when the District considers making security changes.

GENERAL MANAGER’S REPORT AND ANNOUNCEMENTS:

- Reports:

- The General Manager attended the North Bay Watershed Association meeting on Dec. 7, 2018, held at the District office. He stated that this was the third and concluding session of the strategic planning effort that NBWA had been going through previously. He stated that the NBWA consultant Lori Lewis walked the group through strategic issues, and anticipated that Ms. Lewis and NBWA Director Judy Kelly would return with a more formal report at a future meeting.

- 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.
- The next Board meeting will be held on January 14, 2019. At that meeting, the appointment of officers and designation of authorized check signers will take place. At the subsequent Board meeting in February, 2019, Presidential appointment of Board Committee members will take place.
- Due to the holiday schedule and as per previous Board approval, District offices will be closed on Monday, December 24th and Monday December 31st.

ADJOURNMENT: There being no further business to come before the Board, President Peters adjourned the meeting at 6:55 p.m.

Respectfully submitted,

Sandeep Karkal
Secretary

Julie Hoover, Recording