

May 14, 2012

A regular meeting of the Board of Directors of the Novato Sanitary District was held at 6:30 p.m., Monday, May 14, 2012, preceded by a closed session beginning at 5:30 p.m. at the District offices, 500 Davidson Street, Novato.

At 5:35 p.m. President Long announced the Board would meet in closed session to discuss the following matters on the Closed Session Agenda:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – (subdivision (a) of Section 54956.9).

Potential Administrative Civil Liability in the matter of sanitary sewer overflows and treatment plant violations including California Regional Water Quality Control Board Complaint No. R2-2010-0102.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James and District Counsel Kent Alm.

The closed Session ended at 6:15 p.m.

Open session began at 6:30 p.m.

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

STAFF PRESENT: Manager-Engineer-Secretary Beverly James, Administrative Secretary Julie Swoboda, and District Counsel Kent Alm. Deputy Manager-Engineer Sandeep Karkal was absent.

ALSO PRESENT: Dasse de longh, District employee and Novato resident
John Bailey, Veolia Water
Bob Guinan, Novato resident
Stan Dennison, Novato resident
Tom Gaffney, Principal, Bartle Wells Associates

PLEDGE OF ALLEGIANCE:

AGENDA APPROVAL: The agenda was approved as written.

REPORT FROM CLOSED SESSION:

District Counsel Kent Alm reported that the Novato Sanitary District Board of Directors approved a tentative settlement agreement with the California Regional Water Quality Control Board. He stated that if this agreement was acceptable, the Regional Board would presumably publish a tentative settlement on their website within the next week. He stated that the Agreement would be returned for final approval after 30 days.

PUBLIC COMMENT:

Stan Dennison, Novato resident, addressed the Board regarding the proposed increase in sewer service charges. He discussed previous years' annual charges and stated he felt the proposed rate increase was excessive. He stated he protested the rate increase.

Bob Guinan, Novato resident, requested an update of the landscaping and visual screening progress. He stated that odors emissions have improved but that he is still experiencing intermittent odors of the aeration basins.

REVIEW OF MINUTES:

Consider approval of minutes of the April 9 and April 23, 2012 Board meetings.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the April 9 and April 23, 2012 Board meeting minutes were approved.

CONSENT CALENDAR:

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

- a. Approval of Consent for Boundary Change and Waiver of Conducting Authority for Lands of Valley Memorial Park.
- b. Approval of regular disbursements in the amount of \$308,320.29, project account disbursements in the amount of \$1,055,203.71 and Board member disbursements in the amount of \$2,973.28.

BUDGET WORKSHOP:

2012-13 Budget Workshop. The Manager gave a PowerPoint presentation titled "Implementing the Strategic Plan; Budget Workshop 2012-13". The Board discussed the Strategic Plan Goals and Objectives in relationship to the financing plan update.

Tom Gaffney, Principal, Bartle Wells Associates, discussed the District's sewer service rate charges, stating that they are fair and competitive. He discussed his attendance at

the Marin County Association of Realtors meeting where he reviewed wastewater treatment rates and the cost methods used to calculate sewer service charges: fixed costs vs. variable costs. He outlined the advantages of using the fixed cost method.

President Long requested Mr. Gaffney return to the June 11th Board meeting/Public Hearing and give a presentation outlining the fixed cost method to calculate sewer service charges. Mr. Gaffney agreed to this request.

ADMINISTRATION:

- Review Quarterly Revenue and Expenditure Report for period ended March 31, 2012. The Manager reviewed the Revenue and Expenditure Report for Quarter ended March 2012 and discussed the information with the Board.

- Consider approval of budget amendments. The Manager requested amendments to the current budget for account No. 60150: Collection System Repairs & Maintenance in the amount of \$20,000 and for account No. 65101: Pump Stations Operating Chemicals in the amount of \$73,000.

On motion of Member Mariani, seconded by Member Peters and carried unanimously, the Board approved the FY 2011-12 Budget Amendments to account No. 60150 in the amount of \$20,000 and to account No. 65101 in the amount of \$73,000.

- Consider authorizing staff to contract with Maze and Associates to perform financial audits for 2011-12, 2012-13 and 2013-14. The Manager stated that ten accounting firms submitted proposals which were thoroughly reviewed and evaluated by staff. She stated that the process yielded three very well-qualified firms: Maze & Associates, Moss, Levy & Hartzheim, LLP and Cropper Accountancy. The Manager stated that after careful consideration, she recommends that the audit firm Maze and Associates be retained to perform the District audit for fiscal year 2011-12.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board approved the retention of Maze and Associates to perform the District audit for fiscal year 2011-12.

ANNUAL COLLECTION SYSTEM REPAIRS 72803:

- Review bids and consider acceptance of lowest responsive bid, and authorize Manager-Engineer to execute contract for repair or replacement of sewer mains at San Marin Drive at San Mateo Drive; Eucalyptus Avenue between Devonshire Drive and Mendocino Lane; and Raposa Vista at Pico Vista. The Manager stated that three bids were received for the project and that Maggiora & Ghilotti was the lowest bid at \$79,479.00. She requested the Board accept the bid and authorize execution of the contract.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board authorized the Manager-Engineer to execute a Contract with Maggiora & Ghilotti in the amount of \$79,479.00 for the Annual Collection System Repairs, 2012 Sewer Repairs, Group 1; Project 72803-11-04

- Review bids and consider acceptance of lowest responsive bid, and authorize the Manager-Engineer to execute contract for repair or replacement of sewer mains on Simmons Lane at San Marin Drive. The Manager stated that four bids were received for the project and that Team Ghilotti was the lowest bid at \$37,721.00. She requested the Board accept the bid and authorize execution of the contract.

On motion of Member Di Giorgio, seconded by Member Peters and carried unanimously, the Board authorized the Manager-Engineer to execute a Contract with Team Ghilotti in the amount of \$37,721.00 for the Annual Collection System Repairs-Simmons Lane Sewer Repairs 2012; Project 72803-11-05.

BOARD MEMBER REPORTS:

President Long stated that he, Ginger Bryant and Jack Baker, met with Supervisor Judy Arnold to discuss the District's participation in the North Bay Water Reuse Authority's Phase 2 Project. The Manager stated that the District has budgeted for full participation in the Project.

Member Di Giorgio discussed his participation at the North Bay Watershed Association meeting which was held in Napa on May 4th.

- California Association of Sanitation Agencies Conference, April 25-27, 2012. The Board members discussed their participation at the CASA Conference that was held in Napa, April 25th - 27th. President Long and Members Di Giorgio, Mariana, Peters and Welsh attended the conference.

- Novato Sanitary District Retirement Benefit Matrix. President Long discussed the Retirement Benefit Comparison matrix that was prepared by staff and included in the Board agenda packet. He stated that this comparison should be included with the letter the Board would prepare for Governor Jerry Brown supporting his twelve point pension reform plan.

MANAGER'S ANNOUNCEMENTS:

- The District has received 14 protest letters/notices as of May 14, 2012.
- The North Bay Water Reuse Authority meeting will be held at 9:00 a.m. on May 21st at the District office.
- The Wastewater Operations Committee meeting will be held at 2:00 p.m. on May 21st at the District office.

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- The Solid Waste Committee meeting will be held at 4:30 p.m. on May 21st at the District office.

ADJOURNMENT: There being no further business to come before the Board, President Long adjourned the Board meeting at 8:15 p.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording