

March 12, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, March 12, 2012, at the District Office, 500 Davidson Street, Novato.

BOARD MEMBERS PRESENT: President Pro Tem Michael Di Giorgio, Members Jean Mariani, Jerry Peters, and Dennis Welsh. President William C. Long was absent.

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

ALSO PRESENT: John Bailey, Project Manager, Veolia Water
Steve McCaffrey, Novato Disposal
Dee Johnson, Household Hazardous Waste Manager
Martin Rauch, Rauch Communication Consultants
Tom Gaffney, Principal, Bartle Wells Associates
Brant Miller, Novato resident
Dasse de longh, NSD employee, Novato resident
Bob Guinan, Novato resident

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

President Pro Tem Di Giorgio approved the agenda as written.

PUBLIC COMMENT:

Steve McCaffrey, Novato Disposal, discussed the latest edition of the *Novato Disposal Recycling News*. He stated that the newsletter was currently being mailed to all Novato residents. He highlighted the new theme that Novato Disposal is rolling out: **“Mission: To Zero”** which addresses the goal of reducing residential and commercial waste.

CONSENT CALENDAR:

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the following Consent Calendar items were approved:

- a. Approval of regular disbursements in the amount of \$131,933.37, project account disbursements in the amount of \$37,505.81, and Board member disbursements in the amount of \$3,052.06.
- b. Approval of the Canyon Green Subdivision, Sewer Main Extension Plans
- c. Review Accounts Receivable Report.
- d. Approve the following meeting schedule: April 9th and 23rd, May 14th and Tuesday, May 29th.

WASTEWATER OPERATIONS:

- Receive progress report on odor control, noise abatement, and visual screening. The Manager gave a progress report on the District's current activities to address neighborhood concerns about odors, noise, and visual screening. She reported that the biofilter retrofit work was completed by the contractor in February. She stated that air flow is excellent and odors have been significantly reduced.

The Manager stated that Dr. Scofield will conduct a workshop on potential health effects from the odor emissions on Wednesday, March 21, 2012 at 6:30 p.m. in the District boardroom. The Manager stated that the workshop will be noticed as a Public Workshop so all Board members can attend.

The Manager reported that twelve Pacific Wax Myrtle trees have been planted to improve the screening along Lea Drive. She discussed the current landscaping with the members of the public in attendance.

The Manager reported that Veolia has installed temporary sound walls around the headwork's blower which resulted in additional noise reduction. She stated that air pressure has been lowered and the number of blowers operating has been reduced, also decreasing noise levels from the facility.

Bob Guinan, Novato resident, stated he appreciates the District's efforts and that the neighbors are anxious to meet with Dr. Scofield. Mr. Guinan stated he is skeptical of the visual screening, but applauds the District's efforts. He stated that he understands it may take 3 to 5 years for the trees to grow to maturity. A determination can be made to their effectiveness at that time. Mr. Guinan stated that noise emissions have decreased and that neighbors near the treatment facility have expressed their appreciation.

Member Peters discussed his first-hand observations of the odors and noise in the Lea Drive neighborhood. He stated there have been significant improvements and he was very encouraged.

ADMINISTRATION:

- Presentation and review of Strategic Plan. Martin Rauch, Rauch Communication Consultants, presented the Novato Sanitary District Draft Strategic Plan. He provided copies to the Board and the public. Mr. Rauch reviewed the Plan in detail and

discussed the following key elements: Strategic Plan framework, development of the Plan, the Strategic Plan, Work Plan, and expectations and results.

The Manager requested the Board review the Draft Plan and return comments and edits by March 26th. She stated that Mr. Rauch will bring the final and edited Draft Strategic Plan to the April 9th Regular Board meeting for approval.

The Board expressed their appreciation to Mr. Rauch, commenting that he effectively brought the ideas from the Board and Management together into a concise Strategic Plan.

- Presentation and review of Financing Plan Update. The Manager noted that the District had requested Bartle Wells Associates to update their financing plan to fund the District's capital improvement program as well as provide funding for ongoing operation and maintenance. She introduced Tom Gaffney, Principal, Bartle Wells Associates.

Mr. Gaffney reviewed the District's financing plan update. He discussed current borrowing costs, capital costs, replacement costs, and operating expenses. In addition, he summarized the plan for ongoing District financing and discussed the potential impacts to future sewer service charges.

Mr. Gaffney discussed a summary of projected sewer service charge increases. He stated that beginning in fiscal year 2012/13, the total annual sewer service charges for operations and capital are projected to increase an estimated \$31 per equivalent dwelling unit (EDU) and \$19 EDU in the following three years. He noted that the proposed residential increase in sewer service charges is 6.7% in fiscal year 2012/13, 3.8% in 2013/14, 3.7% in 2014/15, and 3.6% in 2015/16.

The Manager stated that at the March 26th Board meeting, the Board will set a Public Hearing date for the proposed sewer service charge increase. She suggested the Hearing be set for the first Board meeting in June to give time for the District to provide public awareness well in advance of the Proposition 218 Compliance Notice filing requirements.

The Board discussed the report with Mr. Gaffney. Member Peters commended Mr. Gaffney, stating the report was well done.

SOLID WASTE:

- Solid Waste Committee report. Dee Johnson, Household Hazardous Waste (HHW) Manager, provided the Board with a Solid and Hazardous Waste Programs update. In her report, she outlined the 2011 Program accomplishments, Zero Waste Programs and the 2012 Program projections. She reviewed the HHW Programs summary report and discussed the Zero Waste Programs calendar.

Ms. Johnson stated that the next E-Waste event at the Household Hazardous Waste facility would be held from March 24th through the 26th.

Member Mariani suggested that the Household Hazardous Waste Facility target schools to promote effective battery recycling. She suggested that the Boy and Girl Scouts could be directed towards such an awareness project as well.

STAFF REPORTS:

- Bay Area Clean Water Agencies Draft 2011 Mercury Watershed Group Report. The Manager discussed a Mercury Watershed Permit that was adopted by the Regional Water Quality Control Board (RWQCB) in March, 2008 and affects the 37 RWQCB participating agencies. She stated that the Bay Area Clean Water Agencies (BACWA) administers the group and prepares an annual report to the Regional Board with the mercury pollution prevention activities undertaken by each of the agencies. She discussed the draft report and noted that the District had a 77% reduction in mercury loading.

The Board discussed the report and Member Mariani asked if BACWA could footnote the mercury collecting sites to show Novato Sanitary District's participation.

- Nutrient monitoring. The Manager stated that on March 2nd, the Regional Water Quality Control Board (RWQCB) issued Order #13267 which required all municipal wastewater dischargers to monitor and report on nitrogen and phosphorous concentrations and mass loadings. She noted that this order will add ten new parameters for the District to sample for in the next two years and will cost the District an estimated additional \$8,000/year.

BOARD MEMBER REPORTS:

- The North Bay Watershed Association. President Pro Tem Di Giorgio discussed his attendance at the North Bay Watershed Association's (NBWA) meeting on March 2nd at the District office. He stated that Chuck Weir, Program Manager of North Bay Water Reuse Authorities (NBWRA) gave a presentation regarding water issues facing the North San Pablo Bay Region. He stated that interest in recycled water and water re-use was growing greatly and discussed the various agencies that have intentions to join the NBWRA.

MANAGER'S ANNOUNCEMENTS:

The Manager discussed a California Special Districts Association (CSDA) e-News article discussing CalPERS. She stated that the CalPERS Pension and Health Benefits Committee will consider a drop in the discount rate assumption from 7.75 percent to 7.25 percent. She noted that the drop in the discount rate means CalPERS will have a margin for adverse deviation that is close to historical levels.

The Manager stated that CSDA has a call for nominations for their Board. She noted that the nominations are not due until late May and that if any Directors would like to be nominated, the Novato Sanitary District Board would have to approve their request. She stated that she has the nomination forms if any are interested.

- ADJOURN IN MEMORY OF FORMER BOARD MEMBER E.A. "SAM" RENATI: The Manager stated that former Board Member Sam Renati passed away on March 2, 2012, after a lengthy illness. She stated that he was a lively and involved Board Member who always had a pleasant comment and winning smile and noted that he will be greatly missed. She requested the Board adjourn the meeting in Memory of Mr. Renati.

ADJOURNMENT: There being no further business to come before the Board, President Pro Tem Di Giorgio adjourned the meeting at 8:52 p.m. in memory of Former Board Member E.A. "Sam" Renati.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording