

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, March 26, 2012, at the District offices, 500 Davidson Street, Novato. A closed session immediately followed the open session.

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

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

ALSO PRESENT: Brant Miller, Novato resident  
Dasse de longh, District employee and Novato resident  
John P. O'Hare, Veolia Water  
John Bailey, Veolia Water  
Tom Gaffney, Principal, Bartle Wells Associates

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL:

President Long approved the agenda as mailed.

PUBLIC COMMENT: None.

REVIEW OF MINUTES:

Consider approval of minutes of the February 27<sup>th</sup>, 2012 Board meeting.

Member Welsh stated that the February 27<sup>th</sup> minutes (page 3, last paragraph) should be corrected as follows: ***"The Board discussed this statement from the brochure. ("Public-Private Partnership Saves Millions. The treatment plant is managed through a contract with Veolia, a nationally recognized firm specializing in public utilities. This public-private partnership is saving our ratepayers millions of dollars.") President Long and Member Di Giorgio discussed the statement and considered the language appropriate."***

*On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the February 27<sup>th</sup>, 2012 Board meeting minutes were approved as corrected.*

- Consider approval of minutes of the March 12<sup>th</sup>, 2012 Board meeting.

*On motion of Member Di Giorgio, seconded by Member Peters and carried with the following vote, the March 12<sup>th</sup>, 2012 Board meeting minutes were approved. Ayes:*

*Members Di Giorgio, Mariani, Peters and Welsh. President Long abstained. He was not present at the March 12<sup>th</sup> meeting.*

CONSENT CALENDAR:

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

- a. Approval of regular disbursements in the amount of \$297,461.10, project account disbursements in the amount of \$676,399.69, payroll and payroll related disbursements in the amount of \$224,180.31 and Board member disbursements in the amount of \$424.58.
- b. Authorized the Manager-Engineer to execute a purchase order in the amount of \$85,000 with R.P. Adams Co. for the refurbishment of two automatic irrigation water strainers.
- c. Approval of Finance Officer Laura Creamer's attendance at Government Finance Officers' Association Seminar in Portland, Oregon.
- d. Granted Final Acceptance of the Michele Circle Sewer Project and authorized staff to file the Notice of Completion.
- e. Approval of a Consulting Services Agreement with AquaScience Laboratory in an amount of up to \$36,000.

FACILITY OPERATIONS:

- Wastewater Operations Committee report for February, 2012. The Deputy Manager-Engineer gave an overview of the report, stating that water quality performance for the month was excellent with all parameters well within effluent standards. He commented that safety performance was excellent with an accident-free month for a total of 637 accident-free days. He stated that Bioxide was still being added at the outlying pump stations.

The Deputy Manager-Engineer gave a summary report of the Collection System's performance for February, 2012. He noted that the crews cleaned a total of 62,736 feet of sewer line and experienced a small 26 gallon overflow in a sewer line on Reichert Ave. due to root intrusion.

- Receive progress report on odor control, noise abatement, and visual screening. The Manager gave a progress report on odor control and noted that the District will continue to prioritize locating and responding to sources of odors. She discussed the workshop conducted by Dr. Scofield at the District office on March 21<sup>st</sup>. She stated that Dr. Scofield's report concluded that while odor concentrations were perceptible in the Lea Drive neighborhood, the exposure levels were well below those at which health effects would be expected. The Manager stated that Jim Joyce is scheduled to return to the District on May 15<sup>th</sup> for additional air flow testing.

- Consider authorizing the Manager-Engineer to request a proposal from Veolia Water North America to amend the service agreement to include operation and maintenance of the Recycled Water Facility. The Manager gave an overview of the completion dates of the recycled water facility and commented on Veolia's performance in the operation and maintenance of the wastewater facility. She requested authorization to request a proposal from Veolia Water to amend their service agreement to include the operation and maintenance of the Recycled Water Facility. She stated that contract costs would be paid out of the fees collected from the end users of the recycled water.

*On motion of Member Peters, seconded by Member Welsh, and carried unanimously, the Board authorized the Manager-Engineer to request a proposal from Veolia Water North America to amend the Contract Service Agreement to include operating and maintaining the new Recycled Water Treatment Facility.*

- Presidential appointment of an Adhoc Wastewater Service Agreement Update Committee. The Manager recommended that President Long appoint an Adhoc Contract Update Committee to address the scope of work for the proposed contract amendment.

President Long appointed Members Peters and Mariani to be on the Adhoc Wastewater Service Agreement Update Committee. Both members accepted the appointment.

#### SEWER SERVICE CHARGES:

- Presentation on draft revised Sewer Service Charge Ordinance. The Manager presented to the Board a revised version of the Draft Sewer Service Charge Ordinance, noting that minor corrections were made to reflect the correct year and to state the correct Ordinance No. 111.

- Set Public Hearing date for June 11, 2012 and authorize mailed notice pursuant to Proposition 218. The Manager outlined the necessary process to comply with the Proposition 218 Notice requirements.

Tom Gaffney, Principal, Bartle Wells Associates, provided a document to the Board dated March 26, 2012 titled "Financing Plan Update". The Update included the latest information on borrowing costs, capital costs, replacement costs and operating expenses. Mr. Gaffney discussed the tables included in the Update which summarized the plan for ongoing District financing and showed the potential impacts to future sewer service charges. The Board discussed with Mr. Gaffney the maximum rate increases from 2012/13 through 2015/16.

The Manager requested the Board set the Public Hearing for June 11<sup>th</sup> at 6:30 p.m. She stated that the Board would then consider whether or not to adopt the proposed rates at their regular Board meeting on June 25, 2012.

*On motion of Member Di Giorgio, seconded by Member Peters and passed unanimously, the Board set the date for the Public Hearing on Sewer Service Charges for June 11, 2012 and authorized the mailing of the Proposition 218 Notice for a maximum rate increase of 6.7% in 2012/13, 3.8% in 2013/14, 3.7% in 2014/15, and 3.6% in 2015/16.*

Mr. Gaffney left the Board meeting at 7:25 p.m.

AMENDMENT TO THE CONTRACT BETWEEN CALPERS AND NOVATO SANITARY DISTRICT:

- Consider adoption of a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of Novato Sanitary District to Provide Section 20475 (Different Level of Benefits) Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) Providing a Second Tier of Different Level of Benefits for New Miscellaneous Members. The Manager discussed the District's intentions to amend the CalPERS retirement contract to provide a second tier level of benefits for new employees. She noted that the employer contribution rate for FY 2011-12 will be 7.733% of reportable earnings for employees entering membership for the first time after the effective date of the contract amendment. She stated that the employer contribution rate of FY 2012-13 is projected to be 7.846% and that employee contributions will be 7% of reportable earnings.

*On motion of Member Mariani, seconded by Member Di Giorgio and carried unanimously, the Board adopted a Resolution of Intention to approve an amendment to the contract between the Board of Administration of CalPERS and the Board of Directors of Novato Sanitary District to provide Section 20475, Section 21353 and Section 20037 for new miscellaneous members.*

- Authorize Manager-Engineer to execute required CalPERS Certifications:

- i. Certification of Governing Body's Actions – CON-12
- ii. Certification of Compliance with Government Code Section 7507 – CON-12A
- iii. Certification of Compliance with Government Code Section 20475 – CON-39

*On motion of Member Mariani, seconded by Member Di Giorgio and carried unanimously, the Board authorized the Manager-Engineer to execute the above required CalPERS Certifications.*

PERSONNEL:

- Consider approval of an increase in the deferred compensation contribution for the Deputy Manager-Engineer. The Manager stated that the Adhoc Labor Relations Committee had met to consider an increase to the Deputy Manager-Engineer's deferred compensation contributions. She reported that a salary survey for the Deputy Manager's position was reviewed by the committee. The Board requested copies of this document and the Board Recorder provided the document to the Board. The Manager discussed the Deputy Manager-Engineer's current level of responsibility and his current pay scale. She stated that the committee recommends increasing his deferred compensation from the current 2.5% to 8% effective 1/1/2012.

Member Welsh discussed the salary survey document and stated that he felt the comparisons were not accurate.

*On motion of Member Di Giorgio, seconded by Member Mariani and carried with the following vote, the Board approved increasing the Deputy Manager-Engineer's deferred compensation from the current 2.5% to 8% effective 1/1/2012. Ayes: Di Giorgio, Long, Mariani, Peters. Noes: Welsh.*

STAFF REPORTS:

- Employer Rate Impacts due to CalPERS Discount Rate Change. The Manager stated that CalPERS has lowered the discount rate assumption from 7.75 to 7.50 percent. She stated that it is estimated that public agency employer contribution rates will increase by 1.0 to 2.0 percent and will take effect in the 2013/14 fiscal year.

BOARD MEMBER REPORTS:

Member Mariani encouraged Board members to attend the Spring CASA conference in Napa from April 25<sup>th</sup> through April 27<sup>th</sup>.

President Long and Members Di Giorgio, Mariani and Peters reported that they would be attending the conference.

President Long discussed his recent trip to Washington D.C. on behalf of the North Bay Water Reuse Authority (NBWRA). He stated that he visited with the Bureau of Reclamation, Congressional offices and Offices of Budget and Management. (NBWRA has obtained authorization from Congress to receive \$25 million (25% match) and is working with the U.S. Bureau of Reclamation to acquire federal funding that will provide a 25% federal match toward the first \$100 million of project construction costs. The Authority supported the efforts of Congressman Thompson and his Bill P.L. 102-575 that provides for Reclamation's continued participation in the implementation phase of the project.) President Long stated the trip was successful and very well organized.

MANAGER'S ANNOUNCEMENTS:

- The Manager announced that she will be on vacation beginning April 19<sup>th</sup> through May 10<sup>th</sup>. She stated that she will not be present for the April 23<sup>rd</sup> Board meeting but that Deputy Manager-Engineer Sandeep Karkal will be present as Board Secretary.

At 7:54 p.m. President Long concluded open session and announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957:

Public employee performance evaluation:  
Title: Manager-Engineer.

BOARD MEMBERS PRESENT FOR CLOSED SESSION: President William C. Long, Members Michael Di Giorgio, Jean Mariani, Jerry Peters and Dennis Welsh.

STAFF PRESENT: None.

The closed Session ended at 9:00 p.m.

REPORT FROM CLOSED SESSION:

There was no reportable action.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the Board meeting at 9:01 p.m.

Respectfully submitted,

Beverly B. James  
Secretary

Julie Swoboda, Recording